

RENAISSANCERE HOLDINGS LTD

Form 10-Q

July 26, 2017

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 June 30, 2017

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 Number: 001-14428

RENAISSANCERE HOLDINGS LTD.

(Exact Name Of Registrant As Specified In Its Charter)

Bermuda 98-014-1974

(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)

Renaissance House, 12 Crow Lane HM 19

Pembroke, Bermuda

(Address of Principal Executive Offices) (Zip Code)

(441) 295-4513

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Act.

Large accelerated filer Q, Accelerated filer o, Non-accelerated filer o (do not check if a smaller reporting company),

Smaller reporting company o, Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The number of Common Shares, par value US \$1.00 per share, outstanding at July 21, 2017 was 40,265,190.

RENAISSANCERE HOLDINGS LTD.
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NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”) of RenaissanceRe Holdings Ltd. (“RenaissanceRe”) 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”, “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.

The inclusion of forward-looking statements in this report should not be considered as a representation by us or any other person that our current 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:

- the frequency and severity of catastrophic and other events we cover;
- the effectiveness of our claims and claim expense reserving process;
- our ability to maintain our financial strength ratings;
- the effect of climate change on our business;
- the effects of United States (“U.S.”) business tax reform proposals;
- adverse tax developments, including potential changes to the taxation of inter-company or related party transactions, or changes to the tax treatment of our shareholders or investors in our joint ventures or other entities we manage;
- the effect of emerging claims and coverage issues;
- continued soft reinsurance underwriting market conditions;
- our reliance on a small and decreasing number of reinsurance brokers and other distribution services for the preponderance of our revenue;
- our exposure to credit loss from counterparties in the normal course of business;
- the effect of continued challenging economic conditions throughout the world;
- a contention by the Internal Revenue Service (the “IRS”) that Renaissance Reinsurance Ltd. (“Renaissance Reinsurance”), or any of our other Bermuda subsidiaries, is subject to taxation in the U.S.;
- the performance of our investment portfolio;
- losses we could face from terrorism, political unrest or war;
- the effect of cybersecurity risks, including technology breaches or failure, on our business;
- our ability to successfully implement our business strategies and initiatives;
- our ability to retain our key senior officers and to attract or retain the executives and employees necessary to manage our business;
- our ability to determine the impairments taken on our investments;
- the availability of retrocessional reinsurance on acceptable terms;
- the effects of inflation;

the ability of our ceding companies and delegated authority counterparties to accurately assess the risks they underwrite;

the effect of operational risks, including system or human failures;

our ability to effectively manage capital on behalf of investors in joint ventures or other entities we manage;

foreign currency exchange rate fluctuations;

our ability to raise capital if necessary;

our ability to comply with covenants in our debt agreements;

changes to the regulatory systems under which we operate, including as a result of increased global regulation of the insurance and reinsurance industry;

changes in Bermuda laws and regulations and the political environment in Bermuda;

- our dependence on the ability of our operating subsidiaries to declare and pay dividends;
- the success of any of our strategic investments or acquisitions, including our ability to manage our operations as our product and geographical diversity increases;

aspects of our corporate structure that may discourage third party takeovers and other transactions;

the cyclical nature of the reinsurance and insurance industries;

adverse legislative developments that reduce the size of the private markets we serve or impede their future growth;

other political, regulatory or industry initiatives adversely impacting us;

risks related to Solvency II;

the effect on our business of the highly competitive nature of our industry, including the effect of new entrants to, competing products for and consolidation in the (re)insurance industry;

consolidation of competitors, customers and insurance and reinsurance brokers;

increasing barriers to free trade and the free flow of capital;

international restrictions on the writing of reinsurance by foreign companies and government intervention in the natural catastrophe market;

the effect of Organization for Economic Co-operation and Development (the "OECD") or European Union ("EU") measures to increase our taxes and reporting requirements;

the effect of the vote by the U.K. to leave the EU;

changes in regulatory regimes and accounting rules that may impact financial results irrespective of business operations; and

our need to make many estimates and judgments in the preparation of our financial statements.

As a consequence, our future financial condition and results may differ from those expressed in any forward-looking statements made by or on behalf of us. The factors listed above, which are discussed in more detail in our filings with the U.S. Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2016, should not be construed as exhaustive. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to revise or update forward-looking statements to reflect new information, 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)

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Assets		
Fixed maturity investments trading, at fair value – amortized cost \$7,257,020 at June 30, 2017 (December 31, 2016 – \$6,920,690)	\$7,282,264	\$6,891,244
Short term investments, at fair value	1,070,950	1,368,379
Equity investments trading, at fair value	393,405	383,313
Other investments, at fair value	561,212	549,805
Investments in other ventures, under equity method	101,077	124,227
Total investments	9,408,908	9,316,968
Cash and cash equivalents	623,150	421,157
Premiums receivable	1,533,833	987,323
Prepaid reinsurance premiums	705,322	441,260
Reinsurance recoverable	370,586	279,564
Accrued investment income	40,118	38,076
Deferred acquisition costs	430,106	335,325
Receivable for investments sold	170,411	105,841
Other assets	176,816	175,382
Goodwill and other intangible assets	246,430	251,186
Total assets	\$13,705,680	\$12,352,082
Liabilities, Noncontrolling Interests and Shareholders' Equity		
Liabilities		
Reserve for claims and claim expenses	\$2,989,806	\$2,848,294
Unearned premiums	1,847,206	1,231,573
Debt	988,866	948,663
Reinsurance balances payable	1,052,494	673,983
Payable for investments purchased	407,312	305,714
Other liabilities	222,658	301,684
Total liabilities	7,508,342	6,309,911
Commitments and Contingencies		
Redeemable noncontrolling interests	1,242,083	1,175,594
Shareholders' Equity		
Preference shares: \$1.00 par value – 16,000,000 shares issued and outstanding at June 30, 2017 (December 31, 2016 – 16,000,000)	400,000	400,000
Common shares: \$1.00 par value – 40,282,418 shares issued and outstanding at June 30, 2017 (December 31, 2016 – 41,187,413)	40,282	41,187
Additional paid-in capital	67,583	216,558
Accumulated other comprehensive (loss) income	(139	) 1,133
Retained earnings	4,447,529	4,207,699
Total shareholders' equity attributable to RenaissanceRe	4,955,255	4,866,577
Total liabilities, noncontrolling interests and shareholders' equity	\$13,705,680	\$12,352,082

See accompanying notes to the consolidated financial statements

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RenaissanceRe Holdings Ltd. and Subsidiaries

Consolidated Statements of Operations

For the three and six months ended June 30, 2017 and 2016

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

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
Revenues				
Gross premiums written	\$827,415	\$759,128	\$1,749,505	\$1,621,261
Net premiums written	\$555,745	\$519,916	\$1,099,881	\$1,031,591
Increase in unearned premiums	(173,480)	(168,514)	(351,571)	(326,583)
Net premiums earned	382,265	351,402	748,310	705,008
Net investment income	54,163	54,124	108,488	82,987
Net foreign exchange gains (losses)	3,109	(690)	11,274	(2,382)
Equity in earnings of other ventures	5,543	6,022	4,036	7,633
Other income	2,392	2,654	4,057	6,733
Net realized and unrealized gains on investments	58,113	69,772	101,486	131,425
Total revenues	505,585	483,284	977,651	931,404
Expenses				
Net claims and claim expenses incurred	142,587	167,750	335,668	294,355
Acquisition expenses	88,251	69,005	171,533	134,597
Operational expenses	41,766	51,073	89,049	107,308
Corporate expenses	4,636	5,752	9,922	13,977
Interest expense	10,091	10,536	20,617	21,074
Total expenses	287,331	304,116	626,789	571,311
Income before taxes	218,254	179,168	350,862	360,093
Income tax expense	(3,904)	(6,612)	(4,238)	(9,356)
Net income	214,350	172,556	346,624	350,737
Net income attributable to redeemable noncontrolling interests	(37,612)	(30,635)	(71,939)	(75,226)
Net income attributable to RenaissanceRe	176,738	141,921	274,685	275,511
Dividends on preference shares	(5,596)	(5,596)	(11,191)	(11,191)
Net income available to RenaissanceRe common shareholders	\$171,142	\$136,325	\$263,494	\$264,320
Net income available to RenaissanceRe common shareholders per common share – basic	\$4.25	\$3.23	\$6.50	\$6.20
Net income available to RenaissanceRe common shareholders per common share – diluted	\$4.24	\$3.22	\$6.47	\$6.16
Dividends per common share	\$0.32	\$0.31	\$0.64	\$0.62

See accompanying notes to the consolidated financial statements

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RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three and six months ended June 30, 2017 and 2016
(in thousands of United States Dollars) (Unaudited)

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Comprehensive income				
Net income	\$214,350	\$172,556	\$346,624	\$350,737
Change in net unrealized gains on investments	219	672	(1,272)	229
Comprehensive income	214,569	173,228	345,352	350,966
Net income attributable to redeemable noncontrolling interests	(37,612)	(30,635)	(71,939)	(75,226)
Comprehensive income attributable to redeemable noncontrolling interests	(37,612)	(30,635)	(71,939)	(75,226)
Comprehensive income attributable to RenaissanceRe	\$176,957	\$142,593	\$273,413	\$275,740

See accompanying notes to the consolidated financial statements

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RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2017 and 2016
(in thousands of United States Dollars) (Unaudited)

	Six months ended	
	June 30, 2017	June 30, 2016
Preference shares		
Balance – January 1	\$400,000	\$400,000
Balance – June 30	400,000	400,000
Common shares		
Balance – January 1	41,187	43,701
Repurchase of shares	(1,052	) (2,420
Exercise of options and issuance of restricted stock awards	147	215
Balance – June 30	40,282	41,496
Additional paid-in capital		
Balance – January 1	216,558	507,674
Repurchase of shares	(148,608	) (269,847
Change in redeemable noncontrolling interests	(306	) (731
Exercise of options and issuance of restricted stock awards	(61	) 5,465
Balance – June 30	67,583	242,561
Accumulated other comprehensive (loss) income		
Balance – January 1	1,133	2,108
Change in net unrealized gains on investments	(1,272	) 229
Balance – June 30	(139	) 2,337
Retained earnings		
Balance – January 1	4,207,699	3,778,701
Cumulative effect of adoption of ASU 2016-09 (Note 2)	2,213	—
Net income	346,624	350,737
Net income attributable to redeemable noncontrolling interests	(71,939	) (75,226
Dividends on common shares	(25,877	) (26,198
Dividends on preference shares	(11,191	) (11,191
Balance – June 30	4,447,529	4,016,823
Total shareholders' equity	\$4,955,255	\$4,703,217

See accompanying notes to the consolidated financial statements

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RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2017 and 2016
(in thousands of United States Dollars) (Unaudited)

	Six months ended	
	June 30, 2017	June 30, 2016
Cash flows provided by operating activities		
Net income	\$ 346,624	\$ 350,737
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization, accretion and depreciation	11,499	11,036
Equity in undistributed losses (earnings) of other ventures	20,304	(2,308)
Net realized and unrealized gains on investments	(101,486)	(131,425)
Net unrealized (gains) losses included in net investment income	(12,491)	20,360
Change in:		
Premiums receivable	(546,510)	(554,658)
Prepaid reinsurance premiums	(264,062)	(302,421)
Reinsurance recoverable	(91,022)	(87,480)
Deferred acquisition costs	(94,781)	(131,772)
Reserve for claims and claim expenses	141,512	77,198
Unearned premiums	615,633	629,004
Reinsurance balances payable	378,511	229,725
Other	(62,708)	17,245
Net cash provided by operating activities	341,023	125,241
Cash flows provided by investing activities		
Proceeds from sales and maturities of fixed maturity investments trading	5,163,972	4,780,406
Purchases of fixed maturity investments trading	(5,451,362)	(4,984,820)
Proceeds from sales and maturities of fixed maturity investments available for sale	—	5,216
Net sales of equity investments trading	46,305	181,634
Net sales of short term investments	276,075	245,899
Net sales (purchases) of other investments	2,551	(52,778)
Net cash provided by investing activities	37,541	175,557
Cash flows used in financing activities		
Dividends paid – RenaissanceRe common shares	(25,877)	(26,198)
Dividends paid – preference shares	(11,191)	(11,191)
RenaissanceRe common share repurchases	(145,940)	(265,003)
Issuance of debt, net of expenses	295,866	—
Repayment of debt	(250,000)	—
Net third party redeemable noncontrolling interest share transactions	(33,655)	(43,909)
Taxes paid on withholding shares	(11,251)	(8,069)
Net cash used in financing activities	(182,048)	(354,370)
Effect of exchange rate changes on foreign currency cash	5,477	2,208
Net increase (decrease) in cash and cash equivalents	201,993	(51,364)
Cash and cash equivalents, beginning of period	421,157	506,885
Cash and cash equivalents, end of period	\$ 623,150	\$ 455,521

See accompanying notes to the consolidated financial statements

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

(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, 2016.

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.

Renaissance Reinsurance, a Bermuda-domiciled reinsurance company, is the Company’s principal reinsurance subsidiary and provides property, casualty and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis. Effective October 1, 2016, each of Renaissance Reinsurance Specialty Risks Ltd. and Platinum Underwriters Bermuda, Ltd. merged into Renaissance Reinsurance, with Renaissance Reinsurance being the sole surviving entity.

Renaissance Reinsurance U.S. Inc. (“Renaissance Reinsurance U.S.”) is a reinsurance company domiciled in the state of Maryland that provides property, casualty and specialty reinsurance coverages to insurers and reinsurers, primarily in the Americas.

RenaissanceRe Underwriting Managers U.S. LLC, a specialty reinsurance agency domiciled in the state of Connecticut, provides specialty treaty reinsurance solutions on both a quota share and excess of loss basis; and writes business on behalf of RenaissanceRe Specialty U.S. Ltd. (“RenaissanceRe Specialty U.S.”), a Bermuda-domiciled reinsurer, which operates subject to U.S. federal income tax, and RenaissanceRe Syndicate 1458 (“Syndicate 1458”). Syndicate 1458 is the Company’s Lloyd’s syndicate. RenaissanceRe Corporate Capital (UK) Limited (“RenaissanceRe CCL”), a wholly owned subsidiary of RenaissanceRe, is Syndicate 1458’s sole corporate member and RenaissanceRe Syndicate Management Ltd. (“RSML”), a wholly owned subsidiary of RenaissanceRe, is the managing agent for Syndicate 1458.

The Company also manages property, casualty 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 and all significant intercompany transactions have been eliminated. Redeemable noncontrolling interest - DaVinciRe represents the interests of external parties with respect to the net income and shareholders’ equity of DaVinciRe. Renaissance Underwriting Managers, Ltd. (“RUM”), a wholly owned subsidiary of RenaissanceRe, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.

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 and all significant inter-company transactions have been eliminated. Redeemable noncontrolling interest - Medici represents the interests of external parties with respect to the net income and shareholders’ equity of Medici.

Effective January 1, 2013, the Company formed and launched a managed joint venture, Upsilon RFO Re Ltd., formerly known as Upsilon Reinsurance II Ltd. ("Upsilon RFO"), a Bermuda domiciled special purpose insurer ("SPI"), to provide additional capacity to the worldwide aggregate and per-occurrence primary and retrocessional property catastrophe excess of loss market. Upsilon RFO is considered a variable interest entity ("VIE") and the Company is considered the primary beneficiary. As a result, Upsilon RFO is consolidated by the Company and all significant inter-company transactions have been eliminated.

Effective November 13, 2014, the Company incorporated RenaissanceRe Upsilon Fund Ltd. ("Upsilon Fund"), an exempted Bermuda 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, the Company does not consolidate the financial position and results of operations of Upsilon Fund.

Effective November 7, 2016, Fibonacci Reinsurance Ltd. ("Fibonacci Re"), a Bermuda-domiciled SPI, was formed to provide collateralized capacity to Renaissance Reinsurance and its affiliates. Fibonacci Re raised capital from third party investors and the Company, via private placements of participating notes which are listed on the Bermuda Stock Exchange. Fibonacci Re is considered a VIE. The Company is not considered the primary beneficiary of Fibonacci Re and, as a result, the Company does not consolidate the financial position and results of operations of Fibonacci Re.

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, 2016, 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 ADOPTED ACCOUNTING PRONOUNCEMENTS

Improvements to Employee Share-Based Payment Accounting

In March 2016, the FASB issued ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting (“ASU 2016-09”). ASU 2016-09 was issued to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and the classification of taxes paid on the statements of cash flows. ASU 2016-09 became effective for the Company in annual and interim periods beginning after December 15, 2016. The cumulative effect of the adoption of ASU 2016-09 was a \$2.2 million increase to opening retained earnings as of January 1, 2017.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Revenue from Contracts with Customers

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

Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (“ASU 2016-02”). ASU 2016-02 requires lessees to recognize lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under previous guidance. ASU 2016-02 is effective for public business entities for annual and interim periods beginning after December 15, 2018. Early application is permitted. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company’s consolidated statements of operations and financial position.

Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities (“ASU 2016-01”). ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting or those that result in the consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, simplifies the impairment assessment of equity investments without readily determinable values by requiring a qualitative assessment to identify impairment, eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost, requires the use of the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation in other comprehensive income of the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the organization has elected to measure the liabilities in accordance with the fair value option, requires the separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements and clarifies that the reporting organization should evaluate the need for a valuation allowance on a deferred tax asset related to available for sale securities in combination with the organization’s other deferred tax assets. ASU 2016-01 is effective for public business entities in annual and interim periods beginning after December 15, 2017. Earlier adoption is generally not permitted, except for certain specific provisions of ASU 2016-01. 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.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”). ASU 2016-13 modifies the recognition of credit losses by replacing the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is applicable to financial assets such as loans, debt securities, trade receivables, off-balance sheet credit exposures, reinsurance receivables, and other financial assets that have the contractual right to receive cash. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amount. The Company's invested assets are measured at fair value through net income, and therefore those invested assets would not be impacted by the adoption of ASU 2016-13. The Company has other financial assets, such as reinsurance recoverables, that could be impacted by the adoption of ASU 2016-13. ASU 2016-13 is effective for public business entities that are SEC filers for annual and interim periods beginning after December 15, 2019. 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.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued ASU No. 2016-15, Classification of Certain Cash Receipts and Cash Payments (“ASU 2016-15”). ASU 2016-15 clarifies the classification of receipts and payments in the statement of cash flows. ASU 2016-15 provides guidance related to (1) settlement and payment of zero coupon debt instruments, (2) contingent consideration, (3) proceeds from settlement of insurance claims, (4) proceeds from settlement of corporate and bank owned life insurance policies, (5) distributions from equity method investees, (6) cash receipts from beneficial interests obtained by a transferor, and (7) general guidelines for cash receipts and payments that have more than one aspect of classification. ASU 2016-15 is effective for public business entities for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of cash flows.

Intra-Entity Transfers of Assets Other Than Inventory

In October 2016, the FASB issued ASU No. 2016-16, Intra-Entity Transfers of Assets Other Than Inventory (“ASU 2016-16”). ASU 2016-16 requires entities to recognize the income tax consequences of intra-entity transfers of assets other than inventory when the transfers occur; this is a change from current guidance which prohibits the recognition of current and deferred income taxes until the underlying assets have been sold to outside entities. ASU 2016-16 is effective for public business entities for annual and interim periods beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued ASU No. 2017-04, Simplifying the Test for Goodwill Impairment (“ASU 2017-04”). Among other things, ASU 2017-04 requires the following: (1) the elimination of step 2 of the goodwill impairment test; entities will no longer utilize the implied fair value of their assets and liabilities for purposes of testing goodwill for impairment, (2) the quantitative portion of the goodwill impairment test will be performed by comparing the fair value of a reporting unit with its carrying amount; an impairment charge is to be recognized for the excess of carrying amount over fair value, but only to the extent of the amount of goodwill allocated to that reporting unit, and (3) foreign currency translation adjustments are not to be allocated to a reporting unit from an entity's accumulated other comprehensive income; the reporting unit's carrying amount should include only the currently translated balances of the assets and liabilities assigned to the reporting unit. ASU 2017-04 is effective for public business entities that are SEC filers for annual periods, or any interim goodwill impairment tests in annual periods, beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. 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. INVESTMENTS

Fixed Maturity Investments Trading

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

	June 30, 2017	December 31, 2016
U.S. treasuries	\$2,826,681	\$ 2,617,894
Agencies	83,343	90,972
Municipal	518,912	519,069
Non-U.S. government (Sovereign debt)	173,667	333,224
Non-U.S. government-backed corporate	74,620	133,300
Corporate	2,186,040	1,877,243
Agency mortgage-backed	567,560	462,493
Non-agency mortgage-backed	275,268	258,944
Commercial mortgage-backed	384,610	409,747
Asset-backed	191,563	188,358
Total fixed maturity investments trading	\$7,282,264	\$ 6,891,244

Contractual maturities of fixed maturity investments trading 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.

June 30, 2017	Amortized Cost	Fair Value
Due in less than one year	\$428,307	\$427,683
Due after one through five years	4,112,662	4,111,191
Due after five through ten years	1,137,632	1,153,811
Due after ten years	168,920	170,578
Mortgage-backed	1,218,486	1,227,438
Asset-backed	191,013	191,563
Total	\$7,257,020	\$7,282,264

Equity Investments Trading

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

	June 30, 2017	December 31, 2016
Financials	\$272,982	\$ 275,065
Communications and technology	42,316	36,770
Industrial, utilities and energy	31,852	30,303
Consumer	22,078	20,501
Healthcare	20,087	17,245
Basic materials	4,090	3,429
Total	\$393,405	\$ 383,313

Pledged Investments

At June 30, 2017, \$2.8 billion 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 letter of credit facilities (December 31, 2016 - \$2.7 billion). Of this amount, \$888.2 million is on deposit with, or in trust accounts for the benefit of, U.S. state regulatory authorities (December 31, 2016 - \$842.6 million).

Reverse Repurchase Agreements

At June 30, 2017, the Company held \$33.8 million (December 31, 2016 - \$78.7 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 includes 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

The components of net investment income are as follows:

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Fixed maturity investments	\$44,356	\$46,091	\$87,775	\$82,097
Short term investments	2,981	1,227	4,705	2,227
Equity investments	889	865	1,700	2,528
Other investments				
Private equity investments	6,611	4,356	14,413	(5,002)
Other	2,899	5,035	6,971	8,344
Cash and cash equivalents	295	209	484	338
	58,031	57,783	116,048	90,532
Investment expenses	(3,868)	(3,659)	(7,560)	(7,545)
Net investment income	\$54,163	\$54,124	\$108,488	\$82,987

Net Realized and Unrealized Gains on Investments

Net realized and unrealized gains on investments are as follows:

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Gross realized gains	\$15,249	\$22,661	\$26,710	\$40,411
Gross realized losses	(7,243)	(7,804)	(23,776)	(22,469)
Net realized gains on fixed maturity investments	8,006	14,857	2,934	17,942
Net unrealized gains on fixed maturity investments trading	18,760	44,271	43,395	129,736
Net realized and unrealized losses on investments-related derivatives	(268)	(9,151)	(324)	(28,600)
Net realized gains on equity investments trading	15,146	14,729	36,061	13,911
Net unrealized gains (losses) on equity investments trading	16,469	5,066	19,420	(1,564)
Net realized and unrealized gains on investments	\$58,113	\$69,772	\$101,486	\$131,425

NOTE 4. 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. 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 June 30, 2017	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	\$2,826,681	\$2,826,681	\$—	\$—
Agencies	83,343	—	83,343	—
Municipal	518,912	—	518,912	—
Non-U.S. government (Sovereign debt)	173,667	—	173,667	—
Non-U.S. government-backed corporate	74,620	—	74,620	—
Corporate	2,186,040	—	2,186,040	—
Agency mortgage-backed	567,560	—	567,560	—
Non-agency mortgage-backed	275,268	—	275,268	—
Commercial mortgage-backed	384,610	—	384,610	—
Asset-backed	191,563	—	191,563	—
Total fixed maturity investments	7,282,264	2,826,681	4,455,583	—
Short term investments	1,070,950	—	1,070,950	—
Equity investments trading	393,405	393,405	—	—
Other investments				
Catastrophe bonds	348,353	—	348,353	—
Private equity partnerships (1)	194,331	—	—	—
Senior secured bank loan funds (1)	17,321	—	—	—
Hedge funds (1)	1,207	—	—	—
Total other investments	561,212	—	348,353	—
Other assets and (liabilities)				
Assumed and ceded (re)insurance contracts (2)	(9,502)	—	—	(9,502)
Derivatives (3)	6,391	210	6,181	—
Other	(5,355)	—	(5,355)	—
Total other assets and (liabilities)	(8,466)	210	826	(9,502)
	\$9,299,365	\$3,220,296	\$5,875,712	\$ (9,502)

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

(2) Included in assumed and ceded (re)insurance contracts at June 30, 2017 was \$5.8 million and \$15.3 million of other assets and other liabilities, respectively.

(3) 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, 2016	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	\$2,617,894	\$2,617,894	\$—	\$—
Agencies	90,972	—	90,972	—
Municipal	519,069	—	519,069	—
Non-U.S. government (Sovereign debt)	333,224	—	333,224	—
Non-U.S. government-backed corporate	133,300	—	133,300	—
Corporate	1,877,243	—	1,877,243	—
Agency mortgage-backed	462,493	—	462,493	—
Non-agency mortgage-backed	258,944	—	258,944	—
Commercial mortgage-backed	409,747	—	409,747	—
Asset-backed	188,358	—	188,358	—
Total fixed maturity investments	6,891,244	2,617,894	4,273,350	—
Short term investments	1,368,379	—	1,368,379	—
Equity investments trading	383,313	383,313	—	—
Other investments				
Catastrophe bonds	335,209	—	335,209	—
Private equity partnerships (1)	191,061	—	—	—
Senior secured bank loan funds (1)	22,040	—	—	—
Hedge funds (1)	1,495	—	—	—
Total other investments	549,805	—	335,209	—
Other assets and (liabilities)				
Assumed and ceded (re)insurance contracts (2)	(13,004)	—	—	(13,004)
Derivatives (3)	(8,922)	(646)	(8,276)	—
Other	(13,105)	—	(13,105)	—
Total other assets and (liabilities)	(35,031)	(646)	(21,381)	(13,004)
	\$9,157,710	\$3,000,561	\$5,955,557	\$ (13,004)

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

(1) Included in assumed and ceded (re)insurance contracts at December 31, 2016 was \$4.4 million and \$17.4 million of other assets and other liabilities, respectively.

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

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

Fixed Maturity Investments

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

The Company's fixed maturity investments are primarily priced using pricing services, such as index providers and pricing vendors, as well as broker quotations. In general, the pricing vendors provide pricing for a high volume of liquid securities that are actively traded. For securities that do not trade on an

exchange, the pricing services generally utilize market data and other observable inputs in matrix pricing models to determine month end prices. Observable inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, bids, offers, reference data and industry and economic events. Index pricing generally relies on market traders as the primary source for pricing; however, models are also utilized to provide prices for all index eligible securities. The models use a variety of observable inputs such as benchmark yields, transactional data, dealer runs, broker-dealer quotes and corporate actions. Prices are generally verified using third party data. Securities which are priced by an index provider are generally included in the index.

In general, broker-dealers value securities through their trading desks based on observable inputs. The methodologies include mapping securities based on trade data, bids or offers, observed spreads, and performance on newly issued securities. Broker-dealers also determine valuations by observing secondary trading of similar securities. Prices obtained from broker quotations are considered non-binding, however they are based on observable inputs and by observing secondary trading of similar securities obtained from active, non-distressed markets.

The Company considers these Level 2 inputs as they are corroborated with other market observable inputs. The techniques generally used to determine the fair value of the Company's fixed maturity investments are detailed below by asset class.

U.S. treasuries

Level 1 - At June 30, 2017, the Company's U.S. treasuries fixed maturity investments were primarily priced by pricing services and had a weighted average effective yield of 1.5% and a weighted average credit quality of AA (December 31, 2016 - 1.4% 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 June 30, 2017, the Company's agency fixed maturity investments had a weighted average effective yield of 2.0% and a weighted average credit quality of AA (December 31, 2016 - 2.0% 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 - At June 30, 2017, the Company's municipal fixed maturity investments had a weighted average effective yield of 1.9% and a weighted average credit quality of AA (December 31, 2016 - 2.4% and AA, respectively). 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 - At June 30, 2017, the Company's non-U.S. government fixed maturity investments had a weighted average effective yield of 1.7% and a weighted average credit quality of AAA (December 31, 2016 - 1.6% and AAA, 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 - At June 30, 2017, the Company's non-U.S. government-backed corporate fixed maturity investments had a weighted average effective yield of 1.8% and a weighted average credit quality of AA (December 31, 2016 - 1.5% 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 June 30, 2017, the Company's corporate fixed maturity investments principally consisted of U.S. and international corporations and had a weighted average effective yield of 3.6% and a weighted average credit quality of BBB (December 31, 2016 - 3.7% 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 June 30, 2017, the Company's agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average effective yield of 3.0%, a weighted average credit quality of AA and a weighted average life of 6.6 years (December 31, 2016 - 2.9%, AA and 6.9 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 that were classified as sub-prime at the time of purchase held in its fixed maturity investments portfolio. At June 30, 2017, the Company's non-agency prime residential mortgage-backed fixed maturity investments had a weighted average effective yield of 4.0%, a weighted average credit quality of non-investment grade, and a weighted average life of 5.1 years (December 31, 2016 - 4.3%, BBB and 5.1 years, respectively). The Company's non-agency Alt-A fixed maturity investments held at June 30, 2017 had a weighted average effective yield of 4.4%, a weighted average credit quality of non-investment grade and a weighted average life of 6.1 years (December 31, 2016 - 5.2%, non-investment grade and 6.0 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 - At June 30, 2017, the Company's commercial mortgage-backed fixed maturity investments had a weighted average effective yield of 2.8%, a weighted average credit quality of AAA, and a weighted average life of 4.8 years (December 31, 2016 - 2.6%, AAA and 3.9 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 June 30, 2017, the Company's asset-backed fixed maturity investments had a weighted average effective yield of 2.5%, a weighted average credit quality of AAA and a weighted average life of 2.7 years (December 31, 2016 - 2.3%, AAA and 2.6 years, respectively). The underlying collateral for the Company's asset-backed fixed maturity investments primarily consists of bank loans, 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 - At June 30, 2017, the Company's short term investments had a weighted average effective yield of 1.1% and a weighted average credit quality of AAA (December 31, 2016 - 0.7% and AAA, respectively). 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 futures contracts which are considered Level 1, and foreign currency contracts 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. For credit derivatives, these inputs include credit spreads, credit ratings of the underlying referenced security, the risk free rate and the contract term. For foreign currency contracts, these inputs include spot rates and interest rate curves.

Other

Level 2 - The liabilities measured at fair value and included in Level 2 at June 30, 2017 of \$5.4 million are comprised of cash settled restricted stock units (“CSRSU”) that form part of the Company’s compensation program. The fair value of the Company’s CSRSUs is determined using observable exchange traded prices for the Company’s common shares.

Level 3 Assets and Liabilities Measured at Fair Value

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

At June 30, 2017	Fair Value (Level 3)	Valuation Technique	Unobservable (U) and Observable (O) Inputs	Low	High	Weighted Average or Actual
Other assets and (liabilities)						
Assumed and ceded (re)insurance contracts	\$809	Internal valuation model	Bond price (U)	\$101.59	\$111.15	\$106.94
			Liquidity discount (U)	n/a	n/a	1.3 %
Assumed and ceded (re)insurance contracts	(10,311)	Internal valuation model	Net undiscounted cash flows (U)	n/a	n/a	\$(12,715)
			Expected loss ratio (U)	n/a	n/a	30.6 %
			Net acquisition expense ratio (O)	n/a	n/a	(17.4)%
			Contract period (O)	2.0 years	4.7 years	4.5 years
			Discount rate (U)	n/a	n/a	1.9 %
Total other assets and (liabilities)	\$(9,502)					

Fixed Maturity Investments

Corporate

Level 3 - Previously, the Company’s corporate fixed maturity investments included an investment in the preferred equity of an insurance holding company. The Company measured the fair value of this investment using a discounted cash flow model and ultimately sold this investment during the year ended December 31, 2016.

Other assets and liabilities

Assumed and ceded (re)insurance contracts

Level 3 - At June 30, 2017, the Company had a \$0.8 million net asset 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 June 30, 2017, the Company had a \$10.3 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. The negative acquisition expense ratio used to determine the fair value of the contracts at June 30, 2017 is the result of override commissions on the contracts being higher than the gross acquisition expenses. 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.

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.

	Other assets and (liabilities)
Balance - April 1, 2017	\$ (12,135)
Total realized and unrealized gains Included in other income	2,319
Purchases	314
Balance - June 30, 2017	\$ (9,502)

	Other assets and (liabilities)
Balance - January 1, 2017	\$ (13,004)
Total realized and unrealized gains Included in other income	3,390
Purchases	112
Balance - June 30, 2017	\$ (9,502)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Fixed maturity investments	Other assets (liabilities)	Total
Balance - April 1, 2016	\$7,500	\$ (4,724)	\$2,776
Total realized and unrealized gains Included in other income	—	2,092	2,092
Purchases	—	(48)	(48)
Settlements	(7,500)	—	(7,500)
Balance - June 30, 2016	\$—	\$ (2,680)	\$(2,680)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Fixed maturity investments	Other assets (liabilities)	Total
Balance - January 1, 2016	\$7,618	\$ (5,899)	\$1,719
Total realized and unrealized (losses) gains Included in net investment income	(118)	—	(118)

Included in other income	—	3,792	3,792
Purchases	—	(573)	(573)
Settlements	(7,500)	—	(7,500)
Balance - June 30, 2016	\$—	\$ (2,680)	\$ (2,680)

Financial Instruments Disclosed, But Not Carried, at Fair Value

The Company uses various financial instruments in the normal course of its business. The Company's insurance contracts are excluded from the fair value of financial instruments accounting guidance, unless the Company elects the fair value option, and therefore, are not included in the amounts discussed herein. The carrying values of cash and cash equivalents, accrued investment income, receivables for investments sold, certain other assets, payables for investments purchased, certain other liabilities, and other financial instruments not included herein approximated their fair values.

Debt

Included on the Company's consolidated balance sheet at June 30, 2017 were debt obligations of \$988.9 million (December 31, 2016 - \$948.7 million). At June 30, 2017, the fair value of the Company's debt obligations was \$1,021.3 million (December 31, 2016 - \$964.8 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.

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:

	June 30, 2017	December 31, 2016
Other investments	\$561,212	\$ 549,805
Other assets	\$5,756	\$ 4,379
Other liabilities	\$15,258	\$ 17,383

Included in net investment income for the three and six months ended June 30, 2017 were net unrealized gains of \$5.6 million and \$12.5 million related to the changes in fair value of other investments (2016 - losses of \$5.8 million and \$3.2 million). Included in other income for the three and six months ended June 30, 2017 were net unrealized gains of \$Nil and \$Nil related to the changes in the fair value of other assets and liabilities (2016 - \$Nil and \$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 as a practical expedient:

At June 30, 2017	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Minimum Days)	Redemption Notice Period (Maximum Days)
Private equity partnerships	\$194,331	\$ 310,367	See below	See below	See below
Senior secured bank loan funds	17,321	26,102	See below	See below	See below
Hedge funds	1,207	—	See below	See below	See below
Total other investments measured using net asset valuations	\$212,859	\$ 336,469			

Private equity partnerships – The Company's investments in private equity partnerships included 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 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 funds – At June 30, 2017, the Company had \$17.3 million invested in closed end funds which invest primarily in loans. The Company has no right to redeem its investment in these funds. It is estimated that the majority of the underlying assets in these closed end funds would liquidate over 4 to 5 years from inception of the applicable fund.

Hedge funds – The Company invests in hedge funds that pursue multiple strategies. The Company’s investments in hedge funds at June 30, 2017 were \$1.2 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 until the underlying investments attributable to such side pockets are liquidated, realized or deemed realized at the discretion of the fund manager.

NOTE 5. 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 payments of additional premiums, for reinstatement premiums and for lost no-claims bonuses, which are incurred when losses are ceded to the respective 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		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Premiums written				
Direct	\$67,805	\$57,541	\$141,213	\$100,717
Assumed	759,610	701,587	1,608,292	1,520,544
Ceded	(271,670)	(239,212)	(649,624)	(589,670)
Net premiums written	\$555,745	\$519,916	\$1,099,881	\$1,031,591
Premiums earned				
Direct	\$56,357	\$37,936	\$114,525	\$71,076
Assumed	520,347	464,540	1,019,346	921,181
Ceded	(194,439)	(151,074)	(385,561)	(287,249)
Net premiums earned	\$382,265	\$351,402	\$748,310	\$705,008
Claims and claim expenses				
Gross claims and claim expenses incurred	\$189,903	\$224,852	\$441,707	\$386,850
Claims and claim expenses recovered	(47,316)	(57,102)	(106,039)	(92,495)
Net claims and claim expenses incurred	\$142,587	\$167,750	\$335,668	\$294,355

NOTE 6. RESERVE FOR CLAIMS AND CLAIM EXPENSES

The Company believes the most significant accounting judgment made by management is its estimate of claims and claim expense reserves. Claims and claim expense reserves represent estimates, including actuarial and statistical projections at a given point in time, of the ultimate settlement and administration costs for unpaid claims and claim expenses arising from the insurance and reinsurance contracts the

Company sells. The Company establishes its claims and claim expense reserves by taking claims reported to the Company by insureds and ceding companies, but which have not yet been paid (“case reserves”), adding estimates for the anticipated cost of claims incurred but not yet reported to the Company, or incurred but not enough reported to the Company (collectively referred to as “IBNR”) and, if deemed necessary, adding costs for additional case reserves which represent the Company’s estimates for claims related to specific contracts previously reported to the Company which it believes may not be adequately estimated by the client as of that date, or adequately covered in the application of IBNR.

The following table summarizes the Company’s claims and claim expense reserves by segment, allocated between case reserves, additional case reserves and IBNR:

At June 30, 2017	Case Reserves	Additional Case Reserves	IBNR	Total
Property	\$221,898	\$ 167,510	\$216,163	\$605,571
Casualty and Specialty	635,834	111,021	1,619,915	2,366,770
Other	2,532	—	14,933	17,465
Total	\$860,264	\$ 278,531	\$1,851,011	\$2,989,806

At December 31, 2016	Case Reserves	Additional Case Reserves	IBNR	Total
Property	\$214,954	\$ 186,308	\$226,512	\$627,774
Casualty and Specialty	591,705	105,419	1,498,002	2,195,126
Other	6,935	—	18,459	25,394
Total	\$813,594	\$ 291,727	\$1,742,973	\$2,848,294

Activity in the liability for unpaid claims and claim expenses is summarized as follows:

Six months ended June 30,	2017	2016
Net reserves as of January 1	\$2,568,730	\$2,632,519
Net incurred related to:		
Current year	351,766	325,214
Prior years	(16,098)	(30,859)
Total net incurred	335,668	294,355
Net paid related to:		
Current year	19,885	11,070
Prior years	285,046	297,716
Total net paid	304,931	308,786
Foreign exchange	19,753	4,149
Net reserves as of June 30	2,619,220	2,622,237
Reinsurance recoverable as of June 30	370,586	222,006
Gross reserves as of June 30	\$2,989,806	\$2,844,243

Prior Year Development of the Reserve for Net Claims and Claim Expenses

The Company’s estimates of claims and claim expense reserves are not precise in that, among other things, they are based on predictions of future developments and estimates of future trends and other variable factors. Some, but not all, of the Company’s reserves are further subject to the uncertainty inherent in actuarial methodologies and estimates. Because a reserve estimate is simply an insurer’s estimate at a point in time of its ultimate liability, and because there are numerous factors that affect reserves and claims payments that cannot be determined with certainty in advance, the Company’s ultimate payments will vary, perhaps materially, from its estimates of reserves. If the Company determines in a subsequent period that adjustments to its previously established reserves are appropriate, such adjustments are recorded in the period in which they are identified. On a net basis, the Company’s cumulative favorable or unfavorable

development is generally reduced by offsetting changes in its reinsurance recoverables, as well as changes to loss related premiums such as reinstatement premiums and redeemable noncontrolling interest for changes in claims and claim expenses that impact DaVinciRe, all of which generally move in the opposite direction to changes in the Company's ultimate claims and claim expenses.

The following table details the Company's prior year development by segment of its liability for unpaid claims and claim expenses:

Six months ended June 30,	2017 (Favorable) adverse development	2016 (Favorable) adverse development
Property	\$ (24,800)	\$ (18,989)
Casualty and Specialty	9,257	(11,873)
Other	(555)	3
Total favorable development of prior accident years net claims and claim expenses	\$ (16,098)	\$ (30,859)

Changes to prior year estimated claims reserves increased the Company's net income by \$16.1 million during the six months ended June 30, 2017, (2016 - increased the Company's net income by \$30.9 million), excluding the consideration of changes in reinstatement, adjustment or other premium changes, profit commissions, redeemable noncontrolling interest - DaVinciRe and income tax.

Property Segment

The following table details the development of the Company's liability for unpaid claims and claim expenses for its Property segment, allocated between large and small catastrophe net claims and claim expenses and attritional net claims and claim expenses, included in the other line item:

Six months ended June 30,	2017 (Favorable) adverse development	2016 (Favorable) adverse development
Catastrophe net claims and claim expenses		
Large catastrophe events		
New Zealand Earthquake (2011)	\$ 5,807	\$ —
New Zealand Earthquake (2010)	4,061	2,962
April and May U.S. Tornadoes (2011)	(4,153)	(1,408)
Other	(3,864)	(500)
Total large catastrophe events	1,851	1,054
Small catastrophe events		
Fort McMurray Wildfire (2016)	(5,848)	—
Tianjin Explosion (2015)	(4,896)	—
U.S. PCS 13/14 Wind and Thunderstorm (2013)	(3,906)	(6,260)
Other	(12,844)	(13,783)
Total small catastrophe events	(27,494)	(20,043)
Total catastrophe net claims and claim expenses	(25,643)	(18,989)
Actuarial assumption changes	843	—
Total net favorable development of prior accident years net claims and claim expenses	\$ (24,800)	\$ (18,989)

The net favorable development of prior accident years net claims and claim expenses within the Company's Property segment in the six months ended June 30, 2017 of \$24.8 million was comprised of net adverse development of \$1.9 million related to large catastrophe events, net favorable development of \$27.5 million

related to small catastrophe events and \$0.8 million of adverse development associated with actuarial assumption changes. Included in net adverse development of prior accident years net claims and claim expenses from large events was adverse development of \$5.8 million related to the 2011 New Zealand Earthquake and \$4.1 million related to the 2010 New Zealand Earthquake due to increases in the estimated expected losses associated with these events. Partially offsetting these events was favorable development of \$4.2 million and \$3.9 million related to the 2011 April and May U.S. Tornadoes and a number of other events, respectively, due to reductions in the estimated ultimate losses associated with these events. Included in net favorable development of prior accident years net claims and claims expenses from small events was a reduction in the estimated ultimate losses associated with the 2016 Fort McMurray Wildfire of \$5.8 million, the 2015 Tianjin Explosion of \$4.9 million and certain 2013 U.S. wind and thunderstorm events of \$3.9 million. In addition, the Company's Property segment experienced net favorable development of \$12.8 million associated with a number of other small catastrophe events related to lines of business where the Company principally estimates net claims and claim expenses using traditional actuarial methods.

The net favorable development of prior accident years net claims and claim expenses within the Company's Property segment in the six months ended June 30, 2016 of \$19.0 million was comprised of net adverse development of \$1.1 million from large catastrophe events due principally to an increase in the estimated ultimate loss for the 2010 New Zealand Earthquake, and net favorable development of \$20.0 million related to small catastrophe events related to lines of business where the Company principally estimates net claims and claim expenses using traditional actuarial methods.

Casualty and Specialty Segment

The following table details the development of the Company's liability for unpaid claims and claim expenses for its Casualty and Specialty segment:

Six months ended June 30,	2017 (Favorable) adverse development	2016 (Favorable) adverse development
Actuarial methods - actual reported claims lower than expected claims	\$ (21,762)	\$ (5,755)
Ogden Rate change	33,481	—
Actuarial assumption changes	(2,462)	(6,118)
Total adverse (favorable) development of prior accident years net claims and claim expenses	\$ 9,257	\$ (11,873)

The net adverse development of prior accident years net claims and claim expenses within the Company's Casualty and Specialty segment in the six months ended June 30, 2017 of \$9.3 million was driven by \$33.5 million of adverse development associated with the change in the discount rate used to calculate lump sum awards in U.K. bodily injury cases (the "Ogden Rate"), from 2.5%, to minus 0.75%. Notwithstanding the impact of the Ogden Rate change, we experienced \$21.8 million of net favorable development in the six months ended June 30, 2017 related to actual reported losses coming in lower than expected on attritional net claims and claim expenses across a number of lines of business and \$2.5 million of net favorable development associated with actuarial assumption changes.

The net favorable development of prior accident years net claims and claim expenses within the Company's Casualty and Specialty segment in the six months ended June 30, 2016 of \$11.9 million was driven by \$5.8 million of favorable development related to actual reported net claims and claim expenses coming in lower than expected on prior accident years events and \$6.1 million of favorable development associated with actuarial assumption changes.

NOTE 7. DEBT AND CREDIT FACILITIES

Except as noted below, there have been no material changes to the Company's debt and credit facilities as described in its Form 10-K for the year ended December 31, 2016.

Debt Obligations

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

	June 30, 2017		December 31, 2016	
	Fair Value	Carrying Value	Fair Value	Carrying Value
3.450% Senior Notes due 2027	\$296,400	\$295,053	\$—	\$—
3.700% Senior Notes due 2025	300,327	297,132	291,750	296,948
5.75% Senior Notes due 2020	268,228	249,106	270,875	248,941
Series B 7.50% Senior Notes due 2017	—	—	257,500	255,352
4.750% Senior Notes due 2025 (DaVinciRe) (1)	156,386	147,575	144,675	147,422
	\$1,021,341	\$988,866	\$964,800	\$948,663

RenaissanceRe owns a noncontrolling economic interest in its joint venture DaVinciRe. Because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe (1) are included in the consolidated financial statements of RenaissanceRe. However, RenaissanceRe does not guarantee or provide credit support for DaVinciRe and RenaissanceRe's financial exposure to DaVinciRe is limited to its investment in DaVinciRe's shares and counterparty credit risk arising from reinsurance transactions.

3.450% Senior Notes due 2027 of RenaissanceRe Finance

On June 29, 2017, RenaissanceRe Finance issued \$300.0 million of its 3.450% Senior Notes due July 1, 2027, with interest on the notes payable on July 1 and January 1 of each year. The notes are fully and unconditionally guaranteed by RenaissanceRe and may be redeemed by RenaissanceRe Finance prior to maturity, subject to the payment of a "make-whole" premium if the notes are redeemed prior to April 1, 2027. The notes contain various covenants, including limitations on mergers and consolidations, and restrictions as to the disposition of, and the placing of liens on, stock of designated subsidiaries. The net proceeds from the offering of the notes are to be used for general corporate purposes. Series B 7.50% Senior Notes due 2017 of Platinum Underwriters Finance, Inc.

On June 1, 2017, the Company repaid in full at maturity an aggregate principal amount of \$250.0 million, plus applicable accrued interest, of its Series B 7.50% Senior Notes due 2017 assumed in connection with the acquisition of Platinum and originally issued by Platinum Underwriters Finance, Inc.

Credit Facilities

The outstanding amounts issued or drawn under each of the Company's significant credit facilities is set forth below:

At June 30, 2017	Issued or Drawn
RenaissanceRe Revolving Credit Facility	\$—
Uncommitted Standby Letter of Credit Facility with Wells Fargo	105,892
Uncommitted Standby Letter of Credit Facility with NAB	4,525
Bilateral Letter of Credit Facility with Citibank Europe	206,383
Funds at Lloyd's Letter of Credit Facilities	
Renaissance Reinsurance FAL Facility	180,000
Total credit facilities in U.S. dollars	\$496,800
Funds at Lloyd's Letter of Credit Facilities	
Specialty Risks FAL Facility	£10,000
Total credit facilities in British Pounds	£10,000

Funds at Lloyd's Letter of Credit Facilities

Effective as of May 25, 2017, Renaissance Reinsurance entered into an amendment to its letter of credit facility with Bank of Montreal ("BMO"), Citibank Europe plc, ("CEP"), and ING Bank N.V. ("ING") as lenders (the "Renaissance Reinsurance FAL Facility"), which provided for the issuance by the lenders of two letters of credit to support business written by Syndicate 1458 with stated amounts of \$380.0 million and £90.0 million, respectively. Pursuant to the amendment, the stated amount of the \$380.0 million letter of credit was reduced to \$180.0 million and the £90.0 million letter of credit was cancelled. In addition, pursuant to the amendment, Renaissance Reinsurance may request that the Renaissance Reinsurance FAL Facility be amended to increase the stated amount of the letter of credit, or issue a new letter or credit denominated in Pounds, in an aggregate amount for all such increases or issuances not to exceed \$75.0 million or the equivalent thereof. All other terms and conditions of the Renaissance Reinsurance FAL Facility remained the same.

NOTE 8. NONCONTROLLING INTERESTS

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

	June 30, 2017	December 31, 2016
Redeemable noncontrolling interest - DaVinciRe	\$1,019,918	\$ 994,458
Redeemable noncontrolling interest - Medici	222,165	181,136
Redeemable noncontrolling interests	\$1,242,083	\$ 1,175,594

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

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Redeemable noncontrolling interest - DaVinciRe	\$36,432	\$28,288	\$68,341	\$71,252
Redeemable noncontrolling interest - Medici	1,180	2,347	3,598	3,974
Net income attributable to redeemable noncontrolling interests	\$37,612	\$30,635	\$71,939	\$75,226

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 redeemable noncontrolling interests. The Company's noncontrolling economic ownership in DaVinciRe was 22.6% at June 30, 2017 (December 31, 2016 - 24.0%).

DaVinciRe shareholders are party to a 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. The repurchase price is generally subject to a true-up for potential development on outstanding loss reserves after settlement of all claims relating to the applicable years.

2016

During January 2016, DaVinciRe redeemed a portion of its outstanding shares from certain existing DaVinciRe shareholders, including RenaissanceRe, while new DaVinciRe shareholders purchased shares in DaVinciRe from RenaissanceRe. The net redemption as a result of these transactions was \$100.0 million. In connection with the redemption, DaVinciRe retained a \$10.0 million holdback. The Company's noncontrolling economic ownership in DaVinciRe subsequent to these transactions was 24.0%, effective January 1, 2016.

2017

During January 2017, DaVinciRe redeemed \$75.0 million of its outstanding shares from certain existing DaVinciRe shareholders, including RenaissanceRe. In connection with the redemption, DaVinciRe retained a \$7.5 million holdback. In addition, RenaissanceRe sold an aggregate of \$24.0 million of its shares in DaVinciRe to an existing shareholder and a new shareholder. The Company's noncontrolling economic ownership in DaVinciRe subsequent to these transactions was 22.6%, effective January 1, 2017. The Company expects its noncontrolling economic ownership in DaVinciRe to fluctuate over time.

See "Note 16. Subsequent Events" for additional information related to DaVinciRe share transactions subsequent to June 30, 2017.

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

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Beginning balance	\$986,646	\$926,141	\$994,458	\$930,955
Redemption of shares from redeemable noncontrolling interest	(3,160)	(986)	(66,802)	(91,804)
Sale of shares to redeemable noncontrolling interests	—	—	23,921	43,040
Net income attributable to redeemable noncontrolling interest	36,432	28,288	68,341	71,252
Ending balance	\$1,019,918	\$953,443	\$1,019,918	\$953,443

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 redeemable 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.

2016

During 2016, third-party investors subscribed for \$79.5 million and redeemed \$21.7 million of the participating, non-voting common shares of Medici. As a result of these net subscriptions, the Company’s noncontrolling economic ownership in Medici was 36.5%, effective December 31, 2016.

2017

During the six months ended June 30, 2017, third-party investors subscribed for \$63.3 million and redeemed \$25.9 million of the participating, non-voting common shares of Medici. As a result of these net subscriptions, the Company’s noncontrolling economic ownership in Medici was 32.3% at June 30, 2017. The Company expects its noncontrolling economic ownership in Medici to fluctuate over time.

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

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Beginning balance	\$201,345	\$155,196	\$181,136	\$115,009
Redemption of shares from redeemable noncontrolling interest	(15,285)	(6,400)	(25,910)	(7,340)
Sale of shares to redeemable noncontrolling interests	34,925	17,817	63,341	57,317
Net income attributable to redeemable noncontrolling interest	1,180	2,347	3,598	3,974
Ending balance	\$222,165	\$168,960	\$222,165	\$168,960

NOTE 9. VARIABLE INTEREST ENTITIES

Upsilon RFO

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

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

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

2016

During 2016, Upsilon RFO returned \$242.5 million of capital to its investors, including \$59.8 million to the Company. In addition, during 2016, \$166.6 million of Upsilon RFO non-voting preference shares were issued to existing investors therein, including \$55.2 million to the Company. At December 31, 2016, the Company's participation in the risks assumed by Upsilon RFO was 28.8%.

2017

During the six months ended June 30, 2017, Upsilon RFO returned \$41.8 million of capital to its investors, including \$9.5 million to the Company. In addition, during the six months ended June 30, 2017, \$134.1 million of Upsilon RFO non-voting preference shares were issued to existing investors therein, including \$9.5 million to the Company, and an existing third party investor purchased \$7.5 million of Upsilon RFO non-voting preference shares from the Company. At June 30, 2017, the Company's participation in the risks assumed by Upsilon RFO was 16.6%.

At June 30, 2017, the Company's consolidated balance sheet included total assets and total liabilities of Upsilon RFO of \$339.1 million and \$339.1 million, respectively (December 31, 2016 - \$193.0 million and \$193.0 million, respectively).

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

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

Upon issuance of a series of notes by Mona Lisa Re, all of the proceeds from the issuance were 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. 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. The Company has not provided financial or other support to Mona Lisa Re that it was not contractually required to provide.

At June 30, 2017, the total assets and total liabilities of Mona Lisa Re were \$181.2 million and \$181.2 million, respectively (December 31, 2016 - \$184.2 million and \$184.2 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 \$37 thousand, respectively, during the six months ended June 30, 2017 (2016 - \$0.1 million and \$0.1 million, respectively). In addition, Renaissance Reinsurance and DaVinci recognized ceded premiums earned related to the ceded reinsurance contracts with Mona Lisa Re of \$3.6 million and \$2.5 million, respectively, during the six months ended June 30, 2017 (2016 - \$3.6 million and \$2.5 million, respectively).

Fibonacci Re

Effective November 7, 2016, Fibonacci Re, a Bermuda-domiciled SPI, was formed to provide collateralized capacity to Renaissance Reinsurance and its affiliates.

Upon issuance of a series of notes by Fibonacci Re, all of the proceeds from the issuance are deposited into collateral accounts, separated by series, to fund any potential obligation under the reinsurance agreements entered into with Renaissance Reinsurance 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. RUM receives an origination and structuring fee in connection with the formation and operation of Fibonacci Re.

The Company concluded that Fibonacci Re meets the definition of a VIE as it does not have sufficient equity capital to finance its activities. The Company evaluated its relationship with Fibonacci Re and concluded it is not the primary beneficiary of Fibonacci Re as it does not have power over the activities that most significantly impact the economic performance of Fibonacci Re. As a result, the Company does not consolidate the financial position or results of operations of Fibonacci Re.

The only transactions related to Fibonacci Re that will be recorded in the Company's consolidated financial statements will be the ceded reinsurance agreements entered into by Renaissance Reinsurance that are accounted for as prospective reinsurance under FASB ASC Topic Financial Services - Insurance, and the fair value of the participating notes owned by the Company. Other than its investment in the participating notes of Fibonacci Re, the Company has not provided financial or other support to Fibonacci Re that it was not contractually required to provide.

Effective with the risk periods incepting on January 1, 2017 and June 1, 2017, Fibonacci Re raised \$140.0 million and \$45.0 million, respectively, of capital from third party investors and the Company, via private placements of participating notes which are listed on the Bermuda Stock Exchange. The fair value of the Company's investment in the participating notes of Fibonacci Re is included in other investments and was \$55.5 million at June 30, 2017.

Renaissance Reinsurance entered into ceded reinsurance contracts with Fibonacci Re with premiums ceded of \$9.4 million during the six months ended June 30, 2017. In addition, Renaissance Reinsurance recognized ceded premiums earned related to the ceded reinsurance contracts with Fibonacci Re of \$3.8 million during the six months ended June 30, 2017.

NOTE 10. SHAREHOLDERS' EQUITY

Dividends

The Board of Directors of RenaissanceRe declared dividends of \$0.32 per common share to common shareholders of record on March 15, 2017 and June 15, 2017, respectively, and RenaissanceRe paid dividends of \$0.32 per common share to common shareholders on March 31, 2017 and June 30, 2017, respectively. During the six months ended June 30, 2017, the Company declared and paid \$11.2 million in preference share dividends (2016 - \$11.2 million) and \$25.9 million in common share dividends (2016 - \$26.2 million).

Share Repurchases

The Company's share repurchase program may be effected from time to time, depending on market conditions and other factors, through open market purchases and privately negotiated transactions. On May 17, 2017, RenaissanceRe's Board of Directors approved a renewal of its authorized share repurchase program for an aggregate amount of up to \$500.0 million. Unless terminated earlier by RenaissanceRe's Board of Directors, the program will expire when the Company has repurchased the full value of the common 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 six months ended June 30, 2017, the Company repurchased an aggregate of 1.1 million common shares in open market transactions at an aggregate cost of \$149.7 million and an average price of \$142.33 per common share. At June 30, 2017, \$485.1 million remained available for repurchase under the share repurchase program.

See "Note 16. Subsequent Events" for additional information related to share repurchases subsequent to June 30, 2017.

NOTE 11. EARNINGS PER SHARE

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

(common shares in thousands)	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Numerator:				
Net income available to RenaissanceRe common shareholders	\$ 171,142	\$ 136,325	\$ 263,494	\$ 264,320
Amount allocated to participating common shareholders (1)	(1,585)	(1,561)	(2,526)	(3,166)
Net income allocated to RenaissanceRe common shareholders	\$ 169,557	\$ 134,764	\$ 260,968	\$ 261,154
Denominator:				
Denominator for basic income per RenaissanceRe common share - weighted average common shares	39,937	41,693	40,172	42,135
Per common share equivalents of employee stock options and restricted shares	87	192	152	263
Denominator for diluted income per RenaissanceRe common share - adjusted weighted average common shares and assumed conversions	40,024	41,885	40,324	42,398
Net income available to RenaissanceRe common shareholders per common share – basic	\$4.25	\$3.23	\$6.50	\$6.20
Net income available to RenaissanceRe common shareholders per common share – diluted	\$4.24	\$3.22	\$6.47	\$6.16

Represents earnings attributable to holders of invested restricted shares issued pursuant to the Company's 2001 (1) Stock Incentive Plan, 2010 Performance-Based Equity Incentive Plan, 2016 Long-Term Incentive Plan and to the Company's non-employee directors.

NOTE 12. SEGMENT REPORTING

The Company's reportable segments are defined as follows: (1) Property, which is comprised of catastrophe and other property reinsurance and insurance written on behalf of the Company's operating subsidiaries and certain joint ventures managed by the Company's ventures unit, and (2) Casualty and Specialty, which is comprised of casualty and specialty reinsurance and insurance written on behalf of the Company's operating subsidiaries and certain joint ventures managed by the Company's ventures unit. In addition to its reportable segments, the Company has an Other category, which primarily includes its strategic investments, investments unit, corporate expenses, capital servicing costs, noncontrolling interests, certain expenses related to the acquisition of Platinum, and the remnants of its former Bermuda-based insurance operations.

The Company's Property segment is managed by the Chief Underwriting Officer - Property and the Casualty and Specialty segment is managed by the Chief Underwriting Officer - Casualty and Specialty. Each of the Chief Underwriting Officer - Property and Chief Underwriting Officer - Casualty and Specialty operate under the direction of the Company's Group Chief Underwriting Officer, who in turn reports to the Company's President and Chief Executive Officer.

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 June 30, 2017	Property	Casualty and Specialty	Other	Total		
Gross premiums written	\$499,347	\$328,068	\$—	\$827,415		
Net premiums written	\$336,464	\$219,281	\$—	\$555,745		
Net premiums earned	\$192,198	\$190,065	\$2	\$382,265		
Net claims and claim expenses incurred	33,017	109,797	(227)	142,587		
Acquisition expenses	28,500	59,752	(1)	88,251		
Operational expenses	24,053	17,712	1	41,766		
Underwriting income	\$106,628	\$2,804	\$229	109,661		
Net investment income			54,163	54,163		
Net foreign exchange gains			3,109	3,109		
Equity in earnings of other ventures			5,543	5,543		
Other income			2,392	2,392		
Net realized and unrealized gains on investments			58,113	58,113		
Corporate expenses			(4,636)	(4,636)		
Interest expense			(10,091)	(10,091)		
Income before taxes and redeemable noncontrolling interests				218,254		
Income tax expense			(3,904)	(3,904)		
Net income attributable to redeemable noncontrolling interests			(37,612)	(37,612)		
Dividends on preference shares			(5,596)	(5,596)		
Net income available to RenaissanceRe common shareholders				\$171,142		
Net claims and claim expenses incurred – current accident year	\$56,889	\$130,802	\$—	\$187,691		
Net claims and claim expenses incurred – prior accident years	(23,872)	(21,005)	(227)	(45,104)		
Net claims and claim expenses incurred – total	\$33,017	\$109,797	\$(227)	\$142,587		
Net claims and claim expense ratio – current accident year	29.6	% 68.8	%	49.1	%	
Net claims and claim expense ratio – prior accident years	(12.4)	% (11.0)	%	(11.8)	%	
Net claims and claim expense ratio – calendar year	17.2	% 57.8	%	37.3	%	
Underwriting expense ratio	27.3	% 40.7	%	34.0	%	
Combined ratio	44.5	% 98.5	%	71.3	%	

Six months ended June 30, 2017	Property	Casualty and Specialty	Other	Total	
Gross premiums written	\$1,019,876	\$729,629	\$—	\$1,749,505	
Net premiums written	\$626,335	\$473,546	\$—	\$1,099,881	
Net premiums earned	\$379,186	\$369,124	\$—	\$748,310	
Net claims and claim expenses incurred	71,855	264,368	(555)	335,668	
Acquisition expenses	57,603	113,931	(1)	171,533	
Operational expenses	51,718	37,319	12	89,049	
Underwriting income (loss)	\$198,010	\$(46,494)	\$544	152,060	
Net investment income			108,488	108,488	
Net foreign exchange gains			11,274	11,274	
Equity in earnings of other ventures			4,036	4,036	
Other income			4,057	4,057	
Net realized and unrealized gains on investments			101,486	101,486	
Corporate expenses			(9,922)	(9,922)	
Interest expense			(20,617)	(20,617)	
Income before taxes and redeemable noncontrolling interests				350,862	
Income tax expense			(4,238)	(4,238)	
Net income attributable to redeemable noncontrolling interests			(71,939)	(71,939)	
Dividends on preference shares			(11,191)	(11,191)	
Net income available to RenaissanceRe common shareholders				\$263,494	
Net claims and claim expenses incurred – current accident year	\$96,655	\$255,111	\$—	\$351,766	
Net claims and claim expenses incurred – prior accident years	(24,800)	9,257	(555)	(16,098)	
Net claims and claim expenses incurred – total	\$71,855	\$264,368	\$(555)	\$335,668	
Net claims and claim expense ratio – current accident year	25.5	% 69.1	%	47.0	%
Net claims and claim expense ratio – prior accident years	(6.6)	% 2.5	%	(2.1)	%
Net claims and claim expense ratio – calendar year	18.9	% 71.6	%	44.9	%
Underwriting expense ratio	28.9	% 41.0	%	34.8	%
Combined ratio	47.8	% 112.6	%	79.7	%

Three months ended June 30, 2016	Property	Casualty and Specialty	Other	Total	
Gross premiums written	\$493,953	\$265,175	\$—	\$759,128	
Net premiums written	\$350,593	\$169,323	\$—	\$519,916	
Net premiums earned	\$191,060	\$160,342	\$—	\$351,402	
Net claims and claim expenses incurred	80,275	87,390	85	167,750	
Acquisition expenses	29,389	39,616	—	69,005	
Operational expenses	26,526	24,526	21	51,073	
Underwriting income (loss)	\$54,870	\$8,810	\$(106)	63,574	
Net investment income			54,124	54,124	
Net foreign exchange losses			(690)	(690)	
Equity in earnings of other ventures			6,022	6,022	
Other income			2,654	2,654	
Net realized and unrealized gains on investments			69,772	69,772	
Corporate expenses			(5,752)	(5,752)	
Interest expense			(10,536)	(10,536)	
Income before taxes and noncontrolling interests				179,168	
Income tax expense			(6,612)	(6,612)	
Net income attributable to noncontrolling interests			(30,635)	(30,635)	
Dividends on preference shares			(5,596)	(5,596)	
Net income available to RenaissanceRe common shareholders				\$136,325	
Net claims and claim expenses incurred – current accident year	\$93,336	\$103,669	\$—	\$197,005	
Net claims and claim expenses incurred – prior accident years	(13,061)	(16,279)	85	(29,255)	
Net claims and claim expenses incurred – total	\$80,275	\$87,390	\$85	\$167,750	
Net claims and claim expense ratio – current accident year	48.9	% 64.7	%	56.1	%
Net claims and claim expense ratio – prior accident years	(6.9))% (10.2))%	(8.4))%
Net claims and claim expense ratio – calendar year	42.0	% 54.5	%	47.7	%
Underwriting expense ratio	29.3	% 40.0	%	34.2	%
Combined ratio	71.3	% 94.5	%	81.9	%

Six months ended June 30, 2016	Property	Casualty and Specialty	Other	Total	
Gross premiums written	\$938,912	\$682,349	\$ —	\$1,621,261	
Net premiums written	\$583,452	\$448,139	\$ —	\$1,031,591	
Net premiums earned	\$366,292	\$338,716	\$ —	\$705,008	
Net claims and claim expenses incurred	102,079	192,273	3	294,355	
Acquisition expenses	49,513	85,084	—	134,597	
Operational expenses	55,183	52,044	81	107,308	
Underwriting income (loss)	\$159,517	\$9,315	\$ (84)	168,748	
Net investment income			82,987	82,987	
Net foreign exchange losses			(2,382)	(2,382)	
Equity in earnings of other ventures			7,633	7,633	
Other income			6,733	6,733	
Net realized and unrealized gains on investments			131,425	131,425	
Corporate expenses			(13,977)	(13,977)	
Interest expense			(21,074)	(21,074)	
Income before taxes and noncontrolling interests				360,093	
Income tax expense			(9,356)	(9,356)	
Net income attributable to noncontrolling interests			(75,226)	(75,226)	
Dividends on preference shares			(11,191)	(11,191)	
Net income available to RenaissanceRe common shareholders				\$264,320	
Net claims and claim expenses incurred – current accident year	\$121,068	\$204,146	\$ —	\$325,214	
Net claims and claim expenses incurred – prior accident years	(18,989)	(11,873)	3	(30,859)	
Net claims and claim expenses incurred – total	\$102,079	\$192,273	\$ 3	\$294,355	
Net claims and claim expense ratio – current accident year	33.1	% 60.3	%	46.1	%
Net claims and claim expense ratio – prior accident years	(5.2)	% (3.5)	%	(4.3)	%
Net claims and claim expense ratio – calendar year	27.9	% 56.8	%	41.8	%
Underwriting expense ratio	28.6	% 40.4	%	34.3	%
Combined ratio	56.5	% 97.2	%	76.1	%

NOTE 13. DERIVATIVE INSTRUMENTS

From time to time, the Company may enter into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts primarily to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading and speculation. The Company's derivative instruments are generally traded under International Swaps and Derivatives Association master agreements, which establish the terms of the transactions entered into with the Company's derivative counterparties. In the event a party becomes insolvent or otherwise defaults on its obligations, a master agreement generally permits the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' marked-to-market values so that a single sum in a single currency will be owed by, or owed to, the non-defaulting party. Effectively, this contractual close-out netting reduces credit exposure from gross to net exposure. Where the Company has entered into master netting agreements with counterparties, or the Company has the legal and contractual right to offset positions, the derivative positions are generally netted by counterparty and are reported accordingly in other assets and other liabilities.

The tables below show the gross and net amounts of recognized derivative assets and liabilities at fair value, including the location on the consolidated balance sheets of the Company's principal derivative instruments:

At June 30, 2017	Derivative Assets			Balance Sheet Location	Collateral	Net Amount
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented in the Balance Sheet			
Interest rate futures	\$1,277	973	\$ 304	Other assets	\$ —	\$ 304
Foreign currency forward contracts (1)	7,245	617	6,628	Other assets	—	6,628
Foreign currency forward contracts (2)	57	18	39	Other assets	—	39
Credit default swaps	2,502	19	2,483	Other assets	—	2,483
Total	\$11,081	\$ 1,627	\$ 9,454		\$ —	\$ 9,454

At June 30, 2017	Derivative Liabilities			Balance Sheet Location	Collateral Pledged	Net Amount
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Liabilities Presented in the Balance Sheet			
Interest rate futures	\$1,067	973	\$ 94	Other liabilities	\$ 94	\$ —
Foreign currency forward contracts (1)	2,273	—	2,273	Other liabilities	—	2,273
Foreign currency forward contracts (2)	97	18	79	Other liabilities	—	79
Credit default swaps	636	19	617	Other liabilities	—	617
Total	\$4,073	\$ 1,010	\$ 3,063		\$ 94	\$ 2,969

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

(2) Contracts used to manage foreign currency risks in investment operations.

At December 31, 2016	Derivative Assets			Balance Sheet Location	Collateral	Net Amount
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented in the Balance Sheet			
Interest rate futures	\$1,384	1,235	\$ 149	Other assets	\$ —	\$ 149
Foreign currency forward contracts (1)	774	—	774	Other assets	—	774
Foreign currency forward contracts (2)	621	447	174	Other assets	—	174
Credit default swaps	1,429	23	1,406	Other assets	—	1,406
Total	\$4,208	\$ 1,705	\$ 2,503		\$ —	\$ 2,503

At December 31, 2016	Derivative Liabilities			Balance Sheet Location	Collateral Pledged	Net Amount
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Liabilities Presented in the Balance Sheet			
Interest rate futures	\$2,030	1,235	\$ 795	Other liabilities	\$ 789	\$ 6
Foreign currency forward contracts (1)	10,550	397	10,153	Other liabilities	—	10,153
Foreign currency forward contracts (2)	766	447	319	Other liabilities	—	319
Credit default swaps	181	23	158	Other liabilities	—	158
Total	\$13,527	\$ 2,102	\$ 11,425		\$ 789	\$ 10,636

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

(2) Contracts used to manage foreign currency risks in investment operations.

Refer to "Note 3. Investments" for information on reverse repurchase agreements.

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

	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives	
		2017	2016
Three months ended June 30,			
Interest rate futures	Net realized and unrealized gains on investments	\$(890)	\$(9,456)
Foreign currency forward contracts (1)	Net foreign exchange gains (losses)	5,223	(3,815)
Foreign currency forward contracts (2)	Net foreign exchange gains (losses)	(267)	2,641
Credit default swaps	Net realized and unrealized gains on investments	622	305
Total		\$4,688	\$(10,325)
Six months ended June 30,			
Interest rate futures	Net realized and unrealized gains on investments	\$(1,048)	\$(28,815)
Foreign currency forward contracts (1)	Net foreign exchange gains (losses)	6,283	(5,189)
Foreign currency forward contracts (2)	Net foreign exchange gains (losses)	(900)	(3,217)
Credit default swaps	Net realized and unrealized gains on investments	724	215
Total		\$5,059	\$(37,006)

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

(2) Contracts used to manage foreign currency risks in investment operations.

The Company is not aware of the existence of any credit-risk related contingent features that it believes would be triggered in its derivative instruments that are in a net liability position at June 30, 2017.

Interest Rate Futures

The Company uses interest rate futures within its portfolio of fixed maturity investments to manage its exposure to interest rate risk, which may result in increasing or decreasing its exposure to this risk. At June 30, 2017, the Company had \$1.1 billion of notional long positions and \$714.0 million of notional short positions of primarily Eurodollar, U.S. treasury and non-U.S. dollar futures contracts (December 31, 2016 - \$1.2 billion and \$727.9 million, respectively). The fair value of these derivatives is determined using exchange traded prices.

Foreign Currency Derivatives

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

Underwriting Operations Related Foreign Currency Contracts

The Company's foreign currency policy with regard to its underwriting operations is generally to hold foreign currency assets, including cash, investments and receivables that approximate the foreign currency liabilities, including claims and claim expense reserves and reinsurance balances payable. When necessary, the Company may use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with its underwriting operations. The fair value of the Company's underwriting operations related foreign

currency contracts is determined using indicative pricing obtained from counterparties or broker quotes. At June 30, 2017, the Company had outstanding underwriting related foreign currency contracts of \$218.1 million in notional long positions and \$104.1 million in notional short positions, denominated in U.S. dollars (December 31, 2016 - \$184.2 million and \$91.4 million, respectively).

Investment Portfolio Related Foreign Currency Forward Contracts

The Company's investment operations are exposed to currency fluctuations through its investments in non-U.S. dollar fixed maturity investments, short term investments and other investments. From time to time, the Company may employ foreign currency forward contracts in its investment portfolio to either assume foreign currency risk or to economically hedge its exposure to currency fluctuations from these investments. The fair value of the Company's investment portfolio related foreign currency forward contracts is determined using an interpolated rate based on closing forward market rates. At June 30, 2017, the Company had outstanding investment portfolio related foreign currency contracts of \$20.1 million in notional long positions and \$5.1 million in notional short positions, denominated in U.S. dollars (December 31, 2016 - \$26.9 million and \$57.3 million, respectively).

Credit Derivatives

The Company's exposure to credit risk is primarily due to its fixed maturity investments, short term investments, premiums receivable and reinsurance recoverable. From time to time, the Company purchases credit derivatives to hedge its exposures in the insurance industry, and to assist in managing the credit risk associated with ceded reinsurance. The Company also employs credit derivatives in its investment portfolio to either assume credit risk or hedge its credit exposure. The fair value of credit derivatives is determined using industry valuation models, broker bid indications or internal pricing valuation techniques. The fair value of these credit derivatives can change based on a variety of factors including changes in credit spreads, default rates and recovery rates, the correlation of credit risk between the referenced credit and the counterparty, and market rate inputs such as interest rates. At June 30, 2017, the Company had outstanding credit derivatives of \$30.0 million in notional positions to hedge credit risk and \$36.4 million in notional positions to assume credit risk, denominated in U.S. dollars (December 31, 2016 - \$Nil and \$75.2 million, respectively).

NOTE 14. COMMITMENTS, CONTINGENCIES AND OTHER ITEMS

There are no material changes from the commitments and contingencies previously disclosed in the Company's Form 10-K for the year ended December 31, 2016.

Legal Proceedings

The Company and its subsidiaries are subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties or contracts or direct surplus lines insurance policies. In the Company's industry, business litigation may involve allegations of underwriting or claims-handling errors or misconduct, disputes relating to the scope of, or compliance with, the terms of delegated underwriting agreements, employment claims, regulatory actions or disputes arising from the Company's business ventures. The Company's operating subsidiaries are subject to claims litigation involving, among other things, disputed interpretations of policy coverages. Generally, the Company's direct surplus lines insurance operations are subject to greater frequency and diversity of claims and claims-related litigation than its reinsurance operations and, in some jurisdictions, may be subject to direct actions by allegedly injured persons or entities seeking damages from policyholders. These lawsuits, involving or arising out of claims on policies issued by the Company's subsidiaries which are typical to the insurance industry in general and in the normal course of business, are considered in its loss and loss expense reserves. In addition, the Company may from time to time engage in litigation or arbitration related to its claims for payment in respect of ceded reinsurance, including disputes that challenge the Company's ability to enforce its underwriting intent. Such matters could result, directly or indirectly, in providers of protection not meeting their obligations to the Company or not doing so on a timely basis. The Company may also be subject to other disputes from time to time, relating to operational or other matters distinct from insurance or reinsurance claims. Any litigation or arbitration, or regulatory process, contains an element of uncertainty, and the value of an exposure or a gain contingency related to a dispute is difficult to estimate

accordingly. Currently, the Company believes that no individual litigation or arbitration to which it is presently a party is likely to have a material adverse effect on its financial condition, business or operations.

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

The following tables present condensed consolidating balance sheets at June 30, 2017 and December 31, 2016, condensed consolidating statements of operations and condensed consolidating statements of comprehensive income for the three and six months ended June 30, 2017 and 2016, and condensed consolidating statements of cash flow for the six months ended June 30, 2017. Each of RenRe North America Holdings Inc., Platinum Underwriters Finance, Inc. and RenaissanceRe Finance is a 100% owned subsidiary of RenaissanceRe. For additional information related to the terms of the Company's outstanding debt securities, see "Note 9. Debt and Credit Facilities" in the "Notes to Consolidated Financial Statements" in the Company's Form 10-K for the year ended December 31, 2016 and "Note 7. Debt and Credit Facilities" in the "Notes to Consolidated Financial Statements" included herein.

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Condensed Consolidating Balance Sheet at June 30, 2017	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Assets							
Total investments	\$ 140,492	\$ 123,517	\$ —	\$ 323,094	\$ 8,821,805	\$ —	\$ 9,408,908
Cash and cash equivalents	2,417	276	23,986	8,356	588,115	—	623,150
Investments in subsidiaries	4,388,394	36,924	871,117	1,195,266	—	(6,491,701)	—
Due from subsidiaries and affiliates	5,489	91,892	—	—	—	(97,381)	—
Premiums receivable	—	—	—	—	1,533,833	—	1,533,833
Prepaid reinsurance premiums	—	—	—	—	705,322	—	705,322
Reinsurance recoverable	—	—	—	—	370,586	—	370,586
Accrued investment income	291	288	—	921	38,618	—	40,118
Deferred acquisition costs	—	—	—	—	430,106	—	430,106
Receivable for investments sold	52	5	—	—	170,354	—	170,411
Other assets	423,601	37,547	(29)	130,139	115,352	(529,794)	176,816
Goodwill and other intangible assets	127,532	—	—	—	118,898	—	246,430
Total assets	\$ 5,088,268	\$ 290,449	\$ 895,074	\$ 1,657,776	\$ 12,892,989	\$(7,118,876)	\$ 13,705,680
Liabilities, Noncontrolling Interests and Shareholders' Equity							
Liabilities							
Reserve for claims and claim expenses	\$ —	\$ —	\$ —	\$ —	\$ 2,989,806	\$ —	\$ 2,989,806
Unearned premiums	—	—	—	—	1,847,206	—	1,847,206
Debt	117,000	—	—	841,290	147,576	(117,000)	988,866
Amounts due to subsidiaries and affiliates	243	51	82	97,339	—	(97,715)	—
Reinsurance balances payable	—	—	—	—	1,052,494	—	1,052,494
Payable for investments purchased	—	24	—	—	407,288	—	407,312

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Other liabilities	15,770	780	(2,757) 9,887	206,139	(7,161) 222,658
Total liabilities	133,013	855	(2,675) 948,516	6,650,509	(221,876) 7,508,342
Redeemable noncontrolling interests	—	—	—	—	1,242,083	—	1,242,083
Shareholders' Equity							
Total shareholders' equity	4,955,255	289,594	897,749	709,260	5,000,397	(6,897,000	) 4,955,255
Total liabilities, noncontrolling interests and shareholders' equity	\$ 5,088,268	\$ 290,449	\$ 895,074	\$ 1,657,776	\$ 12,892,989	\$ (7,118,876)	\$ 13,705,680

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor, Subsidiary Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Balance Sheet at December 31, 2016	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Assets							
Total investments	\$ 387,274	\$ 119,163	\$ 267,556	\$ 45,027	\$ 8,497,948	\$—	\$ 9,316,968
Cash and cash equivalents	7,067	162	6,671	9,397	397,860	—	421,157
Investments in subsidiaries	4,074,769	34,761	843,089	1,165,413	—	(6,118,032)	—
Due from subsidiaries and affiliates	7,413	91,892	—	—	—	(99,305)	—
Premiums receivable	—	—	—	—	987,323	—	987,323
Prepaid reinsurance premiums	—	—	—	—	441,260	—	441,260
Reinsurance recoverable	—	—	—	—	279,564	—	279,564
Accrued investment income	105	289	551	106	37,025	—	38,076
Deferred acquisition costs	—	—	—	—	335,325	—	335,325
Receivable for investments sold	136	2	99	45	105,559	—	105,841
Other assets	410,757	37,204	4,689	127,572	118,098	(522,938)	175,382
Goodwill and other intangible assets	130,407	—	—	—	120,779	—	251,186
Total assets	\$ 5,017,928	\$ 283,473	\$ 1,122,655	\$ 1,347,560	\$ 11,320,741	\$(6,740,275)	\$ 12,352,082
Liabilities, Redeemable Noncontrolling Interest and Shareholders' Equity							
Liabilities							
Reserve for claims and claim expenses	\$—	\$—	\$—	\$—	\$ 2,848,294	\$—	\$ 2,848,294
Unearned premiums	—	—	—	—	1,231,573	—	1,231,573
Debt	117,000	—	255,352	545,889	147,422	(117,000)	948,663
Amounts due to subsidiaries and affiliates	14,644	42	123	96,061	—	(110,870)	—
Reinsurance balances payable	—	—	—	—	673,983	—	673,983
	—	—	—	—	305,714	—	305,714

Payable for investments purchased							
Other liabilities	19,707	10,544	—	13,350	270,610	(12,527	) 301,684
Total liabilities	151,351	10,586	255,475	655,300	5,477,596	(240,397	) 6,309,911
Redeemable noncontrolling interests	—	—	—	—	1,175,594	—	1,175,594
Shareholders' Equity							
Total shareholders' equity	4,866,577	272,887	867,180	692,260	4,667,551	(6,499,878	) 4,866,577
Total liabilities, redeemable noncontrolling interest and shareholders' equity	\$ 5,017,928	\$ 283,473	\$ 1,122,655	\$ 1,347,560	\$ 11,320,741	\$(6,740,275)	\$ 12,352,082

(1)Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2)Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations for the three months ended June 30, 2017	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues							
Net premiums earned	\$ —	\$ —	\$ —	\$ —	\$ 382,265	\$ —	\$ 382,265
Net investment income	5,284	466	535	239	53,891	(6,252)	54,163
Net foreign exchange (losses) gains	(1)	—	—	—	3,110	—	3,109
Equity in earnings of other ventures	—	—	—	302	5,241	—	5,543
Other income	—	—	—	—	2,392	—	2,392
Net realized and unrealized (losses) gains on investments	(8)	1,421	191	(242)	56,751	—	58,113
Total revenues	5,275	1,887	726	299	503,650	(6,252)	505,585
Expenses							
Net claims and claim expenses incurred	—	—	—	—	142,587	—	142,587
Acquisition expenses	—	—	—	—	88,251	—	88,251
Operational expenses	3,190	16	35	6,647	36,402	(4,524)	41,766
Corporate expenses	4,798	—	—	—	(162)	—	4,636
Interest expense	141	—	985	6,601	2,505	(141)	10,091
Total expenses	8,129	16	1,020	13,248	269,583	(4,665)	287,331
(Loss) income before equity in net income of subsidiaries and taxes	(2,854)	1,871	(294)	(12,949)	234,067	(1,587)	218,254
Equity in net income of subsidiaries	178,746	1,220	18,185	20,438	—	(218,589)	—
Income before taxes	175,892	3,091	17,891	7,489	234,067	(220,176)	218,254
Income tax benefit (expense)	846	(584)	104	2,902	(7,172)	—	(3,904)
Net income	176,738	2,507	17,995	10,391	226,895	(220,176)	214,350
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(37,612)	—	(37,612)
Net income attributable to RenaissanceRe	176,738	2,507	17,995	10,391	189,283	(220,176)	176,738
Dividends on preference shares	(5,596)	—	—	—	—	—	(5,596)
Net income available attributable to RenaissanceRe common	\$ 171,142	\$ 2,507	\$ 17,995	\$ 10,391	\$ 189,283	\$(220,176)	\$ 171,142

shareholders

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

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Condensed Consolidating Statement of Comprehensive Income for the three months ended June 30, 2017	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Comprehensive income							
Net income	\$ 176,738	\$ 2,507	\$ 17,995	\$ 10,391	\$ 226,895	\$(220,176)	\$ 214,350
Change in net unrealized gains on investments	—	—	—	—	219	—	219
Comprehensive income	176,738	2,507	17,995	10,391	227,114	(220,176)	214,569
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(37,612)	—	(37,612)
Comprehensive income attributable to redeemable noncontrolling interests	—	—	—	—	(37,612)	—	(37,612)
Comprehensive income available to RenaissanceRe	\$ 176,738	\$ 2,507	\$ 17,995	\$ 10,391	\$ 189,502	\$(220,176)	\$ 176,957

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations for the six months ended June 30, 2017	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues							
Net premiums earned	\$ —	\$ —	\$ —	\$ —	\$ 748,310	\$ —	\$ 748,310
Net investment income	10,741	892	1,376	508	107,474	(12,503)	108,488
Net foreign exchange (losses) gains	(1)	—	—	—	11,275	—	11,274
Equity in (losses) earnings of other ventures	—	—	—	(450)	4,486	—	4,036
Other (loss) income	(1)	—	—	—	4,058	—	4,057
Net realized and unrealized gains (losses) on investments	45	4,342	4,916	(268)	92,451	—	101,486
Total revenues	10,784	5,234	6,292	(210)	968,054	(12,503)	977,651
Expenses							
Net claims and claim expenses incurred	—	—	—	—	335,668	—	335,668
Acquisition expenses	—	—	—	—	171,533	—	171,533
Operational expenses	6,488	40	85	14,626	78,460	(10,650)	89,049
Corporate expenses	10,006	—	—	—	(84)	—	9,922
Interest expense	281	—	2,461	13,143	5,013	(281)	20,617
Total expenses	16,775	40	2,546	27,769	590,590	(10,931)	626,789
(Loss) income before equity in net income of subsidiaries and taxes	(5,991)	5,194	3,746	(27,979)	377,464	(1,572)	350,862
Equity in net income of subsidiaries	280,099	2,306	28,028	36,936	—	(347,369)	—
Income before taxes	274,108	7,500	31,774	8,957	377,464	(348,941)	350,862
Income tax benefit (expense)	577	(1,682)	(1,204)	5,974	(7,903)	—	(4,238)
Net income	274,685	5,818	30,570	14,931	369,561	(348,941)	346,624
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(71,939)	—	(71,939)
Net income attributable to RenaissanceRe	274,685	5,818	30,570	14,931	297,622	(348,941)	274,685
Dividends on preference shares	(11,191)	—	—	—	—	—	(11,191)
Net income available to RenaissanceRe common shareholders	\$ 263,494	\$ 5,818	\$ 30,570	\$ 14,931	\$ 297,622	\$ (348,941)	\$ 263,494

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

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Condensed Consolidating Statement of Comprehensive Income for the six months ended June 30, 2017	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Comprehensive income							
Net income	\$ 274,685	\$ 5,818	\$ 30,570	\$ 14,931	\$ 369,561	\$(348,941)	\$ 346,624
Change in net unrealized gains on investments	—	—	—	—	(1,272)	—	(1,272)
Comprehensive income	274,685	5,818	30,570	14,931	368,289	(348,941)	345,352
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(71,939)	—	(71,939)
Comprehensive income attributable to noncontrolling interests	—	—	—	—	(71,939)	—	(71,939)
Comprehensive income available to RenaissanceRe	\$ 274,685	\$ 5,818	\$ 30,570	\$ 14,931	\$ 296,350	\$(348,941)	\$ 273,413

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor, Subsidiary Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations for the three months ended June 30, 2016	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues							
Net premiums earned	\$ —	\$ —	\$ —	\$ —	\$ 351,402	\$ —	\$ 351,402
Net investment income	5,749	445	846	141	52,826	(5,883)	54,124
Net foreign exchange losses	(1)	—	—	—	(689)	—	(690)
Equity in earnings of other ventures	—	—	—	—	6,022	—	6,022
Other (loss) income	(791)	—	—	—	3,445	—	2,654
Net realized and unrealized gains on investments	799	1,139	3,414	—	64,420	—	69,772
Total revenues	5,756	1,584	4,260	141	477,426	(5,883)	483,284
Expenses							
Net claims and claim expenses incurred	—	—	—	—	167,750	—	167,750
Acquisition expenses	—	—	—	—	69,005	—	69,005
Operational expenses	(1,104)	44	64	4,573	50,352	(2,856)	51,073
Corporate expenses	5,181	203	—	7	361	—	5,752
Interest expense	141	—	1,477	6,544	2,515	(141)	10,536
Total expenses	4,218	247	1,541	11,124	289,983	(2,997)	304,116
Income (loss) before equity in net income of subsidiaries and taxes	1,538	1,337	2,719	(10,983)	187,443	(2,886)	179,168
Equity in net income of subsidiaries	141,677	1,666	12,086	17,165	—	(172,594)	—
Income before taxes	143,215	3,003	14,805	6,182	187,443	(175,480)	179,168
Income tax (expense) benefit	(1,294)	(906)	(838)	2,792	(6,366)	—	(6,612)
Net income	141,921	2,097	13,967	8,974	181,077	(175,480)	172,556
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(30,635)	—	(30,635)
Net income attributable to RenaissanceRe	141,921	2,097	13,967	8,974	150,442	(175,480)	141,921
Dividends on preference shares	(5,596)	—	—	—	—	—	(5,596)
Net income available to RenaissanceRe common shareholders	\$ 136,325	\$ 2,097	\$ 13,967	\$ 8,974	\$ 150,442	\$(175,480)	\$ 136,325

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2)Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Comprehensive Income for the three months ended June 30, 2016	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Comprehensive income							
Net income	\$ 141,921	\$ 2,097	\$ 13,967	\$ 8,974	\$ 181,077	\$(175,480)	\$ 172,556
Change in net unrealized gains on investments	—	—	—	—	672	—	672
Comprehensive income	141,921	2,097	13,967	8,974	181,749	(175,480)	173,228
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(30,635)	—	(30,635)
Comprehensive income attributable to redeemable noncontrolling interests	—	—	—	—	(30,635)	—	(30,635)
Comprehensive income attributable to RenaissanceRe	\$ 141,921	\$ 2,097	\$ 13,967	\$ 8,974	\$ 151,114	\$(175,480)	\$ 142,593

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Operations for the six months ended June 30, 2016	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues							
Net premiums earned	\$ —	\$ —	\$ —	\$ —	\$ 705,008	\$ —	\$ 705,008
Net investment income	12,607	954	2,279	281	78,632	(11,766)	82,987
Net foreign exchange losses	(2)	—	—	—	(2,380)	—	(2,382)
Equity in earnings of other ventures	—	—	—	—	7,633	—	7,633
Other (loss) income	(791)	—	—	—	7,524	—	6,733
Net realized and unrealized gains on investments	5,287	2,254	5,378	—	118,506	—	131,425
Total revenues	17,101	3,208	7,657	281	914,923	(11,766)	931,404
Expenses							
Net claims and claim expenses incurred	—	—	—	—	294,355	—	294,355
Acquisition expenses	—	—	—	—	134,597	—	134,597
Operational expenses	(1,805)	(97)	116	11,582	105,448	(7,936)	107,308
Corporate expenses	10,794	203	—	7	2,973	—	13,977
Interest expense	281	—	2,953	13,087	5,034	(281)	21,074
Total expenses	9,270	106	3,069	24,676	542,407	(8,217)	571,311
Income (loss) before equity in net income of subsidiaries and taxes	7,831	3,102	4,588	(24,395)	372,516	(3,549)	360,093
Equity in net income of subsidiaries	265,215	1,533	34,421	41,644	—	(342,813)	—
Income before taxes	273,046	4,635	39,009	17,249	372,516	(346,362)	360,093
Income tax benefit (expense)	2,465	(1,467)	(1,182)	5,671	(14,843)	—	(9,356)
Net income	275,511	3,168	37,827	22,920	357,673	(346,362)	350,737
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(75,226)	—	(75,226)
Net income attributable to RenaissanceRe	275,511	3,168	37,827	22,920	282,447	(346,362)	275,511
Dividends on preference shares	(11,191)	—	—	—	—	—	(11,191)
Net income available to RenaissanceRe common shareholders	\$ 264,320	\$ 3,168	\$ 37,827	\$ 22,920	\$ 282,447	\$ (346,362)	\$ 264,320

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Comprehensive Income for the six months ended June 20, 2016	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Comprehensive income							
Net income	\$ 275,511	\$ 3,168	\$ 37,827	\$ 22,920	\$ 357,673	\$(346,362)	\$ 350,737
Change in net unrealized gains on investments	—	—	—	—	229	—	229
Comprehensive income	275,511	3,168	37,827	22,920	357,902	(346,362)	350,966
Net income attributable to redeemable noncontrolling interests	—	—	—	—	(75,226)	—	(75,226)
Comprehensive income attributable to redeemable noncontrolling interests	—	—	—	—	(75,226)	—	(75,226)
Comprehensive income available to RenaissanceRe	\$ 275,511	\$ 3,168	\$ 37,827	\$ 22,920	\$ 282,676	\$(346,362)	\$ 275,740

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

(2) Includes Parent Guarantor and Subsidiary Issuer consolidating adjustments.

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Condensed Consolidating Statement of Cash Flows for the six months ended June 30, 2017	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	RenaissanceRe Consolidated
Cash flows (used in) provided by operating activities						
Net cash (used in) provided by operating activities	\$ (11,924)	\$ (8,931)	\$ (5,017)	\$ (27,713)	\$ 394,608	\$ 341,023
Cash flows provided by (used in) investing activities						
Proceeds from sales and maturities of fixed maturity investments trading	53,654	46,475	289,741	15,449	4,758,653	5,163,972
Purchases of fixed maturity investments trading	(105,523)	(45,174)	(143,991)	(265,787)	(4,890,887)	(5,451,362)
Net (purchases) sales of equity investments trading	—	(89)	85,324	—	(38,930)	46,305
Net sales (purchases) of short term investments	298,768	(1,351)	41,299	(28,934)	(33,707)	276,075
Net sales of other investments	—	—	—	—	2,551	2,551
Dividends and return of capital from subsidiaries	167,111	9,175	—	17,975	(194,261)	—
Contributions to subsidiaries	(200,000)	—	—	(9,175)	209,175	—
Due (from) to subsidiary	(12,477)	9	(41)	1,278	11,231	—
Net cash provided by (used in) investing activities	201,533	9,045	272,332	(269,194)	(176,175)	37,541
Cash flows (used in) provided by financing activities						
Dividends paid – RenaissanceRe common shares	(25,877)	—	—	—	—	(25,877)
Dividends paid – preference shares	(11,191)	—	—	—	—	(11,191)
RenaissanceRe common share repurchases	(145,940)	—	—	—	—	(145,940)
Issuance of debt, net of expenses	—	—	—	295,866	—	295,866
Repayment of debt	—	—	(250,000)	—	—	(250,000)
Net third party redeemable noncontrolling interest share transactions	—	—	—	—	(33,655)	(33,655)
Taxes paid on withholding shares	(11,251)	—	—	—	—	(11,251)
Net cash (used in) provided by financing activities	(194,259)	—	(250,000)	295,866	(33,655)	(182,048)
Effect of exchange rate changes on foreign currency cash	—	—	—	—	5,477	5,477
	(4,650)	114	17,315	(1,041)	190,255	201,993

Net (decrease) increase in cash and cash equivalents

Cash and cash equivalents, beginning of period	7,067	162	6,671	9,397	397,860	421,157
Cash and cash equivalents, end of period	\$ 2,417	\$ 276	\$ 23,986	\$ 8,356	\$ 588,115	\$ 623,150

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

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Condensed Consolidating Statement of Cash Flows for the six months ended June 30, 2016	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenaissanceRe North America Holdings Inc. (Subsidiary Issuer)	Platinum Underwriters Finance, Inc. (Subsidiary Issuer)	RenaissanceRe Finance, Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	RenaissanceRe Consolidated
Cash flows provided by (used in) operating activities						
Net cash provided by (used in) operating activities	\$ (11,131)	\$ 297	\$ (3,914)	\$ (24,197)	\$ 164,186	\$ 125,241
Cash flows provided by (used in) investing activities						
Proceeds from sales and maturities of fixed maturity investments trading	210,933	50,890	67,839	—	4,450,744	4,780,406
Purchases of fixed maturity investments trading	(324,462)	(105,772)	(203,883)	—	(4,350,703)	(4,984,820)
Proceeds from sales and maturities of fixed maturity investments available for sale	—	—	—	—	5,216	5,216
Net (purchases) sales of equity investments trading	—	(2,195)	193,207	—	(9,378)	181,634
Net sales (purchases) of short term investments	195,915	62,403	(58,367)	—	45,948	245,899
Net purchases of other investments	—	—	—	—	(52,778)	(52,778)
Dividends and return of capital from subsidiaries	341,011	2,900	—	—	(343,911)	—
Contributions to subsidiaries	(95,001)	—	—	—	95,001	—
Due to (from) subsidiaries	(22,676)	(14,396)	(92)	24,134	13,030	—
Net cash provided by (used in) investing activities	305,720	(6,170)	(1,296)	24,134	(146,831)	175,557
Cash flows used in financing activities						
Dividends paid – RenaissanceRe common shares	(26,198)	—	—	—	—	(26,198)
Dividends paid – preference shares	(11,191)	—	—	—	—	(11,191)
RenaissanceRe common share repurchases	(265,003)	—	—	—	—	(265,003)
Net third party redeemable noncontrolling interest share transactions	—	—	—	—	(43,909)	(43,909)
Taxes paid on withholding shares	—	—	—	—	(8,069)	(8,069)
Net cash used in financing activities	(302,392)	—	—	—	(51,978)	(354,370)
Effect of exchange rate changes on foreign currency cash	—	—	—	—	2,208	2,208
Net decrease in cash and cash equivalents	(7,803)	(5,873)	(5,210)	(63)	(32,415)	(51,364)

Cash and cash equivalents, beginning of period	10,185	5,908	7,103	677	483,012	506,885
Cash and cash equivalents, end of period	\$ 2,382	\$ 35	\$ 1,893	\$ 614	\$ 450,597	\$ 455,521

(1) Includes all other subsidiaries of RenaissanceRe Holdings Ltd. and eliminations.

NOTE 16. SUBSEQUENT EVENTS

Subsequent to June 30, 2017 and through the period ended July 21, 2017, the Company repurchased 15 thousand common shares in open market transactions at an aggregate cost of \$2.1 million and at an average share price of \$139.93.

During July 2017, RenaissanceRe purchased \$12.0 million of DaVinciRe's outstanding shares from an existing third party shareholder. The Company's noncontrolling economic ownership in DaVinciRe subsequent to these transactions was 23.5%, effective July 1, 2017.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our results of operations for the three and six months ended June 30, 2017 and 2016, respectively. The following also includes a discussion of our liquidity and capital resources at June 30, 2017. This discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this filing and the audited consolidated financial statements and notes thereto contained in our Form 10-K for the fiscal year ended December 31, 2016. This filing contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from the results described or implied by these forward-looking statements. See "Note on Forward-Looking Statements."

OVERVIEW

RenaissanceRe is a global provider of reinsurance and insurance. We aspire to be the world's best underwriter by matching well-structured risks with efficient sources of capital and our mission is to produce superior returns for our shareholders over the long term. We seek to accomplish these goals by being a trusted, long-term partner to our customers for assessing and managing risk, delivering responsive and innovative solutions, leveraging our core capabilities of risk assessment and information management, investing in these core capabilities in order to serve our customers across the cycles that have historically characterized our markets and keeping our promises. Our strategy focuses on superior risk selection, superior customer relationships and superior capital management. We provide value to our customers and joint venture partners in the form of financial security, innovative products, and responsive service. We are known as a leader in paying valid claims promptly. We principally measure our financial success through long-term growth in tangible book value per common share plus the change in accumulated dividends, which we believe is the most appropriate measure of our financial performance and in respect of which we believe we have delivered superior performance over time.

Our core products include property, casualty and specialty reinsurance and certain insurance products principally distributed through intermediaries, with whom we seek to cultivate strong long-term relationships. We believe we have been one of the world's leading providers of property reinsurance since our founding. In recent years, through the strategic execution of a number of initiatives, including organic growth and our acquisition of Platinum Underwriters Holdings, Ltd. ("Platinum") on March 2, 2015, we have expanded our casualty and specialty platform and products and believe we are a leader in certain casualty and specialty lines of business. We have determined our business consists of the following reportable segments: (1) Property, which is comprised of catastrophe and other property reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures managed by our ventures unit, and (2) Casualty and Specialty, which is comprised of casualty and specialty reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures managed by our ventures unit.

To best serve our clients in the places they do business, we have operating subsidiaries, joint ventures and underwriting platforms around the world, including DaVinci, Renaissance Reinsurance, Top Layer Re, Fibonacci Re and Upsilon RFO in Bermuda, Renaissance Reinsurance U.S. in the U.S., and Syndicate 1458 in the United Kingdom (the "U.K."). In addition, we have a presence in Ireland and Singapore and from time to time explore opportunities in other jurisdictions. We write property and casualty and specialty reinsurance through our wholly owned operating subsidiaries, joint ventures and Syndicate 1458 and certain insurance products primarily through Syndicate 1458. Although each underwriting platform may write any or all of our classes of business, our Bermuda platform has traditionally written, and continues to write, the preponderance of our property business and our U.S. platform and Syndicate 1458 write a significant portion of our casualty and specialty business. Syndicate 1458 provides us with access to Lloyd's extensive distribution network and worldwide licenses and also writes business through delegated authority arrangements. The underwriting results of our operating subsidiaries and underwriting platforms are included in our Property and Casualty and Specialty segment results as appropriate.

Since a meaningful portion of the reinsurance and insurance we write provides protection from damages relating to natural and man-made catastrophes, our results depend to a large extent on the frequency and severity of such catastrophic events, and the coverages we offer to customers affected by these events. We are exposed to significant losses from these catastrophic events and other exposures we cover. Accordingly, we expect a significant degree of volatility in our financial results and our financial results may

vary significantly from quarter-to-quarter and from year-to-year, based on the level of insured catastrophic losses occurring around the world. We view our increased exposure to casualty and specialty lines of business as an efficient use of capital given these risks are generally less correlated with our property lines of business. This has allowed us to bring additional capacity to our clients, across a wider range of product offerings, while continuing to be good stewards of our shareholders' capital. In the future, our casualty and specialty lines of business may represent a greater proportion of our premiums and claims and claim expenses.

We continually explore appropriate and efficient ways to address the risk needs of our clients. We have created and managed, and continue to manage, multiple capital vehicles and may create additional risk bearing vehicles in the future. As our product and geographical diversity increases, we may be exposed to new risks, uncertainties and sources of volatility.

Our revenues are principally derived from three sources: (1) net premiums earned from the reinsurance and insurance policies we sell; (2) net investment income and realized and unrealized gains from the investment of our capital funds and the investment of the cash we receive on the policies which we sell; and (3) fees and other income received from our joint ventures, advisory services and various other items.

Our expenses primarily consist of: (1) net claims and claim expenses incurred on the policies of reinsurance and insurance we sell; (2) acquisition costs which typically represent a percentage of the premiums we write; (3) operating expenses which primarily consist of personnel expenses, rent and other operating expenses; (4) corporate expenses which include certain executive, legal and consulting expenses, costs for research and development, transaction and integration-related expenses, and other miscellaneous costs, including those associated with operating as a publicly traded company; (5) redeemable noncontrolling interests, which represent the interests of third parties with respect to the net income of DaVinciRe and Medici; and (6) interest and dividend costs related to our debt and preference shares. We are also subject to taxes in certain jurisdictions in which we operate. Since the majority of our income is currently earned in Bermuda, which does not have a corporate income tax, the tax impact to our operations has historically been minimal, however, in the future, our net tax exposure may increase as our operations expand geographically, or as a result of adverse tax developments.

The underwriting results of an insurance or reinsurance company are discussed frequently by reference to its net claims and claim expense ratio, underwriting expense ratio, and combined ratio. The net claims and claim expense ratio is calculated by dividing net claims and claim expenses incurred by net premiums earned. The underwriting expense ratio is calculated by dividing underwriting expenses (acquisition expenses and operational expenses) by net premiums earned. The combined ratio is the sum of the net claims and claim expense ratio and the underwriting expense ratio. A combined ratio below 100% indicates profitable underwriting prior to the consideration of investment income. A combined ratio over 100% indicates unprofitable underwriting prior to the consideration of investment income. We also discuss our net claims and claim expense ratio on a current accident year basis and a prior accident years basis. The current accident year net claims and claim expense ratio is calculated by taking current accident year net claims and claim expenses incurred, divided by net premiums earned. The prior accident years net claims and claim expense ratio is calculated by taking prior accident years net claims and claim expenses incurred, divided by net premiums earned.

Segments

Our reportable segments are defined as follows: (1) Property, which is comprised of catastrophe and other property reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures managed by our ventures unit, and (2) Casualty and Specialty, which is comprised of casualty and specialty reinsurance and insurance written on behalf of our operating subsidiaries and certain joint ventures managed by our ventures unit. In addition to our two reportable segments, we have an Other category, which primarily includes our strategic investments, investments unit, corporate expenses, capital servicing costs, noncontrolling interests, certain expenses related to the acquisition of Platinum and the remnants of our former Bermuda-based insurance operations.

Ventures

We pursue a number of other opportunities through our ventures unit, which has responsibility for creating and managing our joint ventures, executing customized reinsurance transactions to assume or cede risk and managing certain investments directed at classes of risk other than catastrophe reinsurance.

New Business

From time to time we consider diversification into new ventures, either through organic growth, the formation of new joint ventures, or the acquisition of or the investment in other companies or books of business of other companies. This potential diversification includes opportunities to write targeted, additional classes of risk-exposed business, both directly for our own account and through new joint venture opportunities. We also regularly evaluate potential strategic opportunities we believe might utilize our skills, capabilities, proprietary technology and relationships to support possible expansion into further risk-related coverages, services and products. Generally, we focus on underwriting or trading risks where we believe reasonably sufficient data is available and our analytical abilities provide us with a competitive advantage, in order for us to seek to model estimated probabilities of losses and returns in respect of our then current portfolio of risks.

We regularly review potential strategic transactions that might improve our portfolio of business, enhance or focus our strategies, expand our distribution or capabilities, or provide other benefits. In evaluating potential new ventures or investments, we generally seek an attractive estimated return on equity, the ability to develop or capitalize on a competitive advantage, and opportunities which we believe will not detract from our core operations. We believe that our ability to attract investment and operational opportunities is supported by our strong reputation and financial resources, and by the capabilities and track record of our ventures unit.

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates include "Claims and Claim Expense Reserves", "Premiums and Related Expenses", "Reinsurance Recoverables", "Fair Value Measurements and Impairments" and "Income Taxes", and are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Form 10-K for the year ended December 31, 2016. There have been no material changes to our critical accounting estimates as disclosed in our Form 10-K for the year ended December 31, 2016.

SUMMARY OF RESULTS OF OPERATIONS

Below is a discussion of the results of operations for the second quarter of 2017, compared to the second quarter of 2016.

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Three months ended June 30, (in thousands, except per share amounts and percentages)	2017	2016	Change
Statement of operations highlights			
Gross premiums written	\$827,415	\$759,128	\$68,287
Net premiums written	\$555,745	\$519,916	\$35,829
Net premiums earned	\$382,265	\$351,402	\$30,863
Net claims and claim expenses incurred	142,587	167,750	(25,163)
Acquisition expenses	88,251	69,005	19,246
Operational expenses	41,766	51,073	(9,307)
Underwriting income	\$109,661	\$63,574	\$46,087
Net investment income	\$54,163	\$54,124	\$39
Net realized and unrealized gains on investments	58,113	69,772	(11,659)
Change in net unrealized gains on fixed maturity investments available for sale	—	(90)	90
Total investment result	\$112,276	\$123,806	\$(11,530)
Net income	\$214,350	\$172,556	\$41,794
Net income available to RenaissanceRe common shareholders	\$171,142	\$136,325	\$34,817
Net income available to RenaissanceRe common shareholders per common share – diluted	\$4.24	\$3.22	\$1.02
Dividends per common share	\$0.32	\$0.31	\$0.01
Key ratios			
Net claims and claim expense ratio – current accident year	49.1	% 56.1	% (7.0)%
Net claims and claim expense ratio – prior accident years	(11.8	)% (8.4	)% (3.4)%
Net claims and claim expense ratio – calendar year	37.3	% 47.7	% (10.4)%
Underwriting expense ratio	34.0	% 34.2	% (0.2)%
Combined ratio	71.3	% 81.9	% (10.6)%
Return on average common equity - annualized	15.2	% 12.6	% 2.6 %
Book value			
Book value	June 30, 2017	March 31, 2017	Change
Book value per common share	\$113.08	\$109.37	\$3.71
Accumulated dividends per common share	17.36	17.04	0.32
Book value per common share plus accumulated dividends	\$130.44	\$126.41	\$4.03
Change in book value per common share plus change in accumulated dividends	3.7	%	
Balance sheet highlights			
Balance sheet highlights	June 30, 2017	March 31, 2017	Change
Total assets	\$13,705,680	\$13,319,627	\$386,053
Total shareholders' equity attributable to RenaissanceRe	\$4,955,255	\$4,860,837	\$94,418

Net income available to RenaissanceRe common shareholders was \$171.1 million in the second quarter of 2017, compared to \$136.3 million in the second quarter of 2016, an increase of \$34.8 million. As a result of our net income available to RenaissanceRe common shareholders in the second quarter of 2017, we generated an annualized return on average common equity of 15.2% and our book value per common share increased from \$109.37 at March 31, 2017 to \$113.08 at June 30, 2017, a 3.7% increase, after considering the change in accumulated dividends paid to our common shareholders and the impact of 501 thousand common shares being repurchased in open market transactions during the second quarter of 2017, as detailed in “Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds”. The most significant events affecting our financial performance during the second quarter of 2017, on a comparative basis to the second quarter of 2016, include:

Underwriting Income - we generated underwriting income of \$109.7 million and a combined ratio of 71.3% in the second quarter of 2017, compared to \$63.6 million and 81.9%, respectively, in the second quarter of 2016. The decrease in the combined ratio was primarily driven by a 10.4 percentage point decrease in the net claims and claim expenses ratio, to 37.3%, in the second quarter of 2017, compared to 47.7% in the second quarter of 2016. The decrease in the net claims and claim expenses ratio was primarily due to a combination of a \$45.8 million, or 7.0 percentage point, decrease in current accident year net claims and claim expenses and \$26.7 million, or 3.4 percentage point increase, in favorable development on prior accident year net claims and claim reserves, each discussed in detail below in “Underwriting Results by Segment”. Included in net claims and claim expenses in the second quarter of 2016 was \$32.8 million of net claims and claim expenses associated with a number of weather-related events in Texas (the “2016 Texas Events”) and \$28.1 million associated with the wildfire originating near Fort McMurray, Alberta (the “Fort McMurray Wildfire”). The net negative impact of these events on our consolidated underwriting result in the second quarter of 2016 was \$50.4 million, and added 15.4 percentage points to our consolidated combined ratio in the second quarter of 2016. The net negative impact of these events on our net income available to RenaissanceRe common shareholders in the second quarter of 2016 was \$41.1 million; partially offset by

Investment Results - our total investment result, which includes the sum of net investment income and net realized and unrealized gains on investments, was \$112.3 million in the second quarter of 2017, compared to \$123.8 million in the second quarter of 2016. Impacting the investment result were strong returns in our equity investments trading and private equity portfolios, combined with positive returns in our fixed maturity investments trading portfolio, principally driven by the tightening of credit spreads across a number of sectors in the portfolio and higher average invested assets; and

Net Income Attributable to Redeemable Noncontrolling Interests - Net income attributable to redeemable noncontrolling interests in the second quarter of 2017 was \$37.6 million, an increase from \$30.6 million in the second quarter of 2016, principally due to an increase in the profitability of DaVinciRe, and a decrease in our ownership in DaVinciRe to 22.6% at June 30, 2017, compared to 24.0% at June 30, 2016.

Underwriting Results by Segment

Property

Below is a summary of the underwriting results and ratios for our Catastrophe Reinsurance segment:

Three months ended June 30, (in thousands, except percentages)	2017	2016	Change
Gross premiums written	\$499,347	\$493,953	\$5,394
Net premiums written	\$336,464	\$350,593	\$(14,129)
Net premiums earned	\$192,198	\$191,060	\$1,138
Net claims and claim expenses incurred	33,017	80,275	(47,258)
Acquisition expenses	28,500	29,389	(889)
Operational expenses	24,053	26,526	(2,473)
Underwriting income	\$106,628	\$54,870	\$51,758
Net claims and claim expenses incurred – current accident year	\$56,889	\$93,336	\$(36,447)
Net claims and claim expenses incurred – prior accident years	(23,872)	(13,061)	(10,811)
Net claims and claim expenses incurred – total	\$33,017	\$80,275	\$(47,258)
Net claims and claim expense ratio – current accident year	29.6	% 48.9	% (19.3)%
Net claims and claim expense ratio – prior accident years	(12.4)%	(6.9)%	(5.5)%
Net claims and claim expense ratio – calendar year	17.2	% 42.0	% (24.8)%
Underwriting expense ratio	27.3	% 29.3	% (2.0)%
Combined ratio	44.5	% 71.3	% (26.8)%

Property Gross Premiums Written – In the second quarter of 2017, our Property segment gross premiums written increased by \$5.4 million, or 1.1%, to \$499.3 million, compared to \$494.0 million in the second quarter of 2016. During the second quarter of 2017, within our other property class of business we were able to increase our participation on a select number of transactions and enter into certain new transactions that we believe have comparably attractive risk-return attributes. As a result, gross premiums written in our other property class of business were \$87.8 million in the second quarter of 2017, an increase of \$25.9 million, or 41.9%, compared to the second quarter of 2016. Gross premiums written in our catastrophe class of business were \$411.5 million in the second quarter of 2017, a decrease of \$20.5 million, or 4.8%, compared to the second quarter of 2016, driven by a challenging pricing environment as we continued to exercise underwriting discipline given prevailing market terms and conditions. Excluding \$11.4 million of reinstatement premiums written in the second quarter of 2016 associated with the 2016 Texas Events and the Fort McMurray Wildfire, gross premiums written in our catastrophe class of business would have decreased \$9.2 million, or 2.2%, in the second quarter of 2017, compared to the second quarter of 2016. Our Property segment gross premiums written continue to be characterized by a large percentage of U.S. and Caribbean premium, as we have found business derived from exposures in Europe, Asia and the rest of the world to be, in general, less attractive on a risk-adjusted basis during recent periods. A significant amount of our U.S. and Caribbean premium provides coverage against windstorms, notably U.S. Atlantic windstorms, as well as earthquakes and other natural and man-made catastrophes.

Property Ceded Premiums Written

Three months ended June 30, (in thousands)	2017	2016	Change
Ceded premiums written - Property	\$162,883	\$143,360	\$19,523

Ceded premiums written in our Property segment were \$162.9 million in the second quarter of 2017, compared to \$143.4 million in the second quarter of 2016, primarily reflecting increased purchases of retrocessional reinsurance as part of the management of our risk portfolio.

Due to the potential volatility of the reinsurance contracts which we sell, we purchase reinsurance to reduce our exposure to large losses and to help manage our risk portfolio. To the extent that appropriately priced coverage is available, we anticipate continued use of retrocessional reinsurance to reduce the impact of large losses on our financial results and to manage our portfolio of risk; however, the decision to buy ceded reinsurance in our Property segment is based on market opportunities and is not based on placing a specific reinsurance program each year. In addition, in future periods we may utilize the growing market for insurance-linked securities to expand our ceded reinsurance buying if we find the pricing and terms of such coverages attractive.

Property Underwriting Results – Our Property segment generated underwriting income of \$106.6 million and a combined ratio of 44.5% in the second quarter of 2017, compared to \$54.9 million and 71.3%, respectively, in the second quarter of 2016. Principally impacting underwriting income and the combined ratio in the second quarter of 2017 was a \$47.3 million decrease in net claims and claim expenses, to \$33.0 million, in the second quarter of 2017, compared to \$80.3 million the second quarter of 2016. The \$47.3 million decrease in net claims and claim expenses was comprised of a \$36.4 million decrease in current accident year net claims and claim expenses and an increase in favorable development on prior accident years net claims and claim expenses of \$10.8 million.

The \$36.4 million decrease in current accident year net claims and claim expenses is primarily driven by the absence of any significant insured catastrophe loss activity during the second quarter of 2017, compared to the second quarter of 2016, which was impacted by the 2016 Texas Events and the Fort McMurray Wildfire. These two events accounted for \$60.9 million of current accident year claims and claim expenses during the second quarter of 2016 and added 29.9 percentage points to our Property segment combined ratio in the second quarter of 2016. Partially offsetting the decrease in current accident year net claims and claim expenses noted above was an increase in attritional net claims and claim expenses associated with the increase in gross premiums written in our other property class of business in the second quarter of 2017, compared to the second quarter of 2016.

Our Property segment experienced \$23.9 million, or 12.4 percentage points, of favorable development on prior accident years net claims and claim expenses during the second quarter of 2017 compared to \$13.1 million, or 6.9 percentage points, in the second quarter of 2016. The favorable development during the second quarter of 2017 was principally driven by reductions in the estimated ultimate losses associated with a number of 2015 and 2016 accident year events.

Profit Commissions and Fees

Three months ended June 30, (in thousands)	2017	2016	Change
Profit commissions and fees	\$32,392	\$21,580	\$10,812
Decrease in underwriting expense ratio	10.3 %	6.6 %	3.7 %
Net impact of profit commissions and fees	\$19,774	\$12,632	\$7,142

We have entered into various joint ventures and specialized quota share retrocession agreements pursuant to which we cede a portion of our property book of business and earn profit commissions, as applicable, and fee income. We record these profit commissions and fees as reductions in acquisition and operating expenses, respectively, and, accordingly, these profit commissions and fees have reduced our underwriting expense ratios.

In addition, we are entitled to certain fee income and profit commissions from DaVinci. Since the results of DaVinci and its parent, DaVinciRe, are consolidated in our results of operations, these fees and profit commissions are eliminated in our consolidated financial statements and are principally reflected in redeemable noncontrolling interest – DaVinciRe. The net impact of all fees and profit commissions related to these joint ventures and specialized quota share cessions within our Property segment was \$19.8 million and \$12.6 million in the second quarter of 2017 and 2016, respectively.

Casualty and Specialty Segment

Below is a summary of the underwriting results and ratios for our Casualty and Specialty segment:

Three months ended June 30, (in thousands, except percentages)	2017	2016	Change	
Gross premiums written	\$328,068	\$265,175	\$62,893	
Net premiums written	\$219,281	\$169,323	\$49,958	
Net premiums earned	\$190,065	\$160,342	\$29,723	
Net claims and claim expenses incurred	109,797	87,390	22,407	
Acquisition expenses	59,752	39,616	20,136	
Operational expenses	17,712	24,526	(6,814)	
Underwriting income	\$2,804	\$8,810	\$(6,006)	
Net claims and claim expenses incurred – current accident year	\$130,802	\$103,669	\$27,133	
Net claims and claim expenses incurred – prior accident years	(21,005)	(16,279)	(4,726)	
Net claims and claim expenses incurred – total	\$109,797	\$87,390	\$22,407	
Net claims and claim expense ratio – current accident year	68.8	% 64.7	% 4.1	%
Net claims and claim expense ratio – prior accident years	(11.0)	% (10.2)	% (0.8)	%
Net claims and claim expense ratio – calendar year	57.8	% 54.5	% 3.3	%
Underwriting expense ratio	40.7	% 40.0	% 0.7	%
Combined ratio	98.5	% 94.5	% 4.0	%

Casualty and Specialty Gross Premiums Written – In the second quarter of 2017, our Casualty and Specialty segment gross premiums written increased \$62.9 million, or 23.7%, to \$328.1 million, compared to \$265.2 million in the second quarter of 2016. The increase was principally due to selective growth from existing business and private placements within certain of our casualty lines of business.

During 2016 and continuing through the second quarter of 2017, we experienced growth in a number of our casualty and specialty lines of business and will continue to seek to expand our casualty and specialty operations through our underwriting platforms, including Bermuda, the U.S. and Syndicate 1458, although we cannot assure you we will continue to do so.

Our Casualty and Specialty segment gross premiums written in recent periods have reflected a relatively larger percentage of proportional reinsurance compared to excess of loss reinsurance than in many of our comparative periods. Our relative mix of business between proportional business and excess of loss business has fluctuated in the past and will likely vary in the future. Proportional business typically has relatively higher premiums per unit of expected underwriting income, and a correspondingly higher combined ratio, than traditional excess of loss reinsurance. Proportional coverage tends to be exposed to relatively more attritional, high frequency, and low severity, losses. Moreover, market conditions for our Casualty and Specialty segment have been impacted by a trend towards increased ceding commissions on our assumed proportional reinsurance.

Casualty and Specialty Ceded Premiums Written

Three months ended June 30, (in thousands)	2017	2016	Change
Ceded premiums written - Casualty and Specialty	\$108,787	\$95,852	\$12,935

Ceded premiums written in our Casualty and Specialty segment increased \$12.9 million to \$108.8 million in the second quarter of 2017, compared to \$95.9 million in the second quarter of 2016, primarily reflecting increased purchases of retrocessional reinsurance as part of the management of our risk portfolio.

Casualty and Specialty Underwriting Results – Our Casualty and Specialty segment generated underwriting income of \$2.8 million and had a combined ratio of 98.5% in the second quarter of 2017, compared to underwriting income of \$8.8 million and a combined ratio of 94.5% in the second quarter of 2016. The increase in our Casualty and Specialty segment’s combined ratio was driven by a 3.3 percentage point increase in the net claims and claim expense ratio in the second quarter of 2017 to 57.8%, compared to 54.5% in the second quarter of 2016. Current accident year net claims and claim expenses in our Casualty and Specialty segment were primarily impacted by higher attritional net claims and claim expenses due in part to the increase in our casualty lines of business which carry a higher claims ratio than other specialty and financial lines.

Our Casualty and Specialty segment experienced \$21.0 million, or 11.0 percentage points, of favorable development on prior accident years net claims and claim reserves during the second quarter of 2017, compared to \$16.3 million, or 10.2 percentage points, in the second quarter of 2016. The favorable development during the second quarter of 2017 was principally driven by net favorable development on attritional net claims and claim expenses.

Profit Commissions and Fees

Three months ended June 30, (in thousands, except percentages)	2017	2016	Change
Profit commissions and fees	\$996	\$7,148	\$(6,152)
Decrease in underwriting expense ratio	0.5 %	4.5 %	(4.0)%

We have various specialized quota share retrocession agreements in place pursuant to which we cede a portion of our casualty and specialty book of business and earn profit commissions, as applicable, and fee income. We record these profit commissions and fees as reductions in acquisition and operating expenses, respectively, and, accordingly, these profit commissions and fees have reduced our underwriting expense ratios.

Profit commissions and fees in our Casualty and Specialty segment were \$1.0 million in the second quarter of 2017, compared to \$7.1 million in the second quarter of 2016, a decrease of \$6.2 million, primarily as a result of changes in estimated profit commissions earned pursuant to our retrocession agreements during the quarter.

Net Investment Income

Three months ended June 30, 2017 (in thousands)	2016	Change	
Fixed maturity investments	\$44,356	\$46,091	\$(1,735)
Short term investments	2,981	1,227	1,754
Equity investments trading	889	865	24
Other investments			
Private equity investments	6,611	4,356	2,255
Other	2,899	5,035	(2,136)
Cash and cash equivalents	295	209	86
	58,031	57,783	248
Investment expenses	(3,868)	(3,659)	(209)
Net investment income	\$54,163	\$54,124	\$39

Net investment income was relatively consistent at \$54.2 million in the second quarter of 2017, compared to \$54.1 million in the second quarter of 2016.

Low interest rates in recent years have lowered the yields at which we invest our assets relative to historical levels, and combined with the current composition of our investment portfolio and other factors, we expect these developments to constrain investment income growth for the near term. Our private equity and other investment portfolios are accounted for at fair value with the change in fair value recorded in net investment income, which included net unrealized gains of \$5.6 million in the second quarter of 2017, compared to unrealized gains of \$5.8 million in the second quarter of 2016.

Net Realized and Unrealized Gains on Investments

Three months ended June 30, (in thousands)	2017	2016	Change
Gross realized gains	\$15,249	\$22,661	\$(7,412)
Gross realized losses	(7,243)	(7,804)	561
Net realized gains on fixed maturity investments	8,006	14,857	(6,851)
Net unrealized gains on fixed maturity investments trading	18,760	44,271	(25,511)
Net realized and unrealized losses on investments-related derivatives	(268)	(9,151)	8,883
Net realized gains on equity investments trading	15,146	14,729	417
Net unrealized gains on equity investments trading	16,469	5,066	11,403
Net realized and unrealized gains on investments	\$58,113	\$69,772	\$(11,659)

Our investment portfolio strategy is to seek to preserve capital and provide us with a high level of liquidity. A large majority of our investments are invested in the fixed income markets and, therefore, our realized and unrealized holding gains and losses on investments are highly correlated to fluctuations in interest rates. Therefore, as interest rates decline, we will tend to have realized and unrealized gains from our investment portfolio, and as interest rates rise, we will tend to have realized and unrealized losses from our investment portfolio.

Net realized and unrealized gains on investments were \$58.1 million in the second quarter of 2017, compared to net realized and unrealized gains of \$69.8 million in the second quarter of 2016, a decrease of \$11.7 million. Included in net realized and unrealized gains on investments are the following components:

net realized and unrealized gains on our portfolio of fixed maturity investments trading of \$26.8 million during the second quarter of 2017, compared to net realized and unrealized gains of \$59.1 million in the second quarter of 2016, a decrease of \$32.4 million, principally driven by the flattening

of the yield curve during the second quarter of 2017, compared to the second quarter of 2016 which experienced a downward shift in the yield curve; net realized and unrealized gains on equity investments trading of \$31.6 million in the second quarter of 2017, compared to \$19.8 million in the second quarter of 2016, an increase of \$11.8 million, driven by the strong performance of a number of our equity positions during the second quarter of 2017; and net realized and unrealized losses on certain investments-related derivatives of \$0.3 million in the second quarter of 2017, compared to losses of \$9.2 million in the second quarter of 2016, an improvement of \$8.9 million, primarily due to the yield curve movements during the second quarter of 2017, as noted above.

Net Foreign Exchange Gains (Losses)

Three months ended June 30,	2017	2016	Change
(in thousands)			
Foreign exchange gains (losses)	\$3,109	\$(690)	\$3,799

Our functional currency is the U.S. dollar. We routinely write a portion of our business in currencies other than U.S. dollars and invest a portion of our cash and investment portfolio in currencies other than the U.S. dollar. As a result, we may experience foreign exchange gains and losses in our consolidated financial statements. All changes in exchange rates are recognized in our consolidated statements of operations. We are primarily impacted by the foreign currency risk exposures associated with our underwriting operations and investment portfolio, and may, from time to time, enter into foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities.

Equity in Earnings of Other Ventures

Three months ended June 30,	2017	2016	Change
(in thousands)			
Tower Hill Companies	\$3,206	\$3,846	\$(640)
Top Layer Re	2,658	2,265	393
Other	(321)	(89)	(232)
Total equity in earnings of other ventures	\$5,543	\$6,022	\$(479)

Equity in earnings of other ventures primarily represents our pro-rata share of the net income from our investments in Tower Hill Insurance Group, LLC, Tower Hill Holdings, Inc., Tower Hill Re Ltd. and Tower Hill Signature Insurance Holdings, Inc. (collectively, the "Tower Hill Companies") and Top Layer Re, and, except for Top Layer Re, is recorded one quarter in arrears.

Equity in earnings of other ventures was \$5.5 million, compared to equity in earnings of other ventures of \$6.0 million in the second quarter of 2016, a decrease of \$0.5 million.

The carrying value of these investments on our consolidated balance sheets, individually or in the aggregate, may differ from the realized value we may ultimately attain, perhaps significantly so.

Other Income

Three months ended June 30, (in thousands)	2017	2016	Change
Assumed and ceded reinsurance contracts accounted for as derivatives and deposits	\$3,134	\$3,492	\$(358)
Other items	(742)	(838)	96
Total other income	\$2,392	\$2,654	\$(262)

In the second quarter of 2017, we generated other income of \$2.4 million, compared to other income of \$2.7 million in the second quarter of 2016, a decrease of \$0.3 million.

Corporate Expenses

Three months ended June 30, 2017 (in thousands)	2016	Change
Corporate expenses	\$4,636	\$5,752 \$(1,116)

Corporate expenses include certain executive, director, legal and consulting expenses, costs for research and development, impairment charges related to goodwill and other intangible assets, and other miscellaneous costs, including those associated with operating as a publicly traded company. Corporate expenses were \$4.6 million in the second quarter of 2017, compared to \$5.8 million in the second quarter of 2016, primarily reflecting the absence of any integration-related expenses associated with Platinum in the second quarter of 2017.

Income Tax Expense

Three months ended June 30, 2017 (in thousands)	2016	Change
Income tax expense	\$(3,904)	\$(6,612) \$2,708

We are subject to income taxes in certain jurisdictions in which we operate; however, since the majority of our income is currently earned in Bermuda, which does not have a corporate income tax, the tax impact to our operations has historically been minimal.

We recognized an income tax expense of \$3.9 million in the second quarter of 2017, compared to \$6.6 million in the second quarter of 2016, principally driven by lower pre-tax income in our U.S.-based operations.

Net Income Attributable to Redeemable Noncontrolling Interests

Three months ended June 30, (in thousands)	2017	2016	Change
Net income attributable to redeemable noncontrolling interests	\$(37,612)	\$(30,635)	\$(6,977)

Our net income attributable to redeemable noncontrolling interests was \$37.6 million in the second quarter of 2017, compared to \$30.6 million in the second quarter of 2016, principally due to an increase in the profitability of DaVinciRe and a decrease in our ownership in DaVinciRe to 22.6% at June 30, 2017, compared to 24.0% at June 30, 2016. We expect our ownership in DaVinciRe to fluctuate over time. See "Note 8. Noncontrolling Interests" and "Note 16. Subsequent Events" in our "Notes to the Consolidated Financial Statements" for additional information regarding DaVinciRe.

SUMMARY OF RESULTS OF OPERATIONS

Below is a discussion of the results of operations for the six months ended June 30, 2017, compared to the six months ended June 30, 2016.

Six months ended June 30, (in thousands, except per share amounts and percentages)	2017	2016	Change	
Statement of operations highlights				
Gross premiums written	\$1,749,505	\$1,621,261	\$128,244	
Net premiums written	\$1,099,881	\$1,031,591	\$68,290	
Net premiums earned	\$748,310	\$705,008	\$43,302	
Net claims and claim expenses incurred	335,668	294,355	41,313	
Acquisition expenses	171,533	134,597	36,936	
Operational expenses	89,049	107,308	(18,259)	
Underwriting income	\$152,060	\$168,748	\$(16,688)	
Net investment income	\$108,488	\$82,987	\$25,501	
Net realized and unrealized gains on investments	101,486	131,425	(29,939)	
Change in net unrealized gains on fixed maturity investments available for sale	—	(359)	359	
Total investment result	\$209,974	\$214,053	\$(4,079)	
Net income	\$346,624	\$350,737	\$(4,113)	
Net income available to RenaissanceRe common shareholders	\$263,494	\$264,320	\$(826)	
Net income available to RenaissanceRe common shareholders per common share – diluted	\$6.47	\$6.16	\$0.31	
Dividends per common share	\$0.64	\$0.62	\$0.02	
Key ratios				
Net claims and claim expense ratio – current accident year	47.0	% 46.1	% 0.9	%
Net claims and claim expense ratio – prior accident years	(2.1 )	)% (4.3 )	)% 2.2	%
Net claims and claim expense ratio – calendar year	44.9	% 41.8	% 3.1	%
Underwriting expense ratio	34.8	% 34.3	% 0.5	%
Combined ratio	79.7	% 76.1	% 3.6	%
Return on average common equity - annualized	11.7	% 12.2	% (0.5))%
Book value				
Book value	June 30, 2017	December 31, 2016	Change	
Book value per common share	\$113.08	\$108.45	\$4.63	
Accumulated dividends per common share	17.36	16.72	0.64	
Book value per common share plus accumulated dividends	\$130.44	\$125.17	\$5.27	
Change in book value per common share plus change in accumulated dividends	4.9	%		
Balance sheet highlights				
Balance sheet highlights	June 30, 2017	December 31, 2016	Change	
Total assets	\$13,705,680	\$12,352,082	\$1,353,598	
Total shareholders' equity attributable to RenaissanceRe	\$4,955,255	\$4,866,577	\$88,678	

Net income available to RenaissanceRe common shareholders was \$263.5 million in the six months ended June 30, 2017, compared to \$264.3 million in the six months ended June 30, 2016, a decrease of \$0.8 million. As a result of our net income available to RenaissanceRe common shareholders in the six months ended June 30, 2017, we generated an annualized return on average common equity of 11.7% and our book value per common share increased from \$108.45 at December 31, 2016 to \$113.08 at June 30, 2017, a 4.9% increase, after considering the change in accumulated dividends paid to our common shareholders, and the impact of repurchasing an aggregate of 1.1 million common shares in open market transactions during the six months ended June 30, 2017, as detailed in “Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds”.

The most significant events affecting our financial performance during the six months ended June 30, 2017, on a comparative basis to the six months ended June 30, 2016, include:

Underwriting Income - we generated underwriting income of \$152.1 million and a combined ratio of 79.7% in the six months ended June 30, 2017, compared to \$168.7 million and 76.1%, respectively, in the six months ended June 30, 2016, a decrease of \$16.7 million and an increase of 3.6 percentage points, respectively. Our underwriting income was comprised of our Property segment which generated underwriting income of \$198.0 million in the six months ended June 30, 2017 and our Casualty and Specialty segment which incurred an underwriting loss of \$46.5 million, each discussed in detail below in “Underwriting Results by Segment”.

Investment Results - our total investment result, which includes the sum of net investment income and net realized and unrealized gains on investments, was a gain of \$210.0 million in the six months ended June 30, 2017, compared to a gain of \$214.1 million in the six months ended June 30, 2016. Impacting the investment result was higher returns in our equity investments trading and private equity portfolios and higher net investment income due to higher average invested assets in our fixed maturity investments trading portfolio, partially offset by lower unrealized gains in our fixed maturity investments trading portfolio driven by the flattening of the yield curve during the six months ended June 30, 2017, compared to the six months ended June 30, 2016, which experienced a pronounced downward shift in the yield curve; partially offset by

Net Income Attributable to Redeemable Noncontrolling Interests - our net income attributable to redeemable noncontrolling interests was \$71.9 million in the six months ended June 30, 2017, compared to \$75.2 million in the six months ended June 30, 2016, principally due to a decrease in the profitability of DaVinciRe, partially offset by a decrease in our ownership in DaVinciRe to 22.6% at June 30, 2017, compared to 24% at June 30, 2016.

Underwriting Results by Segment

Property Segment

Below is a summary of the underwriting results and ratios for our Property segment:

Six months ended June 30, (in thousands, except percentages)	2017	2016	Change
Gross premiums written	\$1,019,876	\$938,912	\$80,964
Net premiums written	\$626,335	\$583,452	\$42,883
Net premiums earned	\$379,186	\$366,292	\$12,894
Net claims and claim expenses incurred	71,855	102,079	(30,224)
Acquisition expenses	57,603	49,513	8,090
Operational expenses	51,718	55,183	(3,465)
Underwriting income	\$198,010	\$159,517	\$38,493
Net claims and claim expenses incurred – current accident year	\$96,655	\$121,068	\$(24,413)
Net claims and claim expenses incurred – prior accident years	(24,800)	(18,989)	(5,811)
Net claims and claim expenses incurred – total	\$71,855	\$102,079	\$(30,224)
Net claims and claim expense ratio – current accident year	25.5	% 33.1	% (7.6)%
Net claims and claim expense ratio – prior accident years	(6.6)%	(5.2)%	(1.4)%
Net claims and claim expense ratio – calendar year	18.9	% 27.9	% (9.0)%
Underwriting expense ratio	28.9	% 28.6	% 0.3 %
Combined ratio	47.8	% 56.5	% (8.7)%

Property Gross Premiums Written

In the six months ended June 30, 2017, our Property segment gross premiums written increased by \$81.0 million, or 8.6%, to \$1.0 billion, compared to \$938.9 million in the six months ended June 30, 2016. We were able to increase our participation on a select number of transactions and enter into certain new transactions we believe have comparably attractive risk-return attributes. As a result, we were able to grow our catastrophe and other property classes of business, while continuing to exercise underwriting discipline given prevailing market terms and conditions. As a result, gross premiums written in our other property class of business were \$194.0 million in the six months ended June 30, 2017, an increase of \$60.1 million, or 44.9%, compared to the six months ended June 30, 2016 and gross premiums written in our catastrophe class of business were \$825.9 million in the six months ended June 30, 2017, an increase of \$20.9 million, or 2.6%, compared to the six months ended June 30, 2016.

Property Ceded Premiums Written

Six months ended June 30, (in thousands)	2017	2016	Change
Ceded premiums written - Property	\$393,541	\$355,460	\$38,081

Ceded premiums written in our Property segment increased \$38.1 million to \$393.5 million in the six months ended June 30, 2017, compared to \$355.5 million in the six months ended June 30, 2016, primarily reflecting increased purchases of retrocessional reinsurance as part of the management of our risk portfolio.

Property Underwriting Results

Our Property segment generated underwriting income of \$198.0 million in the six months ended June 30, 2017, compared to \$159.5 million in the six months ended June 30, 2016, a increase of \$38.5 million. In the six months ended June 30, 2017, our Property segment generated a net claims and claim expense ratio of 18.9%, an underwriting expense ratio of 28.9% and a combined ratio of 47.8%, compared to 27.9%, 28.6% and 56.5%, respectively, in the six months ended June 30, 2016.

Principally impacting underwriting income and the combined ratio in our Property segment was a \$30.2 million decrease in net claims and claim expenses and a \$12.9 million increase in net premiums earned, partially offset by an \$8.1 million increase in acquisition expenses. The \$30.2 million decrease in net claims and claim expenses was principally driven by lower current accident year net claims and claim expenses of \$96.7 million in the six months ended June 30, 2017, compared to \$121.1 million in the six months ended June 30, 2016. The \$30.2 million decrease in net claims and claim expenses was primarily due the absence of any significant insured catastrophe loss activity during the six months ended June 30, 2017, compared to the six months ended June 30, 2016, which was impacted by the 2016 Texas Events and the Fort McMurray Wildfire. These two events accounted for \$60.9 million of current accident year claims and claim expenses during the six months ended June 30, 2016 and added 18.1 percentage points to our Property segment combined ratio in the six months ended June 30, 2016. Partially offsetting the decrease in current accident year net claims and claim expenses noted above was an increase in attritional net claims and claim expenses associated with the increase in gross premiums written in our other property class of business in the six months ended June 30, 2017, compared to the six months ended June 30, 2016.

The increase in acquisition expenses and net premiums earned was driven principally by the increase in gross premiums written, with acquisition expenses also being impacted by a higher proportion of our Property segment's gross premiums written being proportional and delegated authority business, which carries a higher acquisition expense ratio compared to traditional catastrophe excess of loss business.

Our Property segment experienced favorable development on prior accident years net claims and claim expenses of \$24.8 million, or 6.6 percentage points, in the six months ended June 30, 2017, compared to \$19.0 million, or 5.2 percentage points, in the six months ended June 30, 2016. See "Note 6. Reserve for Claims and Claim Expenses" in our "Notes to the Consolidated Financial Statements" for additional information related to the development of prior accident years net claims and claim expenses.

Profit Commissions and Fees

Six months ended June 30, (in thousands)	2017	2016	Change
Profit commissions and fees	\$66,000	\$52,727	\$13,273
Decrease in underwriting expense ratio	11.1	% 8.8	% 2.3
Net impact of profit commissions and fees	\$41,890	\$32,347	\$9,543

We have entered into various joint ventures and specialized quota share retrocession agreements pursuant to which we cede a portion of our property book of business and earn profit commissions, as applicable, and fee income. We record these profit commissions and fees as reductions in acquisition and operating expenses, respectively, and, accordingly, these profit commissions and fees have reduced our underwriting expense ratios.

In addition, we are entitled to certain fee income and profit commissions from DaVinci. Since the results of DaVinci and its parent, DaVinciRe, are consolidated in our results of operations, these fees and profit commissions are eliminated in our consolidated financial statements and are principally reflected in redeemable noncontrolling interest – DaVinciRe. The net impact of all fees and profit commissions related to these joint ventures and specialized quota share cessions within our Property segment was \$41.9 million and \$32.3 million in the six months ended June 30, 2017 and 2016, respectively.

Casualty and Specialty Segment

Below is a summary of the underwriting results and ratios for our Casualty and Specialty segment:

Six months ended June 30, (in thousands, except percentages)	2017	2016	Change	
Gross premiums written	\$729,629	\$682,349	\$47,280	
Net premiums written	\$473,546	\$448,139	\$25,407	
Net premiums earned	\$369,124	\$338,716	\$30,408	
Net claims and claim expenses incurred	264,368	192,273	72,095	
Acquisition expenses	113,931	85,084	28,847	
Operational expenses	37,319	52,044	(14,725)	
Underwriting (loss) income	\$(46,494)	\$9,315	\$(55,809)	
Net claims and claim expenses incurred – current accident year	\$255,111	\$204,146	\$50,965	
Net claims and claim expenses incurred – prior accident years	9,257	(11,873)	21,130	
Net claims and claim expenses incurred – total	\$264,368	\$192,273	\$72,095	
Net claims and claim expense ratio – current accident year	69.1	% 60.3	% 8.8	%
Net claims and claim expense ratio – prior accident years	2.5	% (3.5)	% 6.0	%
Net claims and claim expense ratio – calendar year	71.6	% 56.8	% 14.8	%
Underwriting expense ratio	41.0	% 40.4	% 0.6	%
Combined ratio	112.6	% 97.2	% 15.4	%

Casualty and Specialty Gross Premiums Written

In the six months ended June 30, 2017, our Casualty and Specialty segment gross premiums written increased \$47.3 million, or 6.9%, to \$729.6 million, compared to \$682.3 million in the six months ended June 30, 2016. The \$47.3 million increase was principally due to selective growth from existing business and private placements within certain of our casualty lines of business, partially offset by a decrease in financial lines of business primarily as a result of a large, in-force multi-year mortgage reinsurance contract written in the six months ended June 30, 2016 that did not renew in the six months ended June 30, 2017. Financial lines of business, and more specifically, mortgage reinsurance, are prone to significant gross premiums written volatility and can be influenced by a small number of relatively large transactions.

Casualty and Specialty Ceded Premiums Written

Six months ended June 30, (in thousands)	2017	2016	Change
Ceded premiums written - Casualty and Specialty	\$256,083	\$234,210	\$21,873

Ceded premiums written in our Casualty and Specialty segment increased \$21.9 million, to \$256.1 million, in the six months ended June 30, 2017, compared to \$234.2 million in the six months ended June 30, 2016, primarily reflecting increased purchases of retrocessional reinsurance as part of the management of our risk portfolio.

Casualty and Specialty Underwriting Results

Our Casualty and Specialty segment incurred an underwriting loss of \$46.5 million in the six months ended June 30, 2017, compared to underwriting income of \$9.3 million in the six months ended June 30, 2016. In the six months ended June 30, 2017, our Casualty and Specialty segment generated a net claims and claim

expense ratio of 71.6%, an underwriting expense ratio of 41.0% and a combined ratio of 112.6%, compared to 56.8%, 40.4% and 97.2%, respectively, in the six months ended June 30, 2016.

The increase in our Casualty and Specialty segment's combined ratio was driven by a 14.8 percentage point increase in the net claims and claim expense ratio in the six months ended June 30, 2017 to 71.6%, compared to 56.8% in the six months ended June 30, 2016, and was comprised of an increase in our Casualty and Specialty segment current accident year net claims and claim expenses ratio and adverse development on prior accident years net claims and claim expenses.

Current accident year net claims and claim expenses in our Casualty and Specialty segment were primarily impacted by higher attritional net claims and claim expenses due in part to the increase in our casualty lines of business which carry a higher claims ratio than other specialty and financial lines, combined with claims stemming from certain small events.

We experienced \$9.3 million, or 2.5 percentage points, of adverse development on prior accident years net claims and claim reserves within our Casualty and Specialty segment during the six months ended June 30, 2017, compared to \$11.9 million, or 3.5 percentage points, of favorable development in the six months ended June 30, 2016. The adverse development during the six months ended June 30, 2017 was principally driven by \$33.5 million of adverse development associated with the change in the Ogden Rate. Notwithstanding the impact of the Ogden Rate change, we experienced \$21.8 million of net favorable development in the six months ended June 30, 2017 related to actual reported losses coming in lower than expected on attritional net claims and claim expenses across a number of lines of business and \$2.5 million of net favorable development associated with actuarial assumption changes. See "Note 6. Reserve for Claims and Claim Expenses" in our "Notes to the Consolidated Financial Statements" for additional information related to the development of prior accident years net claims and claim expenses.

Profit Commissions and Fees

Six months ended June 30, (in thousands, except percentages)	2017	2016	Change
Profit commissions and fees	\$9,528	\$10,417	\$(889)
Decrease in underwriting expense ratio	2.6 %	3.1 %	(0.5)%

We have various specialized quota share retrocession agreements in place pursuant to which we cede a portion of our casualty and specialty book of business and earn profit commissions, as applicable, and fee income. We record these profit commissions and fees as reductions in acquisition and operating expenses, respectively, and, accordingly, these profit commissions and fees have reduced our underwriting expense ratios.

Net Investment Income

Six months ended June 30, 2017 (in thousands)	2016	Change
Fixed maturity investments	\$87,775	\$82,097 \$5,678
Short term investments	4,705	2,227 2,478
Equity investments trading	1,700	2,528 (828)
Other investments		
Private equity investments	14,413	(5,002) 19,415
Other	6,971	8,344 (1,373)
Cash and cash equivalents	484	338 146
	116,048	90,532 25,516
Investment expenses	(7,560)	(7,545) (15)
Net investment income	\$108,488	\$82,987 \$25,501

Net investment income was \$108.5 million in the six months ended June 30, 2017, compared to \$83.0 million in the six months ended June 30, 2016, an increase of \$25.5 million. Impacting our net investment income for the six months

ended June 30, 2017 was improved returns in our portfolio of other investments

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principally driven by our private equity investments and higher net investment income in our portfolio of fixed maturity investments primarily driven by higher average invested assets.

Our private equity and other investment portfolios are accounted for at fair value with the change in fair value recorded in net investment income, which included net unrealized gains of \$12.5 million and losses of \$3.2 million in the six months ended June 30, 2017 and 2016, respectively.

Net Realized and Unrealized Gains on Investments

Six months ended June 30, (in thousands)	2017	2016	Change
Gross realized gains	\$26,710	\$40,411	\$(13,701)
Gross realized losses	(23,776)	(22,469)	(1,307)
Net realized gains on fixed maturity investments	2,934	17,942	(15,008)
Net unrealized gains on fixed maturity investments trading	43,395	129,736	(86,341)
Net realized and unrealized losses on investments-related derivatives	(324)	(28,600)	28,276
Net realized gains on equity investments trading	36,061	13,911	22,150
Net unrealized gains (losses) on equity investments trading	19,420	(1,564)	20,984
Net realized and unrealized gains on investments	\$101,486	\$131,425	\$(29,939)

Net realized and unrealized gains on investments were \$101.5 million in the six months ended June 30, 2017, compared to \$131.4 million in the six months ended June 30, 2016, a decrease of \$29.9 million. Included in our net realized and unrealized gains on investments were:

- net realized and unrealized gains on equity investments trading of \$55.5 million in the six months ended June 30, 2017, compared to net realized and unrealized gains of \$12.3 million in the six months ended June 30, 2016, an improvement of \$43.1 million, principally driven by the strong performance of a number of our equity positions in the six months ended June 30, 2017;
- net realized and unrealized gains on our fixed maturity investments trading of \$46.3 million in the six months ended June 30, 2017, compared to gains of \$147.7 million in the six months ended June 30, 2016. The \$101.3 million decrease was principally driven by lower unrealized gains driven by the flattening of the yield curve during the six months ended June 30, 2017, compared to the six months ended June 30, 2016 which experienced a pronounced downward shift in the yield curve; and
- net realized and unrealized losses on certain investments-related derivatives of \$0.3 million in the six months ended June 30, 2017, compared to losses of \$28.6 million in the six months ended June 30, 2016, an improvement of \$28.3 million, primarily due to the yield curve movements, as noted above.

Net Foreign Exchange Gains (Losses)

Six months ended June 30, (in thousands)	2017	2016	Change
Foreign exchange gains (losses)	\$11,274	\$(2,382)	\$13,656

Our functional currency is the U.S. dollar. We routinely write a portion of our business in currencies other than U.S. dollars and invest a portion of our cash and investment portfolio in currencies other than the U.S. dollar. As a result, we may experience foreign exchange gains and losses in our consolidated financial statements. All changes in exchange rates are recognized in our consolidated statements of operations. We are primarily impacted by the foreign currency risk exposures associated with our underwriting operations and investment portfolio, and may, from time to time, enter into foreign currency forward and option

contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities.

Equity in Earnings of Other Ventures

Six months ended June 30, (in thousands)	2017	2016	Change
Top Layer Re	\$5,142	\$4,668	\$474
Tower Hill Companies	(852)	4,097	(4,949)
Other	(254)	(1,132)	878
Total equity in earnings of other ventures	\$4,036	\$7,633	\$(3,597)

Equity in earnings of other ventures primarily represents our pro-rata share of the net income (loss) from our investments in Top Layer Re and the Tower Hill Companies, and, except for Top Layer Re, is recorded one quarter in arrears. The carrying value of these investments on our consolidated balance sheets, individually or in the aggregate, may differ from the realized value we may ultimately attain, perhaps significantly so.

Equity in earnings of other ventures was \$4.0 million in the six months ended June 30, 2017, compared to equity in earnings of \$7.6 million in the six months ended June 30, 2016, with the decrease driven by lower profitability in the Tower Hill Companies.

Other Income

Six months ended June 30, (in thousands)	2017	2016	Change
Assumed and ceded reinsurance contracts accounted for as derivatives and deposits	\$4,632	\$7,331	(2,699)
Other	(575)	(598)	23
Total other income	\$4,057	\$6,733	\$(2,676)

In the six months ended June 30, 2017, we generated other income of \$4.1 million, compared to \$6.7 million in the six months ended June 30, 2016, with the decrease driven by our assumed and ceded reinsurance contracts accounted for as derivatives and deposits.

Corporate Expenses

Six months ended June 30, 2017	2016	Change
(in thousands)		
Corporate expenses	\$9,922	\$13,977 \$(4,055)

Corporate expenses include certain executive, director, legal and consulting expenses, costs for research and development, impairment charges related to goodwill and other intangible assets, and other miscellaneous costs, including those associated with operating as a publicly traded company. Corporate expenses decreased \$4.1 million, to \$9.9 million, in the six months ended June 30, 2017, compared to \$14.0 million in the six months ended June 30, 2016, primarily reflecting executive charges in the six months ended June 30, 2016 that did not reoccur in the six months ended June 30, 2017.

Income Tax Expense

Six months ended June 30, 2017 (in thousands)	2016	Change
Income tax expense	\$(4,238) \$(9,356)	\$5,118

In the six months ended June 30, 2017, we recognized an income tax expense of \$4.2 million, compared to \$9.4 million in the six months ended June 30, 2016, primarily as a result of lower pre-tax income in our U.S.-based operations.

Net Income Attributable to Redeemable Noncontrolling Interests

Six months ended June 30, (in thousands)	2017	2016	Change
Net income attributable to redeemable noncontrolling interests	\$(71,939)	\$(75,226)	\$3,287

Our net income attributable to redeemable noncontrolling interests was \$71.9 million in the six months ended June 30, 2017, compared to \$75.2 million in the six months ended June 30, 2016. The \$3.3 million decrease in net income attributable to redeemable noncontrolling interests was principally due to a decrease in the profitability of DaVinciRe, partially offset by a decrease in our ownership of DaVinciRe to 22.6% at June 30, 2017, compared to 24.0% at June 30, 2016. We expect our noncontrolling economic ownership in DaVinciRe to fluctuate over time. See “Note 8. Noncontrolling Interests” and “Note 16. Subsequent Events” in our “Notes to the Consolidated Financial Statements” for additional information regarding DaVinciRe.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

RenaissanceRe is a holding company, and we therefore rely on dividends from our subsidiaries and investment income to make principal and interest payments on our debt and to make dividend payments to our preference and common shareholders. The payment of dividends by our subsidiaries is, under certain circumstances, limited by the applicable laws and regulations in the various jurisdictions in which our subsidiaries operate, including among others, Bermuda, the U.S., the U.K. and Ireland. For example, insurance laws require our insurance subsidiaries to maintain certain measures of solvency and liquidity. The regulations governing the ability of us and our principal operating subsidiaries to pay dividends are discussed in detail in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources, Financial Condition” of our Form 10-K for the year ended December 31, 2016.

During the six months ended June 30, 2017, RenaissanceRe’s principal operating subsidiaries returned capital, which included dividends declared and return of capital, net of capital contributions received, of \$32.9 million (2016 - \$144.3 million).

In the aggregate, our operating subsidiaries have historically produced sufficient cash flows to meet their expected claims payments and operational expenses and to provide dividend payments to us. Our subsidiaries also maintain a concentration of investments in high quality liquid securities, which management believes will provide additional liquidity for extraordinary claims payments should the need arise. See “Capital Resources” section below.

Group Supervision

The Bermuda Monetary Authority (“BMA”) is our group supervisor. Under the Insurance Act 1978, amendments thereto and related regulations of Bermuda (collectively, the “Insurance Act”), we are required to maintain capital at a level equal to our enhanced capital requirement (“ECR”), which is established by reference to the Bermuda Solvency Capital Requirement (the “BSCR”) model. The BSCR is a mathematical model designed to give the BMA robust methods for determining an insurer’s capital adequacy. Underlying

the BSCR is the belief that all insurers should operate on an ongoing basis with a view to maintaining their capital at a prudent level in excess of the minimum solvency margin otherwise prescribed under the Insurance Act. At June 30, 2017, we believe the statutory capital and surplus of our group exceeded the minimum amount required to be maintained under Bermuda law. Our 2016 group BSCR was filed with the BMA in advance of the May 31, 2017 filing deadline, and we exceeded the minimum amount required to be maintained under Bermuda law. Class 3A, 3B and 4 insurers and insurance groups are also required to prepare and publish a financial condition report (“FCR”), which was introduced to the regulatory regime in 2016 as part of the measures undertaken to achieve Solvency II equivalence. The FCR provides, among other things, details of measures governing the business operations, corporate governance framework and solvency and financial performance of the insurer/insurance group. We applied for, and received, approval from the BMA to file a consolidated group FCR, inclusive of our Bermuda-domiciled insurance subsidiaries and Top Layer Re. Our group FCR was filed in advance of the June 30, 2017 deadline and will be published on our website subsequent to BMA review and on a date determined by the BMA, currently set at August 31, 2017.

Bermuda Subsidiaries

Bermuda regulations require BMA approval for any reduction of capital in excess of 15% of statutory capital, as defined in the Insurance Act. The Insurance Act also requires the Bermuda insurance subsidiaries of RenaissanceRe to maintain certain measures of solvency and liquidity. At June 30, 2017, we believe the statutory capital and surplus of our Bermuda insurance subsidiaries exceeded the minimum amount required to be maintained under Bermuda law. Under the Insurance Act, RenaissanceRe Specialty U.S. is defined as a Class 3B insurer, and Renaissance Reinsurance and DaVinci are classified as Class 4 insurers, and must each maintain capital at a level equal to an ECR which is established by reference to the BSCR model. The 2016 BSCR for Renaissance Reinsurance, RenaissanceRe Specialty U.S. and DaVinci was filed with the BMA before the April 30, 2017 filing deadline; and each company exceeded the minimum amount required to be maintained under Bermuda law. In addition, audited annual financial statements prepared in accordance with GAAP for each of Renaissance Reinsurance, RenaissanceRe Specialty U.S. and DaVinci are filed prior to April 30 of each year with the BMA and are available free of charge on the BMA’s website.

U.K. Subsidiaries

Underwriting capacity, or stamp capacity, of a member of Lloyd’s must be supported by providing a deposit in the form of cash, securities or letters of credit, which are referred to as Funds at Lloyd’s (“FAL”). The amount of FAL is determined by Lloyd’s and is based on Syndicate 1458’s solvency and capital requirement as calculated through its internal model. In addition, if the FAL are not sufficient to cover all losses, the Lloyd’s Central Fund provides an additional level of security for policyholders. At June 30, 2017, the stamp capacity approved by Lloyd’s for Syndicate 1458 was £353.2 million based on its business plan originally approved in November 2016 (December 31, 2016 - £353.2 million based on its business plan originally approved in November 2016).

At June 30, 2017, the FAL required to support the underwriting activities at Lloyd’s through Syndicate 1458 was £381.9 million (December 31, 2016 - £351.7 million). Actual FAL posted for Syndicate 1458 at June 30, 2017 by RenaissanceRe CCL was £381.9 million, supported by a \$180.0 million letter of credit and a \$315.4 million deposit of cash and fixed maturity securities. Effective May 25, 2017, the then existing FAL letters of credit issued for the account of Renaissance Reinsurance, with stated amounts of \$380 million and £90 million, were amended. Pursuant to the amendment, the stated amount of the \$380 million letter of credit was reduced to \$180 million and the £90 million letter of credit was cancelled. See “Note 7. Debt and Credit Facilities” in our “Notes to the Consolidated Financial Statements” for additional information related to this facility.

U.S. Subsidiaries

Renaissance Reinsurance U.S. is domiciled in Maryland, which has adopted the NAIC's model law which uses a risk-based capital (“RBC”) model to monitor and regulate the solvency of licensed life, health, and property and casualty insurance and reinsurance companies. The RBC calculation is used to measure an insurer's capital adequacy with respect to: the risk characteristics of the insurer's premiums written and net

claims and claim expenses, rate of growth and quality of assets, among other measures. At June 30, 2017, we believe the statutory capital and surplus of Renaissance Reinsurance U.S. exceeded the minimum capital adequacy level required to be maintained under U.S. law.

Renaissance Reinsurance U.S. is subject to certain restrictions on its ability to pay dividends pursuant to Maryland law, including making appropriate filings with and obtaining certain approvals from its regulator. During 2017, Renaissance Reinsurance U.S. has an ordinary dividend capacity of \$25.4 million (2016 - \$26.0 million).

Top Layer Re

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.

Liquidity and Cash Flows

Holding Company Liquidity

As a Bermuda-domiciled holding company, RenaissanceRe has limited operations of its own and its assets consist primarily of investments in subsidiaries, and, to a degree, cash and securities in amounts which fluctuate over time. Accordingly, RenaissanceRe's future cash flows largely depend on the availability of dividends or other statutorily permissible payments from our subsidiaries. As discussed above, the ability to pay such dividends is limited by the applicable laws and regulations in the various jurisdictions in which our subsidiaries operate.

RenaissanceRe's principal uses of liquidity are: (1) common share related transactions including dividend payments to our common shareholders and common share repurchases, (2) preference share related transactions including dividend payments to our preference shareholders and preference share redemptions, (3) interest and principal payments on debt, (4) capital investments in our subsidiaries, (5) acquisition of new or existing companies or businesses, such as our acquisition of Platinum and (6) certain corporate and operating expenses.

We attempt to structure our organization in a way that facilitates efficient capital movements between RenaissanceRe and our operating subsidiaries and to ensure that adequate liquidity is available when required, giving consideration to applicable laws and regulations, and the domiciliary location of sources of liquidity and related obligations.

Sources of Liquidity

Historically, cash receipts from operations, consisting of premiums and investment income, have provided sufficient funds to pay losses and operating expenses of our subsidiaries and to fund dividends to RenaissanceRe. The premiums received by our operating subsidiaries are generally received months or even years before losses are paid under the policies related to such premiums. Premiums and acquisition expenses generally are received within the first two years of inception of a contract while operating expenses are generally paid within a year of being incurred. It generally takes much longer for claims and claims expenses to be reported and ultimately settled, requiring the establishment of reserves for claims and claim expenses. Therefore, the amount of claims paid in any one year is not necessarily related to the amount of net claims incurred in that year, as reported in the consolidated statement of operations.

While we expect that our liquidity needs will continue to be met by our cash receipts from operations, as a result of the combination of current market conditions, lower than usual investment yields, and the nature of our business where a large portion of the coverages we provide can produce losses of high severity and low frequency, future cash flows from operating activities cannot be accurately predicted and may fluctuate significantly between individual quarters and years. In addition, due to the magnitude and complexity of certain large loss events, meaningful uncertainty remains regarding losses from these events and our actual ultimate net losses from these events may vary materially from preliminary estimates, which would impact our cash flows from operations.

Our "shelf" registration statement on Form S-3 under the Securities Act allows for the public offering of various types of securities, including common shares, preference shares and debt securities, and thus provides a source of liquidity. Because we are a "well-known seasoned issuer" as defined by the rules

promulgated under the Securities Act, we are also eligible to file additional automatically effective registration statements on Form S-3 in the future for the potential offering and sale of an unlimited amount of debt and equity securities.

In addition, we maintain letter of credit facilities which provide liquidity. Refer to “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources, Capital Resources” in our Form 10-K for the year ended December 31, 2016 for details of these facilities.

Cash Flows

Six months ended June 30, (in thousands)	2017	2016
Net cash provided by operating activities	\$341,023	\$125,241
Net cash provided by investing activities	37,541	175,557
Net cash used in financing activities	(182,048)	(354,370)
Effect of exchange rate changes on foreign currency cash	5,477	2,208
Net increase (decrease) in cash and cash equivalents	201,993	(51,364)
Cash and cash equivalents, beginning of period	421,157	506,885
Cash and cash equivalents, end of period	\$623,150	\$455,521

2017

During the six months ended June 30, 2017, our cash and cash equivalents increased \$202.0 million, to \$623.2 million at June 30, 2017, compared to \$421.2 million at December 31, 2016.

Cash flows provided by operating activities. Cash flows provided by operating activities during the six months ended June 30, 2017 were \$341.0 million, compared to cash flows used in operating activities of \$125.2 million during the six months ended June 30, 2016. Cash flows provided by operating activities during the six months ended June 30, 2017 were primarily the result of certain adjustments to reconcile our net income of \$346.6 million to net cash provided by operating activities, including:

- an increase in unearned premiums of \$615.6 million due to the timing of renewals and payments of our gross premiums written and a \$378.5 million increase in reinsurance balances payable due to the timing of payments of our premiums ceded;
- an increase in our reserve for claims and claim expenses of \$141.5 million as a result of claims and claims expenses incurred of \$441.7 million, partially offset by claims payments of \$320.0 million;
- decreases in premiums receivable and deferred acquisition costs of \$546.5 million and \$94.8 million, respectively, due to the gross premiums written noted above;
- an increase of \$264.1 million in our prepaid reinsurance premiums due to ceded premiums written associated renewals in the six months ended June 30, 2017; and
- a corresponding increase of \$91.0 million in our reinsurance recoverable given the increase in net claims and claim expenses noted above.

Cash flows used in investing activities. During the six months ended June 30, 2017, our cash flows used in investing activities were \$37.5 million, principally reflecting net purchases of fixed maturity investments of \$287.4 million, partially offset by net sales of short term investments of \$276.1 million.

Cash flows used in financing activities. Our cash flows used in financing activities in the six months ended June 30, 2017 were \$182.0 million, and were principally the result of:

- the repayment in full at maturity of the aggregate principal amount of \$250.0 million of our Series B 7.50% Senior Notes due 2017 assumed in connection with the acquisition of Platinum and originally issued by Platinum Underwriters Finance, Inc.;
- the settlement of \$145.9 million of common share repurchases;

dividends paid on our common and preferred shares of \$25.9 million and \$11.2 million, respectively; and net outflows of \$33.7 million related to a net return of capital to third party shareholders, principally in DaVinciRe and Medici; partially offset by net inflows of \$295.9 million associated with the issuance of \$300.0 million of our 3.450% Senior Notes due July 1, 2027, net of underwriting discount.

2016

During the six months ended June 30, 2016, our cash and cash equivalents decreased \$51.4 million, to \$455.5 million at June 30, 2016, compared to \$506.9 million at December 31, 2015.

Cash flows provided by operating activities. Cash flows provided by operating activities during the six months ended June 30, 2016 were \$125.2 million. Cash flows provided by operating activities during the six months ended June 30, 2016 were primarily the result of certain adjustments to reconcile our net income of \$350.7 million to net cash provided by operating activities, including:

- an increase in premiums receivable and deferred acquisition costs of \$554.7 million and \$131.8 million, respectively, due to the increase in our gross premiums written;

- an increase of \$302.4 million in our prepaid reinsurance premiums due to the increase in our gross premiums ceded;

- an increase of \$87.5 million in our reinsurance recoverable;

- an increase in unearned premiums of \$629.0 million due to an increase in our gross premiums written and a \$229.7 million increase in reinsurance balances payable due to the timing of payments of our gross premiums ceded; and

- an increase in our reserve for claims and claim expenses of \$77.2 million as a result of claims and claims expenses incurred of \$386.9 million, partially offset by claims payments of \$309.7 million.

Cash flows provided by investing activities. During the six months ended June 30, 2016, our cash flows provided by investing activities were \$175.6 million, principally reflecting net sales of short term investments and equity investments trading of \$245.9 million and \$181.6 million, respectively, partially offset by net purchases of fixed maturity investments and other investments of \$199.2 million and \$52.8 million, respectively.

Cash flows used in financing activities. Our cash flows used in financing activities in the six months ended June 30, 2016 were \$354.4 million, and were principally the result of the settlement of \$265.0 million of common share repurchases, net outflows of \$43.9 million related to a net return of capital to third party shareholders, principally in DaVinciRe and Medici, and \$26.2 million and \$11.2 million of dividends paid on our common and preferred shares, respectively.

Capital Resources

In the normal course of our operations, we may from time to time evaluate additional share or debt issuances given prevailing market conditions and capital management strategies, including for our operating subsidiaries and joint ventures. In addition, we enter into agreements with financial institutions to obtain letter of credit facilities for the benefit of our operating subsidiaries in their reinsurance and insurance business.

Our total shareholders' equity attributable to RenaissanceRe and debt is as follows:

	At June 30, 2017	At December 31, 2016	Change
(in thousands)			
Common shareholders' equity	\$4,555,255	\$4,466,577	\$88,678
Preference shares	400,000	400,000	—
Total shareholders' equity attributable to RenaissanceRe	4,955,255	4,866,577	88,678
3.450% Senior Notes due 2027	295,053	—	295,053
3.700% Senior Notes due 2025	297,132	296,948	184
5.75% Senior Notes due 2020	249,106	248,941	165
Series B 7.50% Senior Notes due 2017	—	255,352	(255,352)
4.750% Senior Notes due 2025 (DaVinciRe) (1)	147,575	147,422	153
RenaissanceRe revolving credit facility – unborrowed	250,000	250,000	—
Total debt	\$1,238,866	\$1,198,663	\$40,203
Total shareholders' equity attributable to RenaissanceRe and debt	\$6,194,121	\$6,065,240	\$128,881

RenaissanceRe owns a noncontrolling economic interest in its joint venture DaVinciRe. Because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe (1) are included in the consolidated financial statements of RenaissanceRe. However, RenaissanceRe does not guarantee or provide credit support for DaVinciRe and RenaissanceRe's financial exposure to DaVinciRe is limited to its investment in DaVinciRe's shares and counterparty credit risk arising from reinsurance transactions.

During the six months ended June 30, 2017, our total shareholders' equity attributable to RenaissanceRe and debt increased by \$128.9 million, to \$6.2 billion.

Our shareholders' equity attributable to RenaissanceRe increased \$88.7 million during the six months ended June 30, 2017 principally as a result of:

- our comprehensive income attributable to RenaissanceRe of \$273.4 million; partially offset by
- our repurchase of 1.1 million shares in open market transactions at an aggregate cost of \$149.7 million, and at an average share price of \$142.33; and
- \$25.9 million and \$11.2 million of dividends on our common and preference shares, respectively.

During the six months ended June 30, 2017, our debt increased \$40.2 million primarily driven by the June 29, 2017 issuance of \$300.0 million of our 3.450% Senior Notes due July 1, 2027, partially offset by the June 1, 2017 repayment in full at maturity of \$250.0 million of our Series B 7.50% Senior Notes assumed in connection with the acquisition of Platinum and originally issued by Platinum Underwriters Finance, Inc. and the amortization of deferred debt issuance costs and the amortization related to these notes.

Credit Facilities

The outstanding amounts drawn under each of our significant credit facilities is set forth below:

At June 30, 2017	Issued or Drawn
RenaissanceRe Revolving Credit Facility	\$—
Uncommitted Standby Letter of Credit Facility with Wells Fargo	105,892
Uncommitted Standby Letter of Credit Facility with NAB	4,525
Bilateral Letter of Credit Facility with Citibank Europe	206,383
Funds at Lloyd's Letter of Credit Facilities	
Renaissance Reinsurance FAL Facility	180,000
Total credit facilities in U.S. dollars	\$496,800
Funds at Lloyd's Letter of Credit Facilities	
Specialty Risks FAL Facility	£10,000
Total credit facilities in pound sterling	£10,000

Effective May 25, 2017, the Renaissance Reinsurance FAL Facility, pursuant to which two Funds at Lloyd's letters of credit with stated amounts of \$380.0 million and £90.0 million had been issued, was amended. Pursuant to the amendment, the stated amount of the \$380.0 million letter of credit was reduced to \$180.0 million and the £90.0 million letter of credit was cancelled. In addition, pursuant to the amendment, we may request that the Renaissance Reinsurance FAL Facility be amended to increase the stated amount of the letter of credit, or issue a new letter or credit denominated in Pounds, in an aggregate amount for all such increases or issuances not to exceed \$75.0 million or the equivalent thereof.

There have been no other material changes to our credit facilities as disclosed in our Form 10-K for the year ended December 31, 2016.

For additional information related to the terms of our debt and significant credit facilities, see "Note 7. Debt and Credit Facilities" in our "Notes to Consolidated Financial Statements" and "Note 9. Debt and Credit Facilities" in our "Notes to Consolidated Financial Statements" in our Form 10-K for the year ended December 31, 2016. Refer to "Note 12. Shareholders' Equity" in our "Notes to Consolidated Financial Statements" in our Form 10-K for additional information related to our common and preference shares.

Multi-Beneficiary Reinsurance Trusts

Assets held under trust at June 30, 2017 with respect to our multi-beneficiary reinsurance trusts totaled \$674.5 million and \$136.9 million for Renaissance Reinsurance and DaVinci, respectively, compared to the minimum amount required under U.S. state regulations of \$662.2 million and \$86.6 million, respectively.

Multi-Beneficiary Reduced Collateral Reinsurance Trusts

Assets held under trust at June 30, 2017 with respect to our multi-beneficiary reduced collateral reinsurance trusts totaled \$38.2 million and \$19.3 million for Renaissance Reinsurance and DaVinci, respectively, compared to the minimum amount required under U.S. state regulations of \$13.7 million and \$13.7 million, respectively.

Redeemable Noncontrolling Interest – DaVinciRe

Our noncontrolling economic ownership in DaVinciRe was 22.6% at June 30, 2017 (December 31, 2016 - 24.0%). See "Note 8. Noncontrolling Interests" and "Note 16. Subsequent Events" in our "Notes to the Consolidated Financial Statements" for additional information regarding DaVinciRe.

Ratings

Financial strength ratings are important to the competitive position of reinsurance and insurance companies. We have received high claims-paying and financial strength ratings from A.M. Best Company, Inc. ("A.M. Best"),

Standard and Poor's Rating Services ("S&P"), Moody's Investors Service ("Moody's") and Fitch Ratings Ltd. ("Fitch"). These ratings represent independent opinions of an insurer's financial strength, operating performance and ability to meet policyholder obligations, and are not an evaluation directed toward the protection of investors or a recommendation to buy, sell or hold any of our securities. Rating organizations continually review the financial positions of our principal operating subsidiaries and joint ventures and ratings may be revised or revoked by the agencies which issue them. The ratings of our principal operating subsidiaries and joint ventures and the Enterprise Risk Management rating of RenaissanceRe as of July 21, 2017 are presented below.

	A.M. Best	S&P	Moody's	Fitch
Renaissance Reinsurance (1)	A+	AA-	A1	A+
DaVinci (1)	A	AA-	A3	—
Renaissance Reinsurance U.S. (1)	A	AA-	—	—
RenaissanceRe Specialty U.S. (1)	A	AA-	—	—
Renaissance Reinsurance of Europe (1)	A+	AA-	—	—
Top Layer Re (1)	A+	AA	—	—
Syndicate 1458	—	—	—	—
Lloyd's Overall Market Rating (2)	A	A+	—	AA-
RenaissanceRe (3)	—	Very Strong	—	—

(1) The A.M. Best, S&P, Moody's and Fitch ratings for these companies set forth in the table above reflect the insurer's financial strength rating and, in addition to the insurer's financial strength rating, the S&P ratings reflect the insurer's issuer credit rating.

(2) The A.M. Best, S&P and Fitch ratings for the Lloyd's Overall Market Rating represent its financial strength rating.

(3) The S&P rating for RenaissanceRe represents the rating on its Enterprise Risk Management practices.

Reserve for Claims and Claim Expenses

We believe the most significant accounting judgment made by management is our estimate of claims and claim expense reserves. Claims and claim expense reserves represent estimates, including actuarial and statistical projections at a given point in time, of the ultimate settlement and administration costs for unpaid claims and claim expenses arising from the insurance and reinsurance contracts we sell. We establish our claims and claim expense reserves by taking claims reported to us by insureds and ceding companies, but which have not yet been paid ("case reserves"), adding IBNR and, if deemed necessary, adding costs for additional case reserves. Additional case reserves represent our estimates for claims related to specific contracts previously reported to us which we believe may not be adequately estimated by the client as of that date, or adequately covered in the application of IBNR.

Our reserving techniques, assumptions and processes differ among our Property and Casualty and Specialty segments. Refer to "Note 6. Reserve for Claims and Claim Expenses" in our "Notes to Consolidated Financial Statements" included herein for more information on prior year development of the reserve for claims and claim expenses and analysis of our incurred and paid claims development for each of our Property and Casualty and Specialty segments. Refer to "Note 8. Reserve for Claims and Claim Expenses" in our "Notes to the Consolidated Financial Statements" in our Form 10-K for the year ended December 31, 2016 for more information on the risks we insure and reinsure, the reserving techniques, assumptions and processes we follow to estimate our claims and claim expense reserves, prior year development of the reserve for claims and claim expenses, analysis of our incurred and paid claims development and claims duration information for each of our Property and Casualty and Specialty segments. In addition, refer to "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Summary of Critical Accounting Estimates, Claims and Claim Expense Reserves" in our Form 10-K for the year ended December 31, 2016 for more information on our current estimates versus our initial estimates of our claims reserves, and sensitivity analysis for each of our Property and Casualty and Specialty segments.

Investments

The table below shows our invested assets:

	June 30, 2017		December 31, 2016		Change
(in thousands, except percentages)					
U.S. treasuries	\$2,826,681	30.0 %	\$2,617,894	28.1 %	\$208,787
Agencies	83,343	0.9 %	90,972	1.0 %	(7,629)
Municipal	518,912	5.5 %	519,069	5.6 %	(157)
Non-U.S. government (Sovereign debt)	173,667	1.8 %	333,224	3.6 %	(159,557)
Non-U.S. government-backed corporate	74,620	0.8 %	133,300	1.4 %	(58,680)
Corporate	2,186,040	23.2 %	1,877,243	20.2 %	308,797
Agency mortgage-backed	567,560	6.0 %	462,493	5.0 %	105,067
Non-agency mortgage-backed	275,268	3.0 %	258,944	2.7 %	16,324
Commercial mortgage-backed	384,610	4.1 %	409,747	4.4 %	(25,137)
Asset-backed	191,563	2.0 %	188,358	2.0 %	3,205
Total fixed maturity investments, at fair value	7,282,264	77.3 %	6,891,244	74.0 %	391,020
Short term investments, at fair value	1,070,950	11.4 %	1,368,379	14.7 %	(297,429)
Equity investments trading, at fair value	393,405	4.2 %	383,313	4.1 %	10,092
Other investments, at fair value	561,212	6.0 %	549,805	5.9 %	11,407
Total managed investment portfolio	9,307,831	98.9 %	9,192,741	98.7 %	115,090
Investments in other ventures, under equity method	101,077	1.1 %	124,227	1.3 %	(23,150)
Total investments	\$9,408,908	100.0 %	\$9,316,968	100.0 %	\$91,940

At June 30, 2017, we held investments totaling \$9.4 billion, compared to \$9.3 billion at December 31, 2016. Our investment guidelines stress preservation of capital, market liquidity, and diversification of risk. Notwithstanding the foregoing, our investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities. In addition to the information presented above and below, refer to “Note 3. Investments” and “Note 4. Fair Value Measurements” in our “Notes to the Consolidated Financial Statements” for additional information regarding our investments and the fair value of measurement of our investments, respectively.

As the reinsurance coverages we sell include substantial protection for damages resulting from natural and man-made catastrophes, we expect from time to time to become liable for substantial claim payments on short notice.

Accordingly, our investment portfolio as a whole is structured to seek to preserve capital and provide a high level of liquidity, which means that the large majority of our investment portfolio consists of highly rated fixed income securities, including U.S. treasuries, agencies, municipals, highly rated sovereign and supranational securities, high-grade corporate securities and mortgage-backed and asset-backed securities. We also have an allocation to publicly traded equities reflected on our consolidated balance sheet as equity investments trading and an allocation to other investments (including catastrophe bonds, private equity partnerships, senior secured bank loan funds, hedge funds, and other investments). At June 30, 2017, our portfolio of equity investments trading totaled \$393.4 million, or 4.2%, of our total investments (December 31, 2016 - \$383.3 million or 4.1%). Our portfolio of other investments totaled \$561.2 million, or 6.0%, of our total investments at June 30, 2017 (December 31, 2016 - \$549.8 million or 5.9%).

Other Investments

The table below shows our portfolio of other investments:

	June 30, 2017	December 31, 2016	Change
(in thousands)			
Catastrophe bonds	\$348,353	\$ 335,209	\$13,144
Private equity partnerships	194,331	191,061	3,270
Senior secured bank loan funds	17,321	22,040	(4,719)
Hedge funds	1,207	1,495	(288)
Total other investments	\$561,212	\$ 549,805	\$11,407

We account for our other investments at fair value in accordance with FASB ASC Topic Financial Instruments. The fair value of certain of our fund investments, which principally include private equity funds, senior secured bank loan funds and hedge funds, is recorded on our consolidated balance sheet in other investments, and is generally established on the basis of the net valuation criteria established by the managers of such investments, if applicable. The net valuation criteria established by the managers of such investments is established in accordance with the governing documents of such investments. Many of our fund investments are subject to restrictions on redemptions and sales which are determined by the governing documents and limit our ability to liquidate these investments in the short term.

Some of our fund managers and fund administrators are unable to provide final fund valuations as of our current reporting date. We typically experience a reporting lag to receive a final net asset value report of one month for our hedge funds and senior secured bank loan funds and three months for private equity funds, although we have occasionally experienced delays of up to six months at year end, as the private equity funds typically complete their year-end audits before releasing their final net asset value statements.

In circumstances where there is a reporting lag between the current period end reporting date and the reporting date of the latest fund valuation, we estimate the fair value of these funds by starting with the prior month or quarter-end fund valuations, adjusting these valuations for actual capital calls, redemptions or distributions, and the impact of changes in foreign currency exchange rates, and then estimating the return for the current period. In circumstances in which we estimate the return for the current period, all information available to us is utilized. This principally includes using preliminary estimates reported to us by our 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 us with respect to the underlying investments, reviewing various indices for similar investments or asset classes, and estimating returns based on the results of similar types of investments for which we have obtained reported results, or other valuation methods, where possible. Actual final fund valuations may differ, perhaps materially so, from our estimates and these differences are recorded in our consolidated statement of operations in the period in which they are reported to us as a change in estimate. Included in net investment income for the six months ended June 30, 2017 is income of \$1.9 million (2016 - loss of \$3.4 million) representing the change in estimate during the period related to the difference between our estimated net investment income due to the lag in reporting discussed above and the actual amount as reported in the final net asset values provided by our fund managers.

Our estimate of the fair value of catastrophe bonds is based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. Refer to "Note 4. Fair Value Measurements" in our "Notes to the Consolidated Financial Statements" for additional information regarding the fair value of measurement of our investments.

We have committed capital to private equity partnerships and other investments of \$893.5 million, of which \$563.8 million has been contributed at June 30, 2017. Our remaining commitments to these investments at June 30, 2017 totaled \$336.5 million. In the future, we may enter into additional commitments in respect of private equity partnerships or individual portfolio company investment opportunities.

EFFECTS OF INFLATION

The potential exists, after a catastrophe loss, for the development of inflationary pressures in a local economy. We consider the anticipated effects on us in our catastrophe loss models. Our estimates of the potential effects of inflation are also considered in pricing and in estimating reserves for unpaid claims and claim expenses. In addition, it is possible that the risk of general economic inflation has increased which could, among other things, cause claims and claim expenses to increase and also impact the performance of our investment portfolio. The actual effects of this potential increase in inflation on our results cannot be accurately known until, among other items, claims are ultimately settled. The onset, duration and severity of an inflationary period cannot be estimated with precision.

OFF-BALANCE SHEET AND SPECIAL PURPOSE ENTITY ARRANGEMENTS

At June 30, 2017, we had not entered into any off-balance sheet arrangements, as defined in Item 303(a)(4) of Regulation S-K.

CONTRACTUAL OBLIGATIONS

In the normal course of business, we are party to a variety of contractual obligations as summarized in our Form 10-K for the year ended December 31, 2016. We consider these contractual obligations when assessing our liquidity requirements. As of June 30, 2017, other than as discussed in “Note 7. Debt and Credit Facilities” in our “Notes to Consolidated Financial Statements” and “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Capital Resources”, there were no material changes in our contractual obligations as disclosed in the table of contractual obligations, and related footnotes, included in our Form 10-K for the year ended December 31, 2016.

CURRENT OUTLOOK

Property Exposed Market Developments

Over the past several years, notwithstanding the occurrence of a number of significant loss events, the global property catastrophe insurance and reinsurance markets have in general manifested growing levels of industry-wide capital held. At the same time, reinsurance demand for many coverages and solutions has not grown at the pace of this growth in available capital. In respect of the January and mid-year 2017 property catastrophe reinsurance renewals, we believe that supply, principally from traditional market participants and increasingly complemented by alternative capital providers, more than offset market demand, resulting in a continued reduction of overall market pricing on a risk-adjusted basis, except for, in general, recent loss impacted treaties and contracts. We continue to expect the supply of capital to outpace any growth in demand, and currently anticipate these trends to continue in respect of the January 1, 2018 renewal market. Accordingly, we do not expect market developments to shift more favorably in the near term, absent unusually large, or unforeseen, contingent events.

As a result, although our in-force book of business remains attractive to us, with our continuing focus on underwriting discipline, absent changed conditions, we do not expect to maintain the net size of our aggregate book of property-exposed reinsurance business. While we will strive to maintain a high level of net portfolio quality, we cannot assure you we will succeed in doing so. In addition, we believe that many of the key markets we serve are increasingly characterized by large, increasingly sophisticated cedants who are able to manage large retentions, can access risk transfer capital in expanding forms, and may seek to focus their reinsurance relationships on a core group of well-capitalized, highly-rated reinsurers who can provide a complete product suite as well as value-added service. In addition to pricing, market conditions are increasingly impacted by an erosion of terms and conditions, for which we believe the reinsurance market is being undercompensated or in some instances uncompensated. It is possible that an increasing portion of the business ceded to the reinsurance market will be priced below levels we find acceptable, or will be characterized by contractual terms and conditions we do not find to be acceptable, absent the advent of significant new developments. While we believe we are well positioned to compete for business we find attractive, these dynamics may introduce or exacerbate challenges in our markets. We may also purchase additional retrocessional protection to maintain an appropriate risk adjusted level of exposure, although we cannot assure you we will do so. To the extent we increase our aggregate retrocessional purchases, absent the occurrence of loss activity covered by such retrocessions, our net income for the period will decrease to

reflect the cost of such cessions, and we cannot assure you we will obtain commensurate value from factors such as potentially enhanced client acceptance, stability of our ratings, liquidity or otherwise.

Casualty and Specialty Exposed Market Developments

In the markets in which our Casualty and Specialty segment operates, we continue to expect casualty insurance and reinsurance capacity to remain abundant during 2017, notwithstanding events such as the Ogden Rate change and the relatively high level of specialty industry loss events in recent periods. Leading global intermediaries and other sources have generally reported that the U.S. casualty reinsurance market overall continues to reflect a soft pricing environment and we believe that prevailing terms and conditions in the casualty market are such that many programs and treaties do not meet our pricing standards. However, we also believe that pockets of niche or specialty casualty lines may provide more attractive opportunities for stronger or well-positioned reinsurers and that we are well positioned to compete for business we do find attractive, with strong ratings, an expanded product offering, and increased U.S. market presence. For example, market demand for protection in financial lines, particularly in respect of mortgage reinsurance, has grown in recent periods, contributing to our recent specialty and casualty growth. However, we cannot assure that these dynamics will continue or that any overall market increase in demand will indeed materialize. Specific renewal terms vary widely by insured account and our ability to shape our portfolio to improve its risk and return characteristics as estimated by us is subject to a range of competitive and commercial factors. Furthermore, we intend to seek to maintain strong underwriting discipline and in light of prevailing market conditions cannot provide assurance we will succeed in growing or maintaining our current combined in-force book of business.

General Economic Conditions

Underlying economic conditions in several of the key markets we serve have been generally stable in 2017, with our core markets, including the U.S., experiencing overall a degree of increases in economic growth and prevailing interest rates. These developments, which we cannot assure you will continue, could affect the markets we serve in multiple ways, both positively and negatively. We expect a period of uncertainty to continue and that many of the key markets we serve may continue to be adversely impacted by the financial and fiscal instability of several European jurisdictions and certain large developing economies, potentially including the impacts of political instability in the Middle East, Ukraine, Russia and other jurisdictions. We continue to believe that will impact market participants and that meaningful risk remains for continued economic weakness or adverse disruptions in general economic and financial market conditions. Moreover, future economic growth may be only at a comparably suppressed rate for a relatively extended period of time. Declining or weak economic conditions could reduce demand for the products sold by us or our customers, or could weaken our overall ability to write business at risk-adequate rates. In addition, persistent low levels of economic activity could adversely impact other areas of our financial performance, such as by contributing to unforeseen premium adjustments, mid-term policy cancellations or commutations, or asset devaluation. Any of the foregoing or other outcomes of a period of economic weakness could adversely impact our financial position or results of operations. In addition, during a period of economic weakness, we believe our consolidated credit risk, reflecting our counterparty dealings with customers, agents, brokers, retrocessionaires, capital providers and parties associated with our investment portfolio, among others, is likely to be increased. Several of these risks could materialize, and our financial results could be negatively impacted, even after the end of any period of economic weakness.

Moreover, we continue to monitor the risk that our principal markets will experience increased inflationary conditions, which would, among other things, cause costs related to our claims and claim expenses to increase, and impact the performance of our investment portfolio. The onset, duration and severity of an inflationary period cannot be estimated with precision.

These economic conditions impact the risk-adjusted attractiveness and absolute returns and yields of our investment portfolio. In addition, our underwriting activities can be impacted, in particular our specialty and casualty reinsurance and Lloyd's portfolios, each of which can be exposed to risks arising from economic weakness or dislocations, including with respect to a potential increase of claims in directors and officers, errors and omissions, surety, casualty clash and other lines of business.

The sustained and continuing environment of low interest rates, as compared to past periods, has lowered the yields at which we invest our assets. However, many market observers have forecasted the prospect of

higher interest rates during 2017, potentially returning to more historical levels over time. Accordingly, as we invest cash from new premiums written or reinvest the proceeds of invested assets that mature or that we choose to sell, the yield on our portfolio may be favorably impacted by an increasing interest rate environment; however, such an increase in prevailing interest rates can contribute to higher realized and unrealized losses associated with our currently invested assets in the near term. While it is possible yields will improve in future periods, we are unable to predict with certainty when conditions will substantially improve, or the pace of any such improvement.

Legislative and Regulatory Update

In June 2016, U.S. House of Representatives leadership released a Tax Reform Task Force Blueprint which, among other things, recommended the U.S. move to a consumption or destination-based tax system and adopt corresponding border adjustments taxing imports. During the first half of 2017, the House Ways and Means Committee has explored adopting the concepts of the Tax Reform Task Force Blueprint into law. If adopted comprehensively as contemplated by the Tax Reform Task Force Blueprint, these proposals could materially adversely impact the insurance and reinsurance industry and our own results of operations. In particular, the enactment of such legislation could substantially decrease the exportability of risk and reduce our access to capital and business as a whole. Such legislation may also result in increased prices for our products and services, which could cause a decrease in demand for these products and services. It is also possible that border adjustments could result in retaliatory actions by other countries.

In April 2017, the Trump Administration released a statement of principles relating to personal and corporate tax reform. In respect of business taxation, the statement of principles called for, among other things the adoption of a 15% business tax rate, the imposition of a territorial U.S. tax system, a one-time tax on U.S. assets held in other jurisdictions, and the elimination of certain tax breaks for special interests. The statement of principles did not address the border adjustment proposals reflected in the Tax Reform Task Force Blueprint. However, Trump Administration officials were reported to have indicated in interviews the possibility of consideration of a border adjustment or related border tax mechanism. At this time, no specific proposed legislative language has been released by either the House or the Trump Administration. Accordingly, material uncertainty remains as to the possibility, terms, likelihood and timing of any U.S. tax law change.

There are many other comprehensive tax reform proposals being discussed in Congress and by the Trump administration. For example, it is possible that past proposals could return that would limit or deny U.S. insurers and reinsurers the deduction for reinsurance placed with non-U.S. affiliates. It is also possible that consideration could be given to past proposals in respect of PFIC rules previously introduced by, at various times, prior House Ways and Means Chairman Dave Camp or then Senate Finance Committee Chairman Ron Wyden. In general, such changes, if adopted as drafted, would increase taxation of certain activities and structures in our industry. Tax reform proposals remain at an early stage and are subject to very significant uncertainty. At this time we are unable to predict the final form that any legislation would take, or the ultimate impact on our business and results of operations.

In prior Congressional sessions, Congress has considered a range of potential legislation which would, if enacted, provide for matters such as the creation of (i) a federal reinsurance catastrophe fund; (ii) a federal consortium to facilitate qualifying state residual markets and catastrophe funds in securing reinsurance; and (iii) a federal bond guarantee program for state catastrophe funds in qualifying state residual markets. In April 2016, H.R.4947, the Natural Disaster Reinsurance Act of 2016, which would create a federal reinsurance program to cover any losses insured or reinsured by eligible state programs arising from natural catastrophes, including losses from floods, earthquakes, tropical storms, tornadoes, volcanic eruption and winter storms, was introduced. If enacted, this bill, or legislation similar to any of these proposals, would, we believe, likely contribute to the growth of state entities offering below-market priced insurance and reinsurance in a manner adverse to us and market participants more generally. Such legislation could also encourage cessation, or even reversal, of reforms and stabilization initiatives that have been enacted in Florida and other catastrophe-exposed states in recent years. While we believe such legislation will continue to be vigorously opposed, if adopted these bills would likely diminish the role of private market catastrophe reinsurers and could adversely impact our financial results, perhaps materially.

In June 2012, Congress passed the Biggert-Waters Bill, which provided for a five-year renewal of the National Flood Insurance Program (the "NFIP") and effected substantial reforms in the program. Among

other things, pursuant to this statute, the Federal Emergency Management Agency (“FEMA”) was explicitly authorized to carry out initiatives to determine the capacity of private insurers, reinsurers, and financial markets to assume a greater portion of the flood risk exposure in the U.S., and to assess the capacity of the private reinsurance market to assume some of the program’s risk. In March 2014, the U.S. Congress passed the Grimm-Waters Act, which amends, delays or defers some of the provisions of the Biggert-Waters Bill. However, the Grimm-Waters Act did not amend certain features of the Biggert-Waters Bill which we believe have, over time, supported the growth of demand for private flood insurance, albeit at a slower pace and with greater uncertainty, such as the continuation, subject to annual limits, of some potential premium increases and the potential continuation of certain reforms relating to commercial properties and to homes that are not primary residences.

In January 2017, FEMA announced that, acting under authority contemplated by the Biggert-Waters Bill, it had secured reinsurance protection for the NFIP effective January 1, 2017 through January 1, 2018. Under the agreement, participating reinsurers agreed to indemnify FEMA for flood claims on an occurrence basis; the layer is structured to cover 26% of losses between \$4 billion and \$8 billion. It is possible this program will continue in future periods and may encourage other U.S. federal programs to explore private market risk transfer initiatives; however, we cannot assure you that any such developments will in fact occur, or that if they do transpire we will succeed in participating. The statutory authorization for, among other things, the operation and continuation of the NFIP is scheduled to expire in September 2017. Legislative language under consideration in the House of Representatives would clarify that flood insurance provided by private firms satisfies the requirement that homeowners maintain flood coverage on mortgaged properties that are backed by a federal guarantee and located in a flood zone. Draft language also would direct FEMA to consider policy holders who drop an NFIP policy and then later return to the NFIP as having continuous coverage if they can demonstrate that a flood insurance policy from a private firm was maintained throughout the interim period. If ultimately approved by the full Congress, we believe that such legislation could incrementally contribute to the growth of private residential flood opportunities and the financial stabilization of the NFIP. However, currently reauthorization of the NFIP remains subject to meaningful uncertainty; and whether a successful reauthorization would continue market-enhancing reforms is significantly uncertain. We cannot assure you that such legislation will indeed be enacted or that the private market for residential flood protection will be enhanced if it is.

In recent years, market conditions for insurance in the state of Florida have been significantly impacted by the utilization of a practice referred to as “assignment of benefits,” or “AOB”. An AOB is an instrument executed by a primary policyholder that is deemed to permit certain third parties, such as water extraction companies, roofers, or plumbers, to “stand in the shoes” of the insured and seek direct payments from the policyholder’s insurance company. In Florida, AOB’s have become increasingly prevalent in conjunction with certain claims, particularly water and roof claims, although such usage is not currently spread evenly across the state. According to the Florida Office of Insurance Regulation (the “OIR”), while there were 405 AOB lawsuits across Florida in 2006, that number had risen to 28,200 in 2016. Moreover, according to the OIR, claims with an AOB have a much higher degree of severity than claims without one. For example, since 2010 the frequency of water claims has risen by 46% and the severity of water claims has risen by 28%. As a result, we believe that usage of AOBs is contributing significantly to loss trends in Florida and is having an impact on the profitability and financial condition of certain of the state’s domestic property insurance companies. While both private companies and the OIR are exploring non-statutory means to mitigate these issues, legislative reforms proposed over the last several years have not been enacted. A continuation of these trends could weaken or potentially impair primary insurance companies, reduce demand for reinsurance and discourage the strengthening of the private insurance market that we believe had otherwise been evident in Florida. Such trends would adversely impact the Florida market and many of the companies we seek to serve.

Internationally, we seek to monitor a number of proposals introduced in a variety of jurisdictions which might alter the financing of coverages for natural catastrophes in several of the markets in which we operate. For example, the Thailand government has announced it is studying proposals for a natural catastrophe fund, under which the government would provide coverage for natural disasters in excess of an industry retention and below a certain limit, after which private reinsurers would continue to participate. The government of the Philippines has announced that it is considering similar proposals. Indonesia’s financial services authority has announced a proposal to increase the amount of insurance business placed with domestic reinsurers. A range of proposals from varying stakeholders have

been reported to have been made to alter the current

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regimes for insuring natural disaster risk in a number of jurisdictions worldwide, such as flood risk and reinsurance more generally in Australia, earthquake risk in New Zealand, and natural disasters in the Philippines. A number of these jurisdictions constitute large current or potential future markets for catastrophic coverage. If these proposals are enacted and reduce market opportunities for our clients or for the reinsurance industry, we could be adversely impacted.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are principally exposed to four types of market risk: interest rate risk, foreign currency risk, credit risk, and equity price risk. Our investment guidelines permit, subject to approval, investments in derivative instruments such as futures, options, foreign currency forward contracts and swap agreements, which may be used to assume risks or for hedging purposes.

There were no material changes to these market risks, as disclosed in “Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk,” in our Form 10-K for the year ended December 31, 2016, during the six months ended June 30, 2017. See “Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk,” in our Form 10-K for the year ended December 31, 2016 for a discussion of our exposure to these risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures: Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(b) and 15d-15(b) of the Exchange Act, as of the end of the period covered by this report. Based upon that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that, at June 30, 2017, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in Company reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting: There were no changes in our internal control over financial reporting during the quarter ended June 30, 2017, which were identified in connection with our evaluation required pursuant to Rules 13a-15 or 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes to the legal proceedings previously disclosed in our Form 10-K for the year ended December 31, 2016.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in our Form 10-K for the year ended December 31, 2016.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Our share repurchase program may be effected from time to time, depending on market conditions and other factors, through open market purchases and privately negotiated transactions. On May 17, 2017, our Board of Directors approved a renewal of our authorized share repurchase program to an aggregate amount of up to \$500.0 million. Unless terminated earlier by our Board of Directors, the program will expire when we have repurchased the full value of the shares authorized. The table below details the repurchases that were made under the program during the six months ended June 30, 2017, and also includes other shares purchased, which represents common shares surrendered by employees in respect of withholding tax obligations on the vesting of restricted stock, or in lieu of cash payments for the exercise price of employee stock options.

	Total shares purchased		Other shares purchased		Shares purchased under publicly announced repurchase program		Dollar amount still available under repurchase program (in thousands)
	Shares purchased	Average price per share	Shares purchased	Average price per share	Shares purchased	Average price per share	
Beginning dollar amount available to be repurchased							\$ 460,000
April 1 - 30, 2017	163,106	\$ 139.71	—	\$ —	163,106	\$ 139.71	(22,788)
May 1 - 17, 2017	231,239	\$ 138.42	—	\$ —	231,239	\$ 138.42	(32,008)
May 17, 2017 - renewal of authorized share repurchase program of \$500.0 million							94,796
Dollar amount available to be repurchased							500,000
May 18 - May 31, 2017	28,681	\$ 137.48	—	\$ —	28,681	\$ 137.48	(3,943)
June 1 - 30, 2017	79,723	\$ 139.78	1,650	\$ 140.17	78,073	\$ 139.77	(10,912)
Total	502,749	\$ 139.00	1,650	\$ 140.17	501,099	\$ 139.00	\$ 485,145

During the six months ended June 30, 2017, pursuant to our publicly announced share repurchase program, we repurchased an aggregate of 1.1 million common shares in open market transactions at an aggregate cost of \$149.7 million and an average price of \$142.33 per common share. In the future, we may authorize additional purchase activities under the currently authorized share repurchase program, increase the amount authorized under the share repurchase program, or adopt additional trading plans. Subsequent to June 30, 2017 and through the period ended July 21, 2017, we repurchased 15 thousand common shares in open market transactions at an aggregate cost of \$2.1 million and an average price of \$139.93 per common share.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

- Underwriting Agreement, dated June 26, 2017, among RenaissanceRe Finance Inc., as issuer, RenaissanceRe Holdings Ltd., as guarantor, and Barclays Capital Inc. and Wells Fargo Securities, LLC, as representatives of the underwriters named therein. (1)
- 4.1 Senior Indenture, dated as of June 29, 2017, among RenaissanceRe Finance Inc., as issuer, RenaissanceRe Holdings Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as trustee. (1)
- 4.1(a) First Supplemental Indenture, dated as of June 29, 2017, among RenaissanceRe Finance Inc., as issuer, RenaissanceRe Holdings Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as trustee. (1)
- 4.1(b) Senior Debt Securities Guarantee Agreement, dated as of June 29, 2017, between RenaissanceRe Holdings Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as guarantee trustee. (1)
- 10.1 Fourth Amendment to Letter of Credit Reimbursement Agreement, dated as of May 25, 2017, by and among Renaissance Reinsurance Ltd. and each of Bank of Montreal, as documentation agent, Bank of Montreal, London Branch, as a lender, Citibank Europe plc, as a lender and as collateral agent, and ING Bank N.V., London Branch, as a lender and as letter of credit agent. (2)
- 31.1 Certification of Kevin J. O'Donnell, Chief Executive Officer of RenaissanceRe Holdings Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
- 31.2 Certification of Robert Qutub, Chief Financial Officer of RenaissanceRe Holdings Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
- 32.1 Certification of Kevin J. O'Donnell, Chief Executive Officer of RenaissanceRe Holdings Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Robert Qutub, Chief Financial Officer of RenaissanceRe Holdings Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INSXBRL Instance Document
- 101.SCHXBRL Taxonomy Extension Schema Document
- 101.CALXBRL Taxonomy Extension Calculation Linkbase Document
- 101.LABXBRL Taxonomy Extension Label Linkbase Document
- 101.PREXBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document

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- (1) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on June 29, 2017.
- (2) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on May 26, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RENAISSANCERE HOLDINGS LTD.

Date: July 26, 2017 /s/ Robert Qutub

Robert Qutub

Executive Vice President and Chief Financial Officer

(Principal Financial Officer and Duly Authorized Officer)

Date: July 26, 2017 /s/ James C. Fraser

James C. Fraser

Senior Vice President and Chief Accounting Officer

(Principal Accounting Officer)