

Condensed Consolidated Statements of Cash Flows

(in millions, except number of shares and per share amounts)

For the Years Ended December 31

2015 2014 2013

Cash flows from operating activities:

Net income	\$ 163.2	\$ 183.2	\$ 143.2
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Amortization and depreciation	38.7	37.2	39.6
Share-based payments expense	29.1	19.6	23.3
Excess tax expense from share-based payments arrangements	(0.6)	(0.1)	(0.2)
Deferred federal income tax provision (benefit), net	8.3	27.6	3.8
Net realized investment and other gains	(27.1)	(94.0)	(71.3)
Loss on disposal of fixed assets, net	0.2	—	0.2
Impairment of intangible assets	—	3.4	—
Change in:			
Receivables	(182.6)	256.7	86.7
Reserves for losses and loss adjustment expenses	94.3	(182.0)	(8.9)
Unearned premiums	76.5	39.1	51.4
Ceded reinsurance payable and funds held	157.2	(163.9)	(246.4)
Other assets and liabilities, net	(74.6)	3.7	(21.6)
Cash provided (used) by operating activities	282.6	130.5	(0.2)

Cash flows from investing activities:

Sales, maturities and mandatory calls of investments	1,811.8	1,585.0	2,248.1
Purchases of investments	(2,034.1)	(1,736.8)	(1,975.8)
Change in short-term investments, foreign regulatory deposits and voluntary pools	49.6	96.5	(153.0)
Settlements of foreign currency exchange forward contracts	(10.1)	(1.1)	(3.9)
Other, net	(10.8)	(64.9)	5.4
Cash (used) provided by investing activities	(193.6)	(121.3)	120.8

Cash flows from financing activities:

Payment on note payable	—	(0.1)	—
Redemption of trust preferred securities, net	—	(18.0)	—
Activity under stock incentive plans	1.8	4.6	2.6
Repurchase of company's common shares	(29.7)	(50.8)	(46.5)
Excess tax expense from share-based payment arrangements	0.6	0.1	0.2
Payment of cash dividend to common shareholders	(22.7)	(18.2)	(15.8)
Cash used by financing activities	(50.0)	(82.4)	(59.5)

Effect of exchange rate changes on cash	1.7	(3.2)	0.5
Change in cash	40.7	(76.4)	61.6
Cash, beginning of period	81.0	157.4	95.8
Cash, end of period	\$ 121.7	\$ 81.0	\$ 157.4

Please see accompanying "Summary of Significant Accounting Policies" on page 17.