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): May 2, 2017

JAMES RIVER GROUP HOLDINGS, LTD.
(Exact name of registrant as specified in its charter)

Bermuda	001-36777	98-0585280
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke Bermuda	HM 08
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +1-441-278-4580

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

☐ Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 2.02 Results of Operations and Financial Condition.

On May 3, 2017, James River Group Holdings, Ltd. (the "Company") issued a press release announcing its financial results for its first quarter of 2017. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this "Form 8-K").

The information in this Item 2.02 and in Exhibit 99.1 furnished herewith shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act unless specifically stated by the Company.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At the 2017 Annual General Meeting of Shareholders of the Company (the "Annual Meeting") held on May 2, 2017, the Company's shareholders approved an amendment to the James River Group Holdings, Ltd. 2014 Long-Term Incentive Plan (the "2014 LTIP"). The Board of Directors of the Company had previously approved the amendment. The amendment increases the number of the Company's common shares authorized for issuance under the 2014 LTIP by 1,000,000 shares, with only 500,000 of such additional shares to be available for issuance as awards that are not share appreciation rights or share option awards.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On May 2, 2017, the Company held the Annual Meeting. The following matters were voted on and approved by the Company's shareholders at the Annual Meeting:

(1) The election of three Class III directors to hold office until the 2020 annual general meeting of shareholder.

(2) The appointment of Ernst & Young LLP as the Company's independent auditor to serve until the 2018 annual general meeting of shareholders and to authorize the Company's Board of Directors, acting by the Audit Committee, to determine the independent auditor's remuneration.

(3) The approval of an amendment to the 2014 LTIP and re-approval of the material terms of the performance goals under such plan for tax deductibility purposes.

The following is a summary of the voting results for each matter presented to the shareholders:

Proposal 1 – Election of directors:

Director	For	Withhold	Broker Non-Votes
J. Adam Abram*	10,800,013	5,632,951	951,174
Robert P. Myron*	10,471,092	5,961,872	951,174
Michael T. Oakes	19,712,325	7,317,877	951,174

* Pursuant to the Company's bye-laws, so long as the Company's shareholders affiliated with D. E. Shaw & Co., L.P. (the "D. E. Shaw Affiliates") collectively own more than 20% of the Company's outstanding common shares, the D. E. Shaw Affiliates are not entitled to vote the shares that they own with respect to the election of certain designated director nominees (the "Excluded Directors"). Messrs. Abram and Myron are designated as Excluded Directors and were nominated for election as Class III directors at the Annual Meeting.

As of March 16, 2017, the record date for the Annual Meeting, the D. E. Shaw Affiliates collectively owned approximately 36.1% of the Company's outstanding common shares. As a result of Messrs. Abram's and Myron's status as Excluded Directors, the D. E. Shaw Affiliates were not permitted to vote the shares they owned in the election of such nominees at the Annual Meeting. Consequently, such shares were not voted in the election of Messrs. Abram and Myron and are not included in the voting results above. For additional information regarding the prohibition on the D. E. Shaw Affiliates' ability to vote for the Excluded Directors, see the Company's definitive proxy statement on Schedule 14A, filed with the Securities and Exchange Commission on April 4, 2017.

Proposal 2 – The appointment of Ernst & Young LLP as the Company's independent auditor to serve until the 2018 annual general meeting of shareholders and to authorize the company's Board of Directors, acting by the Audit Committee, to determine the independent auditor's remuneration:

For	Against	Abstain	Broker Non-Votes
27,465,424	197,289	318,663	0

Proposal 3 – The approval of an amendment to the 2014 LTIP and re-approval of the material terms of the performance goals under such plan for tax deductibility purposes:

For	Against	Abstain	Broker Non-Votes
24,951,348	1,779,182	299,672	951,174

Item 8.01 Other Events.

On May 3, 2017, the Company announced that its board of directors declared a cash dividend of $0.30 per common share of the Company to be paid on June 30, 2017 to shareholders of record on June 12, 2017.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following Exhibit is furnished as a part of this Form 8-K:

Exhibit No.	Description
10.1	Amendment to the James River Group Holdings, Ltd. 2014 Long-Term Incentive Plan
99.1	Press Release of the Company dated May 3, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JAMES RIVER GROUP HOLDINGS, LTD.

Dated: May 3, 2017

By: /s/ Sarah C. Doran
Sarah C. Doran
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Amendment to the James River Group Holdings, Ltd. 2014 Long-Term Incentive Plan
99.1	Press Release of the Company dated May 3, 2017

Exhibit 10.1

AMENDMENT TO THE
JAMES RIVER GROUP HOLDINGS, LTD. 2014 LONG-TERM INCENTIVE PLAN

WHEREAS, James River Group Holdings, Ltd. ("Company") previously adopted the James River Group Holdings, Ltd. 2014 Long-Term Incentive Plan ("Plan");

WHEREAS, the Company reserved the right to amend the Plan; and

WHEREAS, subject to the approval of shareholders, the Company desires to amend the Plan in certain respects;

NOW, THEREFORE, Section 4(a) of the Plan is hereby amended in its entirety to read as follows, effective as of the date such amendment is approved by the shareholders of the Company:

(a) Shares Available. Subject to adjustment in accordance with Section 13(f), a total of three million one hundred seventy one thousand one hundred fifty (3,171,150) Shares shall be available for the grant of Awards under the Plan, plus an additional one million (1,000,000) Shares as approved by shareholders on May 2, 2017; provided that no more than five hundred thousand (500,000) of such additional Shares shall be available for the grant of Awards that are not Share Appreciation Right or Share Option Awards; and provided further that, no more than three million (3,000,000) Shares in the aggregate may be granted as Incentive Share Options under this Plan. Shares issued under this Plan may be authorized and unissued Shares or issued Shares held as treasury Shares. The following Shares may not again be made available for issuance as Awards: (i) Shares not issued or delivered as a result of the net settlement of an outstanding Share Appreciation Right or Share Option, (ii) Shares used to pay the exercise price or withholding taxes related to an outstanding Share Option or Share Appreciation Right, or (iii) Shares repurchased on the open market with the proceeds of a Share Option exercise price.

IN WITNESS WHEREOF, this Amendment is hereby executed by a duly authorized officer of the Company this 2nd day of May, 2017.

JAMES RIVER GROUP HOLDINGS, LTD.

/s/ Robert P. Myron
Name: Robert P. Myron
Title: President and Chief Operating Officer

Exhibit 99.1

JAMES RIVER GROUP HOLDINGS, LTD.

FOR IMMEDIATE RELEASE

JAMES RIVER GROUP HOLDINGS, LTD. ANNOUNCES FIRST QUARTER RESULTS

FIRST QUARTER 2017 NET INCOME OF $18.5 MILLION — $0.61 PER DILUTED SHARE, AND ADJUSTED NET OPERATING INCOME OF $17.7 MILLION — $0.58 PER DILUTED SHARE

EARNINGS PER DILUTED SHARE INCREASED OVER 40% COMPARED TO THE FIRST QUARTER OF 2016. STRONG EARNINGS ACROSS ALL SEGMENTS

4.8% GROWTH IN PRE DIVIDEND TANGIBLE BOOK VALUE PER SHARE SINCE YEAR END 2016

EXPENSE RATIO OF 29.1%; 4.1 PERCENTAGE POINTS BETTER THAN THE FIRST QUARTER OF 2016

GROSS FEE INCOME OF $5.9 MILLION; 88% INCREASE OVER THE FIRST QUARTER OF 2016

Pembroke, Bermuda, May 3, 2017 - James River Group Holdings, Ltd. (NASDAQ: JRVR) today reported first quarter 2017 net income of $18.5 million ($0.61 per diluted share), compared to $12.8 million ($0.43 per diluted share) for the first quarter of 2016. Adjusted net operating income for the first quarter of 2017 was $17.7 million ($0.58 per diluted share), compared to $12.8 million ($0.43 per diluted share) for the same period in 2016.

Earnings Per Diluted Share	**Three Months Ended March 31,**	
	2017	**2016**
Net Income	$ 0.61	$ 0.43
Adjusted Net Operating Income	$ 0.58	$ 0.43

-MORE-

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J. Adam Abram, Chairman and Chief Executive Officer of James River Group Holdings, Ltd. commented, "We are very pleased with our first quarter results, generating strong underwriting gains in all three of our operating segments and meaningful contributions from the investment portfolio. Our first quarter 14.8% annualized adjusted net operating income return on average tangible equity represents another solid result from our low volatility business model."

Operating Results

- Net written premiums of $157.9 million, comprised of the following:

	Three Months Ended March 31,		
($ in thousands)	2017	2016	*% Change*
Excess and Surplus Lines	$ 96,971	$ 71,535	*36%*
Specialty Admitted Insurance	18,059	13,046	*38%*
Casualty Reinsurance	42,880	22,320	*92%*
	$ 157,910	$ 106,901	*48%*

- Net earned premiums of $154.7 million, comprised of the following:

	Three Months Ended March 31,		
($ in thousands)	2017	2016	*% Change*
Excess and Surplus Lines	$ 93,849	$ 65,505	*43%*
Specialty Admitted Insurance	16,253	11,405	*43%*
Casualty Reinsurance	44,585	40,220	*11%*
	$ 154,687	$ 117,130	*32%*

- The Excess and Surplus Lines segment grew largely due to increases in Commercial Auto (with a focus on the Company's rideshare business), Manufacturers and Contractors, and Excess Casualty, which were partially offset by declines in Energy, Excess Property and Professional Liability;
- The Specialty Admitted Insurance segment grew largely due to the June 2016 addition of a significant fronting contract, much of which is reinsured to third parties;
- The Casualty Reinsurance Segment grew due to the addition of new business, increased premium volume on renewed treaties and premium adjustments on prior year treaties;
- Accident year loss ratio of 70.3% compared to 66.7% in the prior year quarter, due to changes in mix of business, specifically growth in the Commercial Auto division within the Excess and Surplus Lines segment, which carries a higher initial loss pick but also a lower expense ratio than the segment as a whole;
- Combined ratio of 97.2% compared to 95.9% in the prior year quarter;
- Expense ratio of 29.1% improved from 33.2% in the prior year quarter, driven principally by increased net earned premium and fee income, as well as growth in lines of business which carry relatively low expense ratios;

- Favorable reserve development of $3.4 million compared to $4.7 million in the prior year quarter (representing a 2.2 point and 4.0 point reduction to the Company's loss ratio in each period, respectively), largely driven by releases in the Excess and Surplus Lines segment. Pre-tax reserve development by segment was as follows:

	Three Months Ended March 31,	
($ in thousands)	**2017**	**2016**
Excess and Surplus Lines	$ 3,227	$ 4,393
Specialty Admitted Insurance	42	311
Casualty Reinsurance	145	(37)
	$ 3,414	$ 4,667

- Gross fee income of $5.9 million, an increase of 88% over the prior year quarter as a result of increased program and fronting volume in the Specialty Admitted Insurance segment and increased fee-for-service business in the Excess and Surplus Lines segment. This fee income, net of related expenses, resulted in a 2.7 percentage point reduction to the Company's first quarter expense ratio;
- Net investment income of $16.7 million, an increase of 48% over the prior year quarter, driven by an increased contribution from renewable energy investments, which is likely non-recurring as it was principally a result of fair value adjustments. Further details can be found in the 'Investment Results' section below;
- The percentage of net IBNR to total net reserves decreased from 67% at December 31, 2016 to 66% at March 31, 2017 as the Company's Excess and Surplus Lines segment continued to grow in some of its shorter tail lines.

Investment Results

Net investment income for the first quarter of 2017 was $16.7 million which compares to $11.3 million for the same period in 2016. The increase was principally driven by fair value gains in the Company's renewable energy portfolio and asset growth across the core investment portfolio. The Company's net investment income was comprised of the following:

	Three Months Ended March 31,		
($ in thousands)	**2017**	**2016**	**% Change**
Renewable Energy Investments	$ 5,594	$ 681	721%
Other Private Investments	468	486	(4)%
All Other Net Investment Income	10,671	10,105	6%
Total Net Investment Income	$ 16,733	$ 11,272	48%

The Company's annualized gross investment yield on average fixed maturity and bank loan securities for the three months ended March 31, 2017 was 3.4% (3.4% for the three months ended March 31, 2016) and the average duration of the portfolio was 3.5 years at March 31, 2017 (3.6 years at March 31, 2016).

During the first quarter, the Company recognized $1.0 million of pre-tax net realized gains ($547,000 of net realized gains in the same period in 2016) which included $409,000 recognized on the sale of a common stock holding and $597,000 of realized gains on bank loan participations.

Taxes

The Company's effective tax rate can fluctuate due to its geographic mix of income and capital management. The tax rate for the three months ended March 31, 2017 and 2016 was 7.7% and 10.4%, respectively.

Tangible Equity

Tangible equity value after dividends increased 3.2% in the first quarter of 2017 from $472.5 million at December 31, 2016 to $487.6 million at March 31, 2017, largely due to net income of $18.5 million and $4.0 million of unrealized gains, net of taxes, on available-for-sale securities. Tangible equity per common share was $16.62 at March 31, 2017, net of $8.9 million of dividends the Company paid during the first quarter.

Capital Management

The Company announced that its Board of Directors declared a cash dividend of $0.30 per common share, the same amount as the prior quarter. This dividend is payable on Friday, June 30, 2017 to all shareholders of record on Monday, June 12, 2017. James River Group Holding Ltd.'s cumulative dividends, including this upcoming payment, total more than $131 million paid since its December 2014 initial public offering.

Conference Call

James River Group Holdings will hold a conference call to discuss its first quarter results tomorrow, May 4, 2017, at 8:00 a.m. Eastern Daylight Time. Investors may access the conference call by dialing (877) 930-8055 Conference ID# 8429500 or via the internet by going to www.jrgh.net and clicking on the "Investor Relations" link. Please visit the website at least 15 minutes early to register and download any necessary audio software. A replay of the call will be available until 11:00 a.m. (Eastern Daylight Time) on June 3, 2017 and can be accessed by dialing (855) 859-2056 or by visiting the company website.

Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, such forward-looking statements may be identified by terms such as believe, expect, seek, may, will, intend, project, anticipate, plan, estimate, guidance or similar words. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Although it is not possible to identify all of these risks and factors, they include, among others, the following: (1) the inherent uncertainty of estimating reserves and the possibility that incurred losses may be greater than our loss and loss adjustment expense reserves; (2) inaccurate estimates and judgments in our risk management which may expose us to greater risks than intended; (3) the potential loss of key members of our management team or key employees and our ability to attract and retain personnel; (4) adverse economic factors; (5) a decline in our financial strength rating resulting in a reduction of new or renewal business; (6) reliance on a select group of brokers and agents for a significant portion of our business and the impact of our potential failure to maintain such relationships; (7) reliance on a select group of customers for a significant portion of our business and the impact of our potential failure to maintain such relationships; (8) existing or new regulations that may inhibit our ability to achieve our business objectives or subject us to penalties or suspensions for non-compliance or cause us to incur substantial compliance costs; (9) a failure of any of the loss limitations or exclusions we employ; (10) losses from catastrophic events which substantially exceed our expectations and/or exceed the amount of reinsurance we have purchased to protect us from such events; (11) potential effects on our business of emerging claim and coverage issues; (12) exposure to credit risk, interest rate risk and other market risk in our investment portfolio; (13) losses in our investment portfolio; (14) the cyclical nature of the insurance and reinsurance industry, resulting in periods during which we may experience excess underwriting capacity and unfavorable premium rates; (15) changes in laws or government regulation, including tax or insurance laws and regulations; (16) the impact of loss settlements made by ceding companies and fronting carriers on our reinsurance business; (17) a forced sale of investments to meet our liquidity needs; (18) our ability to obtain reinsurance coverage at reasonable prices or on terms that adequately protect us; (19) losses resulting from reinsurance counterparties failing to pay us on reinsurance claims or insurance companies with whom we have a fronting arrangement failing to pay us for claims; (20) our underwriters and other associates exceeding their authority, committing fraud or taking excessive risks; (21) insufficient capital to fund our operations; (22) the potential impact of internal or external fraud, operational errors, systems malfunctions or cyber security incidents; (23) our ability to manage our growth effectively; (24) inadequacy of premiums we charge to compensate us for our losses incurred; (25) competition within the casualty insurance and reinsurance industry; (26) an adverse outcome in a legal action that we are or may become subject to in the course of our insurance or reinsurance operations; (27) in the event we do not qualify for the insurance company exception to the passive foreign investment company ("PFIC") rules and are therefore considered a PFIC, there could be material adverse tax consequences to an investor that is subject to U.S. federal income taxation; (28) the Company or any of its foreign subsidiaries becoming subject to U.S. federal income taxation; (29) failure to maintain effective internal controls in accordance with Sarbanes-Oxley Act of 2002, as amended; (30) the ownership of a substantial amount of our outstanding common shares by affiliates of D. E. Shaw & Co., L.P. (the "D. E. Shaw Affiliates") and their resulting ability to exert significant influence over matters requiring shareholder approval in a manner that could conflict with the interests of other shareholders and additionally, the D. E. Shaw Affiliates having certain rights with respect to board representation and approval rights with respect to certain transactions; and (31) changes in our financial condition, regulations or other factors that may restrict our subsidiaries' ability to pay us dividends. For a more detailed description of these uncertainties, risks and other factors, please see the "Risk Factors" section in our Annual Report on Form 10-K filed with the U. S. Securities and Exchange Commission on March 10, 2017 (or "SEC"). These forward-looking statements speak only as of the date of this release and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

Non-GAAP Financial Measures

In presenting James River Group Holdings' results, management has included financial measures that are not calculated under standards or rules that comprise accounting principles generally accepted in the United States ("GAAP"). Such measures, including underwriting profit, adjusted net operating income and tangible equity are referred to as non-GAAP measures. These non-GAAP measures may be defined or calculated differently by other companies. These measures should not be viewed as a substitute for those measures determined in accordance with GAAP. Reconciliations of such measures to the most comparable GAAP figures are included at the end of this press release.

About James River Group Holdings, Ltd.

James River Group Holdings, Ltd. (or "the Company") is a Bermuda-based insurance holding company which owns and operates a group of specialty insurance and reinsurance companies founded by members of our management team. The Company operates in three specialty property-casualty insurance and reinsurance segments: Excess and Surplus Lines, Specialty Admitted Insurance and Casualty Reinsurance. The Company tends to focus on accounts associated with small or medium-sized businesses in each of its segments. Each of the Company's regulated insurance subsidiaries are rated "A" (Excellent) by A.M. Best Company.

Visit James River Group Holdings, Ltd. on the web at www.jrgh.net

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James River Group Holdings, Ltd. and Subsidiaries
Condensed Consolidated Balance Sheet Data
(Unaudited)

	March 31, 2017	December 31, 2016
	($ in thousands, except for share amounts)	
ASSETS		
Invested assets:		
Fixed maturity securities, available-for-sale	$ 941,687	$ 941,077
Fixed maturity securities, trading	5,066	5,063
Equity securities, available-for-sale	79,467	76,401
Bank loan participations, held-for-investment	224,224	203,526
Short-term investments	53,361	50,844
Other invested assets	59,645	55,419
Total investments	1,363,450	1,332,330
Cash and cash equivalents	94,224	109,784
Accrued investment income	6,920	7,246
Premiums receivable and agents' balances	298,984	265,315
Reinsurance recoverable on unpaid losses	188,782	182,737
Reinsurance recoverable on paid losses	5,255	2,877
Deferred policy acquisition costs	63,964	64,789
Goodwill and intangible assets	220,613	220,762
Other assets	169,133	160,693
Total assets	$ 2,411,325	$ 2,346,533
LIABILITIES AND SHAREHOLDERS' EQUITY		
Reserve for losses and loss adjustment expenses	$ 980,563	$ 943,865
Unearned premiums	400,181	390,563
Senior debt	88,300	88,300
Junior subordinated debt	104,055	104,055
Accrued expenses	34,030	36,884
Other liabilities	95,936	89,645
Total liabilities	1,703,065	1,653,312
Total shareholders' equity	708,260	693,221
Total liabilities and shareholders' equity	$ 2,411,325	$ 2,346,533
Tangible equity (a)	$ 487,647	$ 472,459
Tangible equity per common share outstanding (a)	$ 16.62	$ 16.15
Total shareholders' equity per common share outstanding	$ 24.14	$ 23.69
Common shares outstanding	29,344,327	29,257,566
Debt (b) to total capitalization ratio	21.4%	21.7%

(a) See "Reconciliation of Non GAAP Measures".
(b) Includes senior debt and junior subordinated debt.

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James River Group Holdings, Ltd. and Subsidiaries
Condensed Consolidated Income Statement Data
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
	($ in thousands, except for share data)	
REVENUES		
Gross written premiums	$ 224,179	$ 133,071
Net written premiums	$ 157,910	$ 106,901
Net earned premiums	$ 154,687	$ 117,130
Net investment income	16,733	11,272
Net realized investment gains	1,047	547
Other income	3,935	2,380
Total revenues	176,402	131,329
EXPENSES		
Losses and loss adjustment expenses	105,369	73,506
Other operating expenses	48,893	41,179
Other expenses	(114)	(12)
Interest expense	2,123	2,174
Amortization of intangible assets	149	149
Total expenses	156,420	116,996
Income before taxes	19,982	14,333
Income tax expense	1,532	1,496
NET INCOME	$ 18,450	$ 12,837
ADJUSTED NET OPERATING INCOME	$ 17,719	$ 12,838
EARNINGS PER SHARE		
Basic	$ 0.63	$ 0.44
Diluted	$ 0.61	$ 0.43
ADJUSTED NET OPERATING INCOME PER SHARE		
Basic	$ 0.60	$ 0.44
Diluted	$ 0.58	$ 0.43
Weighted-average common shares outstanding:		
Basic	29,289,588	28,953,008
Diluted	30,327,423	29,742,252
Cash dividends declared per common share	$ 0.30	$ 0.20
Ratios:		
Loss ratio	68.1%	62.8%
Expense ratio	29.1%	33.2%
Combined ratio	97.2%	95.9%
Accident year loss ratio	70.3%	66.7%

James River Group Holdings, Ltd. and Subsidiaries
Segment Results

EXCESS AND SURPLUS LINES

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	% Change
	($ in thousands)		
Gross written premiums	$ 108,995	$ 82,108	33%
Net written premiums	$ 96,971	$ 71,535	36%
Net earned premiums	$ 93,849	$ 65,505	43%
Losses and loss adjustment expenses	(66,568)	(40,663)	64%
Underwriting expenses	(18,481)	(15,638)	18%
Underwriting profit (a), (b)	$ 8,800	$ 9,204	(4)%
Ratios:			
Loss ratio	70.9%	62.1%	
Expense ratio	19.7%	23.9%	
Combined ratio	90.6%	85.9%	
Accident year loss ratio	74.4%	68.8%	

(a) See "Reconciliation of Non-GAAP Measures."
(b) Underwriting results include fee income of $3.8 million and $2.3 million for the three months ended March 31, 2017 and 2016, respectively. These amounts are included in “Other income” in our Condensed Consolidated Income Statements.

SPECIALTY ADMITTED INSURANCE

	Three Months Ended March 31,		
	2017	2016	% Change
	($ in thousands)		
Gross written premiums	$ 72,464	$ 28,687	153%
Net written premiums	$ 18,059	$ 13,046	38%
Net earned premiums	$ 16,253	$ 11,405	43%
Losses and loss adjustment expenses	(9,981)	(6,600)	51%
Underwriting expenses	(5,430)	(4,330)	25%
Underwriting profit (a), (b)	$ 842	$ 475	77%
Ratios:			
Loss ratio	61.4%	57.9%	
Expense ratio	33.4%	38.0%	
Combined ratio	94.8%	95.8%	
Accident year loss ratio	61.7%	60.6%	

(a) See "Reconciliation of Non-GAAP Measures."
(b) Underwriting results include fee income of $2.1 million and $820,000 for the three months ended March 31, 2017 and 2016, respectively. These amounts are included in “Other operating expenses” in our Condensed Consolidated Income Statements.

CASUALTY REINSURANCE

	Three Months Ended March 31,		
	2017	2016	% Change
	($ in thousands)		
Gross written premiums	$ 42,720	$ 22,276	92%
Net written premiums	$ 42,880	$ 22,320	92%
Net earned premiums	$ 44,585	$ 40,220	11%
Losses and loss adjustment expenses	(28,820)	(26,243)	10%
Underwriting expenses	(14,672)	(13,643)	8%
Underwriting profit (a)	$ 1,093	$ 334	227%
Ratios:			
Loss ratio	64.6%	65.2%	
Expense ratio	32.9%	33.9%	
Combined ratio	97.5%	99.2%	
Accident year loss ratio	65.0%	65.2%	

(a) See "Reconciliation of Non-GAAP Measures."

RECONCILIATION OF NON-GAAP MEASURES

Underwriting Profit

The following table reconciles the underwriting profit (loss) by individual operating segment and of the whole Company to consolidated income before taxes. We believe that these measures are useful to investors in evaluating the performance of our Company and its operating segments because our objective is to consistently earn underwriting profits. We evaluate the performance of our operating segments and allocate resources based primarily on underwriting profit (loss) of operating segments. Our definition of underwriting profit (loss) of operating segments and underwriting profit (loss) may not be comparable to that of other companies.

	Three Months Ended March 31,	
	2017	**2016**
	(in thousands)	
Underwriting profit of the operating segments:		
Excess and Surplus Lines	$ 8,800	$ 9,204
Specialty Admitted Insurance	842	475
Casualty Reinsurance	1,093	334
Total underwriting profit of operating segments	10,735	10,013
Other operating expenses of the Corporate and Other segment	(6,461)	(5,252)
Underwriting profit (a)	4,274	4,761
Net investment income	16,733	11,272
Net realized investment gains	1,047	547
Other income and expenses	200	76
Interest expense	(2,123)	(2,174)
Amortization of intangible assets	(149)	(149)
Consolidated income before taxes	$ 19,982	$ 14,333

(a) Included in underwriting results for the three months ended March 31, 2017 and 2016 is fee income of $5.9 million and $3.1 million, respectively.

Adjusted Net Operating Income

We define adjusted net operating income as net income excluding net realized investment gains and losses, as well as non-operating expenses including those that relate to due diligence costs for various merger and acquisition activities, professional fees related to the filing of a registration statement for the sale of our securities, and severance costs associated with terminated employees. We use adjusted net operating income as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance. Adjusted net operating income should not be viewed as a substitute for net income calculated in accordance with GAAP, and our definition of adjusted net operating income may not be comparable to that of other companies.

Our income before taxes and net income for the three months ended March 31, 2017 and 2016, respectively, reconciles to our adjusted net operating income as follows:

	Three Months Ended March 31,			
	2017		2016	
	Income Before Taxes	Net Income	Income Before Taxes	Net Income
	(in thousands)			
Income as reported	$ 19,982	$ 18,450	$ 14,333	$ 12,837
Net realized investment gains	(1,047)	(834)	(547)	(307)
Other expenses	(114)	(100)	(12)	(8)
Interest expense on leased building the Company is deemed to own for accounting purposes	312	203	486	316
Adjusted net operating income	$ 19,133	$ 17,719	$ 14,260	$ 12,838

Tangible Equity and Tangible Equity per Share

We define tangible equity as shareholders' equity less goodwill and intangible assets (net of amortization). Our definition of tangible equity may not be comparable to that of other companies, and it should not be viewed as a substitute for shareholders' equity calculated in accordance with GAAP. We use tangible equity internally to evaluate the strength of our balance sheet and to compare returns relative to this measure. The following table reconciles shareholders' equity to tangible equity for March 31, 2017, December 31, 2016, and March 31, 2016.

	March 31, 2017		December 31, 2016		March 31, 2016	
($ in thousands, except for share data)	Equity	Equity per share	Equity	Equity per share	Equity	Equity per share
Shareholders' equity	$ 708,260	$ 24.14	$ 693,221	$ 23.69	$ 705,570	$ 24.34
Goodwill and intangible assets	220,613	7.52	220,762	7.54	221,210	7.63
Tangible equity	$ 487,647	$ 16.62	$ 472,459	$ 16.15	$ 484,360	$ 16.71

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