RENAISSANCERE HOLDINGS LTD
Form 10-Q
October 29, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For The Quarterly Period Ended September 30, 2010

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 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, including area code)

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 x 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 (§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 x 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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x, 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 x

The number of outstanding shares of RenaissanceRe Holdings Ltd. s common shares, par value US $1.00 per share, as of October 25, 2010 was 54,877,458.

Total number of pages in this report: 98

RenaissanceRe Holdings Ltd.

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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

RenaissanceRe Holdings Ltd. and Subsidiaries

Consolidated Balance Sheets

(in thousands of United States Dollars)

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets		
Fixed maturity investments available for sale, at fair value		
(Amortized cost $305,550 and $3,513,183 at September 30, 2010 and December 31, 2009, respectively)	$ 330,056	$ 3,559,197
Fixed maturity investments trading, at fair value		
(Amortized cost $4,382,667 and $747,983 at September 30, 2010 and December 31, 2009, respectively)	4,490,081	736,595
Short term investments, at fair value	884,787	1,002,306
Other investments, at fair value	792,377	858,026
Investments in other ventures, under equity method	79,976	97,287
Total investments	6,577,277	6,253,411
Cash and cash equivalents	351,775	260,716
Premiums receivable	763,549	589,827
Prepaid reinsurance premiums	178,272	91,852
Reinsurance recoverable	200,919	194,241
Accrued investment income	38,811	31,928
Deferred acquisition costs	80,306	61,870
Receivable for investments sold	158,465	7,431
Other secured assets	17,765	27,730
Other assets	200,320	205,347
Goodwill and other intangibles	72,965	76,688
Total assets	$ 8,640,424	$ 7,801,041
Liabilities, Redeemable Noncontrolling Interest and Shareholders Equity		
Liabilities		
Reserve for claims and claim expenses	$ 1,706,339	$ 1,702,006
Unearned premiums	690,671	446,649
Debt	549,132	300,000
Reinsurance balances payable	364,491	381,548
Payable for investments purchased	304,604	59,236
Other secured liabilities	17,500	27,500
Other liabilities	292,774	256,669
Total liabilities	3,925,511	3,173,608
Commitments and Contingencies		

Redeemable noncontrolling interest - DaVinciRe	741,103	786,647
Shareholders Equity		
Preference shares	650,000	650,000
Common shares	54,875	61,745
Additional paid-in capital	5,840	
Accumulated other comprehensive income	23,774	41,438
Retained earnings	3,239,321	3,087,603
Total shareholders equity	3,973,810	3,840,786
Total liabilities, redeemable noncontrolling interest and shareholders equity	$ 8,640,424	$ 7,801,041

The accompanying notes are an integral part of these consolidated financial statements.

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RenaissanceRe Holdings Ltd. and Subsidiaries

Consolidated Statements of Operations

For the three and nine months ended September 30, 2010 and 2009

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

(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Revenues				
Gross premiums written	$ 126,679	$ 202,413	$ 1,531,650	$ 1,655,886
Net premiums written	$ 103,094	$ 75,098	$ 1,071,639	$ 1,153,304
Decrease (increase) in unearned premiums	206,295	220,915	(157,602)	(175,726)
Net premiums earned	309,389	296,013	914,037	977,578
Net investment income	60,934	106,815	155,722	263,234
Net foreign exchange (losses) gains	(529)	1,556	(12,480)	(12,761)
Equity in (losses) earnings of other ventures	(6,740)	4,331	(1,424)	11,499
Other income (loss)	27,255	13,424	18,430	(5,027)
Net realized and unrealized gains on fixed maturity investments	98,011	16,794	217,715	57,809
Total other-than-temporary impairments		(1,408)	(831)	(25,719)
Portion recognized in other comprehensive income, before taxes		1,062	2	4,518
Net other-than-temporary impairments		(346)	(829)	(21,201)
Total revenues	488,320	438,587	1,291,171	1,271,131
Expenses				
Net claims and claim expenses incurred	125,626	38,567	252,350	191,587
Acquisition expenses	49,977	44,203	134,596	141,302
Operational expenses	49,148	45,498	164,075	132,120
Corporate expenses	5,704	(4,319)	16,087	8,608
Interest expense	6,164	3,748	15,526	12,084
Total expenses	236,619	127,697	582,634	485,701
Income before taxes	251,701	310,890	708,537	785,430
Income tax benefit (expense)	1,148	(3,993)	3,215	(3,793)
Net income	252,849	306,897	711,752	781,637
Net income attributable to redeemable noncontrolling interest - DaVinciRe	(37,524)	(37,694)	(99,989)	(122,821)
Net income attributable to RenaissanceRe	215,325	269,203	611,763	658,816
Dividends on preference shares	(10,575)	(10,575)	(31,725)	(31,725)

Net income available to RenaissanceRe common shareholders	$	204,750	$	258,628	$	580,038	$	627,091
Net income available to RenaissanceRe common shareholders per common share - basic	$	3.73	$	4.15	$	10.13	$	10.09
Net income available to RenaissanceRe common shareholders per common share - diluted	$	3.70	$	4.12	$	10.04	$	10.03
Dividends per common share	$	0.25	$	0.24	$	0.75	$	0.72

The accompanying notes are an integral part of these consolidated financial statements.

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RenaissanceRe Holdings Ltd. and Subsidiaries

Consolidated Statements of Changes in Shareholders Equity

For the nine months ended September 30, 2010 and 2009

(in thousands of United States Dollars)

(Unaudited)

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Preference shares		
Balance - January 1	$ 650,000	$ 650,000
Repurchase of shares		
Balance - September 30	650,000	650,000
Common shares		
Balance - January 1	61,745	61,503
Repurchase of shares	(7,417)	
Exercise of options and issuance of restricted stock and awards	547	887
Balance - September 30	54,875	62,390
Additional paid-in capital		
Balance - January 1		
Repurchase of shares	(17,979)	
Change in redeemable noncontrolling interest - DaVinciRe	5,009	1,870
Exercise of options and issuance of restricted stock and awards	18,810	23,624
Balance - September 30	5,840	25,494
Accumulated other comprehensive income		
Balance - January 1	41,438	75,387
Cumulative effect of change in accounting principle, net of taxes (1)		(76,198)
Change in net unrealized gains on investments	(17,662)	83,667
Portion of other-than-temporary impairments recognized in other comprehensive income	(2)	(4,518)
Balance - September 30	23,774	78,338
Retained earnings		
Balance - January 1	3,087,603	2,245,853
Cumulative effect of change in accounting principle, net of taxes (1)		76,198
Net income	711,752	781,637
Net income attributable to redeemable noncontrolling interest - DaVinciRe	(99,989)	(122,821)
Repurchase of shares	(385,939)	

Dividends on common shares	(42,381)	(44,894)
Dividends on preference shares	(31,725)	(31,725)
Balance - September 30	3,239,321	2,904,248
Total shareholders equity	$ 3,973,810	$ 3,720,470

(1) Cumulative effect adjustment to opening retained earnings as of April 1, 2009, related to the recognition and presentation of other-than-temporary impairments, as required by FASB ASC Topic *Investments - Debt and Equity Securities.*

The accompanying notes are an integral part of these consolidated financial statements.

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RenaissanceRe Holdings Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three and nine months ended September 30, 2010 and 2009

(in thousands of United States Dollars)

(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Comprehensive income				
Net income	$ 252,849	$ 306,897	$ 711,752	$ 781,637
Change in net unrealized gains on fixed maturity investments available for sale	(1,979)	75,777	(21,086)	91,699
Portion of other-than-temporary impairments recognized in other comprehensive income		(1,062)	(2)	(4,518)
Comprehensive income	250,870	381,612	690,664	868,818
Net income attributable to redeemable noncontrolling interest - DaVinciRe	(37,524)	(37,694)	(99,989)	(122,821)
Change in net unrealized gains on investments attributable to redeemable noncontrolling interest - DaVinciRe	3,600	(8,442)	3,424	(8,032)
Comprehensive income attributable to redeemable noncontrolling interest - DaVinciRe	(33,924)	(46,136)	(96,565)	(130,853)
Comprehensive income attributable to RenaissanceRe	$ 216,946	$ 335,476	$ 594,099	$ 737,965
Disclosure regarding net unrealized gains				
Total realized and net unrealized holding gains on fixed maturity investments available for sale and net other-than-temporary impairments	$ 16,731	$ 83,783	$ 58,347	$ 120,275
Net realized gains on fixed maturity investments available for sale	(15,110)	(16,794)	(76,838)	(57,809)
Net other-than-temporary impairments recognized in earnings		346	829	21,201
Change in net unrealized gains on fixed maturity investments available for sale	$ 1,621	$ 67,335	$ (17,662)	$ 83,667

The accompanying notes are an integral part of these consolidated financial statements.

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RenaissanceRe Holdings Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2010 and 2009

(in thousands of United States dollars)

(Unaudited)

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Cash flows provided by operating activities		
Net income	$ 711,752	$ 781,637
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization, accretion and depreciation	40,026	1,749
Equity in undistributed losses of other ventures	14,956	356
Net realized and unrealized gains on fixed maturity investments	(217,715)	(57,809)
Net other-than-temporary impairments	829	21,201
Net unrealized gains included in net investment income	(21,005)	(71,478)
Net unrealized losses (gains) included in other income (loss)	18,856	(8,745)
Change in:		
Premiums receivable	(173,722)	(260,932)
Prepaid reinsurance premiums	(86,420)	(119,238)
Deferred acquisition costs	(18,436)	(13,710)
Reserve for claims and claim expenses, net	(2,345)	(276,511)
Unearned premiums	244,022	294,964
Reinsurance balances payable	(17,057)	142,546
Other	2,700	18,584
Net cash provided by operating activities	496,441	452,614
Cash flows used in investing activities		
Proceeds from sales and maturities of investments available for sale	3,666,224	7,233,832
Purchases of investments available for sale	(402,524)	(8,687,053)
Proceeds from sales and maturities of investments trading	5,418,604	
Purchases of investments trading	(8,939,654)	
Net sales of short term investments	117,519	1,291,937
Net sales of other investments	86,049	32,897
Net sales of investments in other ventures	13,835	
Net sales of other assets	2,730	69
Net cash used in investing activities	(37,217)	(128,318)
Cash flows used in financing activities		
Dividends paid - RenaissanceRe common shares	(42,381)	(44,894)
Dividends paid - preference shares	(31,725)	(31,725)

RenaissanceRe common share repurchases	(411,335)	
Third party DaVinciRe share transactions	(131,370)	(123,718)
Reverse repurchase agreement		(50,042)
Issuance of 5.75% Senior Notes	249,046	
Net cash used in financing activities	(367,765)	(250,379)
Effect of exchange rate changes on foreign currency cash	(400)	(616)
Net increase in cash and cash equivalents	91,059	73,301
Cash and cash equivalents, beginning of period	260,716	274,692
Cash and cash equivalents, end of period	$ 351,775	$ 347,993

The accompanying notes are an integral part of these consolidated financial statements.

RenaissanceRe Holdings Ltd. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(Expressed in U.S. Dollars) (Unaudited)

NOTE 1. ORGANIZATION AND 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 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. The preparation of unaudited consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these 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 recoverable, including allowances for reinsurance recoverable deemed uncollectible; estimates of written and earned premiums; the fair value of investments and financial instruments, including derivative instruments; premiums and other accounts receivable, including allowances for amounts deemed uncollectible; and estimates relating to the Company s deferred tax asset valuation allowance. This report on Form 10-Q should be read in conjunction with the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

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 which was licensed to start writing certain lines of insurance and reinsurance business effective June 1, 2009. RenaissanceRe Corporate Capital (UK) Limited (RenaissanceRe CCL), a wholly owned subsidiary of the Company, is Syndicate 1458 s sole corporate member and RenaissanceRe Syndicate Management Ltd. (RSML), a wholly owned subsidiary of the Company from November 2, 2009, is the managing agent for Syndicate 1458.

The Company s Insurance operations include direct insurance and quota share reinsurance written through the operating subsidiaries of RenRe Insurance Holdings Ltd. (RenRe Insurance). These operating subsidiaries principally include Stonington Insurance Company (Stonington), which writes business in the U.S. on an admitted basis, and Glencoe Insurance Ltd. (Glencoe) and Lantana

Insurance Ltd. (Lantana), which write business in the U.S. on an excess and surplus lines basis, and also provide reinsurance coverage, principally through quota share contracts, which are analyzed on an individual risk basis. The Insurance operations also include the results of Agro National Inc. (Agro National), a managing general underwriter of crop insurance.

The Company, through Renaissance Trading Ltd. (Renaissance Trading) and RenRe Energy Advisors Ltd. (REAL), provides certain derivative-based risk management products primarily to its clients to address weather and energy risk. The Company also engages in hedging and trading activities related to those transactions and provides fee-based consulting services.

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.

NOTE 2. CEDED 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, 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 tables set forth the effect of reinsurance and retrocessional activity on premiums written and earned and on net claims and claim expenses incurred for the three and nine months ended September 30, 2010 and 2009:

Three months ended September 30, **(in thousands of U.S. dollars)**	**2010**	**2009**
Premiums written		
Direct	$ 16,622	$ 74,152
Assumed	110,057	128,261
Ceded	(23,585)	(127,315)
Net premiums written	$ 103,094	$ 75,098
Premiums earned		
Direct	$ 136,215	$ 143,690
Assumed	294,785	322,604
Ceded	(121,611)	(170,281)
Net premiums earned	$ 309,389	$ 296,013
Claims and claim expenses		
Gross claims and claim expenses incurred	$ 153,970	$ 58,727
Claims and claim expenses recovered	(28,344)	(20,160)
Net claims and claim expenses incurred	$ 125,626	$ 38,567

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Nine months ended September 30, (in thousands of U.S. dollars)	2010	2009
Premiums written		
Direct	$ 407,344	$ 419,984
Assumed	1,124,306	1,235,902
Ceded	(460,011)	(502,582)
Net premiums written	$ 1,071,639	$ 1,153,304
Premiums earned		
Direct	$ 376,914	$ 396,117
Assumed	910,716	964,805
Ceded	(373,593)	(383,344)
Net premiums earned	$ 914,037	$ 977,578
Claims and claim expenses		
Gross claims and claim expenses incurred	$ 345,801	$ 276,808
Claims and claim expenses recovered	(93,451)	(85,221)
Net claims and claim expenses incurred	$ 252,350	$ 191,587

NOTE 3. EARNINGS PER SHARE

The Company accounts for its weighted average shares in accordance with FASB ASC Topic *Earnings per Share*. Basic earnings per common share is based on weighted average common shares and excludes any dilutive effects of stock options and restricted stock. Diluted earnings per common share assumes the exercise of all dilutive stock options and restricted stock grants.

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The following tables set forth the computation of basic and diluted earnings per common share for the three and nine months ended September 30, 2010 and 2009:

Three months ended September 30, **(in thousands of U.S. dollars, except per share data)**	**2010**	**2009**
Numerator:		
Net income available to RenaissanceRe common shareholders	$ 204,750	$ 258,628
Amount allocated to participating common shareholders (1)	(5,147)	(6,067)
	$ 199,603	$ 252,561
Denominator (in thousands):		
Denominator for basic income per RenaissanceRe common share -		
Weighted average common shares	53,467	60,898
Per common share equivalents of employee stock options and restricted shares	498	469
Denominator for diluted income per RenaissanceRe common share -		
Adjusted weighted average common shares and assumed conversions	53,965	61,367
Basic income per RenaissanceRe common share	$ 3.73	$ 4.15
Diluted income per RenaissanceRe common share	$ 3.70	$ 4.12

(1) Represents earnings attributable to holders of unvested restricted shares issued under the Company s 2001 Stock Incentive Plan, Non-Employee Director Stock Incentive Plan and for the three months ended September 30, 2010, the 2010 Performance-Based Equity Incentive Plan.

Nine months ended September 30, **(in thousands of U.S. dollars, except per share data)**	**2010**	**2009**
Numerator:		
Net income available to RenaissanceRe common shareholders	$ 580,038	$ 627,091
Amount allocated to participating common shareholders (1)	(14,639)	(13,310)
	$ 565,399	$ 613,781
Denominator (in thousands):		
Denominator for basic income per RenaissanceRe common share -		
Weighted average common shares	55,804	60,832
Per common share equivalents of employee stock options and restricted shares	495	394
Denominator for diluted income per RenaissanceRe common share -		
Adjusted weighted average common shares and assumed conversions	56,299	61,226
Basic income per RenaissanceRe common share	$ 10.13	$ 10.09
Diluted income per RenaissanceRe common share	$ 10.04	$ 10.03

(1) Represents earnings attributable to holders of unvested restricted shares issued under the Company s 2001 Stock Incentive Plan, Non-Employee Director Stock Incentive Plan and for the nine months ended September 30, 2010, the 2010 Performance-Based Equity Incentive Plan.

NOTE 4. DIVIDENDS AND COMMON SHARE REPURCHASES

The Board of Directors of RenaissanceRe declared, and RenaissanceRe paid, a dividend of $0.25 per common share to shareholders of record on each of March 15, 2010, June 15, 2010 and September 15, 2010.

On August 11, 2010, the Board of Directors approved an increase in the Company s authorized share repurchase program to an aggregate amount of $500.0 million, which remains fully available for share repurchases. Unless terminated earlier by resolution of the Company s Board of Directors, the program will expire when the Company has repurchased the full value of the shares authorized. The Company repurchased 7.4 million shares in open market transactions during the six months ended June 30, 2010, at an aggregate cost of $411.3 million and at an average share price of $55.44. The Company did not repurchase any shares under its authorized share repurchase program during the three months ended September 30, 2010. Future repurchases of common shares will depend on, among other matters, the market price of the common shares and the capital requirements of the Company. See Part II, Item 2 Unregistered Sales of Equity Securities and Use of Proceeds for additional information.

NOTE 5. SEGMENT REPORTING

The Company has two reportable segments: Reinsurance and Insurance.

The Reinsurance segment consists of: 1) property catastrophe reinsurance, primarily written through Renaissance Reinsurance and DaVinci; 2) specialty reinsurance, primarily written through Renaissance Reinsurance and DaVinci; 3) Lloyd s, which includes reinsurance and insurance business written through Syndicate 1458; and 4) certain other activities of the Company s ventures unit as described herein. The Reinsurance segment is managed by the Global Chief Underwriting Officer, who leads a team of underwriters, risk modelers and other industry professionals, who have access to the Company s proprietary risk management, underwriting and modeling resources and tools.

The Insurance segment, formerly known as the Individual Risk segment, includes underwriting that involves understanding the characteristics of the original underlying insurance policy. The Company s Insurance segment is also managed by the Global Chief Underwriting Officer. The Insurance segment currently provides insurance written on both an admitted basis and an excess and surplus lines basis, and also provides some reinsurance which is written on a quota share basis.

The Company s financial results relating to the operating subsidiaries managed by the ventures unit include the financial results of Renaissance Trading and 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, including Top Layer Re, Tower Hill Holdings Inc. and Tower Hill Insurance Group, LLC (collectively the Tower Hill Companies), and in respect of the Company s ownership of a warrant to purchase 2.5 million common shares of Platinum Underwriters Holdings Ltd. (Platinum).

The Company does not manage its assets by segment; accordingly, net investment income and total assets are not allocated to the segments.

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A summary of the significant components of the Company s revenues and expenses for the three and nine months ended September 30, 2010 and 2009 is as follows:

Three months ended September 30, 2010 **(in thousands of U.S. dollars, except ratios)**	**Reinsurance**	**Insurance**	**Eliminations (1)**	**Other**	**Total**
Gross premiums written	$ 119,339	$ 15,728	$ (8,388)	$	$ 126,679
Net premiums written	$ 92,450	$ 10,644			$ 103,094
Net premiums earned	$ 219,036	$ 90,353			$ 309,389
Net claims and claim expenses incurred	80,167	45,459			125,626
Acquisition expenses	25,815	24,162			49,977
Operational expenses	35,883	13,265			49,148
Underwriting income	$ 77,171	$ 7,467			84,638
Net investment income				60,934	60,934
Equity in losses of other ventures				(6,740)	(6,740)
Other income				27,255	27,255
Interest and preference share dividends				(16,739)	(16,739)
Redeemable noncontrolling interest - DaVinciRe				(37,524)	(37,524)
Other items, net				(5,085)	(5,085)
Net realized and unrealized gains on fixed maturity investments				98,011	98,011
Net other-than-temporary impairments					
Net income available to RenaissanceRe common shareholders				$ 120,112	$ 204,750
Net claims and claim expenses incurred - current accident year	$ 114,046	$ 48,582			$ 162,628
Net claims and claim expenses incurred - prior accident years	(33,879)	(3,123)			(37,002)
Net claims and claim expenses incurred - total	$ 80,167	$ 45,459			$ 125,626
Net claims and claim expense ratio - current accident year	52.1%	53.8%			52.6%
Net claims and claim expense ratio - prior accident years	(15.5%)	(3.5%)			(12.0%)
Net claims and claim expense ratio - calendar year	36.6%	50.3%			40.6%
Underwriting expense ratio	28.2%	41.4%			32.0%
Combined ratio	64.8%	91.7%			72.6%

(1) Represents gross premiums ceded from the Insurance segment to the Reinsurance segment.

Three months ended September 30, 2009 **(in thousands of U.S. dollars, except ratios)**	**Reinsurance**	**Insurance**	**Eliminations (1)**	**Other**	**Total**

Gross premiums written	$ 132,487	$ 83,349	$ (13,423)	$	$ 202,413
Net premiums written	$ 43,202	$ 31,896			$ 75,098
Net premiums earned	$ 202,260	$ 93,753			$ 296,013
Net claims and claim expenses incurred	(15,914)	54,481			38,567
Acquisition expenses	17,164	27,039			44,203
Operational expenses	33,961	11,537			45,498
Underwriting income	$ 167,049	$ 696			167,745
Net investment income				106,815	106,815
Equity in earnings of other ventures				4,331	4,331
Other income				13,424	13,424
Interest and preference share dividends				(14,323)	(14,323)
Redeemable noncontrolling interest - DaVinciRe				(37,694)	(37,694)
Other items, net				1,882	1,882
Net realized gains on investments				16,794	16,794
Net other-than-temporary impairments				(346)	(346)
Net income available to RenaissanceRe common shareholders				$ 90,883	$ 258,628
Net claims and claim expenses incurred - current accident year	$ 46,755	$ 62,256			$ 109,011
Net claims and claim expenses incurred - prior accident years	(62,669)	(7,775)			(70,444)
Net claims and claim expenses incurred - total	$ (15,914)	$ 54,481			$ 38,567
Net claims and claim expense ratio - current accident year	23.1%	66.4%			36.8%
Net claims and claim expense ratio - prior accident years	(31.0%)	(8.3%)			(23.8%)
Net claims and claim expense ratio - calendar year	(7.9%)	58.1%			13.0%
Underwriting expense ratio	25.3%	41.2%			30.3%
Combined ratio	17.4%	99.3%			43.3%

(1) Represents gross premiums ceded from the Insurance segment to the Reinsurance segment.

Nine months ended September 30, 2010 (in thousands of U.S. dollars, except ratios)	Reinsurance	Insurance	Eliminations (1)	Other	Total
Gross premiums written	$ 1,163,089	$ 398,832	$ (30,271)	$	$ 1,531,650
Net premiums written	$ 846,089	$ 225,550			$ 1,071,639
Net premiums earned	$ 683,929	$ 230,108			$ 914,037
Net claims and claim expenses incurred	159,121	93,229			252,350
Acquisition expenses	70,746	63,850			134,596
Operational expenses	110,856	53,219			164,075
Underwriting income	$ 343,206	$ 19,810			363,016
Net investment income				155,722	155,722
Equity in losses of other ventures				(1,424)	(1,424)
Other income				18,430	18,430
Interest and preference share dividends				(47,251)	(47,251)
Redeemable noncontrolling interest - DaVinciRe				(99,989)	(99,989)
Other items, net				(25,352)	(25,352)
Net realized and unrealized gains on fixed maturity investments				217,715	217,715
Net other-than-temporary impairments				(829)	(829)
Net income available to RenaissanceRe common shareholders				$ 217,022	$ 580,038
Net claims and claim expenses incurred - current accident year	$ 379,605	$ 157,861			$ 537,466
Net claims and claim expenses incurred - prior accident years	(220,484)	(64,632)			(285,116)
Net claims and claim expenses incurred - total	$ 159,121	$ 93,229			$ 252,350
Net claims and claim expense ratio - current accident year	55.5%	68.6%			58.8%
Net claims and claim expense ratio - prior accident years	(32.2%)	(28.1%)			(31.2%)
Net claims and claim expense ratio - calendar year	23.3%	40.5%			27.6%
Underwriting expense ratio	26.5%	50.9%			32.7%
Combined ratio	49.8%	91.4%			60.3%

(1) Represents gross premiums ceded from the Insurance segment to the Reinsurance segment.

Nine months ended September 30, 2009 (in thousands of U.S. dollars, except ratios)	Reinsurance	Insurance	Eliminations (1)	Other	Total
Gross premiums written	$ 1,221,035	$ 447,229	$ (12,378)	$	$ 1,655,886
Net premiums written	$ 852,970	$ 300,334			$ 1,153,304

Net premiums earned	$ 656,143	$ 321,435		$ 977,578
Net claims and claim expenses incurred	(40,132)	231,719		191,587
Acquisition expenses	57,321	83,981		141,302
Operational expenses	98,265	33,855		132,120
Underwriting income (loss)	$ 540,689	$ (28,120)		512,569
Net investment income			263,234	263,234
Equity in earnings of other ventures			11,499	11,499
Other loss			(5,027)	(5,027)
Interest and preference share dividends			(43,809)	(43,809)
Redeemable noncontrolling interest - DaVinciRe			(122,821)	(122,821)
Other items, net			(25,162)	(25,162)
Net realized gains on investments			57,809	57,809
Net other-than-temporary impairments			(21,201)	(21,201)
Net income available to RenaissanceRe common shareholders			$ 114,522	$ 627,091
Net claims and claim expenses incurred - current accident year	$ 143,636	$ 217,350		$ 360,986
Net claims and claim expenses incurred - prior accident years	(183,768)	14,369		(169,399)
Net claims and claim expenses incurred - total	$ (40,132)	$ 231,719		$ 191,587
Net claims and claim expense ratio - current accident year	21.9%	67.6%		36.9%
Net claims and claim expense ratio - prior accident years	(28.0%)	4.5%		(17.3%)
Net claims and claim expense ratio - calendar year	(6.1%)	72.1%		19.6%
Underwriting expense ratio	23.7%	36.6%		28.0%
Combined ratio	17.6%	108.7%		47.6%

(1) Represents gross premiums ceded from the Insurance segment to the Reinsurance segment.

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NOTE 6. INVESTMENTS

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 at September 30, 2010 and December 31, 2009:

		Included in Accumulated Other Comprehensive Income			
At September 30, 2010	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Non-Credit Other-Than-Temporary Impairments (1)**
(in thousands of U.S. dollars)					
U.S. treasuries	$ 6,306	$ 584	$	$ 6,890	$
Agencies	501			501	
Non-U.S. government (Sovereign debt)	26,864	4,379	(121)	31,122	
FDIC guaranteed corporate					
Non-U.S. government-backed corporate	1,335	90		1,425	
Corporate	64,155	5,956	(424)	69,687	(2,087)
Agency mortgage-backed	26,629	1,439	(36)	28,032	
Non-agency mortgage-backed	26,389	3,421	(34)	29,776	(2,137)
Commercial mortgage-backed	107,946	8,097	(124)	115,919	
Asset-backed	45,425	1,360	(81)	46,704	(598)
Total	$ 305,550	$ 25,326	$ (820)	$ 330,056	$ (4,822)

(1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income since the adoption of guidance related to the recognition and presentation of other-than-temporary impairments under FASB ASC Topic *Financial Instruments - Debt and Equity Securities,* during the second quarter of 2009, adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

		Included in Accumulated Other Comprehensive Income			
At December 31, 2009	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Non-Credit Other-Than-Temporary Impairments (1)**
(in thousands of U.S. dollars)					
U.S. treasuries	$ 599,930	$ 691	$ (2,689)	$ 597,932	$
Agencies	164,071	1,627	(121)	165,577	
Non-U.S. government (Sovereign debt)	171,137	8,706	(557)	179,286	(88)
FDIC guaranteed corporate	850,193	6,175	(380)	855,988	
Non-U.S. government-backed corporate	248,888	1,557	(1,699)	248,746	
Corporate	811,304	32,128	(4,556)	838,876	(4,659)
Agency mortgage-backed	289,433	4,521	(1,526)	292,428	
Non-agency mortgage-backed	35,071	1,888	(576)	36,383	(2,949)
Commercial mortgage-backed	253,713	2,183	(4,424)	251,472	
Asset-backed	89,443	3,598	(532)	92,509	(1,531)
	$ 3,513,183	$ 63,074	$ (17,060)	$ 3,559,197	$ (9,227)

Total fixed maturity investments available for sale	

(1) Represents the non-credit component of other-than-temporary impairments recognized in accumulated other comprehensive income since the adoption of guidance related to the recognition and presentation of other-than-temporary impairments under FASB ASC Topic *Financial Instruments - Debt and Equity Securities,* during the second quarter of 2009, adjusted for subsequent sales of securities. It does not include the change in fair value subsequent to the impairment measurement date.

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Fixed Maturity Investments Trading

During the fourth quarter of 2009, the Company started designating, upon acquisition, certain fixed maturity investments as trading, rather than as available for sale. The Company made this change, due in part to the new authoritative other-than-temporary impairment GAAP guidance that became effective on April 1, 2009, which has resulted in additional accounting judgments required to be made on a quarterly basis, combined with an effort to report the Company s fixed maturity investment portfolio results in the Company s consolidated statements of operations in a manner consistent with the way in which the Company manages the portfolio, which is on a total investment return basis. The Company currently expects to continue to designate, in future periods, upon acquisition, certain fixed maturity investments as trading, rather than as available for sale, and, as a result, the Company currently expects its fixed maturity investments available for sale balance to decrease and its fixed maturity trading balance to increase over time, resulting in a reduction in other-than-temporary accounting judgments the Company makes. This change will over time result in additional volatility in the Company s net income (loss) in future periods as net unrealized gains and losses on these fixed maturity investments will be recorded currently in net income (loss), rather than as a component of accumulated other comprehensive income (loss) in shareholders equity.

The following table summarizes the fair value of fixed maturity investments trading at September 30, 2010 and December 31, 2009:

(in thousands of U.S. dollars)	September 30, 2010	December 31, 2009
U.S. treasuries	$ 1,271,179	$ 320,225
Agencies	229,455	
Non-U.S. government (Sovereign debt)	122,573	18,773
FDIC guaranteed corporate	408,682	
Non-U.S. government-backed corporate	529,584	
Corporate	1,504,775	296,628
Agency mortgage-backed	308,469	100,969
Non-agency mortgage-backed securities	6,178	
Commercial mortgage-backed securities	109,186	
Total fixed maturity investments trading, at fair value	$ 4,490,081	$ 736,595

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.

	Available for Sale		Trading		Total Fixed Maturity Investments	
At September 30, 2010 (in thousands of U.S. dollars)	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in less than one year	$ 3,788	$ 3,834	$ 37,712	$ 37,788	$ 41,500	$ 41,622
Due after one through five years	48,867	52,891	2,871,503	2,927,906	2,920,370	2,980,797
Due after five through ten years	28,725	31,593	913,793	954,680	942,518	986,273
Due after ten years	17,781	21,307	138,496	145,874	156,277	167,181
Mortgage-backed	160,964	173,727	421,163	423,833	582,127	597,560
Asset-backed	45,425	46,704			45,425	46,704
Total	$ 305,550	$ 330,056	$ 4,382,667	$ 4,490,081	$ 4,688,217	$ 4,820,137

Net Investment Income

The components of net investment income are as follows:

Three months ended September 30, (in thousands of U.S. dollars)	2010	2009
Fixed maturity investments	$ 34,838	$ 44,127
Short term investments	2,469	2,285
Other investments		
Hedge funds and private equity investments	7,491	15,510
Other	18,979	47,748
Cash and cash equivalents	73	102
	63,850	109,772
Investment expenses	(2,916)	(2,957)
Net investment income	$ 60,934	$ 106,815

Nine months ended September 30, (in thousands of U.S. dollars)	2010	2009
Fixed maturity investments	$ 91,223	$ 123,261
Short term investments	7,211	8,097
Other investments		
Hedge funds and private equity investments	33,215	8,096
Other	32,013	131,309
Cash and cash equivalents	204	632
	163,866	271,395
Investment expenses	(8,144)	(8,161)
Net investment income	$ 155,722	$ 263,234

Net realized gains on the sale of investments are determined on the basis of the first in, first out cost method and for fixed maturity investments available for sale include adjustments to the cost basis of investments for declines in value that are considered to be other-than-temporary. During the fourth quarter of 2009, the Company started designating upon acquisition certain fixed maturity investments as trading. As a result, unrealized gains (losses) on fixed maturity investments designated as trading are recorded in net realized and unrealized gains (losses) on the Company s consolidated statement of operations. Unrealized gains (losses) on the Company s fixed maturity investments available for sale are recorded in accumulated other comprehensive income on the Company s consolidated balance sheet.

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The Company s net realized and unrealized gains on fixed maturity investments and net other-than-temporary impairments are as follows:

Three months ended September 30, **(in thousands of U.S. dollars)**	**2010**	**2009**
Gross realized gains	$ 35,615	$ 26,734
Gross realized losses	(748)	(9,940)
Net realized gains on fixed maturity investments	34,867	16,794
Net unrealized gains on fixed maturity investments, trading	63,144	
Net realized and unrealized gains on fixed maturity investments	$ 98,011	$ 16,794
Total other-than-temporary impairments	$	$ (1,408)
Portion recognized in other comprehensive income, before taxes		1,062
Net other-than-temporary impairments	$	$ (346)

Nine months ended September 30, **(in thousands of U.S. dollars)**	**2010**	**2009**
Gross realized gains	$ 113,560	$ 91,370
Gross realized losses	(11,880)	(33,561)
Net realized gains on fixed maturity investments	101,680	57,809
Net unrealized gains on fixed maturity investments, trading	116,035	
Net realized and unrealized gains on fixed maturity investments	$ 217,715	$ 57,809
Total other-than-temporary impairments	$ (831)	$ (25,719)
Portion recognized in other comprehensive income, before taxes	2	4,518
Net other-than-temporary impairments	$ (829)	$ (21,201)

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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 September 30, 2010	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
(in thousands of U.S. dollars)						
Non-U.S. government (Sovereign debt)	$ 2,108	$ (115)	$ 114	$ (6)	$ 2,222	$ (121)
Corporate	2,454	(271)	1,041	(153)	3,495	(424)
Agency mortgage-backed	499	(36)			499	(36)
Non-agency mortgage-backed			1,717	(34)	1,717	(34)
Commercial mortgage-backed	6,761	(124)			6,761	(124)
Asset-backed	5,944	(46)	3,177	(35)	9,121	(81)
Total	$ 17,766	$ (592)	$ 6,049	$ (228)	$ 23,815	$ (820)

	Less than 12 Months		12 Months or Greater		Total	
At December 31, 2009	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
(in thousands of U.S. dollars)						
U.S. treasuries	$ 551,203	$ (2,689)	$	$	$ 551,203	$ (2,689)
Agencies	75,537	(121)			75,537	(121)
Non-U.S. government (Sovereign debt)	39,119	(540)	209	(17)	39,328	(557)
FDIC guaranteed corporate	156,989	(380)			156,989	(380)
Non-U.S. government-backed corporate	106,971	(1,699)			106,971	(1,699)
Corporate	253,828	(4,069)	7,893	(487)	261,721	(4,556)
Agency mortgage-backed	156,288	(1,348)	3,818	(178)	160,106	(1,526)
Non-agency mortgage-backed	2,558	(54)	9,120	(522)	11,678	(576)
Commercial mortgage-backed	77,796	(1,089)	32,184	(3,335)	109,980	(4,424)
Asset-backed	4,605	(18)	14,407	(514)	19,012	(532)
Total	$ 1,424,894	$ (12,007)	$ 67,631	$ (5,053)	$ 1,492,525	$ (17,060)

At September 30, 2010, the Company held 23 fixed maturity investments available for sale securities that were in an unrealized loss position for twelve months or greater and 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 investments for the nine months ended September 30, 2010 and 2009, respectively, in order to determine whether declines in the fair value below the amortized cost basis of its fixed maturity investments available for sale were considered other-than-temporary in accordance with the applicable guidance, as discussed below.

At September 30, 2010, $1.4 billion of cash and investments at fair value were on deposit with, or in trust accounts for the benefit of various counterparties, including with respect to the Company s principal letter of credit facility. Of this amount, $61.8 million is on deposit with, or in trust accounts for the benefit of, U.S. state regulatory authorities.

Other-Than-Temporary Impairment Process Prior to April 1, 2009

Under the pre-existing guidance, which was in effect for the three months ended March 31, 2009, the Company assessed, on a quarterly basis, whether declines in the fair value of its fixed maturity investments available for sale represented impairments that were other-than-temporary based on several factors. The factors the Company considered in the assessment of a security included: (i) the time period during which there had been a significant decline below cost; (ii) the extent of the decline below cost; (iii) the Company s intent and ability to hold the security; (iv) the potential for the security to recover in value; (v) an analysis of the financial condition of the issuer; and (vi) an analysis of the collateral structure and credit support of the security, if applicable. Where the Company determined that there was an other-than-temporary decline in the fair value of the security, the cost of the security was written down to its fair value and the unrealized loss at the time of determination was reflected in the Company s consolidated statements of operations.

The majority of the Company s fixed maturity investments available for sale are managed by external investment managers in accordance with specific investment mandates and guidelines. The investment managers are directed to manage the Company s investments to maximize total investment return in accordance with these investment mandates and guidelines. While the Company has adequate capital and liquidity to support its operations and to hold its fixed maturity investments available for sale which were in an unrealized loss position until they recover in value, the Company has not prohibited or restricted its investment managers from selling these investments and its investment managers actively traded the Company s investments. The Company was therefore unable to represent or certify that it had the intent or ability to hold these investments until they recovered in value. As a consequence, under the pre-existing guidance, the Company impaired essentially all of its fixed maturity investments available for sale that were in an unrealized loss position at each quarterly reporting date. For the three months ended March 31, 2009, the Company recorded other-than-temporary impairments of $19.0 million. As of March 31, 2009, the Company had essentially no fixed maturity investments available for sale in an unrealized loss position.

Other-Than-Temporary Impairment Process Effective April 1, 2009

Pursuant to the guidance effective April 1, 2009, the Company revised its quarterly process for assessing whether declines in the fair value of its fixed maturity investments available for sale represent impairments that are other-than-temporary. The process now 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) assessing 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 are less than the amortized cost basis of the security.

In assessing the Company s intent to sell securities, the Company s procedures may include actions such as discussing planned sales with its third party investment managers, reviewing sales that have occurred shortly after the balance sheet date, and consideration of other qualitative factors that may be indicative of the Company s intent to sell or hold the relevant securities. For the nine months ended September 30, 2010, the Company recognized $nil, of other-than-temporary impairments due to the Company s intent to sell these securities as of September 30, 2010.

In assessing whether it is more likely than not that the Company will be required to sell a security before its anticipated recovery, the Company considers various factors including its future cash flow forecasts and requirements, legal and regulatory requirements, the level of its cash, cash equivalents, short term investments, fixed maturity investments trading and fixed maturity investments available for sale in an unrealized gain position, and other relevant factors. For the nine months ended September 30, 2010, the Company recognized $nil of other-than-temporary impairments due to required sales.

In evaluating credit losses, the Company considers a variety of factors in the assessment of a security including: (i) the time period during which there has been a significant decline below cost; (ii) the extent of the decline below cost and par; (iii) the potential for the security to recover in value; (iv) an analysis of the financial condition of the issuer; (v) the rating of the issuer; (vi) the implied rating of the issuer based on an analysis of option adjusted spreads; (vii) the absolute level of the option adjusted spread for the issuer; and (viii) an analysis of the collateral structure and credit support of the security, if applicable.

Once the Company determines that it is possible that a credit loss may exist for a security, the Company performs a detailed review of the cash flows expected to be collected from the issuer. The Company estimates expected cash flows by applying estimated default probabilities and recovery rates to the contractual cash flows of the issuer, with such default and recovery rates reflecting long-term historical averages adjusted to reflect current credit, economic and market conditions, giving due consideration to collateral and credit support, if applicable, and discounting the expected cash flows at the purchase yield on the security. In instances in which a determination is made that an impairment exists but the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before the anticipated recovery of its remaining amortized cost basis, the impairment is separated into: (i) the amount of the total other-than-temporary impairment related to the credit loss; and (ii) the amount of the total other-than-temporary impairment related to all other factors. The amount of the other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the other-than-temporary impairment related to all other factors is recognized in other comprehensive income. For the three and nine months ended September 30, 2010, the Company recognized $nil and $0.8 million, respectively, of credit related other-than-temporary impairments which were recognized in earnings and $nil and $2 thousand, respectively, related to other factors.

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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 for the three and nine months ended September 30, 2010:

Three months ended September 30, 2010 **(in thousands of U.S. dollars)**	
Balance - July 1	$ 3,598
Additions:	
Amount related to credit loss for which an other-than-temporary impairment was not previously recognized	
Amount related to credit loss for which an other-than-temporary impairment was previously recognized	
Reductions:	
Securities sold during the period	
Securities for which the amount previously recognized in other comprehensive income was recognized in earnings, because the Company intends to sell the security or is more likely than not the Company will be required to sell the security	
Increases in cash flows expected to be collected that are recognized over the remaining life of the security	
Balance - September 30	$ 3,598

Nine months ended September 30, 2010 **(in thousands of U.S. dollars)**	
Balance - January 1	$ 9,987
Additions:	
Amount related to credit loss for which an other-than-temporary impairment was not previously recognized	
Amount related to credit loss for which an other-than-temporary impairment was previously recognized	70
Reductions:	
Securities sold during the period	(6,459)
Securities for which the amount previously recognized in other comprehensive income was recognized in earnings, because the Company intends to sell the security or is more likely than not the Company will be required to sell the security	
Increases in cash flows expected to be collected that are recognized over the remaining life of the security	
Balance - September 30	$ 3,598

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NOTE 7. 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 financial statements, and is a critical accounting policy and estimate for the Company. 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 unobservable inputs (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 on 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 in the period represented by these consolidated financial statements.

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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 sheet:

At September 30, 2010 (in thousands of U.S. dollars)	**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	$ 1,278,069	$ 1,278,069	$	$
Agencies	229,956		229,956	
Non-U.S. government (Sovereign debt)	153,695		153,695	
FDIC guaranteed corporate	408,682		408,682	
Non-U.S. government-backed corporate	531,009		531,009	
Corporate	1,574,462		1,574,462	
Agency mortgage-backed	336,501		336,501	
Non-agency mortgage-backed	35,954		35,954	
Commercial mortgage-backed	225,105		225,105	
Asset-backed	46,704		46,704	
Total fixed maturity investments	4,820,137	1,278,069	3,542,068	
Short term investments	884,787		884,787	
Other investments				
Private equity partnerships	310,296			310,296
Senior secured bank loan funds	168,309		154,422	13,887
Catastrophe bonds	159,752		159,599	153
Non-U.S. fixed income funds	78,848		78,848	
Hedge funds	44,043		44,043	
Miscellaneous other investments	31,129		21,600	9,529
Total other investments	792,377		458,512	333,865
Other secured assets	17,765		17,765	
Other assets and (liabilities)				
Platinum warrants	43,858		43,858	
Weather and energy risk management operations	(3,740)	1,695		(5,435)
Assumed and ceded (re)insurance contracts	(6,132)			(6,132)
Derivatives	(10,743)	(10,379)	(364)	
Other	12,615	(3,010)		15,625
Total other assets and (liabilities)	35,858	(11,694)	43,494	4,058
	$ 6,550,924	$ 1,266,375	$ 4,946,626	$ 337,923

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, FDIC guaranteed corporate, non-U.S. government-backed corporate, corporate, agency mortgage-backed, non-agency mortgage-backed, commercial mortgage-backed and asset-backed fixed maturity investments.

The Company s fixed maturity investments portfolios are priced using broker quotations and pricing services, such as index providers and pricing vendors. 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 prices. Prices are generally verified using third party data. 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 externally obtained information. The techniques generally used to determine the fair value of our fixed maturity investments are detailed below by asset class.

U.S. treasuries

At September 30, 2010, the Company s U.S. treasuries fixed maturity investments had a weighted average yield to maturity of 1.0%, a weighted average credit quality of AAA, and are primarily priced by pricing vendors. When pricing these securities, the vendor utilizes daily data from many real time market sources, including active broker dealers, as such, the Company considers its U.S. treasuries fixed maturity investments Level 1. All data sources are constantly reviewed for accuracy to ensure the most reliable price source is used for each issue and maturity date.

Agencies

At September 30, 2010, the Company s agencies fixed maturity investments had a weighted average yield to maturity of 0.7% and a weighted average credit quality of AAA. The issuers of the Company s agencies 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 vendors. When evaluating these securities, the vendor gathers 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 dollar value for each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data. The Company considers its agencies fixed maturity investments Level 2.

Non-U.S. government (Sovereign debt)

Non-U.S. government fixed maturity investments held by the Company at September 30, 2010, had a weighted average yield to maturity of 1.2% and a weighted average credit quality of AA. The issuers for securities in this sector are generally non-U.S. governments and agencies as well as supranational organizations. Securities held in these sectors are primarily priced by pricing vendors 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 vendor then applies 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 vendor utilizes data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets. The Company considers its non-U.S. government fixed maturity investments Level 2.

FDIC guaranteed corporate

The Company s FDIC guaranteed corporate fixed maturity investments had a weighted average yield to maturity of 0.5% and a weighted average credit quality of AAA at September 30, 2010. The issuers consist of well known corporate issuers who participate in the FDIC program. The Company s FDIC guaranteed corporate fixed maturity investments are primarily priced by pricing vendors. When evaluating these securities, the vendor gathers information from market sources regarding the issuer of the security, 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 vendor also considers the specific terms and conditions of the securities, including any specific features which may influence risk. Each security is individually evaluated using a spread model which is added to the U.S. treasury curve. The Company considers its FDIC guaranteed corporate fixed maturity investments Level 2.

Non-U.S. government-backed corporate

Non-U.S. government-backed corporate fixed maturity investments are considered Level 2 by the Company and had a weighted average yield to maturity of 1.2% and a weighted average credit quality of AAA at September 30, 2010. Non-U.S. government-backed fixed maturity investments are primarily priced by pricing vendors 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 vendor then applies 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 vendor utilizes 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

At September 30, 2010, the Company s corporate fixed maturity investments had a weighted average yield to maturity of 3.1% and a weighted average credit quality of A, and principally consist of U.S. and international corporations. The Company s corporate fixed maturity investments are primarily priced by pricing vendors, and are considered Level 2 by the Company. When evaluating these securities, the vendor gathers information from market sources regarding the issuer of the security, 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 vendor also considers the specific terms and conditions of the securities, including any specific features which may influence risk. Each security is individually evaluated using a spread model which is added to the U.S. treasury curve.

Agency mortgage-backed

At September 30, 2010, the Company s agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average yield to maturity of 2.2%, a weighted average credit quality of AAA and a weighted average life of 2.5 years. The majority of the Company s agency mortgage-backed fixed maturity investments held at September 30, 2010 are from vintage years 2009 and prior. The Company s agency mortgage-backed fixed maturity investments are primarily priced by pricing vendors using a mortgage pool specific model which utilizes daily inputs from the active TBA market which is extremely liquid, as well as the U.S. treasury market. The vendor 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. The Company considers its agency mortgage-backed fixed maturity investments Level 2.

Non-agency mortgage-backed

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, and considers these fixed maturity investments Level 2. The Company has no fixed maturity investments classified as sub-prime held in its fixed maturity investments portfolio. At September 30, 2010, the Company s non-agency prime residential mortgage-backed fixed maturity investments have a weighted average yield to maturity of 3.8%, a weighted average credit quality of AA and a weighted average life of 2.8 years. The Company s non-agency Alt-A fixed maturity investments held at September 30, 2010 have a weighted average yield to maturity of 6.4%, a weighted average credit quality of AA, a weighted average life of 3.9 years, and are from vintage years 2005 and prior. Securities held in these sectors are primarily priced by pricing vendors using a mortgage pool specific model which utilizes daily inputs from the active TBA market which is extremely liquid, as well as the U.S. treasury market. The vendor 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 by daily active market quotes.

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Commercial mortgage-backed

The Company s commercial mortgage-backed fixed maturity investments held at September 30, 2010 have a weighted average yield to maturity of 2.9%, a weighted average credit quality of AAA and a weighted average life of 3.8 years. Securities held in these sectors are primarily priced by pricing vendors and are considered Level 2 by the Company. The pricing vendor applies 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, swap curve and TBA values as well as cash settlement. The model utilizes a single cash flow stream and computes both a yield to call and weighted average yield to maturity. The model generates a derived price for the bond by applying the most likely scenario.

Asset-backed

At September 30, 2010, the Company s asset-backed fixed maturity investments had a weighted average yield to maturity of 1.6%, a weighted average credit quality of AAA and a weighted average life of 3.4 years. The underlying collateral for the Company s asset-backed fixed maturity investments primarily consists of student loans, automobile loans and credit card receivables. Securities held in these sectors are primarily priced by pricing vendors and are considered Level 2 by the Company. The pricing vendor applies 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, swap curve and TBA values as well as cash settlement. The model utilizes a single cash flow stream and computes both a yield to call and weighted average yield to maturity. The model generates a derived price for the bond by applying the most likely scenario.

Short term investments

Short term investments are considered Level 2 and fair values are 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.

Other Investments

Private equity partnerships

Included in the Company s investments in private equity partnerships at September 30, 2010 are alternative asset limited partnerships that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; oil, gas and power; and secondaries. The fair value of private equity partnership investments is based on net asset values 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, and as a result is unable to corroborate the fair value measurement and therefore requires significant management judgment to determine the underlying value of the private equity partnership and accordingly the fair value of the Company s investment in each private equity partnership is considered Level 3. 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. The Company regularly reviews the performance of its private equity partnerships directly with the fund managers.

Catastrophe bonds

The Company s other investments include investments in catastrophe bonds which are recorded at fair value based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. As such, the Company considers its catastrophe bonds Level 2.

Senior secured bank loan funds

At September 30, 2010, the Company s investments in senior secured bank loan funds include funds that invest primarily in bank loans and other senior debt instruments.

The fair value of the Company s senior secured bank loan funds are estimated using the net asset value per share of the funds. Investments of $154.4 million are redeemable, in whole or in part, on a monthly basis, and are valued at the net asset value of the fund and are considered Level 2.

In addition, the Company has a $6.1 million investment in a bank loan fund for which it has no right to redeem its investment in advance of dissolution of the fund. Instead, the nature of this investment is that distributions are received by the Company in connection with the liquidation of the underlying assets of the fund. The Company s investment in this bank loan fund is valued using monthly net asset valuations received from the investment manager. However, the lock up provisions in this fund result in a lack of current observable market transactions between the fund participants and the fund, and therefore, the Company considers the fair value of its investment in this fund to be determined using Level 3 inputs. The management of the senior secured bank loan funds which previously could generally not be redeemed has restructured these investments during 2010 to a fund structure which would liquidate in the near term, and the Company has elected to transfer its investment to the new fund structure. Subsequently, the Company has received $94.7 million in distributions from the new fund structure.

The Company also has a $7.8 million investment in a closed end fund which invests primarily in loans. The Company has no right to redeem its investment in this fund. The Company s investment in this fund is valued using monthly net asset valuations received from the investment manager. The lock up provisions in this fund result in a lack of current observable market transactions between the fund participants and the fund, and therefore, the Company considers the fair value of its investment in this fund to be determined using Level 3 inputs.

Non-U.S. fixed income funds

The Company considers its investments in non-U.S. fixed income funds Level 2. The Company s non-U.S. fixed income funds invest primarily in European high yield bonds and non-U.S. convertible securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments which are provided by third parties such as the relevant investment manager or administrator, recent financial information issued by the applicable investee entity or available market data.

Hedge funds

The Company has investments in hedge funds that pursue multiple strategies without limiting itself to a predefined strategy or set of strategies. The strategies employed include, among others, the following: fundamentally driven long/short; event oriented; global multi-strategy; and private investments. The fair values of the Company s hedge funds have been estimated using the net asset value per share of the investments which are provided by third parties such as the relevant investment manager or administrator, recent financial information issued by the applicable investee entity or available market data to estimate fair value. The Company considers its hedge fund investments Level 2.

Other secured assets

Other secured assets represent contractual rights under a purchase agreement, contingent purchase agreement and credit derivatives agreement with a major bank to sell certain securities within the Company s catastrophe-linked securities portfolio. The Company s other secured assets are accounted for at fair value based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications. As such, the Company considers its catastrophe bonds Level 2.

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Other assets and liabilities

Included in other assets and liabilities measured at fair value is the Company s investment in a warrant to purchase 2.5 million common shares of Platinum, estimated using the Black-Scholes option pricing model, which the Company has considered Level 2 as the inputs to the option pricing model are based on observable market inputs. Other assets and liabilities also include the Company s weather and energy risk management operations, which principally includes certain derivative-based risk management products primarily to address weather and energy risks, and hedging and trading activities related to these risks. The trading markets for these derivatives are generally linked to energy and agriculture commodities, weather and other natural phenomena and the fair value of these contracts is obtained through the use of exchange traded market prices, or in the absence of such market prices, industry or internal valuation models, as such, these products are considered Level 1 and Level 3, respectively. The Company considers assumed and ceded (re)insurance contracts accounted for at fair value as Level 3, as the fair value of these contracts is obtained through the use of internal valuation models with the inputs to the internal valuation model based on proprietary data as observable market inputs are not available. In addition, other assets and liabilities include certain other derivatives entered into by the Company; the fair value of these transactions include the fair value of certain exchange traded foreign currency forward contracts which are considered Level 1, and the fair value of certain credit derivatives, determined using industry valuation models and considered Level 2, as the inputs to the valuation model are based on observable market inputs.

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)		
Three months ended September 30, 2010 **(in thousands of U.S. dollars)**	**Other investments**	**Other assets and (liabilities)**	**Total**
Balance - July 1	$ 314,663	$ 12,045	$ 326,708
Total net unrealized (losses) gains			
Included in net investment income	156		156
Included in other loss		(4,884)	(4,884)
Total net realized gains			
Included in net investment income			
Included in other loss		18,541	18,541
Total net foreign exchange losses	2,354	(16)	2,338
Net purchases, issuances, and settlements	16,692	(21,628)	(4,936)
Net transfers in and/or out of Level 3			
Balance - September 30	$ 333,865	$ 4,058	$ 337,923

Nine months ended September 30, 2010 (in thousands of U.S. dollars)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Other investments	Other assets and (liabilities)	Total
Balance - January 1	$ 393,913	$ 3,567	$ 397,480
Total net unrealized losses			
Included in net investment income	3,323		3,323
Included in other loss		(5,478)	(5,478)
Total net realized gains			
Included in net investment income			
Included in other loss		33,506	33,506
Total net foreign exchange losses	(912)	(717)	(1,629)
Net purchases, issuances, and settlements	(62,459)	(26,820)	(89,279)
Net transfers in and/or out of Level 3			
Balance - September 30	$ 333,865	$ 4,058	$ 337,923

Reinsurance Contracts Accounted for at Fair Value

The Company assumes and cedes certain reinsurance contracts that are accounted for at fair value under the fair value option. The fair value of these contracts is obtained through the use of internal valuation models. These contracts are recorded on the Company s balance sheet in other assets and other liabilities and totaled $3.1 million and $0.3 million, respectively, at September 30, 2010 (December 31, 2009 $2.2 million and $nil, respectively). During the three and nine months ended September 30, 2010, the Company recorded losses of $0.8 million and $3.1 million, respectively, which are included in other income (loss) and represent changes in the fair value of these contracts (September 30, 2009 $14.9 million and $22.3 million, respectively).

Insurance Contracts Accounted for at Fair Value

The Company enters into certain insurance contracts that are accounted for at fair value under the fair value option. The fair value of these contracts is obtained through the use of internal valuation models. These contracts are recorded on the Company s balance sheet in other liabilities and totaled $8.4 million at September 30, 2010 (December 31, 2009 $13.5 million). During the three and nine months ended September 30, 2010, the Company recorded unrealized gains of $1.6 million and $1.0 million, respectively (September 30, 2009 $2.4 million and $2.1 million, respectively), and realized gains of $0.3 million and $2.2 million, respectively (September 30, 2009 realized losses of $3.1 million and realized gains of $77 thousand, respectively) which are included in other income (loss) and represent changes in the fair value and realized gains of these contracts.

Weather and Energy Transactions Accounted for at Fair Value

Through the business conducted by Renaissance Trading on a regular basis and otherwise from time to time, the Company enters into certain weather and energy insurance type contracts through its trading activities that it has elected to account for at fair value under the fair value option. These contracts are recorded on the Company s balance sheet in other liabilities and totaled $0.3 million at September 30, 2010 (December 31, 2009 $0.5 million). During the three and nine months ended September 30, 2010, the Company recorded unrealized losses of $1.9 million and $0.9 million, respectively, which are included in other income (loss) and represent changes in the fair value of these contracts (September 30, 2009 $nil and $nil, respectively).

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Senior Notes

In January 2003, RenaissanceRe issued $100.0 million, which represents the carrying amount on the Company s consolidated balance sheet, of 5.875% Senior Notes due February 15, 2013, with interest on the notes payable on February 15 and August 15 of each year. The notes can be redeemed by RenaissanceRe prior to maturity subject to payment of a make-whole premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries. At September 30, 2010, the fair value of the 5.875% Senior Notes was $105.4 million (December 31, 2009 $103.7 million).

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. The notes are guaranteed by RenaissanceRe and can be redeemed by RRNAH prior to maturity subject to payment of a make-whole premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries. At September 30, 2010, the fair value of the 5.75% Senior Notes was $257.9 million.

The fair value of RenaissanceRe s 5.875% Senior Notes and RRNAH s 5.75% Senior Notes is determined using indicative market pricing obtained from third-party service providers.

The Fair Value Option for Financial Assets and Financial Liabilities

The Company has elected to account for certain assets and liabilities at fair value under FASB ASC Topic *Financial Instruments*. The Company has elected to use the guidance under FASB ASC Topic *Financial Instruments*, as it represents the most current authoritative GAAP. Below is a summary of the balances the Company has elected to account for at fair value:

(in thousands of U.S. dollars)	**September 30, 2010**	**December 31, 2009**
Other investments	$ 792,377	$ 858,026
Other secured assets	$ 17,765	$ 27,730
Other assets and (liabilities) (1)	$ 9,491	$ 9,102

(1) Balance at September 30, 2010 includes $18.2 million of other assets and $8.7 million of other liabilities. Balance at December 31, 2009 includes $22.6 million of other assets and $13.5 million of other liabilities.

Included in net investment income for the three and nine months ended September 30, 2010 was $15.3 million and $21.0 million, respectively, of net unrealized gains related to the changes in fair value of other investments (September 30, 2009 $19.2 million and $71.4 million, respectively, of net unrealized gains). Net unrealized gains related to the changes in the fair value of other secured assets recorded in other income (loss) was $345 thousand and $56 thousand for the three and nine months ended September 30, 2010, respectively (September 30, 2009 $1.0 million and $1.1 million, respectively). Net unrealized gains (losses) related to the changes in the fair value of other assets and liabilities recorded in other income (loss) was $1.1 million and $(0.5) million for the three and nine months ended September 30, 2010, respectively (September 30, 2009 $2.1 million and $2.4 million, respectively).

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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 September 30, 2010 (in thousands of U.S. dollars)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity partnerships	$ 310,296	$ 197,362	See below	See below
Senior secured bank loan funds	168,309	17,215	See below	See below
Non-U.S. fixed income funds	78,848		Monthly, bi-monthly	5 - 20 days
Hedge funds	44,043		Annually, bi-annually	45 - 90 days
Total other investments measured using net asset valuations	$ 601,496	$ 214,577		

Private equity partnerships Included in the Company s investments in private equity partnerships are alternative asset limited partnerships that invest in certain private equity asset classes including U.S. and global leveraged buyouts; mezzanine investments; distressed securities; real estate; oil, gas and power; and secondaries. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. The Company generally has no right to redeem its interest in any of these private equity partnerships in advance of dissolution of the applicable 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 applicable limited partnership. If these investments were held, it is estimated that the majority of the underlying assets of the limited partnerships would liquidate over 7 to 10 years.

Senior secured bank loan funds The Company s investment in senior secured bank loan funds includes funds that invest primarily in bank loans and other senior debt instruments. The fair values of the investments in this category have been estimated using the net asset value per share of the funds. Investments of $154.4 million are redeemable, in whole or in part, on a monthly basis. Currently, the Company generally has no right to redeem its $6.1 million investment in bank loan funds in advance of dissolution of the applicable funds. Instead, the nature of this investment is that distributions are received by the Company in connection with the liquidation of the underlying assets of the applicable fund. The management of the senior secured bank loan funds which previously could generally not be redeemed has restructured these investments during 2010 to a fund structure which would liquidate in the near term, and the Company has elected to transfer its investment to the new fund structure. Subsequently, the Company has received $94.7 million in distributions from the new fund structure. The Company also has a $7.8 million investment in a closed end fund which invests in loans. The Company has no right to redeem its investment in this fund.

Non-U.S. fixed income funds The Company s non-U.S. fixed income funds invest primarily in European high yield bonds and non-U.S. convertible securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. Investments of $45.7 million are redeemable, in whole or in part, on a bi-monthly basis. The remaining $33.2 million can generally only be redeemed by the Company at a rate of 10% per month. The issuers of these securities may permit redemptions which exceed this amount, but they are not obliged to do so.

Hedge funds The Company invests in hedge funds that pursue multiple strategies without limiting itself to a pre-defined strategy or set of strategies. The strategies employed include, among others, the following: fundamentally driven long/short; event oriented; and private investments. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. Included in the Company s hedge fund investments is $9.2 million of so called side pocket investments which are not redeemable at the option of the shareholder. As to each investment in a hedge fund that includes side pocket investments, if the investment is otherwise fully redeemed, the Company will still retain its interest in the side pocket investments until the underlying investments attributable to such side pockets are liquidated, realized or deemed realized at the discretion of the fund manager.

NOTE 8. REDEEMABLE NONCONTROLLING INTEREST

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 for the three and nine months ended September 30, 2010 and 2009 is recorded in the consolidated statements of operations as redeemable noncontrolling interest.

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. RenaissanceRe s ownership in DaVinciRe was 41.2% at September 30, 2010 (December 31, 2009 38.2%).

Certain third party shareholders of DaVinciRe submitted repurchase notices on or before the required annual redemption notice date of March 1, 2010, in accordance with the third amended and restated shareholders agreement, which provides shareholders, excluding RenaissanceRe, with certain redemption rights such as allowing each shareholder to notify DaVinciRe of such shareholder s desire for DaVinciRe to repurchase up to half of their initial aggregate number of shares held, subject to certain limitations. The repurchase notices submitted on or before March 1, 2010, were for shares of DaVinciRe with a GAAP book value of $86.5 million at September 30, 2010.

The Company expects its ownership in DaVinciRe to fluctuate over time.

The activity in the Company s redeemable noncontrolling interest DaVinciRe is detailed in the table below for the three and nine months ended September 30, 2010 and 2009:

Three months ended September 30, **(in thousands of U.S. dollars)**	**2010**	**2009**
Balance - July 1	$ 707,541	$ 700,562
Net purchase of shares from redeemable noncontrolling interest	(362)	
Comprehensive income:		
Net income attributable to redeemable noncontrolling interest	37,524	37,694
Other comprehensive (loss) income attributable to redeemable noncontrolling interest	(3,600)	8,442
Balance - September 30	$ 741,103	$ 746,698

Nine months ended September 30, **(in thousands of U.S. dollars)**	**2010**	**2009**
Balance - January 1	$ 786,647	$ 768,531
Cumulative effect of change in accounting principle, net of taxes (1)		42
Net purchase of shares from redeemable noncontrolling interest	(142,109)	(152,728)
Comprehensive income:		
Net income attributable to redeemable noncontrolling interest	99,989	122,821
Other comprehensive (loss) income attributable to redeemable noncontrolling interest	(3,424)	8,032
Balance - September 30	$ 741,103	$ 746,698

(1) Cumulative effect adjustment to opening retained earnings as of April 1, 2009, related to the recognition and presentation of other-than-temporary impairments, as required by FASB ASC Topic *Investments - Debt and Equity Securities.*

NOTE 9. DERIVATIVE INSTRUMENTS

The Company enters into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts primarily in order to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading and speculation. The Company accounts for its derivatives in accordance with FASB ASC Topic *Derivatives and Hedging*, which requires all derivatives to be recorded at fair value on the Company s balance sheet as either assets or liabilities, depending on the rights or obligations of the derivatives, with changes in fair value reflected in current earnings. The Company does not currently apply hedge accounting in respect of any positions reflected in its consolidated financial statements. The fair value of the Company s derivatives are estimated by reference to quoted prices or broker quotes, where available, or in the absence of quoted prices or broker quotes, the use of industry or internal valuation models. Where the Company has entered into master netting agreements with counterparties, or the Company has the legal and contractual right to offset positions, the derivative positions are generally netted by counterparty and are reported accordingly in other assets and other liabilities.

The Company s guidelines permit investments in derivative instruments such as futures, forward contracts, options, swap agreements and other derivative contracts which may be used to assume risk or for hedging purposes. The Company principally has exposure to derivatives related to the following types of risks: interest rate risk; foreign currency risk; credit risk; energy and weather-related risk; and equity price risk.

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The table below shows the location on the consolidated balance sheets and fair value of the Company s principal derivative instruments:

	Derivative Assets			
	At September 30, 2010		At December 31, 2009	
(in thousands of U.S. dollars)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate futures	Other assets	$ 369	Other assets	$ 862
Foreign currency forward contracts (2)	Other assets		Other assets	3,292
Foreign currency forward contracts (3)	Other assets	48	Other assets	49
Energy and weather contracts (4)	Other assets	10,804	Other assets	17,006
Platinum warrant	Other assets	43,858	Other assets	34,871
Total		$ 55,079		$ 56,080

	Derivative Liabilities			
	At September 30, 2010		At December 31, 2009	
(in thousands of U.S. dollars)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate futures	Other liabilities	$ 245	Other liabilities	$ 143
Foreign currency forward contracts (1)	Other liabilities	125	Other liabilities	776
Foreign currency forward contracts (2)	Other liabilities	10,610	Other liabilities	
Credit default swaps	Other liabilities	180	Other liabilities	549
Energy and weather contracts (4)	Other liabilities	14,924	Other liabilities	25,086
Total		$ 26,084		$ 26,554

(1) Contracts used to manage foreign currency risks in underwriting and non-investment operations.
(2) Contracts used to manage foreign currency risks in investment operations.
(3) Contracts used to manage foreign currency risks in energy and risk operations.
(4) Included in other assets is $12.5 million of derivative assets and $1.7 million of derivative liabilities at September 30, 2010 (December 31, 2009 - $22.7 million and $5.7 million, respectively). Included in other liabilities is $7.4 million of derivative assets and $22.4 million of derivative liabilities at September 30, 2010 (December 31, 2009 - $55.9 million and $81.0 million, respectively).

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

Three months ended September 30, (in thousands of U.S. dollars)	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives 2010	2009
Interest rate futures	Net investment income	$ 5,806	$ 3,638
Foreign currency forward contracts (1)	Net foreign exchange (losses) gains	(1,160)	(785)
Foreign currency forward contracts (2)	Net foreign exchange (losses) gains	(25,528)	(5,854)
Foreign currency forward contracts (3)	Net foreign exchange (losses) gains	(790)	303
Credit default swaps	Other income (loss)	310	353
Energy and weather contracts	Other income (loss)	(11)	18,141
Platinum warrant	Other income (loss)	14,352	12,839
Total		$ (7,021)	$ 28,635

(1) Contracts used to manage foreign currency risks in underwriting operations.
(2) Contracts used to manage foreign currency risks in investment operations.
(3) Contracts used to manage foreign currency risks in energy and risk operations.

Nine months ended September 30, (in thousands of U.S. dollars)	Location of gain (loss) recognized on derivatives	Amount of gain (loss) recognized on derivatives 2010	2009
Interest rate futures	Net investment income	$ 5,341	$ 2,086
Foreign currency forward contracts (1)	Net foreign exchange (losses) gains	(686)	917
Foreign currency forward contracts (2)	Net foreign exchange (losses) gains	13,281	(9,060)
Foreign currency forward contracts (3)	Net foreign exchange (losses) gains	126	(354)
Credit default swaps	Other income (loss)	223	429
Energy and weather contracts	Other income (loss)	7,174	35,318
Platinum warrant	Other income (loss)	8,987	(461)
Total		$ 34,446	$ 28,875

(1) Contracts used to manage foreign currency risks in underwriting operations.
(2) Contracts used to manage foreign currency risks in investment operations.
(3) Contracts used to manage foreign currency risks in energy and risk operations.

The Company is not aware of the existence of any credit risk-related contingent features that it believes would be triggered in its derivative instruments that are in a net liability position at September 30, 2010.

Interest Rate Futures

The Company uses interest rate futures within its portfolio of fixed maturity investments to manage its exposure to interest rate risk, which can include increasing or decreasing its exposure to this risk. At September 30, 2010, the Company had $757.6 million of notional long positions and $122.6 million of notional short positions of primarily Eurodollar and U.S. Treasury and non-U.S. dollar futures contracts. The fair value of these derivatives is determined using exchange traded prices.

Foreign Currency Derivatives

The Company s functional currency is the U.S. dollar. The Company writes a portion of its business in currencies other than U.S. dollars and may, from time to time, experience foreign exchange gains and losses in the Company s consolidated financial statements. All changes in exchange rates, with the exception of non-U.S. dollar denominated investments classified as available for sale, are recognized currently in the Company s consolidated statements of operations.

Underwriting Operations Related Foreign Currency Contracts

The Company s foreign currency policy with regard to its underwriting operations is generally to hold foreign currency assets, including cash, investments and receivables that approximate the foreign currency liabilities, including claims and claim expense reserves and reinsurance balances payable. When necessary, the Company may use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with its underwriting operations. At September 30, 2010, the total notional amount in U.S. dollars of the Company s underwriting related foreign currency contracts was $63.1 million.

Investment Portfolio Related Foreign Currency Forward Contracts

The Company s investment operations are exposed to currency fluctuations through its investments in non-U.S. dollar fixed maturity investments, short term investments and other investments. To economically hedge its exposure to currency fluctuations from these investments, the Company has entered into foreign currency forward contracts. Foreign exchange gains (losses) associated with the Company s hedging of these non-U.S. dollar investments are recorded in net foreign exchange losses in its consolidated statements of operations. At September 30, 2010, the Company had outstanding investment portfolio related foreign currency contracts of $30.2 million in long positions and $286.9 million in short positions, denominated in U.S. dollars.

Energy and Risk Operations Related Foreign Currency Contracts

The Company s energy and risk operations are exposed to currency fluctuations through certain derivative transactions it enters into that are denominated in non-U.S. dollars. The Company may, from time to time, use foreign currency forward and option contracts to minimize the effect of fluctuating foreign currencies on the value of non-U.S. dollar denominated assets and liabilities associated with these operations. At September 30, 2010, the total notional amount in United States dollars of the Company s energy and risk management operations related to foreign currency contracts was $30.3 million.

Credit Derivatives

The Company s exposure to credit risk is primarily due to its fixed maturity investments, short term investments, premiums receivable and prepaid reinsurance premiums. From time to time, the Company purchases credit derivatives to hedge its exposures in the insurance industry, to assist in managing the credit risk associated with ceded reinsurance, or to assume credit risk. The fair value of the credit derivatives is determined using industry valuation models. The fair value of these credit derivatives can change based on a variety of factors including changes in credit spreads, default rates and recovery rates, the correlation of credit risk between the referenced credit and the counterparty, and market rate inputs such as interest rates. At September 30, 2010, the Company had outstanding credit derivatives of $15.0 million in long positions and $29.6 million in short positions, denominated in U.S. dollars.

Energy and Weather-Related Derivatives

The Company regularly transacts certain derivative-based risk management products primarily to address weather and energy risks and engages in hedging and trading activities related to these risks. The trading markets for these derivatives are generally linked to energy and agriculture commodities, weather and other natural phenomena. Currently, a significant percentage of the Company s derivative-based risk management products are transacted on a

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dual-trigger basis combining weather or other natural phenomenon, with prices for commodities or securities related to energy or agriculture. The fair value of these contracts is obtained through the use of quoted market prices, or in the absence of such quoted prices, industry or internal valuation models. Generally, the Company s current portfolio of such derivative contracts is of comparably short duration and such contracts are predominantly seasonal in nature. Over time, the Company currently expects that its participation in these markets, and the impact of these operations on its financial results, is likely to increase on both an absolute and relative basis.

At September 30, 2010, the Company had the following gross derivative contract positions outstanding relating to its energy and weather derivatives trading activities.

Trading activity	Quantity (1)	Unit of measurement
Temperature	2,541,939	$ per Degree Day Fahrenheit
Energy	116,056,915	One million British thermal units (MMBTUs)
Agriculture	3,485,000	Bushels

(1) Represents the sum of gross long and gross short derivative contracts.

The Company uses value-at-risk (VaR) analysis to monitor the risks associated with its energy and weather derivatives trading portfolio. VaR is a tool that measures the potential loss that could occur if the Company s trading positions were maintained over a defined period of time, calculated at a given statistical confidence level. Due to the seasonal nature of the Company s energy and weather derivatives trading activities, the VaR is based on a rolling two season (one-year) holding period assuming no dynamic trading during the holding period. A 99% confidence level is used for the VaR analysis. A 99% confidence level implies that within a one-year period, the potential loss in the Company s portfolio is not expected to exceed the VaR estimate in 99% of the possible modeled outcomes. In the remaining estimated 1% of the possible outcomes, the anticipated potential loss is expected to be higher than the VaR figure, and on average substantially higher.

The VaR model, based on a Monte Carlo simulation methodology, seeks to take into account correlations between different positions and potential for movements to offset one another within the portfolio. The expected value of the risk factors in the Company s portfolio are generally obtained from exchange-traded futures markets. For most of the risk factors, the volatility is derived from exchange-traded options markets. For those risk factors for which exchange-traded options might not exist, the volatility is based on historical analysis matched to broker quotes from the over-the-counter market, where available. The joint distribution of outcomes is based on the Company s estimate of the historical seasonal dependence among the underlying risk factors, scaled to the current market levels. The Company then estimates the expected outcomes by applying a Monte Carlo simulation to these risk factors. The joint distribution of the simulated risk factors is then filtered through the portfolio positions, and then the distribution of the outcomes is realized. The 99th percentile of this distribution is then calculated as the portfolio VaR. The major limitation of this methodology is that the market data used to forecast parameters of the model may not be an appropriate proxy of those parameters. The VaR methodology uses a number of assumptions, such as (i) risks are measured under average market conditions, assuming normal distribution of market risk factors, (ii) future movements in market risk factors follow estimated historical movements, and (iii) the assessed exposures do not change during the holding period. There is no guarantee that these assumptions will prove correct. The Company expects that, for any given period, its actual results will differ from its assumptions, including with respect to previously estimated potential losses and that such losses could be substantially higher than the estimated VaR.

At September 30, 2010, the estimated VaR for the Company s portfolio of energy and weather-related derivatives, as described above, calculated at an estimated 99% confidence level, was $29.9 million. The average, low and high amounts calculated by the Company s VaR analysis during the nine months ended September 30, 2010 were $16.0 million, $0.4 million and $35.0 million, respectively.

At September 30, 2010, RenaissanceRe had provided guarantees in the amount of $220.2 million to certain counterparties of the weather and energy risk operations of Renaissance Trading. In the future, RenaissanceRe may issue guarantees for other purposes or increase the amount of guarantees issued to counterparties of Renaissance Trading.

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Platinum Warrant

The Company holds a warrant, which expires on October 30, 2012, to purchase up to 2.5 million common shares of Platinum for $27.00 per share. The Company has recorded its investment in the Platinum warrant at fair value. The fair value of the warrant is estimated using the Black-Scholes option pricing model.

NOTE 10. CONDENSED CONSOLIDATING FINANCIAL INFORMATION PROVIDED IN CONNECTION WITH OUTSTANDING DEBT OF SUBSIDIARIES

The following tables present condensed consolidating balance sheets at September 30, 2010 and December 31, 2009, condensed consolidating statements of operations for the three and nine months ended September 30, 2010 and 2009, and statements of cash flows for the nine months ended September 30, 2010 and 2009, respectively, for RenaissanceRe, RRNAH and RenaissanceRe s other subsidiaries. RRNAH is a wholly owned subsidiary of RenaissanceRe.

On March 17, 2010, RRNAH issued, and RenaissanceRe guaranteed, $250.0 million of 5.75% Senior Notes due March 15, 2020, with interest on the notes payable on March 15 and September 15. The notes can be redeemed by RRNAH prior to maturity subject to payment of a make-whole premium. The notes, which are senior obligations, contain various covenants, including limitations on mergers and consolidations, restrictions as to the disposition of the stock of designated subsidiaries and limitations on liens of the stock of designated subsidiaries.

Condensed Consolidating Balance Sheet **September 30, 2010**	**RenaissanceRe Holdings Ltd. (Parent Guarantor)**	**RenRe North America Holdings Inc. (Subsidiary Issuer)**	**Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)**	**Consolidating Adjustments (2)**	**RenaissanceRe Consolidated**
Assets					
Total investments	$ 435,638	$ 555	$ 6,141,084	$	$ 6,577,277
Cash and cash equivalents	11,763	19,169	320,843		351,775
Investments in subsidiaries	3,786,236	348,550		(4,134,786)	
Due from subsidiaries and affiliates	123,262			(123,262)	
Premiums receivable			763,549		763,549
Prepaid reinsurance premiums			178,272		178,272
Reinsurance recoverable			200,919		200,919
Accrued investment income	3,478		35,333		38,811
Deferred acquisition costs			80,306		80,306
Other assets	19,124	34,114	396,277		449,515
Total assets	$ 4,379,501	$ 402,388	$ 8,116,583	$ (4,258,048)	$ 8,640,424
Liabilities, Redeemable Noncontrolling Interest and Shareholders Equity					
Liabilities					
Reserve for claims and claim expenses	$	$	$ 1,706,339	$	$ 1,706,339
Unearned premiums			690,671		690,671
Debt	373,928	249,132	200,000	(273,928)	549,132
Amounts due to subsidiaries and affiliates		464		(464)	
Reinsurance balances payable			364,491		364,491
Other liabilities	31,763	22,994	560,121		614,878

Total liabilities	405,691	272,590	3,521,622	(274,392)	3,925,511
Redeemable noncontrolling interest - DaVinciRe			741,103		741,103
Shareholders Equity					
Total shareholders equity	3,973,810	129,798	3,853,858	(3,983,656)	3,973,810
Total liabilities, redeemable noncontrolling interest and shareholders equity	$ 4,379,501	$ 402,388	$ 8,116,583	$ (4,258,048)	$ 8,640,424

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

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Condensed Consolidating Balance Sheet **December 31, 2009**	**RenaissanceRe Holdings Ltd. (Parent Guarantor)**	**RenRe North America Holdings Inc. (Subsidiary Issuer)**	**Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)**	**Consolidating Adjustments (2)**	**RenaissanceRe Consolidated**
Assets					
Total investments	$ 484,560	$ 410	$ 5,768,441	$	$ 6,253,411
Cash and cash equivalents	15,206	7,606	237,904		260,716
Investments in subsidiaries	3,310,916	369,997		(3,680,913)	
Due from subsidiaries and affiliates	182,565			(182,565)	
Premiums receivable			589,827		589,827
Prepaid reinsurance premiums			91,852		91,852
Reinsurance recoverable			194,241		194,241
Accrued investment income	1,727		30,201		31,928
Deferred acquisition costs			61,870		61,870
Other assets	17,199		304,863	(4,866)	317,196
Total assets	$ 4,012,173	$ 378,013	$ 7,279,199	$ (3,868,344)	$ 7,801,041
Liabilities, Redeemable Noncontrolling Interest and Shareholders Equity					
Liabilities					
Reserve for claims and claim expenses	$	$	$ 1,702,006	$	$ 1,702,006
Unearned premiums			446,649		446,649
Debt	124,000	80,000	200,000	(104,000)	300,000
Amounts due to subsidiaries and affiliates	12,522	1,155		(13,677)	
Reinsurance balances payable			381,548		381,548
Other liabilities	34,865	15,138	293,402		343,405
Total liabilities	171,387	96,293	3,023,605	(117,677)	3,173,608
Redeemable noncontrolling interest - DaVinciRe			786,647		786,647
Shareholders Equity					
Total shareholders equity	3,840,786	281,720	3,468,947	(3,750,667)	3,840,786
Total liabilities, redeemable noncontrolling interest and shareholders equity	$ 4,012,173	$ 378,013	$ 7,279,199	$ (3,868,344)	$ 7,801,041

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

Condensed Consolidating Statement of Operations For the three months ended September 30, 2010	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues					
Net premiums earned	$	$	$ 309,389	$	$ 309,389
Net investment income	1,559	21	59,354		60,934
Net foreign exchange gains (losses)	197		(726)		(529)
Equity in losses of other ventures			(6,740)		(6,740)
Other income	212		27,043		27,255
Net realized and unrealized gains on fixed maturity investments	12,683		85,328		98,011
Total revenues	14,651	21	473,648		488,320
Expenses					
Net claims and claim expenses incurred			125,626		125,626
Acquisition expenses			49,977		49,977
Operational expenses	(1,176)	1,147	50,585	(1,408)	49,148
Corporate expenses	4,908	63	733		5,704
Interest expense	1,469	3,537	4,695	(3,537)	6,164
Total expenses	5,201	4,747	231,616	(4,945)	236,619
Income (loss) before equity in net income (loss) of subsidiaries and taxes	9,450	(4,726)	242,032	4,945	251,701
Equity in net income (loss) of subsidiaries	205,875	(2,971)		(202,904)	
Income (loss) before taxes	215,325	(7,697)	242,032	(197,959)	251,701
Income tax benefit (expense)		10,408	(9,260)		1,148
Net income (loss)	215,325	2,711	232,772	(197,959)	252,849
Net income attributable to redeemable noncontrolling interest - DaVinciRe			(37,524)		(37,524)
Net income (loss) attributable to RenaissanceRe	215,325	2,711	195,248	(197,959)	215,325
Dividends on preference shares	(10,575)				(10,575)
Net income (loss) available (attributable) to RenaissanceRe common shareholders	$ 204,750	$ 2,711	$ 195,248	$ (197,959)	$ 204,750

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

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Condensed Consolidating Statement of Operations For the three months ended September 30, 2009	RenaissanceRe Holdings Ltd. (Parent Guarantor)	RenRe North America Holdings Inc. (Subsidiary Issuer)	Other RenaissanceRe Holdings Ltd. Subsidiaries and Eliminations (Non-guarantor Subsidiaries) (1)	Consolidating Adjustments (2)	RenaissanceRe Consolidated
Revenues					
Net premiums earned	$	$	$ 296,013	$	$ 296,013
Net investment income	2,735	3	104,077		106,815
Net foreign exchange (losses) gains	(1)		1,557		1,556
Equity in earnings of other ventures			4,331		4,331
Other income	417		13,007		13,424
Net realized and unrealized gains on fixed maturity investments	581		16,213		16,794
Net other-than-temporary impairments			(346)		(346)
Total revenues	3,732	3	434,852		438,587
Expenses					
Net claims and claim expenses incurred			38,567		38,567
Acquisition expenses			44,203		44,203
Operational expenses	(2,314)	15	45,483	2,314	45,498
Corporate expenses	(5,533)	47	1,167		(4,319)
Interest expense	2,464	2,500	1,284	(2,500)	3,748
Total expenses	(5,383)	2,562	130,704	(186)	127,697
Income (loss) before equity in net income of subsidiaries and taxes	9,115	(2,559)	304,148	186&nb	