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RENAISSANCERE HOLDINGS LTD
Form 8-K
July 24, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 22, 2003

RenaissanceRe Holdings Ltd.

(Exact name of registrant as specified in its charter)

Bermuda -----	34-0-26512 -----	98-014-1974 -----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Renaissance House
8-12 East Broadway, Pembroke
Bermuda

HM 19

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (441) 295-4513

Not Applicable

(Former name or former address, if changed since last report)

Item 9. Regulation FD Disclosure

The following information, including the text of the press release attached as an Exhibit to this Form 8-K, are being furnished pursuant to Item 12, "Results of Operations and Financial Condition," and Item 9 pursuant to the interim guidance issued by the Securities and Exchange Commission in Release Nos. 33-8216 and 34-47583. This Form 8-K and the attached exhibit are furnished to, but not filed with, the Securities and Exchange Commission.

On July 22, 2003, RenaissanceRe Holdings Ltd. (the "Company") issued a press release (the "Press Release") announcing the Company's preliminary results for its quarter ended June 30, 2003. A copy of the Press Release is attached as Exhibit 99.1 to this Form 8-K.

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Non-GAAP Financial Measures

In addition to the GAAP financial measures set forth in the Press Release, the Company has included certain non-GAAP financial measures in the Press Release within the meaning of Regulation G. The Company has consistently provided these financial measurements in previous earnings releases and the Company's management believes that these measurements are important to investors and other interested persons, and that investors and such other persons benefit from having a consistent basis for comparison between quarters and for comparison with other companies in the industry. These measures may not, however, be comparable to similarly titled measures used by companies outside of the insurance industry. Investors are cautioned not to place undue reliance on these non-GAAP measures in assessing the Company's overall financial performance.

The Company has included in the Press Release "net operating income available to common shareholders" of \$124.4 million in the second quarter of 2003 (as compared with \$93.3 million in the second quarter of 2002) and of \$251.3 million for the six-month period ended June 30, 2003 (as compared with \$179.9 million for the six-month period ended June 30, 2002). The Company has also included in the Press Release "operating income per common share" of \$1.75 during in the second quarter of 2003 (as compared with \$1.33 per common share in the second quarter of 2002, and of \$3.55 for the six-month period ended June 30, 2003 (as compared with \$2.57 for the six-month period ended June 30, 2002). Each of these measures is a non-GAAP financial measure.

The Company uses "operating income" as a measure to evaluate the underlying fundamentals of its operations and believes it to be a useful measure of its corporate performance. "Operating income" differs from "net income," which the Company believes is the most directly comparable GAAP measure, only by the exclusion of realized gains and losses on investments. In the Press Release, the Company provides that "net income available to common shareholders" was \$180.2 million in the second quarter of 2003 (as compared with \$96.2 million in the second quarter of 2002) and was \$331.4 million for the six-month period ended June 30, 2003 (as compared with \$174.3

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million for the six-month period ended June 30, 2002). The Company also provides in the Press Release that "net income per common share" was \$2.54 in the second quarter of 2003 (as compared with \$1.37 per common share for the second quarter of 2002) and was \$4.68 for the six-month period ended June 30, 2003 (as compared with \$2.49 for the six-month period ended June 30, 2002). In addition to the reasons for this presentation set forth above, the Company's management also believes that presentation of "operating income" is useful to investors because it more accurately measures and predicts the Company's results of operations by removing the variability arising from fluctuations in the registrant's investment portfolio and by removing non-recurring matters such as changes in accounting principles, which are not considered by management to be a relevant indicator of business operations.

The Company has also included in the Press Release "summary of all income from joint venture relationships" of \$31.6 million in the second quarter of 2003 (as compared with \$28.9 million in the second quarter of 2002) and of \$67.7

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million for the six-month period ended June 30, 2003 (as compared with \$51.2 million for the six-month period ended June 30, 2002), which is a non-GAAP financial measure. The principal differences between "summary of all income from joint venture relationships" and "other income," which the Company believes is the most directly comparable GAAP measure, are that the results of DaVinci Reinsurance Ltd., a joint venture the financial results of which are consolidated in the Company's financial statements, are reflected in "summary of all income from joint venture relationships" as if reported under the equity accounting method, and that this presentation also includes fees earned on certain quota share cessions of catastrophe business by the Company which are reflected on its income statement as a reduction of acquisition and operational expenses. In the Press Release, the Company provides that "other income" was \$7.2 million in the second quarter of 2003 (as compared with \$8.1 million during the second quarter of 2002) and was \$12.7 million for the six-month period ended June 30, 2003 (as compared with \$16.3 million for the six-month period ended June 30, 2002).

The Press Release also sets forth a revised estimate of "operating earnings per common share" for 2003 in the range of \$6.35 and \$6.60 versus a previous forecast of \$5.30 to \$5.70, assuming normal loss levels for the balance of 2003. The forecast of "operating earnings per common share" for 2003 is a non-GAAP financial measure and excludes realized gains on investments of \$80.2 million for the first six months of 2003 and all realized gains and losses on investments for the final six months of 2003. The Company is unable to forecast "net income per common share for 2003", which the Company believes is the most directly comparable GAAP measure, as predictions as to the amount of realized gains and losses on investments for the final six months of 2003 are dependent on the performance of the financial markets.

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Item 7. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

The following exhibits are filed as part of this report:

Exhibit #	Description
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99.1*	Copy of Company's press release, issued July 22, 2003.

- * Exhibit 99.1 is being furnished to the Securities and Exchange Commission ("SEC") pursuant to Item 12 and is not being filed with the SEC. Therefore, this exhibit is not incorporated by reference in any of the registrant's other SEC filings.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RENAISSANCERE HOLDINGS LTD.

Date: July 24, 2003

By: /s/ John M. Lummis

Name: John M. Lummis
Title: Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

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