

PLATINUM UNDERWRITERS HOLDINGS LTD  
Form 10-Q  
July 26, 2012

---

---

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended June 30, 2012

OR

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

Commission File Number: 001-31341

Platinum Underwriters Holdings, Ltd.  
(Exact name of registrant as specified in its charter)

Bermuda  
(State or other jurisdiction of  
incorporation or organization)

98-0416483  
(I.R.S. Employer Identification  
No.)

The Belvedere Building  
69 Pitts Bay Road  
Pembroke, Bermuda  
(Address of principal executive  
offices)

HM 08  
(Zip Code)

(441) 295-7195  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if

Edgar Filing: PLATINUM UNDERWRITERS HOLDINGS LTD - Form 10-Q

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  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	<input checked="" type="checkbox"/>	Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	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

The registrant had 33,212,487 common shares, par value \$0.01 per share, outstanding as of July 19, 2012.

---

PLATINUM UNDERWRITERS HOLDINGS, LTD.  
 QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2012

TABLE OF CONTENTS

		Page
<b>PART I – FINANCIAL INFORMATION</b>		
Item 1.	<b>Financial Statements</b>	
	Consolidated Balance Sheets as of June 30, 2012 (Unaudited) and December 31, 2011	1
	Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2012 and 2011 (Unaudited)	2
	Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2012 and 2011 (Unaudited)	3
	Consolidated Statements of Shareholders' Equity for the Six Months Ended June 30, 2012 and 2011 (Unaudited)	4
	Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2012 and 2011 (Unaudited)	5
	Notes to Consolidated Financial Statements for the Three and Six Months Ended June 30, 2012 and 2011 (Unaudited)	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	41
Item 4.	Controls and Procedures	42
<b>PART II – OTHER INFORMATION</b>		
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	42
Item 6.	Exhibits	42
<b>SIGNATURES</b>		43

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Platinum Underwriters Holdings, Ltd. and Subsidiaries  
Consolidated Balance Sheets  
June 30, 2012 and December 31, 2011  
(\$ in thousands, except share data)

	(Unaudited)	
	June 30, 2012	December 31, 2011
<b>ASSETS</b>		
Investments:		
Fixed maturity available-for-sale securities at fair value (amortized cost - \$2,137,666 and \$2,494,710, respectively)	\$2,309,987	\$2,663,574
Fixed maturity trading securities at fair value (amortized cost - \$104,450 and \$115,156, respectively)	113,847	125,126
Short-term investments	167,778	588,834
Total investments	2,591,612	3,377,534
Cash and cash equivalents	1,465,983	792,510
Accrued investment income	24,541	29,440
Reinsurance premiums receivable	145,132	159,387
Reinsurance recoverable on unpaid and paid losses and loss adjustment expenses	4,222	6,302
Prepaid reinsurance premiums	316	8,360
Funds held by ceding companies	111,408	94,546
Deferred acquisition costs	27,620	28,779
Deferred tax assets	25,038	31,613
Other assets	29,065	23,140
Total assets	\$4,424,937	\$4,551,611
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities		
Unpaid losses and loss adjustment expenses	\$2,229,603	\$2,389,614
Unearned premiums	114,759	121,164
Debt obligations	250,000	250,000
Commissions payable	64,304	62,773
Other liabilities	44,444	37,201
Total liabilities	\$2,703,110	\$2,860,752
Shareholders' Equity		
Common shares, \$0.01 par value, 200,000,000 shares authorized, 33,212,487 and 35,526,400 shares issued and outstanding, respectively	\$332	\$355
Additional paid-in capital	227,482	313,730
Accumulated other comprehensive income	148,562	146,635
Retained earnings	1,345,451	1,230,139
Total shareholders' equity	\$1,721,827	\$1,690,859

Total liabilities and shareholders' equity	\$4,424,937	\$4,551,611
--	-------------	-------------

See accompanying notes to consolidated financial statements.

- 1 -

---

Platinum Underwriters Holdings, Ltd. and Subsidiaries  
 Consolidated Statements of Operations (Unaudited)  
 For the Three and Six Months Ended June 30, 2012 and 2011  
 (\$ in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Revenue:				
Net premiums earned	\$145,075	\$172,436	\$283,287	\$355,317
Net investment income	26,155	33,965	54,707	66,343
Net realized gains (losses) on investments	24,978	(4,689 )	47,317	(4,282 )
Total other-than-temporary impairments	(335 )	(548 )	(91 )	500
Portion of impairment losses recognized in accumulated other comprehensive income	(778 )	(1,118 )	(2,092 )	(3,673 )
Net impairment losses on investments				