RENAISSANCERE HOLDINGS LTD
Form 10-Q
May 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 March 31, 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 May 4, 2015 was 46,052,001.

RENAISSANCERE HOLDINGS LTD.
TABLE OF CONTENTS

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 inherent uncertainties in our reserving process, particularly in regards to large catastrophic events and longer tail casualty lines, the uncertainties of which we expect to increase as our product and geographical diversity increases;
- the frequency and severity of catastrophic and other events which we cover could exceed our estimates and cause losses greater than we expect;
- 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 the trend toward potentially significant 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 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;
- 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;

- risks relating to deteriorating market conditions, including the risks of decreasing revenues, margins, capital efficiency and returns;
- a contention by the Internal Revenue Service that Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), or any of our other Bermuda 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, 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, which risks we believe are currently enhanced in light of the current macroeconomic uncertainty and the recent period of economic 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 do not meet their obligations to us or do 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 which would adversely impact us;
- the risk of potential challenges to the claim of exemption from insurance regulation of RenaissanceRe and certain of our subsidiaries in certain jurisdictions under certain 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 that there could be 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;
- risks relating to changes in regulatory regimes and/or accounting rules, which could result in significant changes to our financial results, including but not limited to, the European Union ("EU") directive concerning capital adequacy, risk management and regulatory reporting for insurers; and
- risks relating to our 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.

The factors listed above should not be construed as exhaustive. Certain of these risk factors and others are described in more detail from time to time 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 | March 31, 2015 (Unaudited) | December 31, 2014 (Audited) |
|---|---|---|
| Fixed maturity investments trading, at fair value (Amortized cost $5,960,109 and $4,749,613 at March 31, 2015 and December 31, 2014, respectively) | $5,982,843 | $4,756,685 |
| Fixed maturity investments available for sale, at fair value (Amortized cost $22,156 and $23,772 at March 31, 2015 and December 31, 2014, respectively) | 25,086 | 26,885 |
| Short term investments, at fair value | 1,775,819 | 1,013,222 |
| Equity investments trading, at fair value | 261,656 | 322,098 |
| Other investments, at fair value | 514,906 | 504,147 |
| Investments in other ventures, under equity method | 123,743 | 120,713 |
| Total investments | 8,684,053 | 6,743,750 |
| Cash and cash equivalents | 557,618 | 525,584 |
| Premiums receivable | 866,418 | 440,007 |
| Prepaid reinsurance premiums | 233,062 | 94,810 |
| Reinsurance recoverable | 82,696 | 66,694 |
| Accrued investment income | 40,583 | 26,509 |
| Deferred acquisition costs | 146,053 | 110,059 |
| Receivable for investments sold | 121,530 | 52,390 |
| Other assets | 273,851 | 135,845 |
| Goodwill and other intangible assets | 281,334 | 7,902 |
| Total assets | $11,287,198 | $8,203,550 |
| Liabilities, Noncontrolling Interests and Shareholders' Equity | | |
| Liabilities | | |
| Reserve for claims and claim expenses | $2,781,568 | $1,412,510 |
| Unearned premiums | 983,137 | 512,386 |
| Debt | 826,774 | 249,522 |
| Reinsurance balances payable | 495,045 | 454,580 |
| Payable for investments purchased | 217,986 | 203,021 |
| Other liabilities | 231,968 | 374,108 |
| Total liabilities | 5,536,478 | 3,206,127 |
| Commitments and Contingencies | | |
| Redeemable noncontrolling interest | 968,431 | 1,131,708 |
| Shareholders' Equity | | |
| Preference shares: $1.00 par value – 16,000,000 shares issued and outstanding at March 31, 2015 (December 31, 2014 – 16,000,000) | 400,000 | 400,000 |
| Common shares: $1.00 par value – 46,025,698 shares issued and outstanding at March 31, 2015 (December 31, 2014 – 38,441,972) | 46,026 | 38,442 |
| Additional paid-in capital | 754,941 | — |
| Accumulated other comprehensive income | 3,342 | 3,416 |
| Retained earnings | 3,577,980 | 3,423,857 |
| Total shareholders' equity attributable to RenaissanceRe | 4,782,289 | 3,865,715 |
| Total liabilities, noncontrolling interests and shareholders' equity | $11,287,198 | $8,203,550 |

See accompanying notes to the consolidated financial statements

6

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Operations
For the three months ended March 31, 2015 and 2014
(in thousands of United States Dollars, except per share amounts) (Unaudited)

| | Three months ended March 31, 2015 | Three months ended March 31, 2014 |
|---|---|---|
| Revenues | | |
| Gross premiums written | $643,578 | $705,260 |
| Net premiums written | $404,035 | $450,347 |
| Increase in unearned premiums | (107,275) | (163,813) |
| Net premiums earned | 296,760 | 286,534 |
| Net investment income | 39,707 | 38,948 |
| Net foreign exchange losses | (3,130) | (1,061) |
| Equity in earnings of other ventures | 5,295 | 4,199 |
| Other income | 1,539 | 62 |
| Net realized and unrealized gains on investments | 41,749 | 14,927 |
| Total revenues | 381,920 | 343,609 |
| Expenses | | |
| Net claims and claim expenses incurred | 76,853 | 58,915 |
| Acquisition expenses | 43,401 | 33,700 |
| Operational expenses | 45,621 | 42,624 |
| Corporate expenses | 45,598 | 4,545 |
| Interest expense | 5,251 | 4,293 |
| Total expenses | 216,724 | 144,077 |
| Income before taxes | 165,196 | 199,532 |
| Income tax benefit (expense) | 47,904 | (166) |
| Net income | 213,100 | 199,366 |
| Net income attributable to noncontrolling interests | (39,662) | (42,768) |
| Net income attributable to RenaissanceRe | 173,438 | 156,598 |
| Dividends on preference shares | (5,595) | (5,595) |
| Net income available to RenaissanceRe common shareholders | $167,843 | $151,003 |
| Net income available to RenaissanceRe common shareholders per common share – basic | $4.18 | $3.61 |
| Net income available to RenaissanceRe common shareholders per common share – diluted | $4.14 | $3.56 |
| Dividends per common share | $0.30 | $0.29 |

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2015 and 2014
(in thousands of United States Dollars) (Unaudited)

| | Three months ended March 31, 2015 | Three months ended March 31, 2014 |
|---|---|---|
| Comprehensive income | | |
| Net income | $213,100 | $199,366 |
| Change in net unrealized gains on investments | (74) | (168) |
| Comprehensive income | 213,026 | 199,198 |
| Net income attributable to noncontrolling interests | (39,662) | (42,768) |
| Comprehensive income attributable to noncontrolling interests | (39,662) | (42,768) |
| Comprehensive income attributable to RenaissanceRe | $173,364 | $156,430 |
| Disclosure regarding net unrealized gains | | |
| Total net realized and unrealized holding (gains) losses on investments and net other-than-temporary impairments | $(23) | $(168) |
| Net realized gains on fixed maturity investments available for sale | (51) | — |
| Change in net unrealized gains on investments | $(74) | $(168) |

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders’ Equity
For the three months ended March 31, 2015 and 2014
(in thousands of United States Dollars) (Unaudited)

| | Three months ended March 31, 2015 | Three months ended March 31, 2014 |
|---|---|---|
| Preference shares | | |
| Balance – January 1 | $400,000 | $400,000 |
| Balance – March 31 | 400,000 | 400,000 |
| Common shares | | |
| Balance – January 1 | 38,442 | 43,646 |
| Issuance of shares | 7,435 | — |
| Repurchase of shares | — | (2,978) |
| Exercise of options and issuance of restricted stock awards | 149 | 188 |
| Balance – March 31 | 46,026 | 40,856 |
| Additional paid-in capital | | |
| Balance – January 1 | — | — |
| Issuance of shares | 754,384 | — |
| Repurchase of shares | — | 4,179 |
| Change in noncontrolling interests | (260) | (35) |
| Exercise of options and issuance of restricted stock awards | 817 | (4,144) |
| Balance – March 31 | 754,941 | — |
| Accumulated other comprehensive income | | |
| Balance – January 1 | 3,416 | 4,131 |
| Change in net unrealized gains on investments | (74) | (168) |
| Balance – March 31 | 3,342 | 3,963 |
| Retained earnings | | |
| Balance – January 1 | 3,423,857 | 3,456,607 |
| Net income | 213,100 | 199,366 |
| Net income attributable to noncontrolling interests | (39,662) | (42,768) |
| Repurchase of shares | — | (278,252) |
| Dividends on common shares | (13,720) | (11,899) |
| Dividends on preference shares | (5,595) | (5,595) |
| Balance – March 31 | 3,577,980 | 3,317,459 |
| Total shareholders’ equity | $4,782,289 | $3,762,278 |

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the three months ended March 31, 2015 and 2014
(in thousands of United States Dollars) (Unaudited)

| | Three months ended | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Cash flows provided by operating activities | | |
| Net income | $213,100 | $199,366 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities | | |
| Amortization, accretion and depreciation | 4,813 | 8,305 |
| Equity in undistributed earnings of other ventures | (3,676) | (1,204) |
| Net realized and unrealized gains on investments | (41,749) | (14,927) |
| Net unrealized gains included in net investment income | (4,885) | (4,980) |
| Change in: | | |
| Premiums receivable | (193,690) | (194,701) |
| Prepaid reinsurance premiums | (130,801) | (141,620) |
| Reinsurance recoverable | (12,274) | 2,063 |
| Deferred acquisition costs | (35,914) | (40,206) |
| Reserve for claims and claim expenses | (28,787) | (30,847) |
| Unearned premiums | 238,075 | 305,433 |
| Reinsurance balances payable | 35,995 | 175,622 |
| Other | (158,812) | (215,665) |
| Net cash (used in) provided by operating activities | (118,605) | 46,639 |
| Cash flows provided by investing activities | | |
| Proceeds from sales and maturities of fixed maturity investments trading | 2,075,678 | 1,996,035 |
| Purchases of fixed maturity investments trading | (1,490,123) | (1,768,996) |
| Proceeds from sales and maturities of fixed maturity investments available for sale | 1,757 | 4,090 |
| Net sales (purchases) of equity investments trading | 50,627 | (279) |
| Net sales of short term investments | 112,795 | 67,313 |
| Net (purchases) sales of other investments | (7,952) | 2,116 |
| Net (purchases) sales of investments in other ventures | (126) | 915 |
| Net purchases of other assets | (2,500) | — |
| Net purchase of Platinum | (678,152) | — |
| Net cash provided by investing activities | 62,004 | 301,194 |
| Cash flows provided by (used in) financing activities | | |
| Dividends paid – RenaissanceRe common shares | (13,720) | (11,899) |
| Dividends paid – preference shares | (5,595) | (5,595) |
| RenaissanceRe common share repurchases | (446) | (262,736) |
| Issuance of debt, net of expenses | 297,823 | — |
| Net third party redeemable noncontrolling interest share transactions | (180,285) | (147,943) |
| Net cash provided by (used in) financing activities | 97,777 | (428,173) |
| Effect of exchange rate changes on foreign currency cash | (9,142) | (529) |
| Net increase (decrease) in cash and cash equivalents | 32,034 | (80,869) |
| Cash and cash equivalents, beginning of period | 525,584 | 408,032 |
| Cash and cash equivalents, end of period | $557,618 | $327,163 |

See accompanying notes to the consolidated financial statements

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 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 Underwriters Bermuda, Ltd. ("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. Refer to "Note 3. Acquisition of Platinum" for additional information with respect to the acquisition of Platinum.
- Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), the Company's principal reinsurance subsidiary, provides property catastrophe and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis.
- 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, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.
- RenaissanceRe 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.
- RenaissanceRe Specialty Risks Ltd. ("RenaissanceRe Specialty Risks"), is a Bermuda-domiciled excess and surplus lines insurance company that is 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 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 Syndicate 1458.
- Effective January 1, 2013, the Company formed and launched a managed joint venture, Upsilon Reinsurance Fund Opportunities 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

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 Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("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, whether 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.

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 should be applied retrospectively, and upon transition, applicable disclosures for a change in an accounting principle shall 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.

NOTE 3. ACQUISITION OF PLATINUM

Overview

On November 23, 2014, RenaissanceRe entered into a definitive merger agreement with Platinum to acquire 100% of the outstanding common shares of Platinum for $76 per Platinum common share, or aggregate consideration of $1.93 billion. The transaction was completed on March 2, 2015.

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, provides property and casualty reinsurance coverage through reinsurance brokers to insurers and select reinsurers on a worldwide basis. The acquisition of Platinum is expected to benefit the combined companies' clients through an expanded product offering and enhanced broker relationships and it is also expected to accelerate 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 and $1.16 billion of cash. The cash consideration was partially funded through a pre-closing dividend from Platinum of $10 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-related expenses of $40.4 million in the three months ended March 31, 2015, which includes $11.5 million related to transaction costs, including due diligence, legal, accounting and investment banking fees and expenses, $0.9 million of costs related to the integration of Platinum within the RenaissanceRe organization, and $28.0 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 March 31, 2015 reflected on the Company’s consolidated balance

sheet at March 31, 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 March 31, 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 March 31, 2015) | (1,846) | |
| Net identifiable intangible assets at March 31, 2015 related to the acquisition of Platinum | $81,754 | |

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 Public Limited Company 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
The following table summarizes the results of Platinum since March 2, 2015 that have been included in the Company's consolidated statements of operations and comprehensive income.

| | For the period from March 2, 2015 to March 31, 2015 |
|---|---|
| Total revenues | $40,139 |
| Net loss attributable to RenaissanceRe common shareholders (1) | $(19,439) |

(1) Includes $28.0 million of compensation-related costs associated with terminating employees of Platinum.

Taxation
During the first quarter of 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 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 to be experienced 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 March 31, 2015. The following table presents unaudited pro forma consolidated financial information for the three months ended March 31, 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 | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Total revenues | $460,553 | $514,017 |
| Net income available to RenaissanceRe common shareholders | 182,806 | 199,094 |

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:

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| U.S. treasuries | $1,535,746 | $1,671,471 |
| Agencies | 152,272 | 96,208 |
| Municipals | 1,220,206 | — |
| Non-U.S. government (Sovereign debt) | 329,626 | 280,651 |
| Non-U.S. government-backed corporate | 151,446 | 146,467 |
| Corporate | 1,603,024 | 1,610,442 |
| Agency mortgage-backed | 339,279 | 312,333 |
| Non-agency mortgage-backed | 257,114 | 241,590 |
| Commercial mortgage-backed | 353,944 | 373,117 |
| Asset-backed | 40,186 | 24,406 |
| Total fixed maturity investments trading | $5,982,843 | $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 | | | |
|---|---|---|---|---|---|
| March 31, 2015 | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value | Non-Credit Other-Than-Temporary Impairments (1) |
| Agency mortgage-backed | $2,877 | $305 | $— | $3,182 | $— |
| Non-agency mortgage-backed | 9,054 | 1,937 | (3) | 10,988 | 640 |
| Commercial mortgage-backed | 7,287 | 581 | — | 7,868 | — |
| Asset-backed | 2,938 | 110 | — | 3,048 | — |
| Total fixed maturity investments available for sale | $22,156 | $2,933 | $(3) | $25,086 | $640 |

| | | 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.

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 | |
|---|---|---|---|---|---|---|
| March 31, 2015 | Amortized Cost | Fair Value | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Due in less than one year | $211,238 | $209,392 | $— | $— | $211,238 | $209,392 |
| Due after one through five years | 3,219,374 | 3,220,154 | — | — | 3,219,374 | 3,220,154 |
| Due after five through ten years | 1,018,158 | 1,018,252 | — | — | 1,018,158 | 1,018,252 |
| Due after ten years | 538,096 | 544,522 | — | — | 538,096 | 544,522 |
| Mortgage-backed | 933,152 | 950,337 | 19,218 | 22,038 | 952,370 | 972,375 |
| Asset-backed | 40,091 | 40,186 | 2,938 | 3,048 | 43,029 | 43,234 |
| Total | $5,960,109 | $5,982,843 | $22,156 | $25,086 | $5,982,265 | $6,007,929 |

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

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| Financials | $204,540 | $222,190 |
| Communications and technology | 17,905 | 31,376 |
| Industrial, utilities and energy | 15,735 | 28,859 |
| Consumer | 11,346 | 19,522 |
| Healthcare | 10,042 | 16,582 |
| Basic materials | 2,088 | 3,569 |
| Total | $261,656 | $322,098 |

Pledged Investments
At March 31, 2015, $2,549.8 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, $700.4 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 March 31, 2015, the Company held $116.1 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, Net Realized and Unrealized Gains on Investments and Net Other-Than-Temporary Impairments

The components of net investment income are as follows:

| | Three months ended | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Fixed maturity investments | $25,939 | $23,860 |
| Short term investments | 197 | 190 |
| Equity investments | 2,604 | 796 |
| Other investments | | |
| Hedge funds and private equity investments | 10,413 | 12,317 |
| Other | 3,508 | 4,528 |
| Cash and cash equivalents | 148 | 91 |
| | 42,809 | 41,782 |
| Investment expenses | (3,102) | (2,834) |
| Net investment income | $39,707 | $38,948 |

Net realized and unrealized gains on investments are as follows:

| | Three months ended | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Gross realized gains | $21,532 | $13,467 |
| Gross realized losses | (4,871) | (5,564) |
| Net realized gains on fixed maturity investments | 16,661 | 7,903 |
| Net unrealized gains on fixed maturity investments trading | 25,972 | 27,882 |
| Net realized and unrealized losses on investments-related derivatives | (4,208) | (10,899) |
| Net realized gains (losses) on equity investments trading | 7,481 | (79) |
| Net unrealized gains (losses) on equity investments trading | (4,157) | (9,880) |
| Net realized and unrealized gains on investments | $41,749 | $14,927 |

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

| | Three months ended March 31, 2015 | | |
|---|---|---|---|
| | Investments in other ventures | Fixed maturity investments available for sale | Total |
| Beginning balance | $303 | $3,113 | $3,416 |
| Other comprehensive income (loss) before reclassifications | 109 | (132) | (23) |
| 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 | — | (51) | (51) |
| Net current-period other comprehensive income (loss) | 109 | (183) | (74) |
| Ending balance | $412 | $2,930 | $3,342 |

| | Three months ended March 31, 2014 | | |
|---|---|---|---|
| | Investments in other ventures | Fixed maturity investments available for sale | Total |
| Beginning balance | $163 | $3,968 | $4,131 |
| Other comprehensive loss before reclassifications | (3) | (165) | (168) |
| Ending balance | $160 | $3,803 | $3,963 |

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 March 31, 2015 | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| Non-agency mortgage-backed | $— | $— | $68 | $(3) | $68 | $(3) |
| Total | $— | $— | $68 | $(3) | $68 | $(3) |

| | 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 March 31, 2015, the Company held two 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 three months ended March 31, 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 three months ended March 31, 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 | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Beginning balance | $498 | $561 |
| Reductions: | | |
| Securities sold during the period | (13) | (16) |
| Ending balance | $485 | $545 |

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 March 31, 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 | $1,535,746 | $1,535,746 | $— | $— |
| Agencies | 152,272 | — | 152,272 | — |
| Municipal | 1,220,206 | — | 1,220,206 | — |
| Non-U.S. government (Sovereign debt) | 329,626 | — | 329,626 | — |
| Non-U.S. government-backed corporate | 151,446 | — | 151,446 | — |
| Corporate | 1,603,024 | — | 1,587,550 | 15,474 |
| Agency mortgage-backed | 342,461 | — | 342,461 | — |
| Non-agency mortgage-backed | 268,102 | — | 268,102 | — |
| Commercial mortgage-backed | 361,812 | — | 361,812 | — |
| Asset-backed | 43,234 | — | 43,234 | — |
| Total fixed maturity investments | 6,007,929 | 1,535,746 | 4,456,709 | 15,474 |
| Short term investments | 1,775,819 | — | 1,775,819 | — |
| Equity investments trading | 261,656 | 261,656 | — | — |
| Other investments | | | | |
| Private equity partnerships | 271,074 | — | — | 271,074 |
| Catastrophe bonds | 221,780 | — | 221,780 | — |
| Senior secured bank loan fund | 19,679 | — | — | 19,679 |
| Hedge funds | 2,373 | — | — | 2,373 |
| Total other investments | 514,906 | — | 221,780 | 293,126 |
| Other assets and (liabilities) | | | | |
| Assumed and ceded (re)insurance contracts | 72,993 | — | — | 72,993 |
| Derivatives (1) | 7,376 | (492) | 7,892 | (24) |
| Other | (1,547) | — | (1,547) | — |
| Total other assets and (liabilities) | 78,822 | (492) | 6,345 | 72,969 |
| | $8,639,132 | $1,796,910 | $6,460,653 | $381,569 |

(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

25

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 March 31, 2015, the Company's U.S. treasuries fixed maturity investments were primarily priced by pricing services and had a weighted average effective yield of 0.8% 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 March 31, 2015, the Company's agency fixed maturity investments had a weighted average effective yield of 1.6% 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 March 31, 2015, the Company's municipal fixed maturity investments had a weighted average effective yield of 2.4% 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 March 31, 2015 had a weighted average effective yield of 1.0% 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 0.9% and a weighted average credit quality of AA at March 31, 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 March 31, 2015, the Company’s corporate fixed maturity investments principally consist of U.S. and international corporations and had a weighted average effective yield of 3.0% 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 March 31, 2015, the Company’s agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average effective yield of 1.7%, a weighted average credit quality of AA and a weighted average life of 5.4 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 March 31, 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 non-investment grade, 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 March 31, 2015 had a weighted average effective yield of 4.0%, a weighted average credit quality of BBB and a weighted average life of 5.0 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 March 31, 2015 had a weighted average effective yield of 1.9%, a weighted average credit quality of AA, and a weighted average life of 3.1 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 March 31, 2015, the Company’s asset-backed fixed maturity investments had a weighted average effective yield of 1.3%, 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 March 31, 2015 of $1.5 million were principally 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 March 31, 2015 | Fair Value (Level 3) | Valuation Technique | Unobservable (U) and Observable (O) Inputs | Low | High | Weighted Average or Actual |
|---|---|---|---|---|---|---|
| Fixed maturity investments | | | | | | |
| Corporate | $15,474 | Discounted cash flow (“DCF”) | Credit spread (U) | n/a | n/a | 1.2 % |
| | | | Liquidity discount (U) | n/a | n/a | 1.0 % |
| | | | Risk-free rate (O) | n/a | n/a | 0.2 % |
| | | | Dividend rate (O) | n/a | n/a | 6.5 % |
| Total fixed maturity investments | 15,474 | | | | | |
| Other investments | | | | | | |
| Private equity partnerships | 271,074 | Net asset valuation | Estimated performance (U) | (12.6 )% | 23.0 % | 4.7 % |
| Senior secured bank loan fund | 19,679 | Net asset valuation | Estimated performance (U) | n/a | n/a | 0.7 % |
| Hedge funds | 2,373 | Net asset valuation | Estimated performance (U) | 0.0 % | 0.0 % | 0.0 % |
| Total other investments | 293,126 | | | | | |
| Other assets and (liabilities) | | | | | | |
| Assumed and ceded (re)insurance contracts | 82,298 | Internal valuation model | Estimated contract period (U) | n/a | n/a | 746 |
| | | | Credit spread above risk-free rate (U) | n/a | n/a | 2.4 % |
| | | | Net claims and claim expenses ceded (U) | n/a | n/a | $— |
| Assumed and ceded (re)insurance contracts | (1,116 ) | Internal valuation model | Bond price (U) | $98.19 | $98.81 | $98.52 |
| | | | Liquidity premium (U) | n/a | n/a | 1.3 % |
| | (8,189 ) | | | n/a | n/a | $(10,790 ) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Assumed and ceded (re)insurance contracts | | Internal valuation model | Net undiscounted cash flows (U) | | | |
| | | | Expected loss ratio (U) | n/a | n/a | 34.0 % |
| | | | Net acquisition expense ratio (O) | 1.0 % | 13.0 % | 10.0 % |
| | | | Contract period (O) | 549 | 1,100 | 830 |
| | | | Discount rate (U) | n/a | n/a | 0.9 % |
| Total assumed and ceded (re)insurance contracts | 72,993 | | | | | |
| Weather contract | (24 ) | Internal valuation model | See below | n/a | n/a | See below |
| Total other assets and (liabilities) | 72,969 | | | | | |
| | $381,569 | | | | | |

29

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 with a fair value of $15.5 million at March 31, 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 March 31, 2015, the dividend rate was 6.5%. In addition, the Company has estimated a liquidity discount of 1.0%, a risk-free rate of 0.2% and a credit spread of 1.2%. 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 $271.1 million of investments in private equity partnerships at March 31, 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 March 31, 2015 was negative 12.6% to positive 23.0% with a weighted average of positive 4.7%. 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 March 31, 2015 the Company had $19.7 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 March 31, 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 March 31, 2015 the Company had an $82.3 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 contract period remaining, the credit spread above the risk-free rate and net claims and claim expenses ceded. The credit spread above the risk-free rate is determined by reviewing the credit spreads of fixed maturity investments through observable market data, as well as considering illiquidity and the structure of these contracts. The fair value of the reinsurance deposit assets may increase or decrease due to changes in the estimated contract period remaining, the credit spread and net claims and claim expenses ceded. Generally, a decrease in the credit spread or a decrease in net claims and claim expenses ceded would result in an increase in the fair value of the reinsurance deposit assets. Conversely, an increase in the credit spread or an increase in net claims and claim expenses ceded would result in a decrease in the fair value of the reinsurance deposit assets.

Level 3 - At March 31, 2015 the Company had a $1.1 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 March 31, 2015 the Company had an $8.2 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 March 31, 2015 the Company had a $24 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 - January 1, 2015 | $15,660 | $303,818 | $(8,934) | $310,544 |
| Total unrealized (losses) gains | | | | |
| Included in net investment income | (186) | 5,014 | 160 | 4,988 |
| Total realized gains | | | | |
| Included in other income | — | — | 1,316 | 1,316 |
| Total foreign exchange (losses) gains | — | (2,498) | 6 | (2,492) |
| Purchases | — | 5,738 | 80,421 | 86,159 |
| Settlements | — | (18,946) | — | (18,946) |
| Balance - March 31, 2015 | $15,474 | $293,126 | $72,969 | $381,569 |
| Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income | $(186) | $5,014 | $160 | $4,988 |

32

| | 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 (losses) | | | | |
| Included in net investment income | 9,558 | 7,876 | 1,216 | 18,650 |
| Total foreign exchange gains (losses) | — | 6 | (33) | (27) |
| Purchases | — | 15,001 | — | 15,001 |
| Settlements | — | (24,353) | — | (24,353) |
| Balance - March 31, 2014 | $37,138 | $342,778 | $(1,307) | $378,609 |
| Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income | $9,558 | $7,876 | $1,216 | $18,650 |

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, 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 March 31, 2015 were debt obligations of $826.8 million (December 31, 2014 - $249.5 million). At March 31, 2015, the fair value of the Company's debt obligations was $863.6 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:

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| Other investments | $514,906 | $504,147 |
| Other assets | $86,676 | $5,664 |
| Other liabilities | $13,683 | $14,408 |

Included in net investment income for the three months ended March 31, 2015 was net unrealized gains of $4.9 million related to the changes in fair value of other investments (2014 – gains of $5.0 million). Net unrealized gains related to the changes in the fair value of other assets and liabilities recorded in other income was $Nil for the three months ended March 31, 2015 (2014 - $Nil).

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 March 31, 2015 | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period (Minimum Days) | Redemption Notice Period (Maximum Days) |
|---|---|---|---|---|---|
| Private equity partnerships | $271,074 | $157,729 | See below | See below | See below |
| Senior secured bank loan fund | 19,679 | 5,924 | See below | See below | See below |
| Hedge funds | 2,373 | — | See below | See below | See below |
| Total other investments measured using net asset valuations | $293,126 | $163,653 | | | |

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 – The Company has $19.7 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 March 31, 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 March 31, 2015 | March 31, 2014 |
|---|---|---|
| Premiums written | | |
| Direct | $30,813 | $13,855 |
| Assumed | 612,765 | 691,405 |
| Ceded | (239,543) | (254,913) |
| Net premiums written | $404,035 | $450,347 |
| Premiums earned | | |
| Direct | $22,901 | $14,229 |
| Assumed | 382,603 | 385,598 |
| Ceded | (108,744) | (113,293) |
| Net premiums earned | $296,760 | $286,534 |
| Claims and claim expenses | | |
| Gross claims and claim expenses incurred | $88,995 | $68,150 |
| Claims and claim expenses recovered | (12,142) | (9,235) |
| Net claims and claim expenses incurred | $76,853 | $58,915 |

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:

| | March 31, 2015 | | December 31, 2014 | |
|---|---|---|---|---|
| | Fair Value | Carrying Value | Fair Value | Carrying Value |
| 3.700% Senior Notes due 2025 | $300,450 | $299,400 | $— | $— |
| 5.75% Senior Notes due 2020 | 285,000 | 249,545 | 279,000 | 249,522 |
| Series B 7.50% Senior Notes due 2017 | 278,116 | 277,829 | — | — |
| | $863,566 | $826,774 | $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 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 were issued pursuant to an Indenture, dated as of March 24, 2015, by and among RenaissanceRe, RenaissanceRe Finance, and Deutsche Bank Trust Company Americas, as trustee, as supplemented by a First Supplemental Indenture, dated as of March 24, 2015. The notes contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the 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”)

On March 17, 2010, RRNAH issued $250.0 million of its 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15 of each year. The notes, which are senior obligations, are guaranteed by RenaissanceRe and may be redeemed by RRNAH prior to maturity, subject to the payment of a “make-whole” premium. The notes were issued pursuant to an Indenture, dated as of March 17, 2010, by and among RenaissanceRe, RRNAH, and Deutsche Bank Trust Company Americas, as trustee, as supplemented by a First Supplemental Indenture, dated as of March 17, 2010. The notes contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries.

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

Subsequent to the acquisition of Platinum, Platinum Underwriters Finance, Inc., as issuer (“Platinum Finance”), Platinum, as guarantor, RenaissanceRe, as parent guarantor, and The Bank of New York Mellon, as trustee, entered into a Third Supplemental Indenture, dated as of March 3, 2015 (the “Third Supplemental Indenture”). The Third Supplemental Indenture amends the Indenture, dated as of May 26, 2005 (as supplemented by a First Supplemental Indenture, dated as of May 26, 2005 and a Second Supplemental Indenture, dated as of November 2, 2005 (collectively, the “Platinum Finance Indenture”)), pursuant to which Platinum Finance previously issued $250.0 million in aggregate principal amount of its Series B 7.50% Notes due June 1, 2017 (the “Platinum Finance Notes”). Pursuant to the Third Supplemental Indenture and the Guarantee, dated as of March 3, 2015, executed by RenaissanceRe (the “RenRe Guaranty”), RenaissanceRe became an additional guarantor of Platinum Finance’s obligations under the Platinum Finance Notes and the Platinum Finance Indenture.

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 guaranteed by RenaissanceRe and Platinum 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, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries.

Credit Facilities

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

| At March 31, 2015 | Issued or Drawn |
|---|---|
| RenaissanceRe Revolving Credit Facility | $— |
| Uncommitted Standby Letter of Credit Facility with Wells Fargo | 73,584 |
| Bilateral Letter of Credit Facility with Citibank Europe | 139,463 |
| Funds at Lloyd’s Letter of Credit Facilities | |
| Renaissance Reinsurance Master Reimbursement Agreement | 300,000 |
| Specialty Risks Master Agreement | 8,609 |
| Platinum Syndicated Letter of Credit Facility | 88,833 |
| Platinum Letter of Credit Facility with NAB and ING | 6,931 |
| Total credit facilities in U.S. dollars | $617,420 |
| | |
| 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

RenaissanceRe is a party to a credit agreement, dated as of May 17, 2012 (the “Revolving Credit Agreement”), with various banks and financial institutions parties thereto (collectively, the “Revolving Lenders”), Wells Fargo Bank, National Association (“Wells Fargo”), as fronting bank, letter of credit administrator and administrative agent (the “Administrative Agent”) for the Revolving Lenders, and certain other agents. The Revolving Credit Agreement previously provided for commitments from the Revolving Lenders in an aggregate amount of $150.0 million, including the issuance of letters of credit for the respective accounts of RenaissanceRe and certain of RenaissanceRe’s subsidiaries. Effective as of May 23, 2013, RenaissanceRe entered into a First Amendment and Joinder to Credit Agreement (the “Amendment”) with the Administrative Agent and the Revolving Lenders. Among other items, the Amendment (i) increased the aggregate commitment of the Revolving Lenders to $250.0 million, (ii) added an additional bank as a Revolving Lender, and (iii) eliminated the commitment of the Revolving Lenders to issue letters of credit. After giving effect to the Amendment, RenaissanceRe has the right, subject to certain conditions, to increase the size of the facility up 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 March 31, 2015, the Company had no borrowings outstanding under the Revolving Credit Agreement.

The Revolving Credit Agreement contains representations, warranties and covenants customary for bank loan facilities of this type. In addition to customary covenants which limit RenaissanceRe and its subsidiaries’ ability to merge, consolidate, enter into negative pledge agreements, 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. These financial covenants generally provide that consolidated debt to capital shall not exceed the ratio of 0.35:1 and that for the three months ended March 31, 2015, the consolidated net worth of RenaissanceRe and Renaissance Reinsurance shall equal or exceed approximately $2.3 billion and $1.1 billion, respectively (the “Net Worth Requirements”). The Net Worth Requirements are recalculated effective as of the end of each fiscal year, as more fully set forth in the Revolving Credit Agreement.

In the event of the occurrence and continuation of certain events of default, the Administrative Agent shall, at the request of the Required Lenders (as defined in the Revolving Credit Agreement), or may, with the consent of the Required Lenders, among other things, take any or all of the following actions: terminate the Revolving Lenders’ obligations to make loans and accelerate the outstanding obligations of RenaissanceRe under the Revolving Credit Agreement.

The commitments under the Revolving Credit Agreement expire on May 17, 2015. Our ability to renew the Revolving Credit Agreement, and the terms of such renewal, if any, will depend upon the facts and circumstances at the time, including our financial position, operating results and credit and capital market conditions. In the event that RenaissanceRe is unable to renew the Revolving Credit Agreement at a reasonable price and otherwise on terms satisfactory to it or at all, or if RenaissanceRe decides not to renew the Revolving Credit Agreement in whole or in part, it may pursue alternative financing arrangements in order to meet its ongoing liquidity needs.

Uncommitted Standby Letter of Credit Facility with Wells Fargo

Effective as of December 23, 2014, RenaissanceRe and certain of its subsidiaries and affiliates, Renaissance Reinsurance, RenaissanceRe Specialty Risks and DaVinci (such affiliates, collectively, the “Applicants”), entered into a Standby Letter of Credit Agreement (the “Standby Letter of Credit Agreement”) with Wells Fargo. The 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 Applicants. RenaissanceRe has unconditionally guaranteed the payment obligations of Renaissance Reinsurance and Renaissance Specialty Risks under the Standby Letter of Credit Agreement and all other related credit documents.

In the Standby Letter of Credit Agreement, each of RenaissanceRe and the Applicants makes, as to itself, certain representations and warranties and severally agrees to comply with certain covenants, in each case, that are customary for facilities of this type. Under the Standby Letter of Credit Agreement, each Applicant is severally required to pledge to Wells Fargo at all times during the term of the Standby Letter of Credit Agreement eligible collateral having a value (as determined as therein provided) that equals or exceeds the

aggregate face amount of the outstanding letters of credit issued for its account plus all such Applicant’s payment and reimbursement obligations in respect of such letters of credit and under the Standby Letter of Credit Agreement. In the case of an event of default under the Standby Letter of Credit Agreement, Wells Fargo may exercise certain remedies, including conversion of collateral of a defaulting Applicant into cash.

At March 31, 2015, the Applicants had $73.6 million of letters of credit with effective dates on or before March 31, 2015 outstanding under the Standby Letter of Credit Agreement.

Bilateral Letter of Credit Facility with Citibank Europe

Pursuant to the facility letter, dated September 17, 2010 (as amended on July 14, 2011, October 1, 2013, December 23, 2014 and March 31, 2015, the “Facility Letter”), among Citibank Europe plc (“CEP”) and certain subsidiaries and affiliates of RenaissanceRe, 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 and RenaissanceRe Specialty Risks (each of which were original signatories to the Facility Letter), Renaissance Reinsurance of Europe and RenaissanceRe Specialty U.S. (each of which became parties to the Facility Letter effective October 1, 2013) and Platinum Bermuda and Renaissance Reinsurance U.S. (each of which became parties to the Facility Letter effective March 31, 2015). 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, with the exception of certain ancillary collateral documents, the agreements evidencing the bilateral letter of credit facility that had previously been in place among CEP, Platinum Bermuda and Platinum US (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 the Bilateral Facility and the terms of the Bilateral Facility apply to such letters of credit.

The Bilateral Facility is scheduled to expire on December 31, 2015. The Bilateral Facility is evidenced by the Facility Letter and seven separate master agreements between CEP and each of the Bilateral Facility Participants, as well as certain ancillary collateral agreements.

Under the Bilateral Facility, each of the Bilateral Facility Participants is severally obligated to pledge to CEP at all times during the term of the Bilateral Facility certain securities with a value (as determined as therein provided) 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 with respect to such Bilateral Facility Participant, including terminating its commitment to such Bilateral Facility Participant under the Bilateral Facility 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, as to itself, representations and warranties that are customary for facilities of this type and severally agrees that it will comply with certain informational and other undertakings, including those regarding the delivery of quarterly and annual financial statements.

At March 31, 2015, $139.5 million aggregate face amount of letters of credit was outstanding and, subject to the sublimits described above, $160.5 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. Pursuant to the Renaissance Reinsurance Pledge Agreement, Renaissance Reinsurance has agreed to pledge to CEP at all times during the term of the Renaissance Reinsurance Master Agreement certain qualifying securities with a value (as determined as therein provided) that equals or exceeds the aggregate face amount of the then-outstanding letters of credit issued under the Renaissance Reinsurance Master Agreement. At March 31, 2015, letters

38

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"). Pursuant to the Specialty Risks Pledge Agreement, RenaissanceRe Specialty Risks has agreed to pledge to CEP at all times during the term of the Specialty Risks Master Agreement certain qualifying securities with a value (as determined as therein provided) equal to the aggregate face amount of the then-outstanding letters of credit issued under the Specialty Risks Master Agreement. At March 31, 2015, letters of credit issued by CEP under the Specialty Risks Master Agreement were outstanding in the face amount of $8.6 million.

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

Platinum Syndicated Letter of Credit Facility

Effective March 2, 2015 and subsequent to the acquisition of Platinum, Platinum entered into a Consent and Amendment to Credit Agreement (the "Credit Agreement Amendment") with Wells Fargo, the lenders party thereto and certain subsidiaries of Platinum party thereto (the "Platinum Subsidiary Borrowers"). The Credit Agreement Amendment amends the Third Amended and Restated Credit Agreement, dated as of April 9, 2014, by and among Platinum, the Platinum Subsidiary Borrowers, Wells Fargo and the lenders party thereto (as amended, supplemented or otherwise modified from time to time, the "Platinum Credit Agreement"). Among other things, the Credit Agreement Amendment (i) evidences the consent to the acquisition of Platinum of the lenders under the Platinum Credit Agreement, (ii) reduces the aggregate amount available under the Platinum Credit Agreement to $100.0 million, all of which is available for letters of credit, (iii) eliminates the sublimit under the Platinum Credit Agreement for revolver borrowings, (iv) reflects the addition of RenaissanceRe as a guarantor of the obligations of Platinum and the Platinum Subsidiary Borrowers under the Platinum Credit Agreement and (v) eliminates or modifies certain of the covenants and events of default under the Platinum Credit Agreement.

Effective March 2, 2015, RenaissanceRe entered into a Guaranty for the benefit of the lenders under the Platinum Credit Agreement pursuant to which RenaissanceRe guaranteed the obligations of Platinum and the Platinum Subsidiary Borrowers under the Platinum Credit Agreement and agreed to certain information reporting and financial covenants. The financial covenants are the same financial covenants as in effect as of March 2, 2015 under the Revolving Credit Agreement.

At March 31, 2015, $88.8 million aggregate face amount of letters of credit was outstanding and $11.2 million remained unused and available to the Platinum Subsidiary Borrowers under the Platinum Credit Agreement.

Platinum Letter of Credit Facility with National Australia Bank Limited and ING Bank, N.V.

Effective March 2, 2015 and subsequent to the acquisition of Platinum, Platinum Bermuda, as borrower, and Platinum, as guarantor, entered into a Consent and Amendment to Facility Agreement (the "Facility Agreement Amendment") with National Australia Bank Limited ("NAB") and ING Bank, N.V. ("ING"). The Facility Agreement Amendment amends the Uncommitted $125.0 million Facility Agreement, dated as of July 31, 2012, by and among Platinum Bermuda, Platinum, National Australia Bank Limited and ING Bank, N.V. (as amended, supplemented or otherwise modified from time to time, the "Facility Agreement"). Among other things, the Facility Agreement Amendment (i) evidences the consent of NAB and ING to the acquisition of Platinum, (ii) reflects the addition of RenaissanceRe as a guarantor of the obligations of Platinum and Platinum Bermuda under the Facility Agreement and (iii) eliminates or modifies certain of the covenants and events of default under the Facility Agreement.

Effective March 2, 2015, RenaissanceRe entered into a Guaranty for the benefit of NAB and ING pursuant to which RenaissanceRe guaranteed the obligations of Platinum Bermuda and Platinum under the Facility Agreement and agreed to certain information reporting and financial covenants. The financial covenants are the same financial covenants as in effect as of March 2, 2015 under the Revolving Credit Agreement.

At March 31, 2015, $6.9 million aggregate face amount of letters of credit was outstanding under the Facility Agreement and $118.1 million remained unused and available to Platinum Bermuda under the Facility Agreement.

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.

DaVinciRe Loan Agreement

On March 30, 2011, DaVinciRe entered into a loan agreement with RenaissanceRe (the "DaVinciRe Loan Agreement") under which RenaissanceRe made a loan to DaVinciRe in the principal amount of $200.0 million on April 1, 2011. The loan matures on March 31, 2021 and interest on the loan is payable at a rate of three-month LIBOR plus 3.5% and is due at the end of each March, June, September and December, commencing on June 30, 2011. Under the terms of the DaVinciRe Loan Agreement, DaVinciRe is required to maintain a debt to capital ratio of no greater than 0.40:1 and a net worth of no less than $500.0 million. At March 31, 2015, $100.0 million remained outstanding under the DaVinciRe Loan Agreement. Refer to "Note 16. Subsequent Events" for additional information with respect to the DaVinciRe Loan Agreement and its payment in full on May 4, 2015.

NOTE 8. NONCONTROLLING INTERESTS

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

| | March 31, 2015 | December 31, 2014 |
|---|---|---|
| Redeemable noncontrolling interest - DaVinciRe | $867,734 | $1,037,306 |
| Redeemable noncontrolling interest - Medici | 100,697 | 94,402 |
| Redeemable noncontrolling interest | $968,431 | $1,131,708 |

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

| | Three months ended | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Redeemable noncontrolling interest - DaVinciRe | $38,326 | $41,180 |
| Redeemable noncontrolling interest - Medici | 1,336 | 1,588 |
| Net income attributable to noncontrolling interests | $39,662 | $42,768 |

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 March 31, 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 these transactions 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 these transactions 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. RenaissanceRe sold these shares 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.

Refer to “Note 16. Subsequent Events” for additional information with respect to DaVinciRe’s issuance of its senior notes.

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 | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Beginning balance | $1,037,306 | $1,063,368 |
| Redemption of shares from redeemable noncontrolling interest | (207,898) | (218,879) |
| Sale of shares to redeemable noncontrolling interests | — | 9,722 |
| Net income attributable to redeemable noncontrolling interest | 38,326 | 41,180 |
| Ending balance | $867,734 | $895,391 |

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 three months ended March 31, 2015, third-party investors subscribed for and redeemed an aggregate of $19.6 million and $14.7 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 48.6%, effective March 31, 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 | |
|---|---|---|
| | March 31, 2015 | March 31, 2014 |
| Beginning balance | $94,402 | $36,492 |
| Redemption of shares from redeemable noncontrolling interest | (14,684) | (1,875) |
| Sale of shares to redeemable noncontrolling interests | 19,643 | 55,385 |
| Net income attributable to redeemable noncontrolling interest | 1,336 | 1,588 |
| Ending balance | $100,697 | $91,590 |

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 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. Both Upsilon RFO and the insurance participation are managed by RUM in return for an expense override and profit commission.

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 January 2015, Upsilon RFO returned capital to all of the investors who participated in risks incepting on January 1, 2014 and expiring on December 31, 2014, including the Company. The total amount of capital agreed to be returned was $352.8 million, with $317.5 million of this repaid during January 2015.

In conjunction with risks incepting during the first quarter of 2015, $128.7 million of Upsilon RFO non-voting preference shares were sold to unaffiliated third-party investors through their investment in Upsilon Fund. Additionally, $41.3 million of the non-voting preference shares were acquired by the Company, representing a 24.3% participation in the risks assumed by Upsilon RFO incepting during the first quarter of 2015.

At March 31, 2015, the Company’s consolidated balance sheet included total assets and total liabilities of Upsilon RFO of $343.6 million and $343.6 million, respectively, including $10.0 million of capital raised from third party investors and received by Upsilon RFO prior to March 31, 2015 for risks incepted during the second quarter of 2015 (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 (“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 March 31, 2015, the total assets and total liabilities of Mona Lisa Re were $181.1 million and $181.1 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 $0.1 million and $0.1 million, respectively, during the three months ended March 31, 2015 (2014 - $Nil and $Nil, respectively). In addition, Renaissance Reinsurance and DaVinci recognized ceded premiums earned related to the ceded reinsurance contracts with Mona Lisa Re of $1.9 million and $1.3 million, respectively, during the three months ended March 31, 2015 (2014 - $2.4 million and $1.7 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, and RenaissanceRe paid a dividend of $0.30 per common share to common shareholders on March 31, 2015. During the three months ended March 31, 2015, the Company declared and paid $5.6 million in preference share dividends (2014 - $5.6 million) and $13.7 million in common share dividends (2014 - $11.9 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. 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 three months ended March 31, 2015, the Company did not repurchase any shares under its authorized share repurchase program. At March 31, 2015, $500.0 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" for additional information. Refer to "Note 16. Subsequent Events" for additional information with respect to share repurchases after March 31, 2015.

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 March 31, 2015 | March 31, 2014 |
|---|---|---|
| Numerator: | | |
| Net income available to RenaissanceRe common shareholders | $167,843 | $151,003 |
| Amount allocated to participating common shareholders (1) | (2,025) | (2,031) |
| Net income allocated to RenaissanceRe common shareholders | $165,818 | $148,972 |
| Denominator: | | |
| Denominator for basic income per RenaissanceRe common share - weighted average common shares | 39,631 | 41,238 |
| Per common share equivalents of employee stock options and restricted shares | 390 | 665 |
| Denominator for diluted income per RenaissanceRe common share - adjusted weighted average common shares and assumed conversions | 40,021 | 41,903 |
| Net income available to RenaissanceRe common shareholders per common share – basic | $4.18 | $3.61 |
| Net income available to RenaissanceRe common shareholders per common share – diluted | $4.14 | $3.56 |

(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 March 31, 2015 | Catastrophe Reinsurance | Specialty Reinsurance | Lloyd's | Other | Total |
|---|---|---|---|---|---|
| Gross premiums written (1) | $389,247 | $124,291 | $130,130 | $(90 ) | $643,578 |
| Net premiums written | $222,640 | $103,915 | $77,569 | $(89 ) | $404,035 |
| Net premiums earned | $143,767 | $94,876 | $58,206 | $(89 ) | $296,760 |
| Net claims and claim expenses incurred | 7,594 | 39,588 | 29,843 | (172 ) | 76,853 |
| Acquisition expenses | 7,654 | 20,689 | 14,693 | | |