

Maiden Holdings, Ltd.
Form 8-K
May 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
May 5, 2015

MAIDEN HOLDINGS, LTD.
(Exact name of registrant as specified in its charter)

| | | |
|--|--|--|
| Bermuda (State or other jurisdiction of incorporation) | 001-34042 (Commission File Number) | 98-0570192 (IRS Employer Identification No.) |
|--|--|--|

131 Front Street, Hamilton HM12, Bermuda
(Address of principal executive offices and zip code)

(441) 298-4900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 5, 2015, Maiden Holdings, Ltd. (the “Company”) issued a press release announcing its results of operations for the fiscal quarter ended March 31, 2015. A copy of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

The information contained in this Item 2.02 and in the accompanying exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit

| No. | Description |
|-----|-------------|
|-----|-------------|

| | |
|------|---|
| 99.1 | Press Release of Maiden Holdings, Ltd., dated May 5, 2015 |
|------|---|

SIGNATURES

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

Date: May 5, 2015

MAIDEN HOLDINGS, LTD.

By: /s/ Lawrence F. Metz
Lawrence F. Metz
Senior Vice President, General Counsel and
Secretary

EXHIBIT INDEX

| Exhibit No. | Description |
|----------------|---|
| 99.1 | Press Release of Maiden Holdings, Ltd., dated May 5, 2015 |

Exhibit 99.1

PRESS RELEASE

Maiden Holdings, Ltd. Announces First Quarter 2015 Operating Earnings⁽¹⁾ of \$26.6 million or \$0.35 Per Diluted Common Share and Net Income Attributable to Common Shareholders of \$32.4 Million or \$0.41 Per Diluted Common Share

Highlights for the quarter ended March 31, 2015

- Net operating earnings⁽¹⁾ of \$26.6 million, or \$0.35 per diluted common share compared with net operating earnings of \$25.6 million, or \$0.34 per diluted common share in the first quarter of 2014;
- Annualized operating return on common equity⁽¹⁾ of 11.4% compared to 12.6% in the first quarter of 2014;
- Net income attributable to Maiden common shareholders of \$32.4 million or \$0.41 per diluted common share compared with a loss of \$4.1 million, or \$0.06 per diluted common⁽⁶⁾ share in the first quarter of 2014;
- Annualized return on common equity was 13.9% compared to a negative annualized return on common equity of 2.0% in the first quarter of 2014;
- Net premiums written increased 12.3% to \$797.0 million for the first quarter of 2015 compared to the same period last year;
- Combined ratio⁽¹¹⁾ of 98.2% compared to 97.7% in the first quarter of 2014;
- Net investment income was \$28.3 million, an increase of 1.5% compared to the first quarter of 2014; and
- Book value per common share⁽⁴⁾ of \$13.11 increased 3.3% versus December 31, 2014.

HAMILTON, Bermuda - Maiden Holdings, Ltd. (NASDAQ: MHL) (“Maiden” or “the Company”) today reported first quarter 2015 net operating earnings⁽¹⁾ of \$26.6 million compared with \$25.6 million in the first quarter of 2014. First quarter 2015 net income attributable to Maiden common shareholders was \$32.4 million compared to a net loss attributable to Maiden common shareholders of \$4.1 million in the first quarter of 2014. First quarter 2014 net income was impacted by a non-recurring non-cash charge of \$28.2 million, representing the accelerated amortization of both the original issue discount and issuance costs associated with the repayment of the Company’s 14% coupon junior subordinated debt (“TRUPS”).

Commenting on the Company's results, Art Raschbaum, Chief Executive Officer of Maiden, said: “During the first quarter of 2015, while market conditions remain competitive, we continue to see opportunities to expand relationships with current clients and to selectively establish new client relationships. Despite the impact of a stronger dollar and a challenging low interest rate environment, we continued to enjoy a significant expansion in investable assets in the quarter. Although quarterly investment income reflects some of the challenges of putting that cash to work, as we move to fully invest record levels of cash, we expect a continued improvement in operating earnings.”

Results for the quarter ended March 31, 2015

Maiden reported first quarter 2015 net operating earnings⁽¹⁾ of \$26.6 million, or \$0.35 per diluted common share compared with \$25.6 million, or \$0.34 per diluted common share in the first quarter of 2014. Net income attributable to common shareholders was \$32.4 million or \$0.41 per diluted common share compared with a loss of \$4.1 million or \$0.06 per diluted common⁽⁶⁾ share in the first quarter of 2014.

In the first quarter of 2015, gross premiums written increased 15.5% to \$834.3 million from \$722.4 million in the first quarter of 2014. Net premiums written totaled \$797.0 million in the first quarter of 2015, an increase of 12.3% compared to the first quarter of 2014. The Diversified Reinsurance segment’s net premiums written totaled \$294.2

million, an increase of 0.9% versus the first quarter of 2014. Within the Diversified Reinsurance segment, U.S. growth was largely offset by the impact of foreign exchange and lower premiums in the first quarter of 2015 from the international portfolio at IIS. In the AmTrust Reinsurance segment, net premiums written increased by 20.0% to \$502.8 million compared to the first quarter of 2014 reflecting the continued impact of the premiums associated with the Tower Group transaction.

Net premiums earned of \$577.3 million increased 11.2% compared to the first quarter of 2014. In the Diversified Reinsurance segment, net premiums earned decreased 3.4% to \$192.7 million compared to the first quarter of 2014. The AmTrust Reinsurance segment earned premiums were up 26.1% to \$384.6 million compared to the first quarter of 2014.

Net loss and loss adjustment expenses of \$377.4 million were up 7.4% compared to the first quarter of 2014. The loss ratio⁽⁷⁾ of 64.8% was lower than the 67.0% reported in the first quarter of 2014.

Commission and other acquisition expenses, including general and administrative expenses, increased \$33.6 million to \$194.6 million in the first quarter of 2015, compared to the same quarter a year ago. The total expense ratio⁽¹⁰⁾ rose to 33.4% for the first quarter of 2015 compared with 30.7% in the same quarter last year, due to a change in business mix. General and administrative expenses for the first quarter of 2015 totaled \$16.3 million compared with \$14.9 million in the first quarter of 2014. The general and administrative expense ratio⁽⁹⁾ was 2.8% in the first quarters of 2015 and 2014.

The combined ratio⁽¹¹⁾ for the first quarter of 2015 totaled 98.2% compared with 97.7% in the first quarter of 2014. The Diversified Reinsurance segment combined ratio was 101.2% in the first quarter of 2015, up from 97.6% in the first quarter of 2014. The higher Diversified Reinsurance segment combined ratio was primarily impacted by foreign exchange, large loss activity in European auto, and to a lesser extent underperformance of U.S. commercial auto. The AmTrust Reinsurance segment reported a combined ratio of 94.6% in the first quarter of 2015 compared to 95.6% in the first quarter of 2014. The improved combined ratio for the AmTrust Reinsurance segment was due to improved rates and higher premium volume in workers' compensation business.

Net investment income of \$28.3 million in the first quarter of 2015 increased 1.5% compared to the first quarter of 2014 and was down 11.0% compared to \$31.7 million in the fourth quarter of 2014. As of March 31, 2015, the average yield on the fixed income portfolio (excluding cash) is 3.49% with an average duration of 4.43 years. Cash and cash equivalents were \$641.2 million as at March 31, 2015 or \$248.7 million higher than at year end 2014.

Total assets increased 6.6% to \$5.5 billion at March 31, 2015 compared to \$5.2 billion at year-end 2014. Shareholders' equity was \$1.3 billion, up 2.9% compared to December 31, 2014. Book value per common share was \$13.11 at March 31, 2015 or 3.3% higher than at December 31, 2014.

During the first quarter of 2015, the Board of Directors declared dividends of \$0.13 per common share, \$0.515625 per Series A preference share and \$0.90625 per Series B preference share.

(1)(4)(6) Please see the Non-GAAP Financial Measures table for additional information on these non-GAAP financial measures and reconciliation of these measures to GAAP measures.

(7)(9)(10)(11) Loss ratio, general and administrative expense ratio, expense ratio and combined ratio are operating metrics. Please see the additional information on these measures under Segment information tables.

Conference Call

Maiden's Chief Executive Officer, Art Raschbaum and Chief Financial Officer, Karen Schmitt will review these results tomorrow morning via teleconference and live audio webcast beginning at 8:30 a.m. ET.

To participate in the conference call, please access one of the following at least five minutes prior to the start time:

U.S. Callers: 1.877.734.5373

Outside U.S. Callers: 1.973.200.3059

Passcode: 35606023

Webcast: http://www.maiden.bm/presentations_conferences

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A replay of the conference call will be available beginning at 11:30 a.m. ET on May 6, 2015 through midnight on May 13, 2015. To listen to the replay, please dial toll free: 1.855.859.2056 (U.S. Callers) or toll: 1.404.537.3406 (callers outside the U.S.) and enter the Passcode: 35606023; or access http://www.maiden.bm/presentations_conferences

About Maiden Holdings, Ltd.

Maiden Holdings, Ltd. is a Bermuda-based holding company formed in 2007. Through its subsidiaries, which are each A- rated (excellent) by A.M. Best, the Company is focused on providing non-catastrophic, customized reinsurance products and services to small and mid-size insurance companies in the United States and Europe. As of March 31, 2015, Maiden had \$5.5 billion in assets and shareholders' equity of \$1.3 billion.

The Maiden Holdings, Ltd. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5006>

Forward Looking Statements

This release contains "forward-looking statements" which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those projected as a result of significant risks and uncertainties, including non-receipt of the expected payments, changes in interest rates, effect of the performance of financial markets on investment income and fair values of investments, developments of claims and the effect on loss reserves, accuracy in projecting loss reserves, the impact of competition and pricing environments, changes in the demand for the Company's products, the effect of general economic conditions and unusual frequency of storm activity, adverse state and federal legislation, regulations and regulatory investigations into industry practices, developments relating to existing agreements, heightened competition, changes in pricing environments, and changes in asset valuations. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected is contained in Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 as updated in periodic filings with the SEC. The Company undertakes no obligation to publicly update any forward-looking statements, except as may be required by law.

CONTACT:

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Maiden Holdings, Ltd.
Phone: 441.298.4927
E-mail: nfields@maiden.bm

Maiden Holdings, Ltd.

Balance Sheet

(in thousands of U.S. dollars, except per share data)

| | March 31, 2015 (Unaudited) | December 31, 2014 (Audited) |
|---|----------------------------------|--------------------------------|
| ASSETS | | |
| Investments: | | |
| Fixed maturities, available-for-sale, at fair value (Amortized cost 2015: \$3,279,749; 2014: \$3,379,864) | \$3,350,932 | \$3,456,904 |
| Other investments, at fair value (Cost 2015: \$10,955; 2013: \$10,862) | 11,730 | 12,571 |
| Total investments | 3,362,662 | 3,469,475 |
| Cash and cash equivalents | 168,121 | 108,119 |
| Restricted cash and cash equivalents | 473,066 | 284,381 |
| Accrued investment income | 25,791 | 27,524 |
| Reinsurance balances receivable, net | 636,230 | 512,996 |
| Reinsurance recoverable on unpaid losses | 79,271 | 75,873 |
| Loan to related party | 167,975 | 167,975 |
| Deferred commission and other acquisition costs, net | 430,871 | 372,487 |
| Goodwill and intangible assets, net | 86,626 | 87,336 |
| Other assets | 76,727 | 57,926 |
| Total assets | \$5,507,340 | \$5,164,092 |
| LIABILITIES | | |
| Reserve for loss and loss adjustment expenses | \$2,331,508 | \$2,271,292 |
| Unearned premiums | 1,437,492 | 1,207,757 |
| Accrued expenses and other liabilities | 100,755 | 83,877 |
| Senior notes | 360,000 | 360,000 |
| Total liabilities | 4,229,755 | 3,922,926 |
| Commitments and Contingencies | | |
| EQUITY | | |
| Preference shares | 315,000 | 315,000 |
| Common shares | 744 | 739 |
| Additional paid-in capital | 580,477 | 578,445 |
| Accumulated other comprehensive income | 107,498 | 95,293 |
| Retained earnings | 277,938 | 255,084 |
| Treasury shares, at cost | (4,521 |) (3,867 |
| Total Maiden shareholders' equity | 1,277,136 | 1,240,694 |
| Noncontrolling interest in subsidiaries | 449 | 472 |
| Total equity | 1,277,585 | 1,241,166 |
| Total liabilities and equity | \$5,507,340 | \$5,164,092 |
| Book value per common share ⁽⁴⁾ | \$13.11 | \$12.69 |
| Common shares outstanding | 73,409,894 | 72,932,702 |

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Maiden Holdings, Ltd.

Income Statement

(in thousands of U.S. dollars, except per share data)

(Unaudited)

| | For the Three Months Ended March 31, 2015 | For the Three Months Ended March 31, 2014 | |
|---|---|---|---|
| Revenues: | | | |
| Gross premiums written | \$834,266 | \$722,382 | |
| Net premiums written | \$796,983 | \$709,892 | |
| Change in unearned premiums | (219,664) | (190,662) | |
| Net premiums earned | 577,319 | 519,230 | |
| Other insurance revenue | 4,979 | 5,162 | |
| Net investment income | 28,260 | 27,842 | |
| Net realized gains on investment | 869 | 88 | |
| Total revenues | 611,427 | 552,322 | |
| Expenses: | | | |
| Net loss and loss adjustment expenses | 377,406 | 351,344 | |
| Commission and other acquisition expenses | 178,342 | 146,082 | |
| General and administrative expenses | 16,289 | 14,924 | |
| Total expenses | 572,037 | 512,350 | |
| Income from operations ⁽²⁾ | 39,390 | 39,972 | |
| Other expenses | | | |
| Interest and amortization expenses | (7,172) | (8,064) | |
| Accelerated amortization of junior subordinated debt discount and issuance cost | — | (28,240) | |
| Amortization of intangible assets | (710) | (819) | |
| Foreign exchange gains | 7,826 | 138 | |
| Total other expenses | (56) | (36,985) | |
| Income before income taxes | 39,334 | 2,987 | |
| Income tax expense | 800 | 926 | |
| Net income | 38,534 | 2,061 | |
| Less: income attributable to noncontrolling interest | (45) | (39) | |
| Net income attributable to Maiden | 38,489 | 2,022 | |
| Dividends on preference shares | (6,084) | (6,084) | |
| Net income (loss) attributable to Maiden common shareholders | \$32,405 | \$(4,062) | |
| Net operating earnings attributable to Maiden common shareholders ⁽¹⁾ | \$26,634 | \$25,553 | |
| Basic earnings (loss) per common share attributable to Maiden shareholders | \$0.44 | \$(0.06) | |
| Diluted earnings (loss) per common share attributable to Maiden shareholders ⁽⁶⁾ | \$0.41 | \$(0.06) | |
| Basic operating earnings per common share attributable to Maiden shareholders | \$0.36 | \$0.35 | |
| Diluted operating earnings per common share attributable to Maiden shareholders | \$0.35 | \$0.34 | |
| Dividends declared per common share | \$0.13 | \$0.11 | |
| Weighted average number of common shares - basic | 73,084,412 | 72,708,113 | |
| Adjusted weighted average number of common shares and assumed conversions - diluted | 85,263,785 | 84,600,741 | |
| Net loss and loss adjustment expense ratio ⁽⁷⁾ | 64.8 | % 67.0 | % |
| Commission and other acquisition expense ratio ⁽⁸⁾ | 30.6 | % 27.9 | % |

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| | | | | |
|---|------|---|-------|----|
| General and administrative expense ratio ⁽⁹⁾ | 2.8 | % | 2.8 | % |
| Expense ratio ⁽¹⁰⁾ | 33.4 | % | 30.7 | % |
| Combined ratio ⁽¹¹⁾ | 98.2 | % | 97.7 | % |
| Annualized return on common equity | 13.9 | % | (2.0) |)% |
| Annualized operating return on common equity | 11.4 | % | 12.6 | % |

Maiden Holdings, Ltd.
 Non - GAAP Financial Measure
 (in thousands of U.S. dollars, except per share data)
 (Unaudited)

| | For the Three Months Ended March 31, 2015 | For the Three Months Ended March 31, 2014 |
|--|--|--|
| Reconciliation of net income (loss) attributable to Maiden common shareholders to net operating earnings: | | |
| Net income (loss) attributable to Maiden common shareholders | 32,405 | (4,062) |
| Add (subtract) | | |
| Net realized gains on investment | (869) | (88) |
| Foreign exchange gains | (7,826) | (138) |
| Amortization of intangible assets | 710 | 819 |
| Divested excess and surplus ("E&S") business and NGHC run-off | 1,924 | — |
| Interest expense incurred related to 7.75% senior notes prior to actual redemption of the junior subordinated debt | — | 492 |
| Accelerated amortization of junior subordinated debt discount and issuance cost | — | 28,240 |
| Non-cash deferred tax expense | 290 | 290 |
| Net operating earnings attributable to Maiden common shareholders ⁽¹⁾ | \$26,634 | \$25,553 |
| Operating earnings per common share attributable to Maiden shareholders: | | |
| Basic earnings per common share attributable to Maiden shareholders | \$0.36 | \$0.35 |
| Diluted earnings per common share attributable to Maiden shareholders | \$0.35 | \$0.34 |
| Reconciliation of net income attributable to Maiden to income from operations: | | |
| Net income attributable to Maiden | \$38,489 | \$2,022 |
| Add (subtract) | | |
| Foreign exchange gains | (7,826) | (138) |
| Amortization of intangible assets | 710 | 819 |
| Interest and amortization expenses | 7,172 | 8,064 |
| Accelerated amortization of junior subordinated debt discount and issuance cost | — | 28,240 |
| Income tax expense | 800 | 926 |
| Income attributable to noncontrolling interest | 45 | 39 |
| Income from operations ⁽²⁾ | \$39,390 | \$39,972 |
| | March 31, 2015 | December 31, 2014 |
| Investable assets: | | |
| Total investments | \$3,362,662 | \$3,469,475 |
| Cash and cash equivalents | 168,121 | 108,119 |
| Restricted cash and cash equivalents | 473,066 | 284,381 |
| Loan to related party | 167,975 | 167,975 |
| Total investable assets ⁽³⁾ | \$4,171,824 | \$4,029,950 |

| | March 31, 2015 | December 31, 2014 |
|--|-------------------|----------------------|
| Capital: | | |
| Preference shares | \$315,000 | \$315,000 |
| Common shareholders' equity | 962,136 | 925,694 |
| Total Maiden shareholders' equity | 1,277,136 | 1,240,694 |
| 2011 Senior Notes | 107,500 | 107,500 |
| 2012 Senior Notes | 100,000 | 100,000 |
| 2013 Senior Notes | 152,500 | 152,500 |
| Total capital resources ⁽⁵⁾ | \$1,637,136 | \$1,600,694 |

(1) Net operating earnings is a non-GAAP financial measure defined by the Company as net income attributable to Maiden common shareholders excluding realized and unrealized investment gains and losses, foreign exchange gains and losses, amortization of intangible assets, divested excess and surplus business and NGHC run-off, interest expense incurred related to 7.75% senior notes prior to actual redemption of the junior subordinated debt, accelerated amortization of junior subordinated debt discount and issuance cost and non-cash deferred tax expense and should not be considered as an alternative to net income. The Company's management believes that net operating earnings is a useful indicator of trends in the Company's underlying operations. The Company's measure of net operating earnings may not be comparable to similarly titled measures used by other companies.

(2) Income from Operations is a non-GAAP financial measure defined by the Company as net income attributable to Maiden excluding foreign exchange gains and losses, amortization of intangible assets, interest and amortization expenses, accelerated amortization of junior subordinated debt and issuance cost, income tax expense and income or loss attributable to noncontrolling interest and should not be considered as an alternative to net income. The Company's management believes that income from operations is a useful measure of the Company's underlying earnings fundamentals based on its underwriting and investment income before financing costs. This income from operations enables readers of this information to more clearly understand the essential operating results of the Company. The Company's measure of income from operations may not be comparable to similarly titled measures used by other companies.

(3) Investable assets is the total of the Company's investments, cash and cash equivalents and loan to a related party.

(4) Book value per common share is calculated using common shareholders' equity (shareholders' equity excluding the aggregate liquidation value of our preference shares) divided by the number of common shares outstanding.

(5) Total capital resources is the sum of the Company's debt and Maiden shareholders' equity.

(6) In calculating the diluted loss per common share for the three months ended March 31, 2014, the weighted average number of common shares - basic was used as the effect of share options, restricted shares units and convertible preference shares were anti-dilutive.

Maiden Holdings, Ltd.
Supplemental Financial Data - Segment Information
(in thousands of U.S. dollars (000's))
(Unaudited)

| For the Three Months Ended March 31, 2015 | Diversified Reinsurance | AmTrust Reinsurance | Other | Total | | | | |
|---|----------------------------|------------------------|----------|-------|-----------|---|----------|---|
| Gross premiums written | \$305,341 | \$528,926 | \$(1 |) | \$834,266 | | | |
| Net premiums written | \$294,198 | \$502,784 | \$1 | | \$796,983 | | | |
| Net premiums earned | \$192,684 | \$384,633 | \$2 | | \$577,319 | | | |
| Other insurance revenue | 4,979 | — | — | | 4,979 | | | |
| Net loss and loss adjustment expenses | (132,386 |) | (243,094 |) | (1,926 |) | (377,406 |) |
| Commission and other acquisition expenses | (58,206 |) | (120,136 |) | — | | (178,342 |) |
| General and administrative expenses | (9,413 |) | (747 |) | — | | (10,160 |) |
| Underwriting (loss) income | \$(2,342 |) | \$20,656 | | \$(1,924 |) | 16,390 | |
| Reconciliation to net income | | | | | | | | |
| Net investment income and realized gains on investment | | | | | | | 29,129 | |
| Interest and amortization expenses | | | | | | | (7,172 |) |
| Amortization of intangible assets | | | | | | | (710 |) |
| Foreign exchange gains | | | | | | | 7,826 | |
| Other general and administrative expenses | | | | | | | (6,129 |) |
| Income tax expense | | | | | | | (800 |) |
| Net income | | | | | | | \$38,534 | |
| Net loss and loss adjustment expense ratio ⁽⁷⁾ | 67.0 | % | 63.2 | % | | | 64.8 | % |
| Commission and other acquisition expense ratio ⁽⁸⁾ | 29.4 | % | 31.2 | % | | | 30.6 | % |
| General and administrative expense ratio ⁽⁹⁾ | 4.8 | % | 0.2 | % | | | 2.8 | % |
| Combined ratio ⁽¹¹⁾ | 101.2 | % | 94.6 | % | | | 98.2 | % |

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| For the Three Months Ended March 31, 2014 | Diversified Reinsurance | AmTrust Reinsurance | Other | Total | |
|---|----------------------------|------------------------|----------|-------|-----------|
| Gross premiums written | \$304,187 | \$419,010 | \$(815 |) | \$722,382 |
| Net premiums written | \$291,640 | \$419,010 | \$(758 |) | \$709,892 |
| Net premiums earned | \$199,547 | \$304,922 | \$14,761 | | \$519,230 |
| Other insurance revenue | 5,162 | — | — | | 5,162 |
| Net loss and loss adjustment expenses | (138,663 |) | (200,413 |) | (12,268 |
| Commission and other acquisition expenses | (51,214 |) | (90,485 |) | (4,383 |
| General and administrative expenses | (9,876 |) | (499 |) | (199 |
| Underwriting income (loss) | \$4,956 | \$13,525 | \$(2,089 |) | 16,392 |
| Reconciliation to net income | | | | | |
| Net investment income and realized gains on investment | | | | | 27,930 |
| Interest and amortization expenses | | | | | (8,064 |
| Accelerated amortization of junior subordinated debt discount and issuance cost | | | | | (28,240 |
| Amortization of intangible assets | | | | | (819 |
| Foreign exchange gains | | | | | 138 |
| Other general and administrative expenses | | | | | (4,350 |
| Income tax expense | | | | | (926 |
| Net income | | | | | \$2,061 |
| Net loss and loss adjustment expense ratio ⁽⁷⁾ | 67.7 | % | 65.7 | % | 67.0 |
| Commission and other acquisition expense ratio ⁽⁸⁾ | 25.0 | % | 29.7 | % | 27.9 |
| General and administrative expense ratio ⁽⁹⁾ | 4.9 | % | 0.2 | % | 2.8 |
| Combined ratio ⁽¹¹⁾ | 97.6 | % | 95.6 | % | 97.7 |

(7) Calculated by dividing net loss and loss adjustment expenses by the sum of net premiums earned and other insurance revenue.

(8) Calculated by dividing commission and other acquisition expenses by the sum of net premiums earned and other insurance revenue.

(9) Calculated by dividing general and administrative expenses by the sum of net premiums earned and other insurance revenue.

(10) Calculated by adding together the commission and other acquisition expense ratio and general and administrative expense ratio.

(11) Calculated by adding together the net loss and loss adjustment expense ratio and expense ratio.