

# Condensed Consolidated Statements of Cash Flows

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

	As of December 31		
	2017	2016	2015
<b>Cash flows from operating activities:</b>			
Net income	\$ 50.3	\$ 146.7	\$ 163.2
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Amortization and depreciation	33.8	35.4	38.7
Share-based payments expense	12.3	19.8	29.1
Deferred federal income tax (benefit) provision, net	(17.9)	(1.1)	8.3
Net realized investment and other gains	(39.3)	(26.1)	(24.1)
Undistributed earnings from alternative investment portfolio	(49.5)	(23.9)	(3.0)
(Gain) Loss on disposal of fixed assets, net	2.1	(0.1)	0.2
Change in:			
Receivables	(602.7)	(318.0)	(182.6)
Reserves for losses and loss adjustment expenses	653.9	220.2	94.3
Unearned premiums	85.5	80.1	76.5
Ceded reinsurance payable and funds held	88.8	153.6	157.2
Other assets and liabilities, net	(52.3)	(104.6)	(74.6)
<b>Cash provided by operating activities</b>	<b>165.0</b>	<b>182.0</b>	<b>283.2</b>
<b>Cash flows from investing activities:</b>			
Sales, maturities and mandatory calls of investments	2,408.2	2,446.2	1,811.8
Purchases of investments	(2,660.8)	(2,380.5)	(2,034.1)
Change in short-term investments, foreign regulatory deposits and voluntary pools	299.5	(195.2)	49.6
Settlements of foreign currency exchange forward contracts	(2.9)	(5.4)	(10.1)
Acquisition of subsidiaries, net of cash acquired	(105.2)	—	—
Other, net	(60.1)	(10.2)	(10.8)
<b>Cash used by investing activities</b>	<b>(121.3)</b>	<b>(145.1)</b>	<b>(193.6)</b>
<b>Cash flows from financing activities:</b>			
Additional long-term borrowings	125.0	—	—
Activity under stock incentive plans	1.4	1.0	1.8
Repurchase of company's common shares	(45.2)	(47.1)	(29.7)
Payment of cash dividend to common shareholders	(33.2)	(26.6)	(22.7)
<b>Cash used by financing activities</b>	<b>48.0</b>	<b>(72.7)</b>	<b>(50.6)</b>
Effect of exchange rate changes on cash	(1.1)	0.1	1.7
Change in cash	90.6	(35.7)	40.7
Cash, beginning of period	86.0	121.7	81.0
<b>Cash, end of period</b>	<b>\$ 176.6</b>	<b>\$ 86.0</b>	<b>\$ 121.7</b>

Please see accompanying "Summary of Significant Accounting Policies" on page 24.