RENAISSANCERE HOLDINGS LTD
Form 10-Q
July 30, 2014

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, 2014
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File No. 001-14428
RENAISSANCERE HOLDINGS LTD.
(Exact Name Of Registrant As Specified In Its Charter)

Bermuda	98-014-1974
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

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

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

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

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

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

The number of Common Shares, par value US $1.00 per share, outstanding at July 28, 2014 was 40,520,691.

RENAISSANCERE HOLDINGS LTD.
TABLE OF CONTENTS

NOTE ON FORWARD-LOOKING STATEMENTS

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

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

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

- we are exposed to significant losses from catastrophic events and other exposures that we cover, which we expect to cause significant volatility in our financial results from time to time;
- the inherent uncertainties in our reserving process, particularly as regards to large catastrophic events and longer tail casualty lines, the uncertainties of which we expect to increase as our product and geographical diversity increases over time;
- the frequency and severity of catastrophic and other events which we cover could exceed our estimates and cause losses greater than we expect;
- the risk of the lowering or loss of any of the financial strength, claims paying or enterprise wide risk management ratings of RenaissanceRe Holdings Ltd. (“RenaissanceRe”) or of one or more of our subsidiaries or joint ventures or changes in the policies or practices of the rating agencies;
- risks associated with appropriately modeling, pricing for, and contractually addressing new or potential factors in loss emergence, such as the trend toward potentially significant global warming and other aspects of climate change which have the potential to adversely affect our business, any of which could cause us to underestimate our exposures and potentially adversely impact our financial results;
- the risk we might be bound to policyholder obligations beyond our underwriting intent, or unable to enforce our own intent in respect of retrocessional arrangements, including in each case due to emerging claims and coverage issues;
- risks due to our increasing reliance on a small and decreasing number of reinsurance brokers and other distribution services for the preponderance of our revenue;
- risks relating to deteriorating market conditions, including the risks of decreasing revenues, margins, capital efficiency and returns;
- the risk that our customers may fail to make premium payments due to us, as well as the risk of failures of our reinsurers, brokers or other counterparties to honor their obligations to us, including as regards to large catastrophic events, and also including their obligations to make third party payments for which we might be liable;
- a contention by the Internal Revenue Service that Renaissance Reinsurance Ltd. (“Renaissance Reinsurance”), or any of our other Bermuda subsidiaries, is subject to U.S. taxation;

- other risks relating to potential adverse tax developments, including potential changes to the taxation of inter-company or related party transactions, or potential changes to the tax treatment of investors in RenaissanceRe or our joint ventures or other entities we manage;
- risks relating to adverse legislative developments that could reduce the size of the private markets we serve, or impede their future growth, including proposals to shift United States ("U.S.") catastrophe risks to federal mechanisms; similar proposals at the state level in the U.S., including the risk of legislation in Florida to expand the reinsurance coverage offered by the Florida Hurricane Catastrophe Fund ("FHCF") and the insurance policies written by Citizens Property Insurance Corporation ("Citizens"), or failing to implement reforms to reduce such coverage; risks of adverse legislation in relation to U.S. flood insurance or the failure to implement reform legislation; and the risk that new legislation will be enacted in the international markets we serve which might reduce market opportunities in the private sector, weaken our customers or otherwise adversely impact us;
- risks associated with our investment portfolio, including the risk that our investment assets may fail to yield attractive or even positive results; and the risk that investment managers may breach our investment guidelines, or the inability of such guidelines to mitigate investment risks;
- risks associated with implementing our business strategies and initiatives, including risks related to developing or enhancing the operations, controls and other infrastructure necessary in respect of our more recent, new or proposed initiatives, and the risk that we may fail to succeed in our business or financing plans for these initiatives;
- risks that certain of our new or potentially expanding business lines could have a significant negative impact on our financial results or cause significant volatility in our results for any particular period;
- risks associated with potential for loss of services of any one of our key senior officers, the risk that we fail to attract or retain the executives and employees necessary to manage our business, and difficulties associated with the transition of members of our senior management team for new or expanded roles necessary to execute our strategic and tactical plans, including in connection with the senior management transition we announced during the second quarter of 2013;
- risks relating to the inability, or delay, in the claims paying ability of Citizens, FHCF or of private market participants in Florida, particularly following a large windstorm or of multiple smaller storms, which we believe would weaken or destabilize the Florida market and give rise to an unpredictable range of impacts which might be adverse to us, perhaps materially so;
- risks associated with the management of our operations as our product and geographical diversity increases over time, including the potential inability to allocate sufficient resources to our strategic and tactical plans or to address additional industry or regulatory developments and requirements;
- changes in economic conditions, including interest rate, currency, equity and credit conditions which could affect our investment portfolio or declines in our investment returns for other reasons which could reduce our profitability and hinder our ability to pay claims promptly in accordance with our strategy, which risks we believe are currently enhanced in light of the current uncertainty regarding macroeconomic uncertainty and the recent period of relative economic weakness, both globally, particularly in respect of Eurozone countries and companies, and in the U.S.;
- risks associated with highly subjective judgments, such as valuing our more illiquid assets, and determining the impairments taken on our investments, all of which impact our reported financial position and operating results;
- risks associated with our retrocessional reinsurance protection, including the risks that the coverages and protections we seek may become unavailable or only available on unfavorable terms, that the forms of retrocessional protection available in the market on acceptable terms may give rise to more risk in our net portfolio than we find desirable or that we correctly identify, or that we are otherwise unable to cede our own assumed risk to third parties; and the risk that providers of protection do not meet their obligations to us or do not do so on a timely basis;
- risks associated with inflation, which could cause loss costs to increase, and impact the performance of our investment portfolio, thereby adversely impacting our financial position or operating results;
- operational risks, including system or human failures, which risks could result in our incurring material losses;

- risks in connection with our management of capital on behalf of investors in joint ventures or other entities we manage, such as failing to comply with complex laws and regulations relating to the management of such capital or the potential rights of third party investors, which failure could result in our incurring significant liabilities, penalties or other losses;
- risks that we may require additional capital in the future, particularly after a catastrophic event or to support potential growth opportunities in our business, which may not be available or may be available only on unfavorable terms;
- risks relating to our potential failure to comply with covenants in our debt agreements, which failure could provide our lenders the right to accelerate our debt which would adversely impact us;
- the risk of potential challenges to the claim of exemption from insurance regulation of RenaissanceRe and certain of our subsidiaries in certain jurisdictions under certain current laws and the risk of increased global regulation of the insurance and reinsurance industry;
- risks relating to the inability of our operating subsidiaries to declare and pay dividends, which could cause us to be unable to pay dividends to our shareholders or to repay our indebtedness;
- the risk that there could be regulatory or legislative changes adversely impacting us, as a Bermuda-based company, relative to our competitors, or actions taken by multinational organizations having such an impact;
- risks relating to operating in a highly competitive environment, which we expect to continue to increase over time from new competition from traditional and non-traditional participants, particularly as capital markets products provide alternatives and replacements for more traditional reinsurance and insurance products, as new entrants or existing competitors attempt to replicate our business model, and as a result of consolidation in the (re)insurance industry;
- risks arising out of possible changes in the distribution or placement of risks due to increased consolidation of customers or insurance and reinsurance brokers; and
- risks relating to changes in regulatory regimes and/or accounting rules, which could result in significant changes to our financial results, including but not limited to, the European Union directive concerning capital adequacy, risk management and regulatory reporting for insurers.

The factors listed above should not be construed as exhaustive. Certain of these risk factors and others are described in more detail from time to time in our filings with the U.S. Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K (“Form 10-K”) for the year ended December 31, 2013. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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

Assets	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Fixed maturity investments trading, at fair value (Amortized cost $4,754,480 and $4,781,712 at June 30, 2014 and December 31, 2013, respectively)	$4,841,609	$4,809,036
Fixed maturity investments available for sale, at fair value (Amortized cost $25,512 and $30,273 at June 30, 2014 and December 31, 2013, respectively)	29,219	34,241
Short term investments, at fair value	957,698	1,044,779
Equity investments trading, at fair value	254,408	254,776
Other investments, at fair value	513,614	573,264
Investments in other ventures, under equity method	110,354	105,616
Total investments	6,706,902	6,821,712
Cash and cash equivalents	294,457	408,032
Premiums receivable	837,116	474,087
Prepaid reinsurance premiums	267,963	66,132
Reinsurance recoverable	85,115	101,025
Accrued investment income	28,019	34,065
Deferred acquisition costs	140,765	81,684
Receivable for investments sold	58,205	75,845
Other assets	89,076	108,438
Goodwill and other intangible assets	8,007	8,111
Total assets	$8,515,625	$8,179,131
Liabilities, Noncontrolling Interests and Shareholders' Equity		
Liabilities		
Reserve for claims and claim expenses	$1,552,618	$1,563,730
Unearned premiums	929,523	477,888
Debt	249,476	249,430
Reinsurance balances payable	558,185	293,022
Payable for investments purchased	201,340	193,221
Other liabilities	164,650	397,596
Total liabilities	3,655,792	3,174,887
Commitments and Contingencies		
Redeemable noncontrolling interest	1,023,892	1,099,860
Shareholders' Equity		
Preference shares: $1.00 par value – 16,000,000 shares issued and outstanding at June 30, 2014 (December 31, 2013 – 16,000,000)	400,000	400,000
Common shares: $1.00 par value – 40,522,818 shares issued and outstanding at June 30, 2014 (December 31, 2013 – 43,646,436)	40,523	43,646
Accumulated other comprehensive income	3,918	4,131
Retained earnings	3,391,500	3,456,607
Total shareholders' equity attributable to RenaissanceRe	3,835,941	3,904,384
Total liabilities, noncontrolling interests and shareholders' equity	$8,515,625	$8,179,131

See accompanying notes to the consolidated financial statements

6

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Operations
For the three and six months ended June 30, 2014 and 2013
(in thousands of United States Dollars, except per share amounts) (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues				
Gross premiums written	$511,540	$703,223	$1,216,800	$1,338,641
Net premiums written	$346,407	$559,109	$796,754	$995,922
Increase in unearned premiums	(85,991)	(267,220)	(249,804)	(432,778)
Net premiums earned	260,416	291,889	546,950	563,144
Net investment income	34,541	26,163	73,489	69,365
Net foreign exchange gains (losses)	2,392	(932)	1,331	(318)
Equity in earnings of other ventures	7,232	3,772	11,431	9,607
Other loss	(535)	(1,128)	(473)	(2,837)
Net realized and unrealized gains (losses) on investments	27,128	(69,529)	42,055	(55,260)
Total revenues	331,174	250,235	674,783	583,701
Expenses				
Net claims and claim expenses incurred	81,388	103,962	140,303	131,213
Acquisition expenses	33,477	31,767	67,177	56,776
Operational expenses	45,841	42,789	88,465	88,775
Corporate expenses	3,954	21,529	8,499	26,011
Interest expense	4,292	4,300	8,585	9,334
Total expenses	168,952	204,347	313,029	312,109
Income from continuing operations before taxes	162,222	45,888	361,754	271,592
Income tax benefit (expense)	204	(11)	38	(133)
Income from continuing operations	162,426	45,877	361,792	271,459
Income from discontinued operations	—	2,427	—	12,201
Net income	162,426	48,304	361,792	283,660
Net income attributable to noncontrolling interests	(36,078)	(14,015)	(78,846)	(52,622)
Net income attributable to RenaissanceRe	126,348	34,289	282,946	231,038
Dividends on preference shares	(5,596)	(7,483)	(11,191)	(13,758)
Net income available to RenaissanceRe common shareholders	$120,752	$26,806	$271,755	$217,280
Income from continuing operations available to RenaissanceRe common shareholders per common share – basic	$3.00	$0.55	$6.62	$4.65
Income from discontinued operations available to RenaissanceRe common shareholders per common share – basic	—	0.06	—	0.28
Net income available to RenaissanceRe common shareholders per common share – basic	$3.00	$0.61	$6.62	$4.93
Income from continuing operations available to RenaissanceRe common shareholders per common share – diluted	$2.95	$0.55	$6.52	$4.55
Income from discontinued operations available to RenaissanceRe common shareholders per common share – diluted	—	0.05	—	0.28

Net income available to RenaissanceRe common shareholders per common share – diluted	$2.95	$0.60	$6.52	$4.83
Dividends per common share	$0.29	$0.28	$0.58	$0.56

See accompanying notes to the consolidated financial statements

7

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three and six months ended June 30, 2014 and 2013
(in thousands of United States Dollars) (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Comprehensive income				
Net income	$162,426	$48,304	$361,792	$283,660
Change in net unrealized gains on investments	(45)	(1,141)	(213)	(8,713)
Comprehensive income	162,381	47,163	361,579	274,947
Net income attributable to noncontrolling interests	(36,078)	(14,015)	(78,846)	(52,622)
Comprehensive income attributable to noncontrolling interests	(36,078)	(14,015)	(78,846)	(52,622)
Comprehensive income attributable to RenaissanceRe	$126,303	$33,148	$282,733	$222,325
Disclosure regarding net unrealized gains				
Total realized and net unrealized holding (gains) losses on investments and net other-than-temporary impairments	$(45)	$178	$(213)	$(1,533)
Net realized gains on fixed maturity investments available for sale	—	(1,319)	—	(7,180)
Change in net unrealized gains on investments	$(45)	$(1,141)	$(213)	$(8,713)

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2014 and 2013
(in thousands of United States Dollars) (Unaudited)

	Six months ended June 30, 2014	2013
Preference shares		
Balance – January 1	$400,000	$400,000
Issuance of shares	—	275,000
Repurchase of shares	—	(275,000)
Balance – June 30	400,000	400,000
Common shares		
Balance – January 1	43,646	45,542
Repurchase of shares	(3,363)	(1,498)
Exercise of options and issuance of restricted stock awards	240	341
Balance – June 30	40,523	44,385
Additional paid-in capital		
Balance – January 1	—	—
Repurchase of shares	2,139	(2,978)
Offering expenses	—	(9,345)
Change in noncontrolling interests	43	499
Exercise of options and issuance of restricted stock awards	(2,182)	11,824
Balance – June 30	—	—
Accumulated other comprehensive income		
Balance – January 1	4,131	13,622
Change in net unrealized gains on investments	(213)	(8,713)
Balance – June 30	3,918	4,909
Retained earnings		
Balance – January 1	3,456,607	3,043,901
Net income	361,792	283,660
Net income attributable to noncontrolling interests	(78,846)	(52,622)
Repurchase of shares	(313,312)	(117,520)
Dividends on common shares	(23,550)	(24,658)
Dividends on preference shares	(11,191)	(13,758)
Balance – June 30	3,391,500	3,119,003
Noncontrolling interest	—	3,693
Total shareholders' equity	$3,835,941	$3,571,990

See accompanying notes to the consolidated financial statements

RenaissanceRe Holdings Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2014 and 2013
(in thousands of United States Dollars) (Unaudited)

	Six months ended June 30,	
	2014	2013
Cash flows provided by operating activities		
Net income	$361,792	$283,660
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization, accretion and depreciation	15,419	26,721
Equity in undistributed earnings of other ventures	(7,960)	(6,468)
Net realized and unrealized gains on investments	(42,055)	55,273
Net unrealized gains included in net investment income	(8,879)	(10,959)
Net unrealized (gains) losses included in other loss	(2,220)	11,206
Change in:		
Premiums receivable	(363,029)	(462,777)
Prepaid reinsurance premiums	(201,831)	(137,722)
Reinsurance recoverable	15,910	17,409
Deferred acquisition costs	(59,081)	(73,060)
Reserve for claims and claim expenses	(11,112)	(168,969)
Unearned premiums	451,635	570,500
Reinsurance balances payable	265,163	97,006
Other	(240,366)	(24,401)
Net cash provided by operating activities	173,386	177,419
Cash flows provided by investing activities		
Proceeds from sales and maturities of fixed maturity investments trading	4,020,174	4,448,449
Purchases of fixed maturity investments trading	(3,970,317)	(4,225,188)
Proceeds from sales and maturities of fixed maturity investments available for sale	5,114	41,338
Net purchases of equity investments trading	(11,146)	(35,958)
Net sales (purchases) of short term investments	89,549	(110,562)
Net sales of other investments	68,684	42,935
Net sales (purchases) of investments in other ventures	1,030	(2,500)
Net sales of other assets	6,000	598
Net cash provided by investing activities	209,088	159,112
Cash flows used in financing activities		
Dividends paid – RenaissanceRe common shares	(23,550)	(24,658)
Dividends paid – preference shares	(11,191)	(13,758)
RenaissanceRe common share repurchases	(314,536)	(121,996)
Net repayment of debt	—	(101,410)
Redemption of 6.08% Series C preference shares	—	(125,000)
Redemption of 6.60% Series D preference shares	—	(150,000)
Issuance of 5.375% Series E preference shares, net of expenses	—	265,655
Net third party redeemable noncontrolling interest share transactions	(144,096)	(105,633)
Net cash used in financing activities	(493,373)	(376,800)
Effect of exchange rate changes on foreign currency cash	(2,676)	505
Net (decrease) increase in cash and cash equivalents	(113,575)	(39,764)
Net increase in cash and cash equivalents of discontinued operations	—	(29,475)
Cash and cash equivalents, beginning of period	408,032	304,145
Cash and cash equivalents, end of period	$294,457	$234,906

See accompanying notes to the consolidated financial statements

RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2014
(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except 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, 2013.

RenaissanceRe Holdings Ltd. ("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 Ltd. ("Renaissance Reinsurance"), the Company's principal reinsurance subsidiary, provides property catastrophe and specialty reinsurance coverages to insurers and reinsurers on a worldwide basis.
- The Company also manages property catastrophe and specialty reinsurance business written on behalf of joint ventures, which principally include Top Layer Reinsurance Ltd. ("Top Layer Re"), recorded under the equity method of accounting, and DaVinci Reinsurance Ltd. ("DaVinci"). Because the Company owns a noncontrolling equity interest in, but controls a majority of the outstanding voting power of DaVinci's parent, DaVinciRe Holdings Ltd. ("DaVinciRe"), the results of DaVinci and DaVinciRe are consolidated in the Company's financial statements. Redeemable noncontrolling interest - DaVinciRe represents the interests of external parties with respect to the net income and shareholders' equity of DaVinciRe. Renaissance Underwriting Managers, Ltd. ("RUM"), a wholly owned subsidiary, acts as exclusive underwriting manager for these joint ventures in return for fee-based income and profit participation.
- RenaissanceRe Syndicate 1458 ("Syndicate 1458") is the Company's Lloyd's syndicate. RenaissanceRe Corporate Capital (UK) Limited ("RenaissanceRe CCL"), a wholly owned subsidiary of RenaissanceRe, is Syndicate 1458's sole corporate member and RenaissanceRe Syndicate Management Ltd. ("RSML"), a wholly owned subsidiary of RenaissanceRe, is the managing agent for Syndicate 1458.
- RenaissanceRe Specialty Risks Ltd. ("RenaissanceRe Specialty Risks"), is a Bermuda-domiciled reinsurance and excess and surplus lines insurance company that is listed on the National Association of Insurance Commissioners' International Insurance Department's Quarterly List of Alien Insurers as an eligible surplus lines insurer. RenaissanceRe Underwriting Managers U.S. LLC ("RenaissanceRe Underwriting Managers U.S."), a specialty reinsurance agency domiciled in Connecticut, provides specialty treaty reinsurance solutions on both a quota share and excess of loss basis; and writes business on behalf of RenaissanceRe Specialty U.S. Ltd. ("RenaissanceRe Specialty U.S."), a Bermuda-domiciled reinsurer launched in June 2013 which operates subject to U.S. federal income tax, and Syndicate 1458.
- Effective January 1, 2013, the Company formed and launched a managed joint venture, Upsilon Reinsurance II Ltd. ("Upsilon Re II"), 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. Effective December 11, 2013, Upsilon Re II was renamed Upsilon Reinsurance Fund Opportunities Ltd. ("Upsilon RFO"). 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.
- 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. During 2013, third-party investors subscribed for a portion of the participating, non-voting common shares of

Medici. Because the Company owns a noncontrolling equity interest in, but controls all of the outstanding voting power of Medici, the results of Medici are consolidated in the Company's financial statements. Redeemable noncontrolling interest - Medici represents the interests of external parties with respect to the net income and shareholders' equity of Medici.

- On August 30, 2013, RenaissanceRe entered into a purchase agreement with a subsidiary of Munich-American Holding Corporation (together with applicable affiliates, "Munich") to sell the Company's U.S.-based weather and weather-related energy risk management unit, which principally included RenRe Commodity Advisors LLC ("RRCA"), Renaissance Trading Ltd. ("Renaissance Trading") and RenRe Energy Advisors Ltd. (collectively referred to as "REAL"). REAL offered certain derivative-based risk management products primarily to address weather and energy risk and engaged in hedging and trading activities related to those transactions. On October 1, 2013, RenaissanceRe closed the sale of REAL to Munich. In the third quarter of 2013, the Company classified the assets and liabilities associated with this transaction as held for sale. The financial results for these operations have been presented in the Company's consolidated financial statements as "discontinued operations" for all periods presented. Refer to "Note 3. Discontinued Operations", for more information.

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, 2013, except as noted below.

BASIS OF PRESENTATION

The 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. Except as discussed in "Note 3. Discontinued Operations," and unless otherwise noted, the notes to the consolidated financial statements reflect the Company's continuing operations.

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.

DISCONTINUED OPERATIONS

The results of operations of REAL, which has been sold to an unaffiliated third party, is classified as held for sale and reported as discontinued operations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic Discontinued Operations. The consolidated financial statements and notes thereto are presented excluding the operations and cash flows of the discontinued operations from the continuing operations of the Company since the Company will not have any significant continuing involvement in the operations after the sale. The financial position and results of operations of discontinued operations are presented as single line items on the consolidated balance sheets and statements of operations, respectively. Certain prior year comparatives have been reclassified to conform to the current year presentation.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (“ASU 2013-11”). The objective of ASU 2013-11 is to improve the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. ASU 2013-11 seeks to reduce the diversity in practice by providing guidance on the presentation of unrecognized tax benefits to better reflect the manner in which an entity would settle at the reporting date any additional income taxes that would result from the disallowance of a tax position when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. ASU 2013-11 became effective for annual and interim reporting periods beginning after December 15, 2013. The Company prospectively adopted ASU 2013-11 effective January 1, 2014 and the adoption of this guidance did not have a material impact on the Company’s consolidated statements of operations and financial position.

Financial Services - Investment Companies (Topic 946) Amendments to the Scope, Measurement, and Disclosure Requirements

In June 2013, the FASB issued ASU No. 2013-08, Amendments to the Scope, Measurement, and Disclosure Requirements (“ASU 2013-08”). The objective of ASU 2013-08 is to change the approach to the investment company assessment, clarify the characteristics of an investment company and provide comprehensive guidance for assessing whether an entity is an investment company. In addition, ASU 2013-08 will require an investment company to measure noncontrolling ownership interests in other investment companies at fair value rather than using the equity method of accounting and require the following additional disclosures: (a) the fact that the entity is an investment company and is applying the guidance, (b) information about changes, if any, in an entity’s status as an investment company, and (c) information about financial support provided or contractually required to be provided by an investment company to any of its investees. ASU 2013-08 became effective for annual and interim reporting periods beginning after December 15, 2013. The Company prospectively adopted ASU 2013-08 effective January 1, 2014 and the adoption of this guidance did not have a material impact on the Company’s consolidated statements of operations and financial position.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

In April 2014, the FASB issued ASU No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (“ASU 2014-08”). The objective of ASU 2014-08 is to improve the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity’s operations and financial results. ASU 2014-08 will also require expanded disclosures for discontinued operations and require an entity to disclose the pretax profit or loss of an individually significant component of an entity that does not qualify for discontinued operations reporting. ASU 2014-08 is prospectively effective for public business entities in annual periods beginning on or after December 15, 2014, and interim periods beginning on or after December 15, 2015. Entities may early adopt ASU 2014-08 for new disposals that have not been reported in the consolidated financial statements previously issued or available for issuance. 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. DISCONTINUED OPERATIONS

REAL

On August 30, 2013, RenaissanceRe entered into a purchase agreement with Munich to sell REAL and, on October 1, 2013, RenaissanceRe closed the sale of REAL to Munich. In the third quarter of 2013, the Company classified the assets and liabilities associated with this transaction as held for sale and the financial results are reflected in the Company's consolidated financial statements as "discontinued operations." Consideration for the transaction was $60.0 million, paid in cash at closing, subject to post-closing adjustments for certain tax and other items. The Company recorded a loss on sale of $8.8 million in the third quarter of 2013 in conjunction with the sale, including related direct expenses.

Except as explicitly described as held for sale or as discontinued operations, and unless otherwise noted, all discussions and amounts presented herein relate to the Company's continuing operations. All prior periods presented have been reclassified to conform to this form of presentation.

The Company did not have any assets, liabilities or shareholder's equity of discontinued operations held for sale related to REAL at June 30, 2014 or December 31, 2013.

Details of the income from discontinued operations for the three and six months ended June 30, 2014 and 2013 are as follows and relate entirely to REAL:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues				
Net investment income	$—	$1,161	$—	$1,153
Net foreign exchange (losses) gains	—	(153)	—	989
Other income	—	1,759	—	10,472
Net realized and unrealized losses on investments	—	(15)	—	(13)
Total revenues	—	2,752	—	12,601
Expenses				
Operational expenses	—	31	—	59
Corporate expenses	—	59	—	106
Total expenses	—	90	—	165
Income before taxes	—	2,662	—	12,436
Income tax expense	—	(236)	—	(236)
Income from discontinued operations	$—	$2,426	$—	$12,200

NOTE 4. INVESTMENTS

Fixed Maturity Investments Trading

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

	June 30, 2014	December 31, 2013
U.S. treasuries	$1,706,929	$1,352,413
Agencies	121,650	186,050
Non-U.S. government (Sovereign debt)	271,495	334,580
Non-U.S. government-backed corporate	163,911	237,479
Corporate	1,580,038	1,803,415
Agency mortgage-backed	321,629	336,661
Non-agency mortgage-backed	252,530	243,795
Commercial mortgage-backed	392,085	303,214
Asset-backed	31,342	11,429
Total fixed maturity investments trading	$4,841,609	$4,809,036

Fixed Maturity Investments Available For Sale

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

		Included in Accumulated Other Comprehensive Income			
June 30, 2014	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Other-Than-Temporary Impairments (1)
Agency mortgage-backed	$4,279	$396	$—	$4,675	$—
Non-agency mortgage-backed	10,509	2,304	(3)	12,810	(698)
Commercial mortgage-backed	7,373	830	—	8,203	—
Asset-backed	3,351	180	—	3,531	—
Total fixed maturity investments available for sale	$25,512	$3,710	$(3)	$29,219	$(698)

		Included in Accumulated Other Comprehensive Income			
December 31, 2013	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Other-Than-Temporary Impairments (1)
Agency mortgage-backed	$4,880	$378	$(11)	$5,247	$—
Non-agency mortgage-backed	11,735	2,414	(6)	14,143	(742)
Commercial mortgage-backed	10,052	970	—	11,022	—
Asset-backed	3,606	223	—	3,829	—
Total fixed maturity investments available for sale	$30,273	$3,985	$(17)	$34,241	$(742)

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

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

	Trading		Available for Sale		Total Fixed Maturity Investments	
June 30, 2014	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in less than one year	$100,250	$100,765	$—	$—	$100,250	$100,765
Due after one through five years	3,057,740	3,080,879	—	—	3,057,740	3,080,879
Due after five through ten years	520,699	529,811	—	—	520,699	529,811
Due after ten years	102,944	132,568	—	—	102,944	132,568
Mortgage-backed	943,257	966,244	22,161	25,688	965,418	991,932
Asset-backed	29,590	31,342	3,351	3,531	32,941	34,873
Total	$4,754,480	$4,841,609	$25,512	$29,219	$4,779,992	$4,870,828

Equity Investments Trading

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

	June 30, 2014	December 31, 2013
Financials	$153,099	$152,905
Industrial, utilities and energy	32,127	25,350
Communications and technology	31,245	4,300
Consumer	18,302	44,115
Healthcare	15,609	15,340
Basic materials	4,026	12,766
Total	$254,408	$254,776

Pledged Investments

At June 30, 2014, $2,036.3 million of cash and investments at fair value were on deposit with, or in trust accounts for the benefit of various counterparties, including with respect to the Company’s syndicated letter of credit facility and bilateral letter of credit facility (December 31, 2013 - $2,081.1 million). Of this amount, $673.9 million is on deposit with, or in trust accounts for the benefit of, U.S. state regulatory authorities (December 31, 2013 - $652.8 million).

Reverse Repurchase Agreements

At June 30, 2014, the Company held $35.9 million (December 31, 2013 - $37.3 million) of reverse repurchase agreements. These loans are fully collateralized, are generally outstanding for a short period of time and are presented on a gross basis as part of short term investments on the Company’s consolidated balance sheets. The required collateral for these loans typically include high-quality, readily marketable instruments at a minimum rate of 102% of the loan principal. Upon maturity, the Company receives principal and interest income.

Net Investment Income, Net Realized and Unrealized Gains on Investments and Net Other-Than-Temporary Impairments

The components of net investment income are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Fixed maturity investments	$26,372	$22,839	$50,232	$46,725
Short term investments	286	426	476	755
Equity investments	779	344	1,575	344
Other investments				
Hedge funds and private equity investments	8,340	2,237	20,657	17,117
Other	1,483	3,144	6,011	10,139
Cash and cash equivalents	93	9	184	61
	37,353	28,999	79,135	75,141
Investment expenses	(2,812)	(2,836)	(5,646)	(5,776)
Net investment income	$34,541	$26,163	$73,489	$69,365

The following table provides an analysis of the components of net realized and unrealized gains on investments.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Gross realized gains	$12,166	$17,548	$25,633	$51,624
Gross realized losses	(2,587)	(14,601)	(8,151)	(19,155)
Net realized gains on fixed maturity investments	9,579	2,947	17,482	32,469
Net unrealized gains (losses) on fixed maturity investments trading	29,918	(95,680)	57,800	(118,743)
Net realized and unrealized (losses) gains on investments-related derivatives	(6,884)	20,510	(17,783)	20,931
Net realized gains on equity investments trading	5,134	74	5,055	17,635
Net unrealized (losses) gains on equity investments trading	(10,619)	2,620	(20,499)	(7,552)
Net realized and unrealized gains on investments	$27,128	$(69,529)	$42,055	$(55,260)

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

	Three months ended June 30, 2014		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$160	$3,803	$3,963
Other comprehensive income (loss) before reclassifications	51	(96)	(45)
Ending balance	$211	$3,707	$3,918

	Six months ended June 30, 2014		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$163	$3,968	$4,131
Other comprehensive income (loss) before reclassifications	48	(261)	(213)
Ending balance	$211	$3,707	$3,918

	Three months ended June 30, 2013		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$120	$5,930	$6,050
Other comprehensive income before reclassifications	98	80	178
Amounts reclassified from accumulated other comprehensive income by statement of operations line item:			
Realized gains reclassified from accumulated other comprehensive income to net realized and unrealized gains (losses) on investments	—	(1,319)	(1,319)
Net current-period other comprehensive loss	98	(1,239)	(1,141)
Ending balance	$218	$4,691	$4,909

	Six months ended June 30, 2013		
	Investments in other ventures	Fixed maturity investments available for sale	Total
Beginning balance	$1,625	$11,997	$13,622
Other comprehensive loss before reclassifications	(1,407)	(126)	(1,533)
Amounts reclassified from accumulated other comprehensive income by statement of operations line item:			
	—	(7,180)	(7,180)

Realized gains reclassified from accumulated other comprehensive income to net realized and unrealized gains (losses) on investments			
Net current-period other comprehensive loss	(1,407)	(7,306)	(8,713)
Ending balance	$218	$4,691	$4,909

18

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

	Less than 12 Months		12 Months or Greater		Total	
At June 30, 2014	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Non-agency mortgage-backed	$—	$—	$76	$(3)	$76	$(3)
Total	$—	$—	$76	$(3)	$76	$(3)

	Less than 12 Months		12 Months or Greater		Total	
December 31, 2013	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Agency mortgage-backed	$726	$(11)	$—	$—	$726	$(11)
Non-agency mortgage-backed	—	—	89	(6)	89	(6)
Commercial mortgage-backed	39	—	—	—	39	—
Total	$765	$(11)	$89	$(6)	$854	$(17)

At June 30, 2014, the Company held two fixed maturity investments available for sale securities that were in an unrealized loss position (December 31, 2013 - four), including two fixed maturity investments available for sale securities that were in an unrealized loss position for twelve months or greater (December 31, 2013 - two). The Company does not intend to sell these securities and it is not more likely than not that the Company will be required to sell these securities before the anticipated recovery of the remaining amortized cost basis. The Company performed reviews of its fixed maturity investments available for sale for the six months ended June 30, 2014 and 2013, respectively, in order to determine whether declines in the fair value below the amortized cost basis were considered other-than-temporary in accordance with the applicable guidance, as discussed below.

Other-Than-Temporary Impairment Process

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

For the six months ended June 30, 2014, the Company recognized $Nil of other-than-temporary impairments which were recognized in earnings and $Nil related to other factors which were recognized in other comprehensive income (2013 – $Nil and $Nil, respectively).

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Beginning balance	$545	$811	$561	$838
Reductions:				
Securities sold during the period	(16)	(20)	(32)	(47)
Ending balance	$529	$791	$529	$791

NOTE 5. FAIR VALUE MEASUREMENTS

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

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

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

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

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

There have been no material changes in the Company's valuation techniques, nor have there been any transfers between Level 1 and Level 2, and transfers into or out of Level 3, respectively, 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, 2014	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments				
U.S. treasuries	$1,706,929	$1,706,929	$—	$—
Agencies	121,650	—	121,650	—
Non-U.S. government (Sovereign debt)	271,495	—	271,495	—
Non-U.S. government-backed corporate	163,911	—	163,911	—
Corporate	1,580,038	—	1,533,862	46,176
Agency mortgage-backed	326,304	—	326,304	—
Non-agency mortgage-backed	265,340	—	265,340	—
Commercial mortgage-backed	400,288	—	400,288	—
Asset-backed	34,873	—	34,873	—
Total fixed maturity investments	4,870,828	1,706,929	3,117,723	46,176
Short term investments	957,698	—	957,698	—
Equity investments trading	254,408	254,408	—	—
Other investments				
Private equity partnerships	314,983	—	—	314,983
Catastrophe bonds	179,465	—	179,465	—
Senior secured bank loan funds	15,976	—	—	15,976
Hedge funds	3,190	—	—	3,190
Total other investments	513,614	—	179,465	334,149
Other assets and (liabilities)				
Derivatives (1)	6,491	(340)	5,760	1,071
Other	(5,214)	—	(5,214)	—
Total other assets and (liabilities)	1,277	(340)	546	1,071
	$6,597,825	$1,960,997	$4,255,432	$381,396

(1) See "Note 12. Derivative Instruments" for additional information related to the fair value by type of contract, of derivatives entered into by the Company.

December 31, 2013	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments				
U.S. treasuries	$1,352,413	$1,352,413	$—	$—
Agencies	186,050	—	186,050	—
Non-U.S. government (Sovereign debt)	334,580	—	334,580	—
Non-U.S. government-backed corporate	237,479	—	237,479	—
Corporate	1,803,415	—	1,775,835	27,580
Agency mortgage-backed	341,908	—	341,908	—
Non-agency mortgage-backed	257,938	—	257,938	—
Commercial mortgage-backed	314,236	—	314,236	—
Asset-backed	15,258	—	15,258	—
Total fixed maturity investments	4,843,277	1,352,413	3,463,284	27,580
Short term investments	1,044,779	—	1,044,779	—
Equity investments trading	254,776	254,776	—	—
Other investments				
Private equity partnerships	322,391	—	—	322,391
Catastrophe bonds	229,016	—	229,016	—
Senior secured bank loan funds	18,048	—	—	18,048
Hedge funds	3,809	—	—	3,809
Total other investments	573,264	—	229,016	344,248
Other assets and (liabilities)				
Derivatives (1)	4,758	823	6,425	(2,490)
Other	(12,991)	—	(12,991)	—
Total other assets and (liabilities)	(8,233)	823	(6,566)	(2,490)
	$6,707,863	$1,608,012	$4,730,513	$369,338

(1) See “Note 12. 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, 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, 2014, the Company’s U.S. treasuries fixed maturity investments are primarily priced by pricing services and had a weighted average effective yield of 0.9% and a weighted average credit quality of AA (December 31, 2013 - 0.8% 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, 2014, the Company’s agency fixed maturity investments had a weighted average effective yield of 1.4% and a weighted average credit quality of AA (December 31, 2013 - 1.3% 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.

Non-U.S. government (Sovereign debt)

Level 2 - Non-U.S. government fixed maturity investments held by the Company at June 30, 2014 had a weighted average effective yield of 1.2% and a weighted average credit quality of AA (December 31, 2013 - 1.3% and AA, respectively). The issuers of securities in this sector are non-U.S. governments and their respective agencies as well as supranational organizations. Securities held in these sectors are primarily priced by pricing services who employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing services then apply a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing services utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

Non-U.S. government-backed corporate

Level 2 - Non-U.S. government-backed corporate fixed maturity investments had a weighted average effective yield of 1.3% and a weighted average credit quality of AAA at June 30, 2014 (December 31, 2013 - 1.1% and AAA, respectively). Non-U.S. government-backed fixed maturity investments are primarily priced by pricing services who 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, 2014, the Company’s corporate fixed maturity investments principally consist of U.S. and international corporations and had a weighted average effective yield of 2.7% and a weighted average credit quality of BBB (December 31, 2013 - 2.7% 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, 2014, the Company’s agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average effective yield of 2.2%, a weighted average credit quality of AA and a weighted average life of 5.2 years (December 31, 2013 - 2.9%, AA and 6.2 years, respectively). The Company’s agency mortgage-backed fixed maturity investments are primarily priced by pricing services using a mortgage pool specific model which utilizes daily inputs from the active to be announced market which is very liquid, as well as the U.S. treasury market. The model also utilizes additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations are also corroborated with daily active market quotes.

Non-agency mortgage-backed

Level 2 - The Company’s non-agency mortgage-backed fixed maturity investments include non-agency prime residential mortgage-backed and non-agency Alt-A fixed maturity investments. The Company has no fixed maturity investments classified as sub-prime held in its fixed maturity investments portfolio. At June 30, 2014, the Company’s non-agency prime residential mortgage-backed fixed maturity investments have a weighted average effective yield of 3.2%, a weighted average credit quality of non-investment grade, and a weighted average life of 4.3 years (December 31, 2013 - 3.7%, BBB and 4.4 years, respectively). The Company’s non-agency Alt-A fixed maturity investments held at June 30, 2014 have a weighted average effective yield of 4.0%, a weighted average credit quality of non-investment grade and a weighted average life of 4.5 years (December 31, 2013 - 4.7%, non-investment grade and 4.0 years, respectively). Securities held in these sectors are primarily priced by pricing services using an option adjusted spread model or other relevant models, which principally utilize inputs including benchmark yields, available trade information or broker quotes, and issuer spreads. The pricing services also review collateral prepayment speeds, loss severity and delinquencies among other collateral performance indicators for the securities valuation, when applicable.

Commercial mortgage-backed

Level 2 - The Company’s commercial mortgage-backed fixed maturity investments held at June 30, 2014 have a weighted average effective yield of 2.0%, a weighted average credit quality of AA, and a weighted average life of 3.9 years (December 31, 2013 - 2.1%, AA and 3.3 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 bid 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, 2014, the Company’s asset-backed fixed maturity investments had a weighted average effective yield of 1.3%, a weighted average credit quality of AAA and a weighted average life of 2.4 years (December 31, 2013 - 2.0%, AAA and 3.5 years, respectively). The underlying collateral for the Company’s asset-backed fixed maturity investments primarily consists of student loans, credit card receivables, auto loans and other receivables. Securities held in these sectors are primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services determine the expected cash flows for each security held in this sector using historical prepayment and default projections for the underlying collateral and current market data. In addition, a spread is applied to the relevant benchmark and used to discount the cash flows noted above to determine the fair value of the securities held in this sector.

Short Term Investments

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

Equity Investments, Classified as Trading

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

Other investments

Catastrophe bonds

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

Other assets and liabilities

Derivatives

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

Other

Level 2 - The liabilities measured at fair value and included in Level 2 at June 30, 2014 of $5.2 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, 2014	Fair Value (Level 3)	Valuation Technique	Unobservable (U) and Observable (O) Inputs	Low	High	Weighted Average or Actual
Fixed maturity investments						
Corporate	$15,938	Discounted cash flow ("DCF")	Credit spread (U)	n/a	n/a	1.1 %
			Liquidity discount (U)	n/a	n/a	1.0 %
			Risk-free rate (O)	n/a	n/a	0.3 %
			Dividend rate (O)	n/a	n/a	6.2 %
Corporate	30,238	Internal valuation model	Private transaction (U)	n/a	n/a	See below
Total fixed maturity investments	46,176					
Other investments						
Private equity partnerships	314,984	Net asset valuation	Estimated performance (U)	(3.0)%	18.9 %	4.0 %
Senior secured bank loan funds	15,976	Net asset valuation	Estimated performance (U)	n/a	n/a	0.7 %
Hedge funds	3,190	Net asset valuation	Estimated performance (U)	0.0 %	0.0 %	0.0 %
Total other investments	334,149					
Other assets and (liabilities)						
Weather contract	(1,149)	Internal valuation model	See below	n/a	n/a	See below
Call rights	2,220	Internal valuation model	See below	n/a	n/a	See below
Total other assets and (liabilities)	1,071					
	$381,396					

Fixed Maturity Investments

Corporate

Level 3 - Included in the Company's corporate fixed maturity investments is an investment in the preferred equity of an insurance holding company with a fair value of $15.9 million at June 30, 2014. The Company measures the fair value of this investment using a DCF model and seeks to incorporate all relevant information reasonably available. The Company considers the contractual agreement which stipulates the methodology for calculating a dividend rate to be paid upon liquidation, conversion or redemption. At June 30, 2014, the dividend rate was 6.2%. In addition, the

Company has estimated a liquidity discount of 1.0%, a risk-free rate of 0.3% and a credit spread of 1.1%. To ensure the estimate for fair value determined using the DCF model is reasonable, the Company reviews private market comparables of similar investments, if available, and in particular, credit ratings of other private market comparables for similar investments to determine the appropriateness of its estimate of fair value using a DCF model. The fair value of the Company's investment in this corporate fixed maturity investment determined by a DCF model is positively correlated to the dividend rate, and inversely correlated to the credit spread, liquidity discount and the risk-free rate.

In addition, the Company's corporate fixed maturity investments include an investment in the convertible preferred equity of Trupanion, Inc., a company that provides insurance for a variety of veterinarian costs ("Trupanion"), which investment had a fair value of $30.2 million at June 30, 2014. The Company measured the fair value of this investment using a third party valuation, which included, but was not limited to, discounted cash flow analysis, financial statement analysis, budgets and forecasts and capital transactions.

In circumstances where a private market transaction has recently occurred, the Company will evaluate the comparability of the private market transactions to the fair value of its investment and determine if the third party valuation is still appropriate. The fair value of this investment was positively correlated to the estimated fair value of the aggregate equity of the investee as provided in the third party valuation report.

On July 18, 2014, Trupanion's common stock began publicly trading on the New York Stock Exchange ("NYSE"). Effective immediately prior to the closing of the initial public offering, the Company's investment in the convertible preferred equity of Trupanion was converted into 2.5 million common shares of Trupanion. Using the closing share price of Trupanion's common stock on July 28, 2014, the value of the Company's 2.5 million common shares of Trupanion was $25.1 million. Following the initial public offering, the Company expects its investment in Trupanion will be included in its portfolio of equity investments trading on its consolidated balance sheet and any realized and unrealized gains or losses related to Trupanion from the initial public offering price will be included in net realized and unrealized gains (losses) on investments on the Company's consolidated statements of operations in the period in which they occur. The Company has agreed, subject to certain exceptions, not to dispose of or hedge any of the shares of Trupanion it holds prior to January 14, 2015.

Other investments

Private equity partnerships

Level 3 - Included in the Company's $315.0 million of investments in private equity partnerships at June 30, 2014 are alternative asset limited partnerships (or similar corporate structures) that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; and oil, gas and power. The fair value of private equity partnership investments is based on current estimated net asset values established in accordance with the governing documents of such investments and is obtained from the investment manager or general partner of the respective entity. The type of underlying investments held by the investee which form the basis of the net asset valuation include assets such as private business ventures, for which the Company does not have access to financial information. As a result, the Company is unable to corroborate the fair value measurement of the underlying investments of the private equity partnership and therefore requires significant management judgment to determine the fair value of the private equity partnership. In circumstances where there is a reporting lag between the current period end reporting date and the reporting date of the latest fund valuation, the Company estimates the fair value of these funds by starting with the prior quarter-end fund valuations, adjusting these valuations for actual capital calls, redemptions or distributions, as well as the impact of changes in foreign currency exchange rates, and then estimating the return for the current period. In circumstances in which the Company estimates the return for the current period, all relevant information reasonably available to the Company is utilized. This principally includes preliminary estimates reported to the Company by its fund managers, obtaining the valuation of underlying portfolio investments where such underlying investments are publicly traded and therefore have a readily observable price, using information that is available to the Company with respect to the underlying investments, reviewing various indices for similar investments or asset classes, as well as estimating returns based on the results of similar types of investments for which the Company has obtained reported results, or other valuation methods, where possible. The range of such current estimated periodic returns for the three months ended June 30, 2014 was negative 3.0% to positive 18.9% with a weighted average of positive 4.0%. The fair value of the Company's investment in private equity partnerships is positively correlated to the estimated periodic rate of return. The Company also considers factors such as recent financial information, the value of capital transactions with the partnership and management's judgment regarding whether any adjustments should be made to the net asset value. For each respective private equity partnership, the Company obtains and reviews the valuation methodology used by the investment manager or general partner and the latest audited annual financial statements to attempt to ensure that the investment partnership is following fair value principles consistent with GAAP in determining the net asset value of each limited partner's interest.

Senior secured bank loan funds

Level 3 - The Company has $16.0 million invested in closed end funds which invest primarily in loans. The Company has no right to redeem its investment in these funds. The Company's investments in these funds are valued using estimated monthly net asset valuations received from the investment manager. The lock

up provisions in these funds result in a lack of current observable market transactions between the fund participants and the funds, and therefore the Company considers the fair value of its investment in these funds to be determined using Level 3 inputs. The Company obtains and reviews the latest audited annual financial statements to attempt to ensure that these funds are following fair value principles consistent with GAAP in determining the net asset value. The fair value of the Company’s investment in senior secured bank loan funds is positively correlated to the estimated monthly net asset valuations received from the investment manager.

Hedge funds

Level 3 - The Company has $3.2 million of hedge fund investments that are invested in so called “side pockets” or illiquid investments. In these instances, the Company generally does not have the right to redeem its interest, and as such, the Company classifies this portion of its investment as Level 3. The fair value of these illiquid investments is determined by adjusting the previous periods’ reported net asset value (generally one month in arrears) for an estimated periodic rate of return obtained from the respective investment manager.

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

Other assets and liabilities

Weather Contract

Level 3 - The Company has a $1.1 million liability related to a weather contract entered into with an insurance company, with the fair value determined through the use of an internal valuation model. Inputs to the internal valuation model are based on proprietary data as observable market inputs are not available. The most significant unobservable input is the potential payment that would become due to a counterparty following the occurrence of a triggering event as reported by an external agency. Generally, an increase (decrease) in the potential payment would result in an increase (decrease) to the fair value of the Company’s weather contract liability.

Call Rights

Level 3 - The Company has an agreement with a counterparty that gives the counterparty the right to purchase shares the Company has in certain of its equity method investees at a price above the Company’s current carrying value for those investments. The agreement is considered a derivative for accounting purposes and the Company’s estimated fair value of the agreement is $2.2 million at June 30, 2014. The fair value is based on an internal valuation model which incorporates the estimated intrinsic value of the agreement, the time value of money, and the likelihood of the agreement being exercised and ultimately settled. The fair value of the agreement is positively correlated to the tangible GAAP book value of the underlying equity method investees as well as the likelihood of the agreement being exercised and ultimately settled.

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

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - April 1, 2014	$37,138	$342,778	$(1,307)	$378,609
Total unrealized gains (losses)				
Included in net investment income	9,038	1,579	179	10,796
Included in other loss	—	—	2,220	2,220
Total foreign exchange gains	—	(205)	(21)	(226)
Purchases	—	10,391	—	10,391
Settlements	—	(20,394)	—	(20,394)
Balance - June 30, 2014	$46,176	$334,149	$1,071	$381,396
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$9,038	$1,579	$179	$10,796
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in other loss	$—	$—	$2,220	$2,220

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - January 1, 2014	$27,580	$344,248	$(2,490)	$369,338
Total unrealized gains (losses)				
Included in net investment income	18,596	9,455	1,395	29,446
Included in other loss	—	—	2,220	2,220
Total foreign exchange gains	—	(199)	(54)	(253)
Purchases	—	25,392	—	25,392
Settlements	—	(44,747)	—	(44,747)
Balance - June 30, 2014	$46,176	$334,149	$1,071	$381,396
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$18,596	$9,455	$1,395	$29,446
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in other loss	$—	$—	$2,220	$2,220

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - April 1, 2013	$28,067	$402,206	$1,301	$431,574
Total unrealized gains (losses)				
Included in net investment income	114	(2,373)	—	(2,259)
Total realized losses				
Included in other income (loss)	—	—	(676)	(676)
Total foreign exchange gains	—	364	—	364
Purchases	—	18,411	—	18,411
Sales	—	424	—	424
Settlements	(2,500)	(25,328)	—	(27,828)
Balance - June 30, 2013	$25,681	$393,704	$625	$420,010
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$114	$(2,373)	$—	$(2,259)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Fixed maturity investments trading	Other investments	Other assets and (liabilities)	Total
Balance - January 1, 2013	$27,792	$381,067	$21,513	$430,372
Total unrealized gains (losses)				
Included in net investment income	389	10,643	—	11,032
Total realized losses				
Included in other income (loss)	—	—	(2,646)	(2,646)
Total foreign exchange gains	—	(417)	—	(417)
Purchases	—	29,196	—	29,196
Settlements	(2,500)	(45,027)	—	(47,527)
Reclassified from other assets to other investments	—	18,242	(18,242)	—
Balance - June 30, 2013	$25,681	$393,704	$625	$420,010
Change in unrealized gains for the period included in earnings for assets held at the end of the period included in net investment income	$389	$10,643	$—	$11,032

Financial Instruments Disclosed, But Not Carried, at Fair Value

The Company uses various financial instruments in the normal course of its business. The Company’s insurance contracts are excluded from the fair value of financial instruments accounting guidance, unless the Company elects the fair value option, and therefore, are not included in the amounts discussed herein. The carrying values of cash, accrued interest, 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.

Senior Notes
In March 2010, RenRe North America Holdings Inc. (“RRNAH”) issued $250.0 million of 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15 of each year. At June 30, 2014, the fair value of the 5.75% Senior Notes was $269.7 million (December 31, 2013 – $273.9 million).
The fair value of RRNAH’s 5.75% Senior Notes 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 Senior Notes.
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, 2014	December 31, 2013
Other investments	$513,614	$573,264

Included in net investment income for the three and six months ended June 30, 2014 was net unrealized gains of $3.9 million and gains of $8.9 million, respectively, related to the changes in fair value of other investments (2013 – losses of $5.3 million and gains of $9.8 million, respectively).
Measuring the Fair Value of Other Investments Using Net Asset Valuations
The table below shows the Company’s portfolio of other investments measured using net asset valuations:

At June 30, 2014	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Minimum Days)	Redemption Notice Period (Maximum Days)
Private equity partnerships	$314,983	$84,529	See below	See below	See below
Senior secured bank loan funds	15,976	9,272	See below	See below	See below
Hedge funds	3,190	—	See below	See below	See below
Total other investments measured using net asset valuations	$334,149	$93,801			

Private equity partnerships – Included in the Company’s investments in private equity partnerships are alternative asset limited partnerships (or similar corporate structures) that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; and oil, gas and power. The fair values of the investments in this category have been estimated in respect of the net asset value of the investments, as discussed in detail above. The Company generally has no right to redeem its interest in any of these private equity partnerships in advance of dissolution of the applicable private equity partnership. Instead, the nature of these investments is that distributions are received by the Company in connection with the liquidation of the underlying assets of the respective private equity partnership. It is estimated that the majority of the underlying assets of the limited partnerships would liquidate over 7 to 10 years from inception of the respective limited partnership.
Senior secured bank loan funds – The Company has $16.0 million invested in closed end funds which invest primarily in loans. The Company has no right to redeem its investment in these funds. The Company’s investments in these funds are valued using estimated monthly net asset valuations received from the investment manager, as discussed in detail above. It is estimated that the majority of the underlying assets in the closed end funds would liquidate over 4 to 5 years from inception of the respective fund.

Hedge funds – The Company invests in hedge funds that pursue multiple strategies. The fair values of the investments in this category are estimated using the net asset value per share of the funds, as discussed in detail above. The Company’s investments in hedge funds at June 30, 2014 are $3.2 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 referred to above, until the underlying investments attributable to such side pockets are liquidated, realized or deemed realized at the discretion of the fund manager.

NOTE 6. REINSURANCE

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

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Premiums written				
Direct	$19,707	$16,333	$33,562	$26,650
Assumed	491,833	686,890	1,183,238	1,311,991
Ceded	(165,133)	(144,114)	(420,046)	(342,719)
Net premiums written	$346,407	$559,109	$796,754	$995,922
Premiums earned				
Direct	$14,949	$10,789	$29,178	$20,662
Assumed	350,389	380,626	735,987	747,479
Ceded	(104,922)	(99,526)	(218,215)	(204,997)
Net premiums earned	$260,416	$291,889	$546,950	$563,144
Claims and claim expenses				
Gross claims and claim expenses incurred	$97,064	$116,995	$165,214	$150,993
Claims and claim expenses recovered	(15,676)	(13,033)	(24,911)	(19,780)
Net claims and claim expenses incurred	$81,388	$103,962	$140,303	$131,213

NOTE 7. NONCONTROLLING INTERESTS

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

	June 30, 2014	December 31, 2013
Redeemable noncontrolling interest - DaVinciRe	$930,231	$1,063,368
Redeemable noncontrolling interest - Medici	93,661	36,492
Redeemable noncontrolling interest	$1,023,892	$1,099,860

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Redeemable noncontrolling interest - DaVinciRe	$35,706	$14,009	$76,886	$52,824
Redeemable noncontrolling interest - Medici	372	7	1,960	7
Noncontrolling interest - Angus Fund	—	(1)	—	(209)
Net income attributable to noncontrolling interests	$36,078	$14,015	$78,846	$52,622

Redeemable Noncontrolling Interest – DaVinciRe

In October 2001, the Company formed DaVinciRe and DaVinci with other equity investors. RenaissanceRe owns a noncontrolling economic interest in DaVinciRe; however, because RenaissanceRe controls a majority of DaVinciRe's outstanding voting rights, the consolidated financial statements of DaVinciRe are included in the consolidated financial statements of the Company. The portion of DaVinciRe's earnings owned by third parties is recorded in the consolidated statements of operations as net income attributable to noncontrolling interests. The Company's noncontrolling economic ownership in DaVinciRe was 26.5% at June 30, 2014 (December 31, 2013 - 27.3%).

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

2013

During January 2013, DaVinciRe redeemed shares from certain DaVinciRe shareholders (including those who submitted redemption notices in advance of the March 1, 2012 annual redemption notice date, as discussed above) while certain other DaVinciRe shareholders purchased additional shares in DaVinciRe. The net redemption as a result of these transactions was $150.0 million. In connection with the redemptions, DaVinciRe retained a $20.5 million holdback. The Company's noncontrolling economic ownership in DaVinciRe was 30.8% at December 31, 2012 and subsequent to the above transactions, the Company's noncontrolling economic ownership in DaVinciRe increased to 32.9% effective January 1, 2013.

Effective October 1, 2013, an existing third party shareholder sold a portion of its shares in DaVinciRe to a new third party shareholder. In addition, effective October 1, 2013, the Company sold a portion of its shares of DaVinciRe to the same new third party shareholder. The Company sold these shares for $77.4 million and subsequent to the above transactions, its noncontrolling economic ownership interest in DaVinciRe decreased, and was 27.3% at December 31, 2013.

2014

During January 2014, DaVinciRe redeemed a portion of its outstanding shares from all existing DaVinciRe shareholders, including the Company, while a new DaVinciRe shareholder purchased shares in DaVinciRe. The net redemption as a result of these transactions was $300.0 million. In connection with the redemption, DaVinciRe retained a $60.0 million holdback. The Company's noncontrolling economic ownership in

DaVinciRe subsequent to these transactions is 26.5%, effective January 1, 2014. During February 2014, DaVinciRe paid $30.0 million of the $60.0 million holdback. There were no additional payments of the holdback during the second quarter of 2014.
See “Note 15. Subsequent Events” for additional information related to DaVinciRe transactions which occurred subsequent to June 30, 2014.
The Company expects its noncontrolling economic ownership in DaVinciRe to fluctuate over time.
The activity in redeemable noncontrolling interest – DaVinciRe is detailed in the table below:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Beginning balance	$895,391	$875,770	$1,063,368	$968,259
Redemption of shares from redeemable noncontrolling interest	(866)	(663)	(219,745)	(186,894)
Sale of shares to redeemable noncontrolling interests	—	—	9,722	54,927
Net income attributable to redeemable noncontrolling interest	35,706	14,009	76,886	52,824
Ending balance	$930,231	$889,116	$930,231	$889,116

Redeemable Noncontrolling Interest - RenaissanceRe Medici Fund Ltd. (“Medici”)
Medici is an exempted company incorporated under the laws of Bermuda and its objective is to seek to invest substantially all of its assets in various insurance-based investment instruments that have returns primarily tied to property catastrophe risk. RenaissanceRe owns a noncontrolling economic interest in Medici; however, because RenaissanceRe controls all of Medici’s outstanding voting rights, the financial statements of Medici are included in the consolidated financial statements of the Company. The portion of Medici’s earnings owned by third parties is recorded in the consolidated statements of operations as net income attributable to noncontrolling interests. Any shareholder may redeem all or any portion of its shares as of the last day of any calendar month, upon at least 30 calendar days’ prior irrevocable written notice to Medici. As the participating, non-voting common shares of Medici have redemption features which are outside the control of the issuer, the portion related to the redeemable noncontrolling interest in Medici is recorded in the mezzanine section of the consolidated balance sheets of the Company.
2013
Prior to June 1, 2013, Medici was a wholly owned subsidiary of RenaissanceRe Fund Holdings Ltd., which in turn is a wholly owned subsidiary of RenaissanceRe. Subsequent to June 1, 2013, third-party investors subscribed for, and redeemed, an aggregate of $37.2 million and $1.3 million, respectively, of the participating, non-voting common shares of Medici. As a result of the third-party investments during the period from June 1, 2013 through December 31, 2013, the Company’s economic ownership in Medici was 73.9% at December 31, 2013.
2014
During the six months ended June 30, 2014, third-party investors subscribed for and redeemed an aggregate of $57.1 million and $1.9 million, respectively, of the participating, non-voting common shares of Medici. As a result of these net subscriptions, the Company’s economic ownership in Medici decreased to 49.3%, effective June 30, 2014.
The Company expects its ownership in Medici to fluctuate over time.

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Beginning balance	$91,590	$—	$36,492	$—
Redemption of shares from redeemable noncontrolling interest	—	—	(1,875)	—
Sale of shares to redeemable noncontrolling interests	1,699	8,000	57,084	8,000
Net income attributable to redeemable noncontrolling interest	372	7	1,960	7
Ending balance	$93,661	$8,007	$93,661	$8,007

Noncontrolling Interest - Angus Fund L.P. (the "Angus Fund")

In December 2010, REAL and RRCA, both formerly wholly owned subsidiaries of RenaissanceRe, formed the Angus Fund with other equity investors. The Angus Fund was formed to provide capital to and make investments in companies primarily in the heating oil and propane distribution industries and Angus Partners LLC ("Angus") was formed to provide commodity related risk management products to third party customers.

As part of the agreement to sell REAL to Munich (see "Note 3. Discontinued Operations" for additional information), the former general partner of the Angus Fund, REAL, transferred its general partner ownership interest to RRV U.S. Holdings LLC, a wholly owned subsidiary of RenaissanceRe, representing a $55 thousand investment in the Angus Fund, or a 1.1% ownership interest, and RRCA, a former limited partner, transferred its limited partner ownership interest to RenTech U.S. Holdings LLC ("RenTech"), a wholly owned subsidiary of RenaissanceRe, representing a $2.0 million investment in the Angus Fund, or a 35.0% ownership interest. There was no gain or loss recognized on the above transactions.

Effective December 1, 2013, both RRV U.S. and RenTech contributed their ownership interests in the Angus Fund to Angus for $2.3 million, in return for equity interests in Angus. The Company previously had an equity interest of 38.8% in Angus, and as a result of these transactions, its equity interest in Angus increased to 42.5%. In addition, these transactions resulted in $1.7 million of additional goodwill related to the Company's additional investment in Angus. During the first quarter of 2014, Angus raised additional capital from its existing third party investors. The Company did not participate in this capital raise and, as a result, the Company's ownership interest in Angus is 40.4% at June 30, 2014. The Company records its equity investment in Angus one quarter in arrears.

Prior to December 1, 2013, the Angus Fund met the definition of a VIE; therefore the Company evaluated its ownership in the Angus Fund to determine if it was the primary beneficiary. The Company had concluded it was the primary beneficiary of the Angus Fund as it had the power to direct, and had more than insignificant economic interest in, the activities of the Angus Fund and as such, the financial position and results of operations of the Angus Fund were consolidated. The portion of the Angus Fund's earnings owned by third parties was recorded in the consolidated statements of operations as net income attributable to noncontrolling interest. Effective December 1, 2013, the Company concluded that it no longer had the power to direct the activities, nor was it the primary beneficiary, of the Angus Fund and as a result, it was deconsolidated. At June 30, 2014 and December 31, 2013, the Company's equity investment in Angus is recorded under investments in other ventures, under equity method on the Company's consolidated balance sheets.

The activity in noncontrolling interest – Angus Fund is detailed in the table below:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Beginning balance	$—	$3,747	$—	$3,991
Adjustment of ownership interest	—	—	—	139
Net loss attributable to noncontrolling interest	—	(1)	—	(209)
Dividends on common shares	—	(53)	—	(228)
Ending balance	$—	$3,693	$—	$3,693

NOTE 8. 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. Both Upsilon RFO and the insurance participation are managed by RUM in return for an expense override and profit commission.
Upsilon RFO is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company is the primary beneficiary of Upsilon RFO as it: (i) has the power over the activities that most significantly impact the economic performance of Upsilon RFO and (ii) has the obligation to absorb the losses, and right to receive the benefits, in accordance with the accounting guidance, that could be significant to Upsilon RFO. As a result, the Company consolidates Upsilon RFO and all significant inter-company transactions have been eliminated. The Company has not provided financial or other support to Upsilon RFO that was not contractually required to be provided.
2013
Original business was written directly by Upsilon RFO and included $53.5 million of gross premiums written incepting January 1, 2013 under fully-collateralized reinsurance contracts. In conjunction with the formation and launch of Upsilon RFO, $61.0 million of Upsilon RFO non-voting Class B shares were sold to unaffiliated third party investors. Additionally, $76.4 million of the non-voting Class B shares were acquired by the Company, representing a 55.6% participation in the original risks assumed by Upsilon RFO effective January 1, 2013. In addition, another third party investor supplied $17.5 million of capital through an insurance contract with the Company related to Upsilon RFO's reinsurance portfolio. Inclusive of the insurance contract, the Company had a 42.9% participation in the original risks assumed by Upsilon RFO effective January 1, 2013.
On July 1, 2013, the Company sold a portion of its shares of Upsilon RFO to a new third party shareholder for $25.0 million. The Company's participation in the original risks assumed by Upsilon RFO prior to January 1, 2014 was 25.8%, inclusive of the related insurance contract, effective December 31, 2013.
Original business written directly by Upsilon RFO and incepting during 2013 has expired, and the associated non-voting Class B share capital contributed by unaffiliated third party investors and the Company has been settled in full. No additional business or non-voting Class B share capital remains outstanding related to original business incepted during 2013.

2014

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

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

At June 30, 2014, the Company's consolidated balance sheet included total assets and total liabilities of Upsilon RFO of $487.0 million and $487.0 million, respectively (December 31, 2013 - $474.2 million and $474.2 million, respectively, including $156.3 million of capital raised from third party investors and received by Upsilon RFO prior to December 31, 2013 for risks incepted during the first quarter of 2014).

Inclusive of all capital raised for risks incepting during the first six months of 2014, the Company has a 30.5% participation in the original risks assumed by Upsilon RFO for the period from January 1, 2014 through June 30, 2014.

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

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

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

The Company concluded that Mona Lisa Re meets the definition of a VIE as it does not have sufficient equity capital to finance its activities. Therefore, the Company evaluated its relationship with Mona Lisa Re and concluded it does not have a variable interest in Mona Lisa Re. As a result, the financial position and results of operations of Mona Lisa Re are not consolidated by the Company. At June 30, 2014, the total assets and total liabilities of Mona Lisa Re were $179.1 million and $179.1 million, respectively (December 31, 2013 - $209.6 million and $209.6 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 $2.0 million and $1.9 million, respectively, during the six months ended June 30, 2014 (2013 - $1.2 million and $1.2 million, respectively). In addition, Renaissance Reinsurance and DaVinci recognized ceded premiums earned related to the ceded reinsurance contracts with Mona Lisa Re of $5.0 million and $3.6 million, respectively, during the six months ended June 30, 2014 (2013 - $0.3 million and $0.3 million, respectively).

NOTE 9. SHAREHOLDERS' EQUITY

The Board of Directors of RenaissanceRe declared, and RenaissanceRe paid, a dividend of $0.29 per common share to shareholders of record on March 14, 2014 and June 13, 2014. During the six months ended June 30, 2014, the Company declared and paid $11.2 million in preference share dividends (2013 - $13.8 million) and $23.6 million in common share dividends (2013 - $24.7 million).

The Company's share repurchase program may be effected from time to time, depending on market conditions and other factors, through open market purchases and privately negotiated transactions. Unless terminated earlier by resolution of RenaissanceRe's Board of Directors, the program will expire when the Company has repurchased the full value of the shares authorized. The Company's decision to repurchase common shares will depend on, among other matters, the market price of the common shares and the capital requirements of the Company. During the six months ended June 30, 2014, the Company repurchased an aggregate of 3.4 million shares in open market transactions, at an aggregate cost of $314.5 million, and at an average share price of $93.53. On May 20, 2014, RenaissanceRe's Board of Directors approved a renewal of the Company's authorized share repurchase program for an aggregate amount of $500.0 million. At June 30, 2014, $500.0 million remained available for repurchase under the Board authorized share repurchase program. See "Part II, Item 2 - Unregistered Sales of Equity Securities and use of Proceeds" for additional information.

In March 2004, RenaissanceRe raised $250.0 million through the issuance of 10 million Series C Preference Shares at $25 per share; in December 2006, RenaissanceRe raised $300.0 million through the issuance of 12 million Series D Preference Shares at $25 per share; and in May 2013, RenaissanceRe raised $275.0 million through the issuance of 11 million Series E Preference Shares at $25 per share. On December 27, 2012, the Company redeemed 6 million Series D Preference Shares for $150.0 million plus accrued and unpaid dividends thereon. Following the redemption, 6 million Series D Preference Shares remained outstanding. In May 2013, RenaissanceRe announced a mandatory redemption of the remaining 6 million of its outstanding Series D Preference Shares, using the proceeds from the issuance of the Series E Preference Shares, and on June 27, 2013 RenaissanceRe redeemed the remaining 6 million Series D Preference Shares called for redemption for $150.0 million million plus accrued and unpaid dividends thereon. Following the redemption, no Series D Preference Shares remain outstanding. In addition, in May 2013, RenaissanceRe announced a mandatory partial redemption of 5 million of its outstanding Series C Preference Shares, using the proceeds from the issuance of the Series E Preference Shares. The partial redemption was allocated by random lottery in accordance with the Depository Trust Company's rules and procedures and on June 27, 2013 RenaissanceRe redeemed the 5 million Series C Preference Shares called for redemption for $125.0 million plus accrued and unpaid dividends thereon. Following the redemption, 5 million Series C Preference Shares remain outstanding.

The Series E Preference Shares and the remaining Series C Preference Shares may be redeemed at $25 per share plus certain dividends at RenaissanceRe's option on or after June 1, 2018 and March 23, 2009, respectively. Dividends on the Series C Preference Shares are cumulative from the date of original issuance and are payable quarterly in arrears at 6.08% per annum, when, if, and as declared by the Board of Directors. Dividends on the Series E Preference Shares will be payable from the date of original issuance on a non-cumulative basis, only when, as and if declared by the Board of Directors, quarterly in arrears at 5.375% per annum. Unless certain dividend payments are made on the preference shares, RenaissanceRe will be restricted from paying any dividends on its common shares. The preference shares have no stated maturity and are not convertible into any other securities of RenaissanceRe. Generally, the preference shares have no voting rights. Whenever dividends payable on the preference shares are in arrears (whether or not such dividends have been earned or declared) in an amount equivalent to dividends for six full dividend periods (whether or not consecutive), the holders of the preference shares, voting as a single class regardless of class or series, will have the right to elect two directors to the Board of Directors of RenaissanceRe.

NOTE 10. EARNINGS PER SHARE

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

	Three months ended June 30,		Six months ended June 30,	
(thousands of shares)	2014	2013	2014	2013
Numerator:				
Net income available to RenaissanceRe common shareholders	$120,752	$26,806	$271,755	$217,280
Amount allocated to participating common shareholders (1)	(1,557)	(376)	(3,577)	(3,174)
Net income allocated to RenaissanceRe common shareholders	$119,195	$26,430	$268,178	$214,106
Denominator:				
Denominator for basic income per RenaissanceRe common share - weighted average common shares	39,736	43,372	40,487	43,453
Per common share equivalents of employee stock options and restricted shares	659	871	662	850
Denominator for diluted income per RenaissanceRe common share - adjusted weighted average common shares and assumed conversions	40,395	44,243	41,149	44,303
Net income available to RenaissanceRe common shareholders per common share – basic	$3.00	$0.61	$6.62	$4.93
Net income available to RenaissanceRe common shareholders per common share – diluted	$2.95	$0.60	$6.52	$4.83

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

NOTE 11. SEGMENT REPORTING

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

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

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, 2014	Catastrophe Reinsurance	Specialty Reinsurance	Lloyd's	Other	Total
Gross premiums written	$388,083	$51,554	$71,903	$—	$511,540
Net premiums written	$233,698	$46,254	$66,452	$3	$346,407
Net premiums earned	$159,152	$53,588	$47,672	$4	$260,416
Net claims and claim expenses incurred	36,730	20,075	25,111	(528)	81,388
Acquisition expenses	17,806	11,699	10,122	(6,150)	33,477
Operational expenses	22,200	10,514	13,058	69	45,841
Underwriting income (loss)	$82,416	$11,300	$(619)	$6,613	99,710
Net investment income				34,541	34,541
Net foreign exchange gains				2,392	2,392
Equity in earnings of other ventures				7,232	7,232
Other loss				(535)	(535)
Net realized and unrealized gains on investments				27,128	27,128
Corporate expenses				(3,954)	(3,954)
Interest expense				(4,292)	(4,292)
Income before taxes and noncontrolling interests					162,222
Income tax benefit				204	204
Net income attributable to noncontrolling interests				(36,078)	(36,078)
Dividends on preference shares				(5,596)	(5,596)
Net income available to RenaissanceRe common shareholders					$120,752
Net claims and claim expenses incurred – current accident year	$38,473	$25,443	$34,555	$—	$98,471
Net claims and claim expenses incurred – prior accident years	(1,743)	(5,368)	(9,444)	(528)	(17,083)
Net claims and claim expenses incurred – total	$36,730	$20,075	$25,111	$(528)	$81,388
Net claims and claim expense ratio – current accident year	24.2%	47.5%	72.5%	—%	37.8%
Net claims and claim expense ratio – prior accident years	(1.1)%	(10.0)%	(19.8)%	(13,200.0)%	(6.5)%
Net claims and claim expense ratio – calendar year	23.1%	37.5%	52.7%	(13,200.0)%	31.3%
Underwriting expense ratio	25.1%	41.4%	48.6%	(152,025.0)%	30.4%
Combined ratio	48.2%	78.9%	101.3%	(165,225.0)%	61.7%

Six months ended June 30, 2014	Catastrophe Reinsurance	Specialty Reinsurance	Lloyd's	Other	Total
Gross premiums written	$855,794	$205,844	$155,162	$—	$1,216,800
Net premiums written	$493,187	$171,743	$131,821	$3	$796,754
Net premiums earned	$323,736	$123,218	$99,969	$27	$546,950
Net claims and claim expenses incurred	43,185	46,156	51,392	(430)	140,303
Acquisition expenses	24,932	28,246	20,689	(6,690)	67,177
Operational expenses	42,619	20,620	25,091	135	88,465
Underwriting income	$213,000	$28,196	$2,797	$7,012	251,005
Net investment income				73,489	73,489
Net foreign exchange gains				1,331	1,331
Equity in earnings of other ventures				11,431	11,431
Other loss				(473)	(473)
Net realized and unrealized gains on investments				42,055	42,055
Corporate expenses				(8,499)	(8,499)
Interest expense				(8,585)	(8,585)
Income before taxes and noncontrolling interests					361,754
Income tax benefit				38	38
Net income attributable to noncontrolling interests				(78,846)	(78,846)
Dividends on preference shares				(11,191)	(11,191)
Net income available to RenaissanceRe common shareholders					$271,755
Net claims and claim expenses incurred – current accident year	$51,002	$67,365	$55,712	$—	$174,079
Net claims and claim expenses incurred – prior accident years	(7,817)	(21,209)	(4,320)	(430)	(33,776)
Net claims and claim expenses incurred – total	$43,185	$46,156	$51,392	$(430)	$140,303
Net claims and claim expense ratio – current accident year	15.8%	54.7%	55.7%	—%	31.8%
Net claims and claim expense ratio – prior accident years	(2.5)%	(17.2)%	(4.3)%	(1,592.6)%	(6.1)%
Net claims and claim expense ratio – calendar year	13.3%	37.5%	51.4%	(1,592.6)%	25.7%
Underwriting expense ratio	20.9%	39.6%	45.8%	(24,277.8)%	28.4%
Combined ratio	34.2%	77.1%	97.2%	(25,870.4)%	54.1%