

XL GROUP PLC  
Form 10-Q  
May 07, 2013

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

FORM 10-Q

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 \_\_\_\_\_

Commission file number 1-10804

XL GROUP

Public Limited Company

(Exact name of registrant as specified in its charter)

Ireland

(State or other jurisdiction of  
incorporation or organization)

No. 1 Hatch Street Upper, 4th Floor, Dublin 2, Ireland

(Address of principal executive offices and zip code)

+353 (1) 405-2033

(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

(§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. (Check one):

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, there were 289,702,885 outstanding Ordinary Shares, \$0.01 par value per share, of the registrant.

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## PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS  
 XL GROUP PLC  
 UNAUDITED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands, except share data)	March 31, 2013	December 31, 2012
<b>ASSETS</b>		
Investments:		
Fixed maturities, at fair value (amortized cost: 2013: \$26,188,523; 2012: \$26,544,806)	\$27,349,185	\$27,846,920
Equity securities, at fair value (cost: 2013: \$790,132; 2012: \$617,486)	850,970	649,359
Short-term investments, at fair value (amortized cost: 2013: \$260,021; 2012: \$322,563)	258,269	322,703
Total investments available for sale	\$28,458,424	\$28,818,982
Fixed maturities, held to maturity at amortized cost (fair value: 2013: \$3,086,378; 2012: \$3,262,804)	2,661,821	2,814,447
Investments in affiliates	1,225,840	1,126,875
Other investments	1,142,188	1,219,879
Total investments	\$33,488,273	\$33,980,183
Cash and cash equivalents	2,473,287	2,618,378
Accrued investment income	316,718	342,778
Deferred acquisition costs	732,218	675,705
Ceded unearned premiums	646,269	587,909
Premiums receivable	3,156,137	2,568,861
Reinsurance balances receivable	99,337	58,428
Unpaid losses and loss expenses recoverable	3,341,855	3,382,101
Receivable from investments sold	39,659	16,002
Goodwill and other intangible assets	406,748	408,527
Deferred tax asset	172,446	166,142
Other assets	649,316	582,765
Total assets	\$45,522,263	\$45,387,779
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities:		
Unpaid losses and loss expenses	\$20,177,581	\$20,484,121
Deposit liabilities	1,527,323	1,551,398
Future policy benefit reserves	4,550,916	4,812,045
Unearned premiums	4,342,664	3,755,920
Notes payable and debt	1,672,206	1,672,778
Reinsurance balances payable	267,472	143,112
Payable for investments purchased	145,854	102,112
Deferred tax liability	110,984	141,803
Other liabilities	895,417	868,093
Total liabilities	\$33,690,417	\$33,531,382
Commitments and Contingencies		
Shareholders' Equity:		
Ordinary shares, 999,990,000 authorized, par value \$0.01; issued and outstanding: (2013: 291,831,433; 2012: 298,681,573)	\$2,918	\$2,987

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Additional paid in capital	8,371,527	8,584,753
Accumulated other comprehensive income	1,405,110	1,520,011
Retained earnings (deficit)	707,791	402,321
Shareholders' equity attributable to XL Group plc	\$10,487,346	\$10,510,072
Non-controlling interest in equity of consolidated subsidiaries	1,344,500	1,346,325
Total shareholders' equity	\$11,831,846	\$11,856,397
Total liabilities and shareholders' equity	\$45,522,263	\$45,387,779
See accompanying Notes to Unaudited Consolidated Financial Statements		

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XL GROUP PLC  
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(U.S. dollars in thousands, except per share data)	Three Months Ended	
	March 31, 2013	2012
Revenues:		
Net premiums earned	\$1,529,691	\$1,436,418
Net investment income	246,469	265,242
Realized investment gains (losses):		
Net realized gains (losses) on investments sold	41,147	41,768
Other-than-temporary impairments on investments	(3,727	) (18,565
Other-than-temporary impairments on investments transferred to (from) other comprehensive income	(910	) (2,400
Total net realized gains (losses) on investments	\$36,510	\$20,803
Net realized and unrealized gains (losses) on derivative instruments	7,885	702
Income (loss) from investment fund affiliates	32,221	19,408
Fee income and other	9,632	9,859
Total revenues	\$1,862,408	\$1,752,432
Expenses:		
Net losses and loss expenses incurred	\$843,084	\$854,065
Claims and policy benefits	110,954	121,307
Acquisition costs	220,259	224,151
Operating expenses	283,833	282,411
Exchange (gains) losses	(33,435	)