

WHITE MOUNTAINS INSURANCE GROUP LTD
Form 10-Q
May 04, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the period ended March 31, 2015

OR

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

For the transition period from _____ to _____

Commission file number 1-8993

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

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

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes No

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

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

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

As of May 4, 2015, 5,991,584 common shares with a par value of \$1.00 per share were outstanding (which includes 71,124 restricted common shares that were not vested at such date).

WHITE MOUNTAINS INSURANCE GROUP, LTD.

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Part I. FINANCIAL INFORMATION.

Item 1. Financial Statements

WHITE MOUNTAINS INSURANCE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

(Millions, except share amounts)	March 31, 2015	December 31, 2014
Assets	Unaudited	
Fixed maturity investments, at fair value	\$4,771.9	\$4,784.3
Short-term investments, at amortized cost (which approximates fair value)	929.2	871.7
Common equity securities, at fair value	786.9	801.6
Convertible fixed maturity and preferred investments, at fair value	15.8	20.5
Other long-term investments	402.6	407.0
Total investments	6,906.4	6,885.1
Cash (restricted: \$29.0 and \$23.7)	335.8	373.2
Reinsurance recoverable on unpaid losses	436.9	483.9
Reinsurance recoverable on paid losses	29.8	23.6
Insurance and reinsurance premiums receivable	706.9	547.7
Funds held by ceding entities	99.6	129.0
Investments in unconsolidated affiliates	450.8	414.4
Deferred acquisition costs	192.0	177.1
Deferred tax asset	417.9	456.1
Ceded unearned insurance and reinsurance premiums	145.1	94.0
Accrued investment income	30.4	34.5
Accounts receivable on unsettled investment sales	12.0	56.5
Goodwill and intangible assets	362.6	366.4
Other assets	323.6	356.1
Assets held for sale	58.0	58.1
Total assets	\$10,507.8	\$10,455.7
Liabilities		
Loss and loss adjustment expense reserves	\$3,035.0	\$3,159.8
Unearned insurance and reinsurance premiums	1,102.5	955.3
Debt	749.8	746.6
Deferred tax liability	254.0	282.8
Accrued incentive compensation	100.5	184.6
Ceded reinsurance payable	151.8	105.7
Funds held under insurance and reinsurance contracts	143.3	138.9
Accounts payable on unsettled investment purchases	92.6	2.6
Other liabilities	338.5	341.0
Total liabilities	5,968.0	5,917.3
Equity		
White Mountains's common shareholders' equity		
White Mountains's common shares at \$1 par value per share - authorized 50,000,000 shares;		
issued and outstanding 5,991,584 and 5,986,214 shares	6.0	6.0
Paid-in surplus	1,032.7	1,028.7
Retained earnings	3,080.8	3,010.5
Accumulated other comprehensive income (loss), after tax:		
Equity in net unrealized gains from investment in Symetra common shares	63.8	34.9
Net unrealized foreign currency translation losses	(167.6) (79.8
Pension liability and other	(4.4) (4.6

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Total White Mountains's common shareholders' equity	4,011.3	3,995.7	
Non-controlling interests			
Non-controlling interest - OneBeacon Ltd.	258.8	258.4	
Non-controlling interest - SIG Preference Shares	250.0	250.0	
Non-controlling interest - mutuals and reciprocals	(140.5) (134.3)
Non-controlling interest - other	160.2	168.6	
Total non-controlling interests	528.5		