

SAFETY INSURANCE GROUP INC

Form 10-Q

November 04, 2016

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-50070

SAFETY INSURANCE GROUP, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of incorporation or organization)

13-4181699
(I.R.S. Employer Identification No.)

20 Custom House Street, Boston, Massachusetts 02110
(Address of principal executive offices including zip code)

(617) 951-0600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 1, 2016 there were 15,150,619 shares of common stock with a par value of \$0.01 per share outstanding.

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Safety Insurance Group, Inc. and Subsidiaries

Consolidated Balance Sheets

(Dollars in thousands, except share data)

	September 30, 2016 (Unaudited)	December 31, 2015
Assets		
Investments:		
Securities available for sale:		
Fixed maturities, at fair value (amortized cost: \$1,109,950 and \$1,063,971)	\$ 1,152,283	\$ 1,081,637
Equity securities, at fair value (cost: \$89,247 and \$102,541)	100,621	110,204
Other invested assets	21,622	17,602
Total investments	1,274,526	1,209,443
Cash and cash equivalents	52,277	47,494
Accounts receivable, net of allowance for doubtful accounts	199,655	178,567
Receivable for securities sold	647	260
Accrued investment income	9,602	8,922
Taxes recoverable	—	15,497
Receivable from reinsurers related to paid loss and loss adjustment expenses	34,614	40,972
Receivable from reinsurers related to unpaid loss and loss adjustment expenses	80,632	68,261
Ceded unearned premiums	26,600	23,222
Deferred policy acquisition costs	75,099	68,937
Deferred income taxes	—	4,430
Equity and deposits in pools	28,132	23,558
Other assets	13,789	14,306
Total assets	\$ 1,795,573	\$ 1,703,869
Liabilities		
Loss and loss adjustment expense reserves	\$ 552,242	\$ 553,977
Unearned premium reserves	439,732	401,961
Accounts payable and accrued liabilities	54,382	53,722
Payable for securities purchased	6,342	8,607
Payable to reinsurers	30,393	11,547
Deferred income taxes	6,079	—
Taxes payable	421	—
Other liabilities	18,679	29,556
Total liabilities	1,108,270	1,059,370