

Condensed Consolidated Statements of Cash Flows

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

Years Ended December 31

	2016	2015	2014
Cash flows from operating activities:			
Net income	\$ 146.7	\$ 163.2	\$ 183.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization and depreciation	35.4	38.7	37.2
Share-based payments expense	19.8	29.1	19.6
Excess tax expense from share-based payments arrangements	(0.6)	(0.6)	(0.1)
Deferred federal income tax (benefit) provision, net	(1.1)	8.3	27.6
Net realized investment and other gains	(26.1)	(24.1)	(74.5)
Undistributed earnings from alternative investment portfolio	(23.9)	(3.0)	(19.5)
(Gain) Loss on disposal of fixed assets, net	(0.1)	0.2	—
Amortization of debt issuance costs	0.2	0.2	0.2
Impairment of intangible assets	—	—	3.4
Change in:			
Receivables	(318.0)	(182.6)	256.7
Reserves for losses and loss adjustment expenses	220.2	94.3	(182.0)
Unearned premiums	80.1	76.5	39.1
Ceded reinsurance payable and funds held	153.6	157.2	(163.9)
Other assets and liabilities, net	(104.8)	(74.8)	3.5
Cash provided by operating activities	181.4	282.6	130.5
Cash flows from investing activities:			
Sales, maturities and mandatory calls of investments	2,446.2	1,811.8	1,585.0
Purchases of investments	(2,380.5)	(2,034.1)	(1,736.8)
Change in short-term investments, foreign regulatory deposits and voluntary pools	(195.2)	49.6	96.5
Settlements of foreign currency exchange forward contracts	(5.4)	(10.1)	(1.1)
Other, net	(10.2)	(10.8)	(64.9)
Cash used provided by investing activities	(145.1)	(193.6)	(121.3)
Cash flows from financing activities:			
Payment on note payable	—	—	(0.1)
Redemption of trust preferred securities, net	—	—	(18.0)
Activity under stock incentive plans	1.0	1.8	4.6
Repurchase of company's common shares	(47.1)	(29.7)	(50.8)
Excess tax expense from share-based payment arrangements	0.6	0.6	0.1
Payment of cash dividend to common shareholders	(26.6)	(22.7)	(18.2)
Cash used by financing activities	(72.1)	(50.0)	(82.4)
Effect of exchange rate changes on cash	0.1	1.7	(3.2)
Change in cash	(35.7)	40.7	(76.4)
Cash, beginning of period	121.7	81.0	157.4
Cash, end of period	\$ 86.0	\$ 121.7	\$ 81.0

Please see accompanying "Summary of Significant Accounting Policies" on page 20.