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JRVR - Q3 2016 James River Group Holdings Ltd Earnings Call

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CORPORATE PARTICIPANTS

Kevin Copeland *James River Group Holdings, Ltd. - Head of IR*

Adam Abram *James River Group Holdings, Ltd. - Chairman, CEO*

Robert Myron *James River Group Holdings, Ltd. - President, Chief Operating Officer*

CONFERENCE CALL PARTICIPANTS

Randy Binner *FDR & Co - Analyst*

Mark Hughes *SunTrust - Analyst*

Charles Sebaski *BMO Capital Markets - Analyst*

Christopher Campbell *Keefe, Bruyette, & Woods - Assistant VP*

PRESENTATION

Operator

Good morning. My name is Andrew, and I'll be your conference operator today. At this time, I'd like to welcome everyone to the third quarter 2016 James River Group Holdings, Ltd. earnings conference call

(Operator Instructions)

Kevin Copeland, Head of Investor Relations, you may begin your conference.

Kevin Copeland - *James River Group Holdings, Ltd. - Head of IR*

Thank you, Andrew. Good morning, everyone. Welcome to the James River Group third quarter 2016 earnings conference call. During the call, we will be making forward-looking statements. These statements are based on current beliefs, intentions, expectations and assumptions that are subject to various risks and uncertainties, which may cause actual results to differ materially.

For a discussion of such risks and uncertainties, please see the cautionary language regarding forward-looking statements in yesterday's earnings release, and the Risk Factor section of our most recent Form 10-K, Form 10-Qs and other reports and filings we make with the Securities and Exchange Commission. We do not undertake any duty to update any forward-looking statements.

I will now turn the call over to Adam Abram, Chairman and CEO of James River Group.

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Thank you, Kevin. Welcome to our third quarter earnings report. I'm joined by Bob Myron, our President and Chief Operating Officer; and Gregg Davis, our Chief Financial Officer. We all want to thank our colleagues for another excellent quarter. We thought we might frame the discussion with a few opening comments and then we look forward to answering any questions that you may have about the quarter.

Over the course of a long history in this industry, we've come to the conclusion that the best way to deliver value to our shareholders is by reliably and consistently generating a high-risk adjusted, low volatility return on tangible equity. We enjoy the fact that our model generates substantial earnings that we can consistently use to reward investors in the form of dividends. This quarter, our Board raised the quarterly dividend by 50% to $0.30 per share and declared $1.35 per share special dividend.

This will bring the per share payout for 2016 to $2.25 per share. And with this announced dividend, we will have paid $3.89 per share in dividends since going public in 2014. Our guidance, which we generally announce, which we actually always announce annually in the first quarter of each year, is that in 2016, we will make a 12% or greater return on tangible equity and deliver a 92% to 95% combined ratio for the entire Company. We're on track to meet or exceed those goals.

I emphasized the words reliably and consistently above, and that was intentional. We're an underwriting Company. Our focus is and always has been on making consistent underwriting profits where our margins and returns on equity do not vary much year-to-year. We can only achieve high confidence levels at our underwriting results if we maintain a cautious approach to reserving. We've been growing rapidly in 2016. Through three quarters, we reported 14% growth in total net written premiums.

We're confident that growth has come at good rate per unit of exposure, and much of it has been accompanied with additional fee income that generates profit independent of our underwriting results. A meaningful portion, but far from all of this growth, is from over 50 rideshare and new economy accounts that we've developed over the last three years. All of our business is priced to achieve a consistent underwriting margin.

Our long-standing and well tested discipline leads us to book new premiums at a higher initial loss pick, which conforms to our history of establishing more conservative accident year picks in initial years with new lines of business. Our reported loss ratio this quarter in E&S, our reported loss ratio this quarter in E&S is the lowest quarterly loss emergence in 11 years. And in our traditional workers' compensation book, loss emergence is also at a record low.

Despite these very positive signs, our tried and proved disciplined leads us to post a higher initial accident year loss ratio. That's the principal reason that our loss ratio seems a bit elevated for the quarter and year-to-date. If you've had time to look at our release, however, you will have seen the initial higher loss picks are somewhat offset by decreases in our expense ratio for the quarter, and for year-to-date, driven by increased scale and the fee income that we are generating. Through nine months, we've released very close to the same total dollar reserves released in the first nine months of 2015. This was our seventeenth consecutive quarter with favorable reserves development.

Our combined ratio through nine months is within 6/10 of a point of our combined ratio at the same point last year. However, at quarter end our percentage of IBNR reserves to total reserves had increased to 69%, which is one percentage-point higher IBNR than at the previous, end of the previous quarter. I think it's important to understand that we've consistently maintained a higher IBNR percentage than our peers. In this quarter we strengthened an already strong balance sheet. Our experience is that our consistent approach produces reliable and strong results over the long haul. Just a few more observations and then we're anxious to get to your questions.

Our investment returns this quarter were really quite good. We particularly benefitted from strong returns from renewable energy and other private investments. These two investment categories generated about $5.5 million more in the third quarter of this year than in the third quarter of last year. The marks on these investments are independently established and we don't get to select valuations. These additional investment earnings largely offset the lesser reserve releases reported in this quarter, compared to the same period a year ago.

A few points about growth. We feel very good about the business we're putting on our balance sheet, though we're taking a cautious stance regarding how we book that business in the first instance. Gross written premiums for the nine months are up about 22%. I already mentioned that net written premiums are up by a smaller percentage, 14%. This is primarily because the growth in our Specialty Admitted segment was driven by fronting programs where we've retained less of the premium and reinsure most of the risk. Our gross written premiums in Specialty Admitted were up 92.7% through nine months.

Our E&S segment is growing very well. Gross written premiums for the nine months were up 18.7% compared to the prior year. And in anticipation of a potential question, let me say in advance that while our business with rideshare accounts continues to grow, the business is expanding in many other divisions. In particular, we saw double-digit growth rates in our environmental, excess casualty, general casualty, excess property, life sciences, manufacturers and contractors, and our small business divisions within the E&S segment.

Rates were down less than 1% for our E&S book year-to-date, and we had 15 more submissions this quarter from which to select, that's a record for us, 15%. Down policies were up by more than 12%. And this is the last comment. We've repeatedly told you that we anticipated a flat year in our Casualty Reinsurance segment. In this quarter the timing difference is for renewals that were highlighted in prior quarters all ironed out.

We're now within a half of 1% of the same gross written premium in our casualty re segment as one year ago, and we've reported another small underwriting profit from this segment for the quarter, and for the year-to-date. We're growing. We believe we're delivering a very satisfactory level of current profits while maintaining our traditional approach to reserving. And we're pleased to be able to continue to return substantial portions of our profits to shareholders in the form of very meaningful dividends.

Let's move on to your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Randy Binner with FBR.

Randy Binner - *FDR & Co - Analyst*

Just on the special -- we saw the $1.35. Wanted to ask you question about the methodology, and specifically, around operating leverage. This is not even getting you back to one times premiums to surplus. And so, was wondering how you think about it in terms of operating leverage, and how you think about it in terms of where the business could ultimately run from an operating leverage prospective?

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

The business could run, Randy, up to 1.1, 1.2; something like that, in answer to your question. And this was the subject of a very detailed and long conversation at the Board meeting. We're trying to balance many, many things. We're trying to balance how much excess capital we have, how much growth we think may come in the future. Our rating considerations, also where the capital is. And while it seems that there is a distinction to be made between excess capital and distributable cash, once you work your way through the mechanics of the rating and tax and regulatory regimes. So at a $1.35 special dividend, we thought that that, in combination with the raised dividend, was a very substantial return to our shareholders. It was the right number. It was meaningful without constraining options going forward, and that's what we landed on and I hope that's responsive to you.

Randy Binner - *FDR & Co - Analyst*

I guess the way I summarize that is that it's a material dividend from a yield perspective, but it's not designed to get your operating leverage normalized so you're leaving a lot of gas in the tank there if you have organic options, inorganic options, et cetera. And then I guess just to clarify in the loss pick, and we'll focus on E&S. I mean, it seems like your submissions and your bindings are very positive. It seems like, I'm hearing your comments are that the actual loss activity is not developing very high. And so, I know that you have a conservative methodology, but I guess I'd want to understand like a little bit better -- usually when we hear all those anecdotal positives from companies then we don't see the conservative loss pick. Just kind of hoping that -- am I getting that right, that everything is going great but you're just being very conservative on the loss picks? Anything more on that would be helpful.

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Everything is going great and we are being absolutely consistent with a long history of approaching our business with a careful eye and a perspective on -- one of our guys like to say, you hate to spike the ball on the two yard line. So we just wait and let things develop and this is the approach we've taken over a long time. I think you see, and you can calculate that our return on equity is very good. We've reaffirmed the combined ratio.

We think the business is really solid. I love the rates that we're putting this business on; really pleased with loss emergence across the Company, both in the E&S division in particular, and in Specialty Admitted also. And so you should read into this that we feel very good about our business and that we're maintaining a discipline that has allowed us to generate very consistent, high returns on equity, and very good over the long haul underwriting profitability.

Operator

Mark Hughes with SunTrust.

Mark Hughes - *SunTrust - Analyst*

In the E&S segment your underwriting expenses were a little bit higher sequentially this quarter on a percentage basis. I think there was some -- maybe some true-up and some fee income, I understand. How should we look at that on a go forward basis? You were at 21% of earned premium in Q2. Is the 21% closer to what we should think about, or is the 23% closer?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Well, I think, first of all, as you know, the fee income resulted in offset to the expense ratio. And we did have a true-up in the E&S fee income this quarter, resulting in a $600,000 sequential decline. We think that's the new basis for which we'll build fee income off starting in Q4 going forward. So fee income could be down relative to Q2, a little bit certainly in Q4 again, which would elevate the expense ratio a little bit. And then I just think that there is a little bit of increased compensation expense in that segment. Obviously, we've had great growth in earned premium, but there also has been substantial hiring across many divisions and disciplines within that segment. So we feel great about the overall combined expense ratio; there is obviously very compelling, certainly the lower fee income base could keep it a little bit higher than it was in Q2.

Mark Hughes - *SunTrust - Analyst*

In the E&S segment, is there much commercial auto that's coming in? I know you talked about the rideshare and new emerging economy. Are you picking up much commercial auto, and how do you get comfortable with that?

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Well, no, that business for us is in this new economy rideshare kind of business. It's not large trucks or the kinds of commercial auto that have had some headlines in the industry press for the complications in the high loss ratios there. This business is different and our results from it are quite different over time and we watch it very, very closely. But we like the emergence that we're seeing and we think the pricing is quite good and the territory that is -- it really should be called new economy or rideshare or something. There is a distinction to be made here between that and the business that's causing trouble elsewhere.

Mark Hughes - *SunTrust - Analyst*

Understood. In the Specialty Admitted segment, a very nice acceleration in the written premiums, the bottom line is still hovering -- it's modestly profitable there. As this new business flows through, could we see a little bit more of a pick-up in the bottom-line contribution?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Sure. So, a big piece of the increase in the top-line is result of the new fronting program that we mentioned on the last earnings conference call and in which incepted July 1. So that business drove gross written premium up a lot, net written premium up less, and obviously then earned premium not a tremendous amount. We do think that that fronting deal by itself has a $200 million plus run-rate, but ultimately that premium would be earned over a 24-month period.

So, absolutely we think that the expense ratio can continue to come down, the combined ratio can improve. There is just the natural lag with something of that size in terms of the earned premium coming through and really getting that scale and leverage.

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

You might want to comment also about what we're seeing in workers' comp there; the direct workers' is smaller, but the direct workers' comp book and the good results we're seeing in rates.

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

As Adam mentioned in his script, this is, as you guys know, probably a $32 million to $35 million book of business that we write with retail agents and it's the foundation book of business in that Specialty Admitted and Falls Lake segment. And we continue to get the highest risk adjusted returns there we have seen in some time and perhaps in the history the Group. Going back to 2004, when you look where it's priced and when you look at the underlying loss costs similarly, as Adam mentioned in his commentary, we have seen it. We saw very low loss emergence in the quarter there.

So we feel good, both about the traditional workers' comp that we write on a retail basis, the one division there, as well as where fronting and programs are headed. We expect growth not only from the large program going forward, but we're seeing other opportunities as well. And so I think it's really just a function, Mark, of ultimately getting that -- starting to get material amounts of premium and fee income earning in because the fee income earns in the same way the earned premium would, so there's just a delay.

Mark Hughes - *SunTrust - Analyst*

And would your rates and comp be similar? I think you described down 1% in the E&S book. What are you seeing in comp?

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

The comp overall if you adjust it for loss cost business and classes as high a rate as we've ever had, so it's really on a risk adjusted basis, because your book is changing and your territory changes a little bit. And that's a very well-priced book. It's as priced as well as it's ever been.

Operator

Charles Sebaski with BMO Capital Markets.

Charles Sebaski - *BMO Capital Markets - Analyst*

I think you were giving a little bit of color on the E&S and the different product lines. I'm trying to work out the change in the book make-up to change in the loss pick. And I guess for me and some investors probably would appreciate, if there is any way we could get some maybe categories of business as opposed to a single line item. I think the conservative nature of your underwriting we understand, but the increase in the accident year loss pick seems to be driven by mix shift but it's hard to get clarity on the mix shift from this. So anything further would really be appreciated.

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Chuck, I don't think we're going to break it down that way by division within the segment. We haven't reported that publically before. Let me try to reassure you that we have a long history of putting up conservative loss picks. And they have historically, and I mentioned for 17 quarters in a row, come down consistently. And then we've reaffirmed the 92% to 95% combined ratio. And we obviously would not do that if we had hesitation about that.

And let me also point out to you that our mix -- the only reason I'm really talking about mix shift here is because we're good at new product development. Our friends in the E&S segment have done a great job in new product development and positioning us for the future. But over the last many years our mix has shifted every year, in every quarter, as we saw opportunity in one division and less opportunity in a division. If you remember -- you've seen in our IPO presentation and then in our public presentations, you've seen us show you how we adjust division-by-division within the E&S segment over time and that can be dramatic over time.

So there is absolutely nothing new in this. There is nothing new about our conservative pick. The fact that it's a little higher is driven by the fact that we're growing, and so as we grow we put a higher loss ratio on more of the business because we're growing quickly. There is nothing dramatically new or new at all about mix shifts; we do that all the time. And we are really confident. And I did mention to you, I think that pricing is down -- I think less than 1% as I said in the commentary in that E&S book year-over-year.

So, I'm hoping that I'm painting a roadmap for you to allow you to feel confident that this is not new. It's in the context of a long established, consistently applied methodology that has yielded good results for a long time.

Charles Sebaski - *BMO Capital Markets - Analyst*

Okay. No, I appreciate that clarity. I guess also on your E&S --

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Just want to add in some of the stuff that we have disclosed. Last year, we had disclosure that commercial auto was about $65 million of our $310 million in that segment, and that was a written premium number. So a material portion of that earns in this year. And then of course as we've talked about, but not specifically, we've had growth in that gross written premium number this year as well.

So you've got a more -- really just getting down to the information that we've disclosed, you have a much higher percentage of the earned premium that is coming in from this new division. And some of that is because of the growth that we got last year that was written and not necessarily earned. And of course we're applying that accident year pick to the earned premium base. So I think it's nothing more than saying it continues to make up a larger percentage of the overall segment. And of course, we're growing many divisions within the segment, but that's growing quite well.

Charles Sebaski - *BMO Capital Markets - Analyst*

And obviously it seems that you're holding -- that you like the business because your gross to net is down over last year. And I guess in the E&S if you could just talk about how you think about the gross to net on this book if you think that's going to keep coming down as you have capital. Is that just due to this change in commercial auto that's helping drive that? Any clarity on how that's running in the low teens versus the high teens the prior couple of years?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes, I think it's a couple of things. For the more traditional business, the non-commercial auto, we are taking a little bit more risk in that. But it's really just on the margin in terms of treaty renewals that happened at July 1. We have great confidence in our book as gross line underwriters, and in many divisions, we only write $1 million limits anyway. But our experience, since our inception in 2002, and predecessor companies are that our loss ratio experienced gross in net is great.

So as we've grown a little bit, as another year passes, we continue to gain more confidence in our results. We're happy to take a little bit more net on the more traditional E&S business. And then, yes, as we continue to get confidence in the commercial auto, it is a similar story there.

Charles Sebaski - *BMO Capital Markets - Analyst*

And I guess on a combined basis; I know you said the fee income is kind of an E&S off the kind of $2.1 million. I guess then additionally with the Specialty Admitted, how we should think about the fee income ramp up especially with this new fronting program that just came on? Anything would be appreciated.

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes, in terms of the disclosed numbers, probably the best guidance I could give you is it's not going to grow an awful lot faster than necessarily than earned premium is.

Charles Sebaski - *BMO Capital Markets - Analyst*

But that would be the marker at some kind to basis to just earned premium growth in specialty.

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes.

Charles Sebaski - *BMO Capital Markets - Analyst*

I guess one final question; talk about on run-rate. Obviously the investment income was really good and the clean energy investments, you don't have -- that's marks that happened. What's the thought process you think is a reasonable run rate then? Or how do you guys operate the business and what the expected net investment income is, given the volatility of some of those non-traditional investments?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes. I think that, if you look at the table in the press release, I'll go bottom to top. The first one is easy; we had growth in our fixed income and loan portfolio of $900,000 in the quarter, and that's really just because of increased float, perhaps a little bit of additional yield or putting some cash to work. But that's a reasonable number from a sequential run rate prospective.

On the other investments, and I think we've said this before, we budget for those just by putting in a high single-digit expected return. And they obviously have a fair amount of volatility to them. Because we have to rely on fair valuations provided by third parties associated with those, the change in the fair value runs through the income statement, which is the accounting that we're required to do rather than through equity. And they bounce around an awful lot.

I think our feeling is over the long-term, we really like these investments. They've performed extremely well for us, and I'm talking about of course the other privates and the renewables. And we expect a high single-digit return. And when we have a quarter like this, or know it's a lot better than that, that's great. But it certainly, as you've seen before like a year ago, that can reverse on us. So I think, on a quarter-to-quarter basis, it's awfully difficult to predict. That's just how we budget for it and we really think about that as an annual rate of return or a multi-year rate of return.

Charles Sebaski - *BMO Capital Markets - Analyst*

And the tax rate, effective tax rate, down in the quarter. Is that just the higher component of investment income to underwriting income?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Great question. I mean, there it's a couple of things. It's just based upon where the income landed from a legal entity perspective, I guess post quarter share, and had some more income off-shore than we would have expected. The other piece of it is that in the United States, we have been making a conservative assumption around how much we could deduct for compensation expense under this rule called 162(m), and we subsequently found out that we have the ability to make higher deductions. So, that's really more of a one-time thing, Chuck. And we do expect the tax rate to normalize to high single digits in subsequent quarters and years.

Operator

Christopher Campbell with KBW.

Christopher Campbell - *Keefe, Bruyette, & Woods - Assistant VP*

Congrats on the quarter. Just a quick question on casualty reinsurance, the adverse development. It looked like that was getting better than last two quarters, and then you have a little bit of adverse development this quarter. Can we get some additional color on what's driving that?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes, sure. I think the first thing that I'd point out is that on a year-to-date basis, even though we do have adverse development in both periods, it's substantially lower; $1.5 million year-to-date and $2 million in the quarter. So we had had favorable development year-to-date. I guess is kind of what you are pointing out. And it's really just from a couple of places. It's from one treaty -- that the underlying risk at workers' compensation. And then there was another treaty where we had some large loss activity that was reported to us from I think the 2012 or 2013 year with respect to a specific risk, like general liability type of -

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Municipal in short.

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes. And so from a couple of places from several years ago and we just had some elevated reporting, and so it impacted the bottom line. But I think overall we are pleased with where that segment is directionally going from a underwriting and reserving perspective. And obviously it affords us the benefits that we get for the rest of the Group.

Christopher Campbell - *Keefe, Bruyette, & Woods - Assistant VP*

And is there anything we read into the higher loss picks? Are you just building in more conservatism in that segment?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

I think it's just following our consistent methodology. There definitely is an ongoing change in the underlying mix there as the new team has been on-board now for four-plus years, there has been a more substantial move to general liability in terms of the small account general liability policies in which we try and follow a very -- a similar approach to how we book our US business in that regard. And so I think it is just our methodology and somewhat of a change in the underlying lines of business.

Christopher Campbell - *Keefe, Bruyette, & Woods - Assistant VP*

Just switching to the fee income; is there, like, a differential expense ratio benefit that you get between the ceding commissions, between E&S and Specialty? So what I'm thinking is, is it more profitable? Are your ceding commissions more profitable in E&S than Specialty Admitted?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

I think we look at them differently. The fee income in the Excess and Surplus Lines segment comes from where we are servicing claims handling for which where we're not taking any risk; so it's a pure fee arrangement. The fee income generally in the Specialty Admitted segment is where we get paid a reinsurance commission that is higher than what we're paying to the agent that produces the business. So I think that they -- while they're both fee in nature, in terms of how they are generated, they are quite different. And so not sure that they're necessarily comparable.

Operator

(Operator Instructions) Brian Meredith with UBS.

Unidentified Participant

This is actually Jason on for Brian. If we go back to the accident year loss ratio in E&S, if I look at 2013 and 2014, there wasn't a lot of seasonality there, in first three quarters of 2016, again, not much seasonality. Was there anything unusual, any true-ups or anything there in the second half of 2015?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

I'm sorry, you're looking back to 2013, 2014 and then looking at 2016?

Unidentified Participant

I'm saying every year except for 2015 there was not much seasonality in the E&S accident year loss ratio. Was there something unusual last year?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

In talking about sequential quarters you're getting at, right?

Unidentified Participant

Correct.

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

I'm not remembering exactly; we may have to take that question with you offline. I think that that there may have been -- because of how something is running there may have been a current accident year sort of reduction in the underlying loss assumption in Q3. I'm just not remembering.

Unidentified Participant

But in general when you think about the business, you would think that sequentially things are fairly consistent, and there shouldn't be significant ups and downs other than any true-ups for current accident year development?

Robert Myron - *James River Group Holdings, Ltd. - President, Chief Operating Officer*

Yes, generally I think that's true. If you look at our history, just over the last seven quarters that I have in front of me, and in a particular this year it certainly has moved. It does move around. And I think we're much more focused on looking at the year to date number than any individual quarter.

Unidentified Participant

And then in Specially Admitted, you had some pretty -- or you have positive comments about workers' comp. But some your peers are -- they are saying that's getting more competitive maybe a little less optimistic about it. Is this just because you guys are in a smaller portion of the market? I mean, why do you think that you're having so much better experience than some other people?

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Well, this is a very seasoned book in a relatively tight territory that we've written and re-underwritten for a lot of years. Number one, is it is small account business. I think our team in Raleigh in particular does not only a very, very good job of underwriting that stable book but their focus on claims and the proper and rapid and consistent adjudication of claims is really -- and we're not the only people who do this. But I think if you look across the workers' comp universe at companies who pay great attention to adjudicating claims carefully and accurately, you'll find that they outperform, particularly in combination with a lot of attention to rate. And you'll note that this book, which is today $39-odd million, has been as high as $60 million and as low as $12 million. So attention to rate, attention to class, the small account and the really proactive claims handling, I think, are the combination of reasons.

Operator

There are no further questions at this time. I will turn the call back over to the presenters.

Adam Abram - *James River Group Holdings, Ltd. - Chairman, CEO*

Well, thank you, everybody, for participating. Thanks again to all of our colleagues whose hard work and good work made this quarter possible; congratulations to everybody. And thank you to our investors for your support. We very much appreciate it. Speak to you next quarter.

Operator

This concludes today's conference call. And you may now disconnect.

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