



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT
AS OF JUNE 30, 2016
OF THE CONDITION AND AFFAIRS OF THE
VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

NAIC Group Code 0000 (Current) NAIC Company Code 15635 Employer's ID Number AA-1390870
Organized under the Laws of BERMUDA, State of Domicile or Port of Entry NEW JERSEY
Country of Domicile United States of America
Incorporated/Organized 10/19/2005 Commenced Business 12/11/2014 FOR U.S. TRUST
Statutory Home Office 29 RICHMOND ROAD, PEMBROKE, BERMUDA, BMU HM 08
Main Administrative Office C/O DRINKER BIDDLE & REATH, LLP, 1177 AVENUE OF THE AMERICAS, 41ST FLOOR, NEW YORK, NY, US 10036-2714
Mail Address 1177 AVENUE OF THE AMERICAS, 41ST FLOOR, NEW YORK, NY, US 10036-2714
Primary Location of Books and Records C/O THE BANK OF NEW YORK MELLON, 385 RIFLE CAMP ROAD, GARRET TOWER, WOODLAND PARK, NJ, US 07424
Internet Website Address N/A
Statutory Statement Contact THOMAS M. DAWSON, ESQ., 212-248-3160, Thomas.Dawson@dbr.com, 212-248-3141

OFFICERS

CEO KEAN DRISCOLL CHIEF COUNSEL, REINSURANCE J. PATRICK REARDON
CFO ROBERT MARCOTTE

OTHER

JEFFREY CLEMENTS, CHIEF UNDERWRITING OFFICER GAVIN BISHOP, COO KEVIN DOWNS, CHIEF ACTUARY

DIRECTORS OR TRUSTEES

KEAN DRISCOLL JOHN J. HENDRICKSON ROBERT F. KUZLOSKI
EDWARD J. NOONAN JONATHAN RITZ JEFFREY D. SANGSTER

State of PEMBROKE SS:
Country of BERMUDA

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

KEAN DRISCOLL
CEO

ROBERT MARCOTTE
CFO

JEFFREY CLEMENTS
CHIEF UNDERWRITING OFFICER

Subscribed and sworn to before me this
day of July, 2016

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

STATEMENT AS OF JUNE 30, 2016 OF THE VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	277,388,148		277,388,148	233,987,024
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens.....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$1,990,990), cash equivalents (\$) and short-term investments (\$)	1,990,990		1,990,990	1,015,898
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	279,379,138		279,379,138	235,002,922
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	1,370,154		1,370,154	1,401,514
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies	4,784,538		4,784,538	763,112
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	285,533,830		285,533,830	237,167,548
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	285,533,830		285,533,830	237,167,548
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)				

STATEMENT AS OF JUNE 30, 2016 OF THE VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 52,551,332)	185,853,792	135,522,413
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	190,103,029	120,928,764
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	(154,992,853)	(82,680,011)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	220,963,968	173,771,166
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	220,963,968	173,771,166
29. Aggregate write-ins for special surplus funds	20,000,000	20,000,000
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	44,569,862	43,396,382
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	64,569,862	63,396,382
38. Totals (Page 2, Line 28, Col. 3)	285,533,830	237,167,548
DETAILS OF WRITE-INS		
2501. PREMIUM RECEIVABLE - CLAIM UPR OFFSET	(154,992,853)	(82,680,011)
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	(154,992,853)	(82,680,011)
2901. SPECIAL SURPLUS FUNDS	20,000,000	20,000,000
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	20,000,000	20,000,000
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)		

STATEMENT AS OF JUNE 30, 2016 OF THE VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$)			
1.2 Assumed (written \$ 250,462,904)	181,288,639	44,884,762	196,033,329
1.3 Ceded (written \$)			
1.4 Net (written \$ 250,462,904)	181,288,639	44,884,762	196,033,329
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 55,987,596):			
2.1 Direct			
2.2 Assumed	55,717,047	14,257,397	68,418,701
2.3 Ceded			
2.4 Net	55,717,047	14,257,397	68,418,701
3. Loss adjustment expenses incurred			
4. Other underwriting expenses incurred	45,968,897	31,979,467	69,802,956
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	101,685,944	46,236,864	138,221,657
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	79,602,695	(1,352,102)	57,811,672
INVESTMENT INCOME			
9. Net investment income earned	2,723,072	306,739	1,065,500
10. Net realized capital gains (losses) less capital gains tax of \$ 95,861	95,861		71
11. Net investment gain (loss) (Lines 9 + 10)	2,818,933	306,739	1,065,571
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	82,421,628	(1,045,363)	58,877,243
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	82,421,628	(1,045,363)	58,877,243
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	82,421,628	(1,045,363)	58,877,243
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	63,396,382	22,059,854	22,059,854
22. Net income (from Line 20)	82,421,628	(1,045,363)	58,877,243
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$ 2,165,180	2,165,180	14,601	(728,730)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets			
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		2,355,197	
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	(83,413,328)		(16,811,985)
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,173,480	1,324,435	41,336,528
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	64,569,862	23,384,289	63,396,382
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)			
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)			
3701. INCREASE IN LIABILITY FUNDED WITH EXISTING SURPLUS	(83,413,328)		(16,811,985)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	(83,413,328)		(16,811,985)

STATEMENT AS OF JUNE 30, 2016 OF THE VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	178,150,062	53,926,586	234,282,082
2. Net investment income	2,754,432	155,217	(275,002)
3. Miscellaneous income	(4,021,426)		(763,112)
4. Total (Lines 1 to 3)	176,883,068	54,081,803	233,243,968
5. Benefit and loss related payments	5,385,668		(67,103,712)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	45,968,897	31,979,467	69,802,956
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Lines 5 through 9)	51,354,565	31,979,467	2,699,244
11. Net cash from operations (Line 4 minus Line 10)	125,528,503	22,102,336	230,544,724
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	71,174,732		16,314,280
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	71,174,732		16,314,280
13. Cost of investments acquired (long-term only):			
13.1 Bonds	112,314,815	24,302,316	229,040,132
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	112,314,815	24,302,316	229,040,132
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(41,140,083)	(24,302,316)	(212,725,852)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock		2,355,197	
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(83,413,328)		(16,811,985)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(83,413,328)	2,355,197	(16,811,985)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	975,092	155,217	1,006,887
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,015,898	9,011	9,011
19.2 End of period (Line 18 plus Line 19.1)	1,990,990	164,228	1,015,898

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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STATEMENT AS OF JUNE 30, 2016 OF THE VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

NOTES TO FINANCIAL STATEMENT

1. Summary of Significant Accounting Policies:

The accompanying financial statements of the Validus Reinsurance, Ltd. (U.S. Reinsurance Trust) have been prepared in accordance with its Deed of Trust and agreement with the New Jersey Department of Banking and Insurance and in conformity with accounting practices permitted by the National Association of Insurance Commissioners and the State of New Jersey. The statement reflects the activities of the Trust only. All footnotes, interrogatories, etc. have been answered from the perspective of the Trust.

Trust liabilities exclude liabilities secured by acceptable means. The financial statement reports liabilities on a gross basis and includes \$4,784,538 of liabilities secured by acceptable means.

Pursuant to the terms of the Deed of Trust, portions of reserves in respect of premiums which have not yet been paid by the cedent do not result in a right to return premium from the Company and are accordingly excluded from trust liabilities by offset on Line 2501 (Page 3). As of the statement date such statement offset in respect of premiums receivable equals \$154,992,853.

2. Accounting Changes and Corrections of Errors: None.

3. Business Combinations and Goodwill: None.

4. Discontinued Operations: None.

5. Investments:

Bonds are stated at fair market value as determined by the custodial trustee, The Bank of New York Mellon.

6. Joint Ventures, Partnerships and Limited Liability Companies: None.

7. Investment Income: All investment income accrued is admitted.

8. Derivative Instruments: None.

9. Income Taxes:

- A. The Trust is not directly subject to U.S. federal income tax.
- B. No federal income taxes have been provided in the accompanying financial statements.

10. Information Concerning Parent, Subsidiaries and Affiliates:

The beneficial owner of the Trust is Validus Reinsurance, Ltd. ("Validus Re").

11. Debt:

- A. All Other Debt. None.

12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans: None.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations:

The Trust is required to maintain, by its terms, sufficient assets to support both its U.S. liabilities and a minimum surplus of \$20,000,000. At June 30, 2016, assets held by the Trust exceeded its U.S. liabilities and minimum surplus by \$44,569,862.

14. Contingencies:

- A. The Trust has no material contingent liabilities.
- B. The Trust has not committed reserves to cover any contingent liabilities.
- C. There are no outstanding legal proceedings against the Trust.

15. Leases: None.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk: None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities: None.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans: None.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators: None.

20. Fair Value Measurement:

In accordance with the Deed of Trust the Trustee Bank determines the fair market value of each asset in the trust account on a quarterly basis. FT Interactive is the primary vendor used to price US securities. Bloomberg, Standard & Poors, Extel, Prudential American Securities and Telekurs may also be used, depending on the security. Daily pricing feeds from FT Interactive are validated by comparing each price to prior prices. Variance reports are generated identifying prices which are outside of established tolerances, which may result in the use of a validated price from a secondary vendor.

A. (1) Assets Measured at Fair Value on a Recurring Basis:

Description	(Level 1)	(Level 2)	(Level 3)	Total
Bonds		277,388,148		277,388,148
Preferred Stocks				
Common Stocks				
Cash		1,990,990		1,990,990
Funds Withheld & Acceptable Collateral				
Total Assets at Fair Value		279,379,138		279,379,138

B. (1) Assets Measured at Fair Value on a Nonrecurring Basis: None

STATEMENT AS OF JUNE 30, 2016 OF THE VALIDUS REINSURANCE, LTD.
(U.S. REINSURANCE TRUST)

21. Other Items: None.
22. Events Subsequent:
23. Reinsurance:
 - A. Unsecured Reinsurance Recoverables. None.
 - B. Reinsurance Recoverable in Dispute. None.
 - C. Reinsurance Assumed and Ceded.

Ceding commissions deducted from reinsurance assumed would be prorated against cancelled contracts.
 - D. Uncollectible Reinsurance.

The Trust has not written off as uncollectible any reinsurance balance during 2016.
 - E. Commutation of Ceded Reinsurance.

The Trust did not commute any assumed reinsurance balances during 2016.
 - F. Retroactive Reinsurance. None.
 - G. Reinsurance Accounted for as a Deposit. None.
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination: None.
25. Change in Incurred Losses and Loss Adjustment Expenses:

Incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$0.3 million from \$68.4 million in 2015 to \$68.1 million in 2016 as a result of reestimation of unpaid losses and loss adjustment expenses.

This change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.
26. Intercompany Pooling Arrangements: None.
27. Structured Settlements: None.
28. Health Care Receivables: None.
29. Participating Policies: None.
30. Premium Deficiency Reserves: None.
31. High Deductibles: None.
32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses:

The Trust does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.
33. Asbestos/Environmental Reserves: None.
34. Subscriber Savings Accounts: None.
35. Multiple Peril Crop Insurance: None.
36. Financial Guarantee Insurance: None.