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RENAISSANCERE HOLDINGS LTD

Form 8-K

October 22, 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): October 21, 2003  
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RENAISSANCERE HOLDINGS LTD.  
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(Exact name of registrant as specified in its charter)

Bermuda ----- (State or other jurisdiction of incorporation)	34-0-26512 ----- (Commission File Number)	98-014-1974 ----- (IRS Employer Identification No.)
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Renaissance House  
8-12 East Broadway, Pembroke  
Bermuda  
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HM 19  
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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (441) 295-4513  
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Not Applicable  
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(Former name or former address, if changed since last report)

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 -----
99.1*	Copy of Company's press release, issued October 21, 2003.

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- \* 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.

### ITEM 12. RESULTS OF OPERATION AND FINANCIAL CONDITION.

On October 21, 2003, RenaissanceRe Holdings Ltd. (the "Company") issued a press release (the "Press Release") announcing the Company's preliminary results for its quarter ended September 30, 2003. A copy of the press release is attached hereto as Exhibit 99.1 to this Form 8-K. This Form 8-K and Exhibit 99.1 hereto are furnished pursuant to Item 12 of Form 8-K and are therefore not considered "filed" with the Securities and Exchange Commission.

#### Non-GAAP Financial Measures

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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 measure in assessing the Company's overall financial performance.

The Company has included in the Press Release "net operating income available to common shareholders" of \$112.0 million in the third quarter of 2003 (as compared with \$78.0 million in the third quarter of 2002) and of \$372.8 million for the nine-month period ended September 30, 2003 (as compared with \$258.0 million for the nine-month period ended September 30, 2002). The Company has also included in the Press Release "operating income per common share" of \$1.57 during the third quarter of 2003 (as compared with \$1.11 per common share during the third quarter of 2002) and \$5.25 for the nine-month period ended September 30, 2003 (as compared with \$3.68 per common share for the nine-month period ended September 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 and the cumulative effect of a change in the Company's accounting for goodwill of \$9.2 million in the first quarter of 2002. In the Press Release, the Company provides that "net income available to common shareholders" was \$113.2 million in the third quarter of 2003 (as compared with \$88.2 million in the third quarter of 2002) and was \$444.7 million for the nine-month period ended September 30, 2003 (compared to \$262.6 million for the nine-month period ended September 30, 2002). The Company also provides in the Press Release that "net income available to common shareholders" was \$1.59 per common share in the third quarter of 2003 (as compared with \$1.26 per common share for the third quarter of 2002) and was

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\$6.27 per common share for the nine-month period ended September 30, 2003 (as

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compared with \$3.75 per common share for the nine-month period ended September 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 \$32.6 million in the third quarter of 2003 (as compared with \$29.8 million in the third quarter of 2002) and of \$100.3 million for the nine-month period ended September 30, 2003 (as compared with \$81.0 million for the nine-month period ended September 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 \$8.0 million in the third quarter of 2003 (as compared with \$8.0 million during the third quarter of 2002) and was \$20.7 million for the nine-month period ended September 30, 2003 (as compared with \$24.2 million for the nine-month period ended September 30, 2002).

The Company has also included in the Press Release "operating return on average equity (annualized)" of 23.9% for the third quarter of 2003 (as compared with 24.2% for the third quarter of 2002) and 28.9% for the nine-month period ended September 30, 2003 (as compared with 28.7% for the nine-month period ended September 30, 2002), which is a non-GAAP financial measure. The principal differences between "operating return on average equity (annualized)" and "return on equity," which the Company believes is the most directly comparable GAAP measure, are that "operating return on average equity" excludes realized gains on investments and the cumulative effect of a change in the Company's accounting for goodwill of \$9.2 million in the first quarter of 2002. "Return on equity" was 24.1% in the third quarter of 2003 (as compared with 27.3% for the third quarter of 2002) and was 34.5% for the nine-month period ended September 30, 2003 (as compared with 29.2% for the nine-month period ended September 30, 2002).

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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: October 22, 2003

By: /s/ John M. Lummis

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

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INDEX TO EXHIBITS

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