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Maiden Holdings, Ltd.
Form 10-Q
May 10, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2016

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. 001-34042

MAIDEN HOLDINGS, LTD.
(Exact name of registrant as specified in its charter)

Bermuda 98-0570192
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

131 Front Street, Hamilton, Bermuda HM12
(Address of principal executive offices) (Zip Code)

(441) 298-4900
(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 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 (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

Accelerated filer

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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 Securities Exchange Act). Yes No

As of May 3, 2016, the number of the Registrant's Common Stock (\$.01 par value) outstanding was 73,992,275.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MAIDEN HOLDINGS, LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars, except share and per share data)

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost 2016: \$3,657,447; 2015: \$3,562,864)	\$3,705,631	\$3,508,088
Fixed maturities, held-to-maturity, at amortized cost (fair value 2016: \$620,327; 2015: \$598,975)	607,170	607,843
Other investments, at fair value (cost 2016: \$10,619; 2015: \$10,816)	13,065	11,812
Total investments	4,325,866	4,127,743
Cash and cash equivalents	85,240	89,641
Restricted cash and cash equivalents	145,501	242,859
Accrued investment income	33,775	32,288
Reinsurance balances receivable, net (includes \$263,751 and \$147,365 from related parties in 2016 and 2015, respectively)	598,302	377,318
Reinsurance recoverable on unpaid losses (includes \$1,694 and \$2,177 from related parties in 2016 and 2015, respectively)	83,515	71,248
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses, net (includes \$369,039 and \$341,025 from related parties in 2016 and 2015, respectively)	446,122	397,548
Goodwill and intangible assets, net	81,388	81,920
Other assets	151,989	115,038
Total assets	\$6,119,673	\$5,703,578
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes \$1,495,788 and \$1,443,639 from related parties in 2016 and 2015, respectively)	\$2,572,405	\$2,510,101
Unearned premiums (includes \$1,165,078 and \$1,077,460 from related parties in 2016 and 2015, respectively)	1,571,350	1,354,572
Accrued expenses and other liabilities	165,616	139,873
Senior notes		
Principal amount	360,000	360,000
Less unamortized debt issuance costs	9,973	10,067
Senior notes, net	350,027	349,933
Total liabilities	4,659,398	4,354,479
Commitments and Contingencies		
EQUITY		
Preference shares	480,000	480,000
Common shares (\$0.01 par value: 75,042,178 and 74,735,785 shares issued in 2016 and 2015, respectively; 73,992,275 and 73,721,140 shares outstanding in 2016 and 2015, respectively)	750	747
Additional paid-in capital	580,779	579,178
Accumulated other comprehensive income (loss)	69,470	(23,767)
Retained earnings	333,035	316,184

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Treasury shares, at cost (1,049,903 and 1,014,645 shares in 2016 and 2015, respectively)	(4,991) (4,521)
Total Maiden shareholders' equity	1,459,043	1,347,821	
Noncontrolling interest in subsidiaries	1,232	1,278	
Total equity	1,460,275	1,349,099	
Total liabilities and equity	\$6,119,673	\$5,703,578	

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

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MAIDEN HOLDINGS, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(in thousands of U.S. dollars, except per share data)

For the Three Months Ended March 31,	2016	2015
Revenues:		
Gross premiums written	\$864,114	\$834,266
Net premiums written	\$792,831	\$796,983
Change in unearned premiums	(176,822)	(219,664)
Net premiums earned	616,009	577,319
Other insurance revenue	4,826	4,979
Net investment income	36,302	28,260
Net realized gains on investment	2,277	869
Total revenues	659,414	611,427
Expenses:		
Net loss and loss adjustment expenses	403,621	377,406
Commission and other acquisition expenses	195,068	178,342
General and administrative expenses	15,496	16,197
Interest and amortization expenses		