

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION

FORM 10 - Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended: March 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 34-0-26512

RENAISSANCERE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

BERMUDA 98-013-8020
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

SOFIA HOUSE, 48 CHURCH STREET
HAMILTON, BERMUDA HM 12
(Address of principal executive offices) (Zip Code)

(441) 295-4513
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last
report)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or 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 No

The number of outstanding shares of RenaissanceRe Holding Ltd.'s common shares,
par value US \$1.00 per share, as of March 31, 1996 was 25,605,000.

RENAISSANCERE HOLDINGS LTD.

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
SUMMARY CONSOLIDATED BALANCE SHEETS
(United States Dollars)
(in thousands, except per share amounts)

	As at	
	March 31, 1996 ----- (Unaudited)	December 31, 1995 -----
ASSETS		

Investments available for sale, at fair value	\$ 565,085	\$ 523,848
(Amortized cost \$568,194 and \$521,149, at March 3, 1996 and December 31, 1995, respectively)		
Short-term investments	4,989	4,988
Cash and cash equivalents	126,751	139,163
Premiums receivable	117,532	62,773
Accrued investment income	14,015	14,851
Deferred acquisition costs	13,679	6,163
Other assets	5,218	5,274
	-----	-----
TOTAL ASSETS	\$ 847,269	\$ 757,060
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		

LIABILITIES		
Reserve for claims and claim adjustment expenses	\$ 104,496	\$ 100,445
Reserve for unearned premiums	137,459	60,444
Bank loan	80,000	100,000
Other liabilities	11,174	9,835
	-----	-----

TOTAL LIABILITIES	333,129	270,724

SHAREHOLDERS' EQUITY		

Common shares	25,605	25,605
Additional paid-in capital	173,855	174,370
Loans to officers and employees	(2,651)	(2,728)
Net unrealized appreciation (depreciation) on investments	(3,109)	2,699
Retained earnings	320,440	286,390
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	514,140	486,336
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 847,269	\$ 757,060
	=====	=====
BOOK VALUE PER COMMON SHARE	\$ 20.08	\$ 18.99
	=====	=====
COMMON SHARES OUTSTANDING	25,605	25,605

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS
(United States Dollars)
(in thousands, except per share amounts)
(Unaudited)

	QUARTERS ENDED	
	MARCH 31, 1996	MARCH 31, 1995
	-----	-----
REVENUES		
Net premiums written	\$ 138,715	\$ 155,516
Increase in unearned premiums	(77,016)	(88,930)
	-----	-----
Net premiums earned	61,699	66,586
Net investment income	10,058	7,014
Net foreign exchange gains (losses)	(94)	1,428
Net realized gains (losses) on investments	(617)	566
	-----	-----
TOTAL REVENUES	71,046	75,594
	-----	-----
EXPENSES		
Claims and claim adjustment expenses incurred	19,981	20,863
Acquisition expenses	6,322	6,709
Operating expenses	3,301	2,094
Corporate expenses	687	3,875
Interest expense	1,584	1,078
	-----	-----
TOTAL EXPENSES	31,875	34,619
	-----	-----
Pre-tax income	39,171	40,975
Income tax expense	-	-
	-----	-----
NET INCOME	39,171	40,975
Net Income allocable to Series B Preference Shares	-	1,941
	-----	-----
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 39,171	\$ 39,034
	=====	=====

NET INCOME PER COMMON SHARE	\$ 1.50	\$ 1.72
	=====	=====
Weighted average common shares and common share equivalents outstanding	26,088	22,750
Expense ratio	15.6%	13.2%
Claims and claims expense ratio	32.4%	31.4%
	-----	-----
Combined ratio	48.0%	44.6%

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RENAISSANCERE HOLDINGS LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(United States Dollars in thousands)
(Unaudited)

	QUARTERS ENDED	
	MARCH 31, 1996	MARCH 31, 1995
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 39,171	\$ 40,975
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES		
Amortization and depreciation	703	799
Realized investment (gains) losses	617	(566)
Change in:		
Reserve for unearned premiums	77,015	88,272
Reinsurance balances receivable	(54,418)	(65,913)
Reserve for claims and claim adjustment expenses	4,051	9,211
Deferred acquisition costs	(7,516)	(9,309)
Other	1,452	1,608
	-----	-----
Cash provided by operating activities	61,075	65,077
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	79,279	166,237
Purchase of investments available for sale	(127,645)	(131,054)
	-----	-----
Cash provided by (applied to) investing activities	(48,366)	35,183
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	4,309
Repayment of bank loan	(20,000)	-
Dividends paid	(5,121)	-
Organizational expenses	-	1,708
	-----	-----
Cash provided by (applied to) financing activities	(25,121)	6,017
	-----	-----
Net increase in cash and cash		

equivalents	(12,412)	106,277
Cash and cash equivalents, balance at beginning of period	139,163	153,049
	-----	-----
Cash and cash equivalents, balance at end of period	\$ 126,751	\$ 259,326
	=====	=====

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RenaissanceRe Holdings Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
(Expressed in United States Dollars)
(unaudited)

1. The consolidated financial statements have been prepared on the basis of United States generally accepted accounting principles ("GAAP") and include the accounts of RenaissanceRe Holdings Ltd. and its wholly owned subsidiaries, Renaissance Reinsurance Ltd. ("Renaissance Reinsurance") and Glencoe Insurance Ltd. ("Glencoe") (collectively, the "Company"). In the opinion of management, these financial statements reflect all the normal recurring adjustments necessary for a fair presentation of the Company's financial position at March 31, 1996 and December 31, 1995, its results for the three months ended March 31, 1996 and 1995 and cash flows for the three months ended March 31, 1996 and 1995. These consolidated financial statements should be read in conjunction with the 1995 audited consolidated financial statements and related notes thereto.

2. Earnings per share are calculated by dividing net income available to common shareholders by weighted average common shares and common share equivalents outstanding. For the quarter ended March 31, 1996, weighted average common shares outstanding were 26.1 million consisting of 25.6 million weighted average common shares and 0.5 million weighted average common share equivalents. For the quarter ended March 31, 1995, weighted average common shares outstanding were 22.8 million consisting of 22.5 million weighted average common shares and 0.3 million weighted average common share equivalents.

3. During the quarter the Board of Directors declared, and the Company paid, a dividend of \$0.20 per share to shareholders of record as of February 20, 1996.

4. In early January 1996, the Company capitalized a new subsidiary, Glencoe, with \$50 million of initial capital, to participate in certain attractive insurance markets utilizing the modeling, underwriting, customer service, and capital management approaches that Renaissance Reinsurance has successfully employed. Glencoe is not expected to contribute significantly to results in 1996.

5. In February 1996, the Company completed a secondary offering of 3 million common shares at \$28.00 per share. The Company's initial institutional investors each sold 14% of their holdings, which doubled the public float of the Company's shares. The secondary offering did not have any impact on shares outstanding because all shares were sold by existing shareholders.

6. Interest paid was \$1.6 million for the quarter ended March 31, 1996 and \$0.7 million for the same quarter in the previous year.

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

RESULTS OF OPERATIONS

For the quarter ended March 31, 1996 compared to the quarter ended March 31, 1995

For the quarter ended March 31, 1996, net income available to common shareholders was \$39.2 million, compared to \$39.0 million reported for the same quarter in 1995. Net income per common share for the quarter ended March 31, 1996 was \$1.50 compared to \$1.72 for the same period in 1995, a decrease of 13%,

because of a 13% increase in the number of shares outstanding in 1996 as a result of the Company's 3.1 million initial public offering (the "IPO") in July 1995. Operating earnings per common share (excluding realized gains and losses on investments) were \$1.53 for the first quarter of 1996, compared to \$1.69 for the same period in 1995.

Net premiums written for the first quarter of 1996 declined 11% to \$138.7 million from the \$155.5 million reported for the same quarter of 1995. The decline in net premiums written was primarily related to the competitive market for property catastrophe reinsurance, booking of a multi-year policy in the first quarter of 1995 that will not renew until 1997, and lower reinstatement premiums in the first quarter of 1996 compared to the first quarter of 1995. The premium decrease of 11% was the result of a 9% decrease due to certain clients not renewing coverage, a decrease of 4% related to a multi-year policy that will not renew until 1997, a decrease of 2% caused by a reduction in reinstatement premiums booked, a decrease in pricing of renewed business and adjustments of 3%, which was partially offset by increased premiums related to new business of 7%. Reinstatement premiums for the first quarter of 1996 were \$1.5 million compared to \$5.4 million for the same quarter of 1995. Net premiums earned for the first quarter of 1996 were \$61.7 million, compared to \$66.6 million for the same quarter of 1995. Total revenues for the first quarter of 1996 decreased to \$71.0 million from \$75.6 million reported for the same quarter of 1995.

The table below sets forth the Company's combined ratio and components thereof:

	QUARTERS ENDED MARCH 31,	
	1996	1995
Loss ratio.....	32.4%	31.4%
Expense ratio.....	15.6%	13.2%
Combined Ratio.....	32.4%	44.6%

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Claims and claim adjustment expenses incurred for the quarter ended March 31, 1996 were \$20.0 million or 32.4 percent of net premiums earned and included the provision of \$7.0 million for losses related to the Northeast USA winter storms. In comparison, claims and claim adjustment expenses for the quarter ended March 31, 1995 were \$21.0 million or 31.4 percent of net premiums earned.

Acquisition costs were \$6.3 million for the quarter ended March 31, 1996 compared to \$6.7 million for the same period in 1995. These costs were consistent at 10.2 percent and 10.1 percent of net premiums earned for the quarters ended March 31, 1996 and 1995, respectively.

Net investment income (excluding net realized investment gains and losses) was \$10.1 million for the quarter ended March 31, 1996 compared to \$7.0 million for the same period in 1995. The increase was due to the increase in the Company's invested assets. The increase in invested assets over the prior year amount was the result of cash flow provided by operating activities, borrowings under the Company's revolving credit facility with a syndicate of commercial banks (the "Revolving Credit Facility") and the proceeds of the IPO, offset by the Company's retirement of its Series B 15% Cumulative Redeemable Voting Preference Shares (the "Series B Preference Shares") in April 1995. Net realized losses on investments were \$0.6 million for the quarter March 31, 1996, compared to net realized gains of \$0.6 million for the same period in 1995.

LIQUIDITY AND CAPITAL RESOURCES

In July 1995, the Company completed the IPO raising approximately \$54.9 million in net proceeds. The net proceeds from the IPO were used to reduce the Company's outstanding borrowings under its Revolving Credit Facility and for general

corporate purposes.

In January 1996, the Company amended and restated the Revolving Credit Facility, increasing the aggregate borrowing limit thereunder to \$150.0 million from \$120.0 million. The full amount of the Revolving Credit Facility is available until February 1, 1999, with two optional one year extensions, if requested by the Company and approved by the lenders.

On February 28, 1996, the Company completed a secondary offering of 3 million common shares at \$28.00 per share. The Company's initial institutional investors each sold 14% of their holdings, which doubled the public float of the Company's shares. The secondary offering did not have any impact on shares outstanding because all shares were sold by existing shareholders.

At March 31, 1996, total assets were \$847.3 million compared to \$757.1 million at December 31, 1995, an increase of 12 percent. The increase in total assets was due primarily to cash flows provided by operating activities partially offset by reduced borrowings under the Company's Revolving Credit Facility. During the quarter ended March 31, 1996, the Company reduced its borrowings under the Revolving Credit Facility by \$20 million. At March 31, 1996, the

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Company had \$70 million of unused borrowing capacity under its Revolving Credit Facility.

The Company's investment portfolio of \$696.8 million consisted of debt securities with fixed maturities of \$565.1 million, short-term investments of \$5.0 million, and cash and cash equivalents of \$126.8 million. At March 31, 1996, the investment portfolio had an average rating of AA+ as measured by Standard & Poor's Ratings Group, an average duration of 1.4 years and an average yield to maturity of 6.1 percent before investment expenses. The Company's investment in cash and cash equivalents includes \$25.9 million of investments in non - U.S. currencies, representing approximately 4 percent of invested assets. The remaining 96 percent of the Company's invested assets are invested in U.S. Dollar denominated investments. The portfolio does not contain any direct investments in real estate, mortgage loans or other securities.

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PART II -- OTHER INFORMATION

Item 1 -- Legal Proceedings

None.

Item 2 -- Changes in Securities

None

Item 3 -- Defaults Upon Senior Securities

None

Item 4 -- Submission of Matters to a Vote of Security Holders

None

Item 5 -- Other Information

None

Item 6 -- Exhibits and Reports on Form 8-K

a. Exhibits:

Exhibit 27-- Financial Data Schedule

b. Current Reports on Form 8-K:

The Registrant did not file any reports on Form 8-K during

the period beginning January 1, 1996 and ending March 31, 1996.

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SIGNATURE

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

RENAISSANCERE HOLDINGS LTD.

Date: May 7, 1996

By: /s/ Keith S. Hynes

Keith S. Hynes
Senior Vice President and
Chief Financial Officer

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