

WHITE MOUNTAINS INSURANCE GROUP LTD
Form 10-Q
August 03, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the period ended June 30, 2016

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 1-8993

WHITE MOUNTAINS INSURANCE GROUP, LTD.
(Exact name of Registrant as specified in its charter)

Bermuda (State or other jurisdiction of incorporation or organization)	94-2708455 (I.R.S. Employer Identification No.)
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80 South Main Street, Hanover, New Hampshire (Address of principal executive offices)	03755-2053 (Zip Code)
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Registrant's telephone number, including area code: (603) 640-2200

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, and (2) has been subject to such filing requirements for the past 90 days. Yes No

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 during the preceding 12 months. Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of July 31, 2016, 4,930,938 common shares with a par value of \$1.00 per share were outstanding (which includes 66,469 restricted common shares that were not vested at such date).

WHITE MOUNTAINS INSURANCE GROUP, LTD.

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Part I. FINANCIAL INFORMATION.

Item 1. Financial Statements

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

(Millions, except share amounts)	June 30, 2016	December 31, 2015
Assets	Unaudited	
Fixed maturity investments, at fair value	\$4,362.8	\$ 2,630.2
Short-term investments, at amortized cost (which approximates fair value)	421.8	211.2
Common equity securities, at fair value	407.5	1,113.9
Other long-term investments	329.2	315.8
Total investments	5,521.3	4,271.1
Cash (restricted: \$0.0 and \$5.8)	135.0	173.0
Reinsurance recoverable on unpaid losses	162.8	186.0
Reinsurance recoverable on paid losses	20.7	7.5
Insurance premiums receivable	240.4	220.3
Deferred acquisition costs	113.9	107.6
Deferred tax asset	122.2	112.8
Ceded unearned insurance premiums	34.5	29.5
Accrued investment income	16.0	13.9
Accounts receivable on unsettled investment sales	21.5	41.9
Goodwill and intangible assets	53.3	55.4
Other assets	239.4	273.2
Assets held for sale	384.6	4,790.4
Total assets	\$7,065.6	\$ 10,282.6
Liabilities		
Loss and loss adjustment expense reserves	\$1,376.6	\$ 1,389.8
Unearned insurance premiums	619.7	610.5
Debt	289.8	337.6
Accrued incentive compensation	106.3	140.7
Ceded reinsurance payable	23.9	29.9
Funds held under insurance contracts	140.9	137.8
Accounts payable on unsettled investment purchases	69.9	—
Other liabilities	188.5	199.9
Liabilities held for sale	150.6	3,068.4
Total liabilities	2,966.2	5,914.6
Equity		
White Mountains's common shareholders' equity		
White Mountains's common shares at \$1 par value per share - authorized 50,000,000 shares; issued and outstanding 4,963,921 and 5,623,735 shares	5.0	5.6
Paid-in surplus	868.1	972.6
Retained earnings	3,006.6	3,084.9
Accumulated other comprehensive loss, after tax:		
Net unrealized foreign currency translation losses	(.7) (145.6
Pension liability and other	(3.8) (4.3
Total White Mountains's common shareholders' equity	3,875.2	3,913.2
Non-controlling interests	224.2	454.8
Total equity	4,099.4	4,368.0
Total liabilities and equity	\$7,065.6	\$ 10,282.6
See Notes to Consolidated Financial Statements		

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Unaudited

	Three Months Ended June 30,	Six Months Ended June 30,		
(Millions, except per share amounts)	2016	2015	2016	2015
Revenues:				