

Flagstone Reinsurance Holdings Ltd
Form 10-Q
August 09, 2007

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

Form 10-Q

b **QUARTERLY REPORT PURSUANT TO SECTION 13**
OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934
For the quarterly period ended June 30, 2007

OR

o **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 001-33364

Flagstone Reinsurance Holdings Limited
(Exact Name of Registrant as Specified in Its Charter)

Bermuda
*(State or Other Jurisdiction of
Incorporation or Organization)*

98-0481623
*(I.R.S. Employer
Identification No.)*

Crawford House
23 Church Street
Hamilton HM 11
Bermuda
(Address of Principal Executive Offices)

Registrant's telephone number, including area code:
(441) 278-4300
(Former Address)

Securities registered pursuant to Section 12(b) of the Act:
Common Shares, par value 1 cent per share
Name of exchange on which registered:

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

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 August 9, 2007 the Registrant had 85,297,891 common voting shares outstanding, with a par value of \$0.01 per share.

FLAGSTONE REINSURANCE HOLDINGS LIMITED
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Index**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements****FLAGSTONE REINSURANCE HOLDINGS LIMITED****UNAUDITED CONSOLIDATED BALANCE SHEETS**

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

ASSETS

Investments:

Fixed maturities, at
fair value

(Amortized cost:

2007 - \$992,567;

2006 - \$686,288) \$ 978,660

Short term

investments, at fair

value (Cost: 2007 -
\$25,683; 2006 -

\$nil) 25,583

Equity investments,

at fair value (Cost:

2007 - \$25,171;

2006 - \$nil) 28,766

Other investments 157,438

Total Investments 1,190,447

Cash and cash

equivalents 422,045

Reinsurance

premium balances

receivable 220,229

Unearned premiums

ceded 4,211

Accrued interest

receivable 7,719

Receivable for

investments sold —

Deferred acquisition

costs 34,186

Funds withheld 5,138

Goodwill 6,602

Other assets 17,580

Due from related

parties 2,291

Total Assets	\$ 1,910,448
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LIABILITIES

Loss and loss adjustment expense reserves	\$ 135,143
Unearned premiums	269,020
Insurance and reinsurance balances payable	883
Payable for investments purchased	1,201
Long term debt	238,290
Other liabilities	17,164
Due to related parties	1,283
Total Liabilities	662,984

Minority Interest	161,619
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**SHAREHOLDERS'
EQUITY**

Common voting shares, 150,000,000 authorized, \$0.01 par value, issued and outstanding (2007 - 85,297,891; 2006 - 71,547,891)	853
Additional paid-in capital	901,279

#1 is equal to the carrying amounts in the accompanying financial statements due to the sho

NOTE 4 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

NOTE 5 – INCOME TAX STATUS

The Plan has adopted a prototype plan that has received an opinion letter from the Internal Revenue Service dated March 31, 2014. The Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and that the trust, which forms a part of the Plan, is exempt from federal taxes. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 6 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500:

	December 31,	
	2017	2016
Net assets available for benefits per the financial statements	\$359,790,602	\$263,795,213
Employer's contribution receivable not accrued on Schedule H of Form 5500	(5,742,087)	(5,368,587)
Benefits payable accrued on Schedule H of Form 5500 but not on financial statements	—	(259,116)
Excess participant contributions payable not accrued on Schedule H of Form 5500	—	42,341
Net assets available for benefits per Schedule H of Form 5500	\$354,048,515	\$258,209,851

The following are reconciliations of employer and participant contributions and distributions per the financial statements for the year ended December 31, 2017 to Schedule H of Form 5500:

	Year Ended December 31, 2017
Employer contributions per the financial statements	\$5,742,087
Plus 2016 employer contributions received by the Plan in 2017 not accrued on Schedule H of Form 5500	5,368,587
Less 2017 employer contributions received by the Plan in 2017 and not accrued on Schedule H of Form 5500	(5,742,087)
Employer contributions per Schedule H of Form 5500	\$5,368,587
	Year Ended December 31, 2017
Benefits paid to participants per the financial statements	\$27,921,512
Less benefits payable accrued for 2016	(259,116)
Excess contributions during 2017 relating to 2016	42,341
Total benefits paid per the Schedule H of Form 5500	\$27,704,737

NOTE 7 – TRANSACTIONS WITH PARTIES-IN-INTEREST AND RELATED PARTIES

Transactions in shares of the Plan Sponsor's Common Stock qualify as party-in-interest transactions under the provisions of ERISA. During 2017, the Plan purchased \$3,107,198 and sold \$6,347,536 of the Plan Sponsor's Common Stock. Shares held of Company's stock as of December 31, 2017 and 2016 totaled 230,697 and 265,092, respectively. The fair value of Common Stock as of December 31, 2017 and 2016 totaled \$26,224,670 and \$25,689,584, respectively.

Certain Plan investments are managed by Bank of America Merrill Lynch, the trustee of the plan. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

NOTE 8 – PLAN MERGER

In 2017, the Baierl Chevrolet, Inc. 401(k) Retirement Plan, a plan sponsored by the Baierl Automotive Group which was acquired by Lithia, was merged with the Plan. Accordingly, assets of \$27,264,763 were transferred into the Plan on August 1, 2017.

LITHIA MOTORS, INC.
SALARY REDUCTION PROFIT SHARING PLAN
SCHEDULE H, LINE 4I-SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2017
EIN 93-0572810 PN 003

SUPPLEMENTAL SCHEDULE OF ASSETS

(a) lessor, or similar party	(b) Identity of issue, borrower,	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value Rounded
*	Bank of America, N.A.	Interest-bearing Cash	N/A	\$7,188,361
*	Lithia Motors, Inc. Class A Common Stock	Common Stock	N/A	26,224,670
	State Street U.S. Bond Index	Common Collective Trusts	N/A	1,825,227
	State Street S&P 500 Index	Common Collective Trusts	N/A	41,257,403
	State Street Russell Small/Mid C	Common Collective Trusts	N/A	8,056,382
	State Street Small Cap Index	Common Collective Trusts	N/A	4,242,749
	Blackrock MSCI ACWI EX US CL M	Common Collective Trusts	N/A	1,015,169
	American EuroPacific Growth R6	Mutual Funds	N/A	9,846,621
	American Small Cap World	Mutual Funds	N/A	9,116,984
	Vanguard Mid Cap Growth Fund	Mutual Funds	N/A	10,872,792
	Pimco Low Duration Fund Inst Class	Mutual Funds	N/A	3,244,895
	Goldman Sachs High Yield I	Mutual Funds	N/A	3,447,528
	Vanguard Selected Value Fund	Mutual Funds	N/A	5,343,400
	American Century Inflation Adjusted	Mutual Funds	N/A	2,342,920
	T Rowe Price Blue Chip Growth	Mutual Funds	N/A	18,303,660
	John Hancock Disciplined R6	Mutual Funds	N/A	9,789,172
	Oppenheimer Developing Fund I	Mutual Funds	N/A	5,528,146
	MFS Total Return Fund R6	Mutual Funds	N/A	25,824,457
	JP Morgan 2055 Smart Retirement R6	Mutual Funds	N/A	9,218,080
	JP Morgan 2025 Smart Retirement R6	Mutual Funds	N/A	21,088,716
	JP Morgan 2045 Smart Retirement R6	Mutual Funds	N/A	12,140,605
	JP Morgan Income Smart Retirement R6	Mutual Funds	N/A	14,125,203
	JP Morgan 2030 Smart Retirement R6	Mutual Funds	N/A	22,712,083
	JP Morgan 2050 Smart Retirement R6	Mutual Funds	N/A	12,596,382

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JP Morgan 2020 Smart Retirement R6	Mutual Funds	N/A 16,670,180
JP Morgan 2040 Smart Retirement R6	Mutual Funds	N/A 19,287,131
JP Morgan 2035 Smart Retirement R6	Mutual Funds	N/A 15,872,579
JP Morgan 2060 Smart Retirement R6	Mutual Funds	N/A 473,100
Janus Henderson Flexible Bond N	Mutual Funds	N/A 1,310,878
Columbia Small Cap Value Fund Y	Mutual Funds	N/A 1,020,817
* Participants	Participant Notes Receivable (3.25% - 6.00%)	N/A 14,062,225 \$354,048,515

N/A - Cost is not applicable as these are participant directed investments

* - Party-in-interest to the plan

See Notes to Financial Statements and Report of Independent Registered Accounting Firm

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EXHIBIT INDEX

Exhibit Description

23 Consent of Independent Registered Public Accounting Firm

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: June 15, 2018 LITHIA MOTORS, INC.

SALARY REDUCTION PROFIT SHARING PLAN

By: /s/ Carla Hegler
Carla Hegler