

RENAISSANCERE HOLDINGS LTD
Form DEF 14A
March 29, 2018
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

RENAISSANCERE HOLDINGS LTD.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

Edgar Filing: RENAISSANCERE HOLDINGS LTD - Form DEF 14A

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

LETTER TO OUR SHAREHOLDERS

In 2017, RenaissanceRe executed well against our strategic plan and strengthened our franchise against the backdrop of a difficult market that was impacted by record-breaking natural catastrophe losses. While we cannot control when these losses happen, we can plan for them. We believe we executed well on the things we could control, demonstrating our commitment to disciplined underwriting and protecting our operations and shareholders with our suite of portfolio optimization tools, which we frequently refer to as our gross-to-net strategy. After the catastrophe events, we demonstrated our superior client service by paying our customers' claims rapidly and being a first call market for new business. We also continued our commitment to the strategic allocation of capital, extending our franchise reach and further diversifying our revenues and operations with new initiatives, rapidly responding to the U.S. tax law changes and remaining focused on our philosophy of matching well-priced risk with the most efficient capital resources available. In sum, we believe RenaissanceRe's long-term franchise value was enhanced by our strong operational performance in 2017.

Our goal is to design competitive and fair compensation packages that align the interests of our executives and employees with those of our shareholders, and we believe the compensation realized by our executives with respect to 2017 reflects our pay-for-performance philosophy. As we would expect in a year of record natural catastrophes, the driver of our overall performance was the multiple catastrophic events occurring in the second half of 2017, coupled with the impact of our long-term investment in our gross-to-net strategy. In excess of two-thirds of our gross losses were ceded to retrocessionaires, shared with third-party capital or offset by reinstatement premiums. In addition to preserving our capital, this strategy was highly efficient. The year, although challenging, was not surprising and we believe our experience and results validate both our view of risk and our long-term strategy. We are encouraged by the strong execution of our strategy and the growth we saw in 2017. We believe we reinforced our position as a market leader and innovator by deepening and broadening our relationships with clients and brokers, investing in innovative new partnerships and deploying efficient capital to bridge the global insured risk gap. Today we have more resources, a broader set of underwriting capabilities, better access to multiple forms of capital and a bigger global footprint than ever before, with globally coordinated underwriting capabilities in Bermuda, New York, Chicago, London, Switzerland and Singapore.

As we celebrate the 25th anniversary of our founding in 2018, we will continue to work diligently towards developing new ways of creating value for clients, brokers and shareholders, while aligning these efforts with long-term shareholder value and responsible risk management.

Thank you for your continued support.

March 29, 2018

Sincerely,

James L. Gibbons

Non-Executive Chair of the Board of Directors

Kevin J. O'Donnell

President and Chief Executive Officer

Table of Contents

RenaissanceRe Holdings Ltd.

Renaissance House

12 Crow Lane

Pembroke HM 19, Bermuda

Phone +1 (441) 295-4513

www.renre.com

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Meeting Agenda:

Date: Monday, May 14, 2018 Elect three Class II director nominees and one Class III director nominee

Time: 8:30 a.m. Atlantic Time Advisory vote on executive compensation

Place: Renaissance House Approve the appointment of our independent registered public accounting firm for fiscal 2018 and the referral of the auditor's remuneration to the Board of Directors
12 Crow Lane

Pembroke HM 19

Bermuda

Any other business that properly comes before the meeting

Record Date: March 14, 2018

Please Vote Your Shares

We encourage shareholders to vote promptly, as this will save the expense of additional

By Telephone

In the United States or Canada you can vote your shares by calling

By Internet

You can vote your shares online at www.proxyvote.com.

By Mail

You can vote by mail by marking, dating and signing your

By Tablet or Smartphone

You can vote your shares online with your tablet or

proxy solicitation. You may vote in the following ways: 1-800-690-6903.

You will need the 12-digit control number on the Notice of Internet Availability or proxy card.

proxy card or voting instruction form and returning it in the postage-paid envelope provided.

smartphone by scanning the QR code above.

Important Notice of Internet Availability of Proxy Materials

This Notice of Annual General Meeting of Shareholders and related proxy materials are being distributed or made available to shareholders beginning on or about March 29, 2018. This includes instructions on how to access these materials (including our proxy statement and 2017 annual report to shareholders) online.

By Order of the Board of Directors,

Stephen H. Weinstein

Corporate Secretary

Table of Contents

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page
<u>Proxy Summary</u>	1
<u>General Information</u>	4
<u>Proposal 1: Election of Directors</u>	7
<u>Corporate Governance</u>	10
<u>Certain Relationships and Related Transactions</u>	19
<u>Director Compensation</u>	21
<u>Executive Officers</u>	23
<u>Executive Compensation</u>	24
<u>Compensation Discussion and Analysis</u>	24
<u>Compensation Committee Report</u>	38
<u>Summary Compensation Table</u>	39
<u>All Other Compensation Table</u>	40
<u>Grants of Plan-Based Awards Table</u>	41
<u>Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table</u>	42
<u>Option Exercises and Stock Vested Table</u>	43
<u>Outstanding Equity Awards at Fiscal Year-End Table</u>	43
<u>Pay Ratio Disclosure</u>	45
<u>Equity Compensation Plan Information</u>	46
<u>Potential Payments Upon Termination or Change in Control</u>	46
<u>Proposal 2: Advisory Vote on Named Executive Officer Compensation</u>	51
<u>Security Ownership</u>	52
<u>Security Ownership of Certain Beneficial Owners and Management</u>	52
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	54
<u>Audit Committee Report</u>	55
<u>Proposal 3: Approval of the Appointment of Independent Registered Public Accounting Firm and Referral of the Determination of the Auditor's Remuneration to the Board of Directors</u>	56
<u>Additional Information</u>	57
<u>Appendix A: Reconciliation of Non-GAAP Financial Measures</u>	A-1

Table of Contents**PROXY SUMMARY****PROXY SUMMARY**

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement carefully before voting.

2018 Annual General Meeting of Shareholders**Date and Time**

May 14, 2018, 8:30 a.m. Atlantic Time

Record Date

March 14, 2018

Place

Renaissance House, 12 Crow Lane,

Pembroke HM 19, Bermuda

Voting Eligibility

Owners of our common shares as of

the record date are entitled to vote on all matters

Voting Items and Board Recommendations

Item	Proposal	Board Vote Recommendation	Page Reference (for more detail)
1.	Election of three Class II director nominees and one Class III director nominee	FOR each nominee	7
2.	Advisory vote on the compensation of our named executive officers	FOR	51
3.	Approval of the appointment of Ernst & Young Ltd. as our independent registered public accounting firm for the 2018 fiscal year and the referral of the auditor's remuneration to the Board of Directors	FOR	56

Corporate Governance Highlights

The Board is elected by the shareholders to oversee management and to assure that the long-term interests of the shareholders are being served.

10 of our 11 current directors are independent (all except the Chief Executive Officer)

Edgar Filing: RENAISSANCERE HOLDINGS LTD - Form DEF 14A

Independent Audit, Compensation and Corporate Governance, and Investment and Risk Management Committees

Independent Non-Executive Chair of the Board

Majority vote standard for uncontested director elections

Meaningful share ownership guidelines for all directors and named executive officers

No-hedging, no-pledging and insider trading policies
Board oversight of enterprise-wide risk management

Active stakeholder engagement

Rigorous director evaluation and selection criteria, which encourage diversity

Robust Code of Ethics and Conduct for all directors and employees

Commitment to leadership in environmental sustainability, climate change and risk mitigation

Long-standing dedication to community engagement and charitable giving

Proxy Statement 1

Table of Contents**PROXY SUMMARY CONTINUED****2017 Strategic, Financial and Operational Highlights**

Strong Strategic Plan Performance. We executed strongly against our strategic plan in 2017, strengthening our client relationships, executing on our gross-to-net strategy, and providing innovative new options to match capital with risk. The long-term benefits of our gross-to-net strategy were illuminated by the catastrophes in 2017, with in excess of two-thirds of our gross losses ceded to retrocessionaires, shared with third-party capital or offset by reinstatement premiums. We expanded our operational footprint and further diversified our revenue streams, entering the life reinsurance and run-off sectors with structured investments which cap our downside risk and provide opportunities for additional future commercial growth. The year, although challenging, was not surprising and we believe our experience and results validate both our view of risk and our long-term strategy.

Underwriting Accomplishments. Our gross premiums written grew 17.8% in 2017 as we continued to strengthen and deepen our customer relationships and helped our clients respond to the catastrophic loss events. Our ability to increase and diversify our product offerings allowed us to broaden our relationships and increase the number of clients that purchase multiple coverages with us. Our organic growth initiatives both fostered these client relationships and accelerated the diversification of our premiums and exposures, with approximately half of our gross premiums written now generated by each of our property and our casualty and specialty segments.

Financial Performance. As we would expect in a year of record natural catastrophes, the driver of our overall performance was the multiple catastrophic events occurring in the second half of 2017. For the year ended December 31, 2017, we generated a net loss available to RenaissanceRe common shareholders of \$244.8 million and an operating loss available to RenaissanceRe common shareholders of \$332.3 million; return on average common equity of negative 5.7% and operating return on average common equity of negative 7.7%; decreases in book value per common share of 8.0% and tangible book value per common share plus accumulated dividends of 7.2%¹;

a combined ratio, the sum of our loss ratio and underwriting expense ratio, of 137.9%; and total shareholder return of negative 6.9%. We ended the year with \$4.4 billion of total shareholders' equity, which does not include the capital we manage on behalf of private investors.

Strong Operational Performance. We also performed well operationally, coordinating across functions to ensure we were able to maintain levels of capital adequacy and liquidity in compliance with various laws and regulations, support rating agency capital requirements, pay valid claims quickly and be adequately capitalized to pursue business opportunities as they arose. We replenished the capital at our operating entities following the 2017 losses without diluting our common shareholders. In addition, we expanded our global footprint by opening a branch in Zurich, Switzerland and continued our participation in initiatives to identify and reduce the risk of potentially adverse legislative and regulatory proposals.

Strong Investment Performance. We built a highly liquid investment portfolio which performed solidly despite uncertainty in the political and market environments, generating total investment return of 3.6% for the year. In addition, we continued to steadily refine our investment portfolio to reflect the growing impact of our casualty and specialty operations, increasing the expected yields on newly deployed cash generated by our operations.

Capital Management. In 2017, we returned approximately \$240 million in shareholders' equity through common share buybacks and dividends, while maintaining strong capital and liquidity positions and our industry-leading financial strength and claims-paying ratings. In addition, we issued \$300 million of 3.45% Senior Notes due July 1, 2027, while paying off the 7.50% Series B Senior Notes of Platinum Underwriters Finance, Inc., which matured, and raised in excess of \$1 billion from third parties in our various managed vehicles. We are proud of our ability to consistently demonstrate that we are good stewards of our shareholders' capital, returning more than \$914 million to our shareholders over the past three years.

¹ *Operating income available to RenaissanceRe common shareholders, operating return on average common equity, and tangible book value per common share plus accumulated dividends are non-GAAP financial measures. A reconciliation of non-GAAP financial measures is included in Appendix A to this proxy statement.*

Table of Contents

PROXY SUMMARY CONTINUED

Compensation Highlights

What We DO:

- ii Tie pay to performance by making a significant portion of target annual compensation for our named executive officers at-risk and performance-based pay (see page 27)
- ii Mitigate risk (see pages 11, 38)
- ii Maintain robust share ownership guidelines (see pages 22, 38)
- ii Have a clawback policy for incentive compensation (see page 37)
- ii Limit the amount of non-employee director compensation (see page 22)
- ii Require minimum vesting periods for equity awards (see pages 26, 34)
- ii Retain an independent compensation consultant (see page 37)
- ii Engage with our shareholders (see page 27)
- ii Have a maximum payout cap for long-term incentives (see page 34)
- ii Have double-trigger severance and vesting in the event of change in control (see pages 26, 47)
- ii Align executive compensation with shareholder returns through long-term incentives (see page 34)
- ii Have a fixed share reserve for equity awards (see page 26)
- ii Set rigorous goals for our performance shares and performance-based annual incentive bonuses (see page 34)

What We DO NOT Do:

- û No vesting of performance shares if threshold performance is not achieved (see pages 26, 34)

- û No performance share payments at or above target for below median performance or if our absolute total shareholder return is negative (see pages 34, 42)

- û No tax gross-ups for excise taxes (see page 26)

- û No tax gross-ups on perquisites (see page 36)

- û No liberal definition of change in control (see page 26)

- û No repricing of stock options and stock appreciation rights without shareholder approval (see page 26)

- û No special retirement programs for executive officers (see page 26)

- û No hedging and no pledging of our shares (see pages 22, 38)

- û No unapproved trading plans (see pages 22, 38)

- û No payment of dividends or dividend equivalents on unvested performance shares (see page 34)

Advisory Vote on Compensation; Shareholder Engagement

We are committed to ensuring that our shareholders fully understand our executive compensation programs, including how they align the interests of our named executive officers with those of our shareholders and how they reward the achievement of our strategic objectives. In the past, shareholders have noted that they generally support our strategy and have consistently expressed support for the structure and design of our compensation plans and programs, particularly our emphasis on long-term equity-based incentive awards, and have said that they appreciate the opportunity to engage in these discussions and our willingness to consider their input in

designing our executive compensation program. Shareholder support of our programs was reflected in the results of the annual advisory say on pay vote at our 2017 Annual General Meeting of Shareholders, where approximately 95% of the votes cast were in support of the compensation of our named executive officers. To ensure that we continue to enjoy the support of our shareholders, we engaged in an extensive shareholder outreach effort in 2017 and early 2018, speaking to or contacting shareholders representing more than 65% of our outstanding shares.

Table of Contents

GENERAL INFORMATION

GENERAL INFORMATION

We are making this proxy statement and proxy available to you in connection with the solicitation of proxies by the board of directors (the **Board**) of RenaissanceRe Holdings Ltd. (RenaissanceRe, the **Company**, **we**, **us**, or **our**) for our 2018 Annual General Meeting of Shareholders (the **Annual Meeting**) to be held at Renaissance House, 12 Crow Lane, Pembroke HM 19, Bermuda on May 14, 2018, at 8:30 a.m. Atlantic Time, or any postponement or adjournment thereof.

This proxy statement summarizes the information you need to know to vote at the Annual Meeting. The notice regarding the availability of proxy materials, this proxy statement, the Notice of Annual General Meeting of Shareholders and the proxy card are first being made available to shareholders on or about March 29, 2018, concurrently with the distribution of our 2017 Annual Report to Shareholders. Our Annual Report shall not be deemed to be part of this proxy statement.

Record Date

The Board has set March 14, 2018 as the record date for the Annual Meeting. On the record date, there were 40,082,013 shares of our common stock outstanding and entitled to vote.

Shareholders Entitled to Vote

If you were the beneficial owner of common shares held in street name, or a shareholder of record with respect to our common shares at the close of business on the record date, you are entitled to notice of, and may vote at, the Annual Meeting. The common shares are our only class of equity securities outstanding and entitled to vote at the Annual Meeting.

Each of our common shares entitles its holder to one vote on each matter that is voted upon at the Annual Meeting or any postponements or adjournments thereof, subject to certain provisions of our Amended and Restated Bye-laws (our **Bye-laws**) that reduce the total voting power of any shareholder owning, directly or indirectly, beneficially or otherwise, as described in our Bye-laws, more than 9.9% of the common shares to not more than 9.9% of the total voting power of our capital stock unless otherwise waived at the discretion of the Board. In addition, the Board may limit a shareholder's voting rights where the Board deems it necessary to do so to avoid adverse tax, legal or regulatory consequences.

The reduction of such voting power may have the effect of increasing another shareholder's voting power to more than 9.9%, thereby requiring a corresponding reduction in such other shareholder's voting power.

Because the applicability of the voting power reduction provisions to any particular shareholder depends on facts and circumstances that may be known only to the shareholder or related persons, we request that any holder of common shares with reason to believe that it is a shareholder whose common shares carry more than 9.9% of the voting power of RenaissanceRe contact us promptly so that we may determine whether the voting power of such holder's common shares should be reduced. The Board is empowered to require any shareholder to provide information as to that shareholder's beneficial ownership of common shares, the names of persons having

beneficial ownership of the shareholder's common shares, relationships with other shareholders or any other facts the directors may consider relevant to the determination of the number of common shares attributable to any person. The Board may disregard the votes attached to common shares of any holder who fails to respond to such a request or who, in the Board's judgment, submits incomplete or inaccurate information. The Board retains the discretion to make such final adjustments that it considers fair and reasonable in all circumstances as to the aggregate number of votes attaching to the common shares of any shareholder to ensure that no shareholder's voting power is more than 9.9% of the total voting power of our capital stock at any time.

These voting power restrictions may be waived by the Board in its sole discretion. To date, the Board has consistently enforced these voting power restrictions and has never granted such a waiver.

Quorum

Two persons present in person and throughout the Annual Meeting representing in person or by proxy more than 50% of the issued common shares entitled to vote on the matters to be considered at the Annual Meeting form a quorum for the transaction of business at the Annual Meeting. Withheld votes for the election of directors, abstentions and broker non-votes (shares held by a broker or nominee that does not have discretionary authority to vote on a particular matter and has not received voting instructions from its client) will be counted for purposes of determining whether a quorum is present.

Vote Required

The Board has adopted a majority vote standard in uncontested director elections, which means that director nominees for whom the number of votes cast FOR that director's election exceeds the number of votes cast AGAINST that director's election (with abstentions and broker non-votes not counted as a vote cast either FOR or AGAINST a director's election) will be elected as directors at the Annual Meeting. In the event that a nominee for election fails to receive a majority of votes cast at an election which is uncontested, such nominee will tender an irrevocable resignation, and the Board will decide whether to accept or reject the resignation no later than ninety (90) days following certification of the election results. Because we did not receive proper advance notice in accordance with our Bye-laws of any shareholder nominees for director, the election of directors solicited hereby is an uncontested election.

Your bank, broker or other nominee is not permitted to vote your shares on any proposal that is considered to be non-routine under the rules of the New York Stock Exchange (the NYSE) unless it has received your specific voting instructions with respect to that proposal. For routine matters, unless your proxy indicates otherwise, the persons named as your proxies will vote your shares according to the recommendation of the Board.

A hand vote will be taken unless a poll is requested pursuant to the Bye-laws.

4 *Proxy Statement*

Table of Contents**GENERAL INFORMATION CONTINUED**

The following table summarizes the voting options, vote required for approval and effect of abstentions and broker non-votes for each proposal to be considered at the Annual Meeting:

Proposal	Board Recommendation	Voting Options	Voting Approval Standard	Effect of Abstentions	Broker Discretionary Voting Allowed?	Effect of Broker Non-Votes
Election of three Class II director nominees and one Class III director nominee	FOR each nominee	FOR, AGAINST or ABSTAIN for each director nominee	The number of votes cast FOR that director's election exceeds the number of votes cast AGAINST that director's election as a director at the Annual Meeting	No effect	No	No effect
Advisory vote on the compensation of our named executive officers	FOR	FOR, AGAINST or ABSTAIN	Majority of the votes cast at the Annual Meeting	No effect	No	No effect
Approval of the appointment of Ernst & Young Ltd. as our independent registered public accounting firm for the 2018 fiscal year and the referral of the auditor's remuneration to the Board	FOR	FOR, AGAINST or ABSTAIN	Majority of the votes cast at the Annual Meeting	No effect	Yes	Not applicable

How to Vote

Shareholder of Record. If your common shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares, and the notice was sent directly to you by Broadridge Financial Solutions, Inc., our tabulation agent and inspector of election.

If you are a shareholder of record, you may vote in person at the Annual Meeting, in which case we will give you a ballot when you arrive. If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote (1) by proxy over the Internet by following the instructions provided in the notice; or (2), if you requested printed copies of the proxy materials by mail, you must either (a) fill out the enclosed proxy card, date and sign it and return it in the enclosed postage paid envelope; or (b) vote using the Internet (instructions are on the proxy card).

Beneficial Owner of Common Shares Held in Street Name. If your common shares are held in an account at a brokerage firm, bank, broker-dealer or similar organization, then you are the beneficial owner of common share