

Global Indemnity plc  
Form 10-Q  
May 10, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the Quarterly Period Ended March 31, 2013

OR

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

001-34809

Commission File Number

**GLOBAL INDEMNITY PLC**

(Exact name of registrant as specified in its charter)

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**Ireland**  
(State or other jurisdiction of  
incorporation or organization)

**98-0664891**  
(I.R.S. Employer  
Identification No.)

**25/28 NORTH WALL QUAY**

**DUBLIN 1**

**IRELAND**

(Address of principal executive office)

**353 (0) 1 649 2000**

(Registrant's telephone number)

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 (§232.405 of this chapter) 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

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 3, 2013, the registrant had outstanding 16,158,012 A Ordinary Shares and 12,061,370 B Ordinary Shares.

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**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****GLOBAL INDEMNITY PLC****Consolidated Balance Sheets**

(In thousands, except share amounts)

	(Unaudited) March 31, 2013	December 31, 2012
<b>ASSETS</b>		
Fixed maturities:		
Available for sale, at fair value (amortized cost: \$1,209,914 and \$1,187,094)	\$ 1,250,110	\$ 1,229,322
Equity securities:		
Available for sale, at fair value (cost: \$172,044 and \$167,179)	216,863	197,075
Other invested assets:		
Available for sale, at fair value (cost: \$3,059 and \$3,049)	3,105	3,132
Total investments	1,470,078	1,429,529
Cash and cash equivalents	69,321	104,460
Premiums receivable, net	56,732	45,162
Reinsurance receivables, net	239,684	241,827
Federal income taxes receivable	7,493	6,844
Deferred federal income taxes	5,770	10,824
Deferred acquisition costs	22,261	18,265
Intangible assets	18,255	18,343
Goodwill	4,820	4,820
Prepaid reinsurance premiums	4,726	5,945
Other assets	18,541	17,684
Total assets	\$ 1,917,681	\$ 1,903,703

**LIABILITIES AND SHAREHOLDERS EQUITY**

<b>Liabilities:</b>		
Unpaid losses and loss adjustment expenses	\$ 864,167	\$ 879,114
Unearned premiums	108,378	94,114
Ceded balances payable	2,843	4,201
Contingent commissions	8,174	9,911
Payable for securities purchased	1,269	2,634
Notes and debentures payable	84,929	84,929
Other liabilities	20,273	22,182
Total liabilities	1,090,033	1,097,085

Commitments and contingencies (Note 10)

**Shareholders equity:**

Ordinary shares, \$0.0001 par value, 900,000,000 ordinary shares authorized; A ordinary shares issued: 16,148,047 and 16,087,939, respectively; A ordinary shares outstanding: 13,089,793 and 13,030,938, respectively; B ordinary shares issued and outstanding: 12,061,370 and 12,061,370, respectively

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Additional paid-in capital	513,548	512,304
Accumulated other comprehensive income, net of taxes	60,799	53,350
Retained earnings	354,536	342,171
A ordinary shares in treasury, at cost: 3,058,254 and 3,057,001 shares, respectively	(101,238)	(101,210)
Total shareholders' equity	827,648	806,618
Total liabilities and shareholders' equity	\$ 1,917,681	\$ 1,903,703

See accompanying notes to consolidated financial statements.

**Table of Contents****GLOBAL INDEMNITY PLC****Consolidated Statements of Operations**

(In thousands, except shares and per share data)

	(Unaudited)	
	Quarters Ended March 31, 2013	2012
<b>Revenues:</b>		
Gross premiums written	\$ 74,939	\$ 57,758
Net premiums written	\$ 71,478	\$ 50,281
Net premiums earned	\$ 55,996	\$ 64,470
Net investment income	10,034	11,417
Net realized investment gains:		
Other than temporary impairment losses on investments	(43)	(2,293)
Other than temporary impairment losses on investments recognized in other comprehensive income		541
Other net realized investment gains	5,800	3,513
Total net realized investment gains	5,757	1,761
Other income (loss)	54	(352)
Total revenues	71,841	77,296
<b>Losses and Expenses:</b>		
Net losses and loss adjustment expenses	31,788	42,009
Acquisition costs and other underwriting expenses	24,477	23,167
Corporate and other operating expenses	2,345	2,488
Interest expense	1,173	1,478
Income before income taxes	12,058	8,154
Income tax benefit	(307)	(2,708)
Net income	\$ 12,365	\$ 10,862
<b>Per share data:</b>		
Net income		
Basic	\$ 0.49	\$ 0.38
Diluted	\$ 0.49	\$ 0.38
Weighted-average number of shares outstanding		
Basic	25,055,116	28,617,087
Diluted	25,099,044	28,639,277

See accompanying notes to consolidated financial statements.



**Table of Contents****GLOBAL INDEMNITY PLC****Consolidated Statements of Comprehensive Income**

(In thousands)

	<b>(Unaudited)</b>	
	<b>Quarters Ended</b>	
	<b>March 31,</b>	
	<b>2013</b>	<b>2012</b>
Net income	\$ 12,365	\$ 10,862
Other comprehensive income, net of taxes:		
Unrealized holding gains	11,253	20,050
Portion of other-than-temporary impairment losses recognized in other comprehensive income	(1)	(535)
Recognition of previously unrealized holding gains	(3,771)	(1,781)
Unrealized foreign currency translation losses	(32)	(47)
Other comprehensive income, net of taxes	7,449	17,687
Comprehensive income, net of taxes	\$ 19,814	\$ 28,549

See accompanying notes to consolidated financial statements.



**Table of Contents****GLOBAL INDEMNITY PLC****Consolidated Statements of Changes in Shareholders' Equity**

(In thousands, except share amounts)

	(Unaudited) Quarter Ended March 31, 2013	Year Ended December 31, 2012
<b>Number of A ordinary shares issued:</b>		
Number at beginning of period	16,087,939	21,429,683
Ordinary shares issued under share incentive plans	60,108	29,675
Ordinary shares retired		(5,371,419)
Number at end of period	16,148,047	16,087,939
<b>Number of B ordinary shares issued:</b>		
Number at beginning and end of period	12,061,370	12,061,370
<b>Par value of A ordinary shares:</b>		
Balance at beginning and end of period	\$ 2	\$ 2
<b>Par value of B ordinary shares:</b>		
Balance at beginning and end of period	\$ 1	\$ 1
<b>Additional paid-in capital:</b>		
Balance at beginning of period	\$ 512,304	\$ 621,917
Share compensation plans	1,244	2,582
A ordinary shares retired		(112,195)
Balance at end of period	\$ 513,548	\$ 512,304
<b>Accumulated other comprehensive income, net of deferred income tax:</b>		
Balance at beginning of period	\$ 53,350	\$ 40,174
<b>Other comprehensive income:</b>		
Change in unrealized holding gains	7,482	13,218
Change in other than temporary impairment losses recognized in other comprehensive income	(1)	(14)
Unrealized foreign currency translation losses	(32)	(28)
Other comprehensive income	7,449	13,176