

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2004-08-12** | Period of Report: **2004-08-11**
SEC Accession No. **0000893750-04-000416**

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FILER

BRISTOL WEST HOLDINGS INC

CIK: **1272957** | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-31984** | Film No.: **04970298**
SIC: **6331** Fire, marine & casualty insurance

Mailing Address
5701 STIRLING ROAD
DAVIE FL 33314

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): August 11, 2004

Bristol West Holdings, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-31984
(Commission
File Number)

13-3994449
(I.R.S. Employer
Identification No.)

5701 Stirling Road
Davie, Florida 33314
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (954) 316-5200

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

99.1 Press Release, dated August 11, 2004.

Item 12. Results of Operations and Financial Condition

On August 11, 2004, Bristol West Holdings, Inc. issued a press release announcing its financial results for the second quarter of 2004. A copy of the press release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to Item 12 of Form 8-K.

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 thereunto duly authorized.

BRISTOL WEST HOLDINGS, INC.

By: /s/ Craig E. Eisenacher

Name: Craig E. Eisenacher

Title: Chief Financial Officer

Date: August 12, 2004

INDEX TO EXHIBITS

Exhibit Number

Exhibit

99.1

Press Release, dated August 11, 2004

Contact:
Craig Eisenacher
Bristol West Insurance Group
Phone: (954) 316-5192

BRISTOL WEST REPORTS SECOND QUARTER, 2004 FINANCIAL RESULTS

DAVIE, Fla., August 11, 2004-- Bristol West Holdings, Inc. (NYSE: BRW) today reported its financial results for the second quarter of 2004.

Net income for the three months ended June 30, 2004 was \$15.7 million or \$0.48 per average fully diluted common share compared to \$10.5 million or \$0.42 per average fully diluted common share for the second quarter of 2003. Net income grew by 50%, and net income per fully diluted share grew by 14% as average fully diluted shares outstanding expanded to 32.9 million from 25.1 million for the comparable quarter of 2003, principally as a result of the Company's initial public offering which was completed in February.

Net income for the six months ended June 30, 2004 grew by 30% to \$30.2 million compared to \$23.2 million for the first six months of 2003. Net income per average fully diluted share outstanding was \$0.95 for the six months ended June 30, 2004 and June 30, 2003. Exclusive of the effect, after income taxes, of charges related to the refinancing of the Company's credit facilities and the cost of stock awards to employees in connection with the Company's initial public offering in February 2004, net income for the most recent six months was \$31.8 million or \$1.00 per fully diluted share. As a result of the Company's initial public offering, average fully diluted shares outstanding increased to 31.7 million from 24.4 million for the six months ended June 30, 2003, or by 30%.

James R. Fisher, Chairman and CEO, said, "We continue to make great strides in every facet of our operations, and our efforts are translating into excellent financial results."

Highlights

Key highlights for the quarter ended June 30, 2004:

- o Increased policies in force to 495,000 as of June 30, 2004 from 446,000 as of June 30, 2003, and 445,000 as of December 31, 2003, increases of 11% in each case;
- o Increased number of agencies and brokerages from approximately 5,500 to approximately 6,100;
- o Increased point of sale underwriting to 23% of new business applications for the quarter, and to 36% for the month of June;
- o Reached agreement on a new discretionary quota share treaty permitting us to cede from 5% to 30% of our business written in 2005 with an option for 2006 subject to certain performance criteria being met. The agreement has been 100% subscribed by National Union Fire Insurance

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Company of Pittsburgh, PA, a subsidiary of AIG.

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Earnings Before Taxes

Reported net income before taxes was \$24.7 million for the second quarter of 2004, compared to \$17.9 million in the corresponding period of 2003, an increase of \$6.8 million or 38%.

Reported net income before taxes for the six months ended June 30, 2004 was \$50.1 million before charges related to the refinancing of the Company's credit facilities and stock awards to employees in connection with the Company's initial public offering during the first quarter of 2004, and \$47.6 million after such charges. These figures compare to net income before taxes for the six months ended June 30, 2003 of \$37.5 million.

Written Premiums and Fees

Gross written premium increased by 12% for the quarter to \$175.2 million compared to \$155.8 million for the second quarter of 2003 due to an 11% increase in average policies in force. Policy retention has improved, and average premium per policy has increased, both of which further contributed to the growth in gross written premium. Net written premium increased by 32% to \$85.8 million from \$65.2 million for the comparable 2003 quarter. The Company decreased the percentage of gross written premium ceded under its quota share reinsurance treaty to 50% on business written in 2004 from 60% for 2003. Net premiums and fees earned were \$99.6 million in the most current quarter compared to \$91.9 million in the second quarter of 2003, an increase of 8%. Earned premiums grew by less than written premiums due to the impact of the Company's reinsurance treaties.

For the six months ended June 30, 2004, gross written premium increased by 19% to \$380.9 million compared to \$320.2 million for the first half of 2003. Net written premium, augmented by a decrease in the percentage of business ceded, grew by 39% while net premiums earned grew by 4%. Earned premium grew by less than written premium due to the impact of the Company's reinsurance treaties.

Net Investment Income

Net investment income was \$2.3 million for the quarter ended June 30, 2004, compared to \$1.7 million for the similar period of 2003. The pretax equivalent book yield on the investment portfolio fell to 4.18% from 4.57% as of December 31, 2003.

For the six months ended June 30, 2004, net investment income was \$4.1 million compared to \$3.4 million for the comparable period of 2003, an increase of 21%. Proceeds from the Company's initial public offering and operating cash flows have contributed to higher invested assets, which have, in turn, resulted in increased investment income despite the reduction in investment yields.

Key Ratios

Bristol West's combined ratio was 76.8% for the second quarter of 2004, compared to 81.3% for the same quarter of last year, an improvement of 4.5 points. The loss ratio was 54.6% for the second quarter of 2004 compared to 57.5% for the comparable 2003 period. The Company experienced \$0.3 million of loss and loss adjustment expenses related to prior years (adverse reserve development) in the second quarter of 2004 compared to \$3.0 million (4.2 points) in the second quarter of 2003. The accident quarter loss ratio was 54.3% for the second quarter of 2004, compared to 54.2% for the comparable period of 2003. The

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expense ratio was 22.2% for the second quarter of 2004, compared to 23.8% for the second quarter of last year. Mr. Fisher concluded, "During the quarter, we continued to deploy our point of sale systems, OneStep™ and OneStep-Raptor, and in excess of 23% of our policies were written on these systems during the quarter. We are committed to disciplined underwriting, sophisticated product design and providing our producers with technological tools to improve speed and enhance customer service. Our excellent results are a reflection of these efforts and we will continue to expand upon these initiatives."

Condensed Consolidated Balance Sheets

Condensed consolidated balance sheets as of June 30, 2004 and December 31, 2003 follow. The Company completed an initial public offering of its common stock on February 12, 2004, the net proceeds of which were approximately \$113.4 million. Of this amount, \$110.0 million has been contributed to the statutory surplus of the Company's principal insurance subsidiary. In addition, the Company refinanced its long-term debt in February 2004, and

extended the contractual maturity; the amount outstanding was increased to \$75.0 million at that time from the \$71.5 million that was outstanding at December 31, 2003. A scheduled principal payment of \$0.5 million was made in the second quarter of 2004.

Supplemental Information - Reinsurance

The Company has reached agreement on a new discretionary quota share treaty permitting it to cede from 5% to 30% of its business written for 2005 with an option for 2006 subject to certain performance criteria being met. The agreement has been 100% subscribed by National Union Fire Insurance Company of Pittsburgh, PA, a subsidiary of AIG. While the ceding percentage has not yet been elected, the Company expects to cede between 10% and 20% of business written during 2005. This contrasts with 50% of business written in 2004 being ceded currently.

For the six months ended June 30, 2004, Bristol West has ceded \$187.0 million of earned premium to its reinsurers, approximately 55% of its gross earned premium. Losses and commissions ceded to these reinsurers totaled \$177.1 million, for a net cost of reinsurance to the Company of \$9.9 million, or 5.3% of ceded earned premium for the six months. The quota share accounts for 99% (\$184.4 million) of the ceded premium with a net cost to the Company of 3% of the ceded earned premium. Net cash held by the reinsurers totaled \$201.1 million at June 30, 2004.

About Bristol West

Bristol West Holdings, Inc. began its operations in 1973, and provides non-standard private passenger automobile insurance exclusively through agents and brokers in 18 states. Bristol West is traded on the New York Stock Exchange under the symbol, BRW.

For more information about Bristol West, please visit our website, www.bristolwest.com.

This press release may contain statements that constitute "forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995." Statements in this press release not dealing with historical results may be forward-looking and are based on estimates, assumptions and projections. Forward-looking statements may be identified by words such as "believe", "expect", "may", "will", "should", "seek", "intend", "plan", "estimate", "anticipate" or the negative version of those words or other comparable terminology and similar statements of a future or forward-looking nature.

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All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. Please see the risk factors in our final prospectus dated February 11, 2004. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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BRISTOL WEST HOLDINGS, INC.
COMPARATIVE INCOME STATEMENTS
(\$ in thousands, except per share data)
(Unaudited)

<TABLE>
<CAPTION>

Three Months

Six Months

Ended June 30

Ended June 30

<S>	<C>		<C>	
	2004	2003	2004	2003
Income				
Gross written premium	\$175,238	\$155,829	\$380,855	\$320,212
Net written premium	85,793	65,195	185,564	133,552
Gross earned premium	174,463	158,290	337,709	300,195
Net earned premium	\$81,101	\$72,403	\$150,710	\$144,790
Net investment income	2,258	1,687	4,063	3,357
Realized gain on investments	69	50	69	50
Fee income	18,504	19,472	36,354	35,446
Other income	457	336	1,070	735
Total income	102,389	93,948	192,266	184,378
Expenses				
Losses and adjustment expenses incurred	54,652	52,989	102,218	104,648
Commissions and other underwriting expenses	13,890	15,707	23,387	27,989
Other operating and general expenses	8,350	6,245	15,414	12,246
Interest expense	723	791	1,374	1,681
Extinguishment of debt	0	0	1,613	0
Stock-based compensation	92	272	671	352
Total expenses	77,707	76,004	144,677	146,916
Income before federal and state income taxes	24,682	17,944	47,589	37,462
Federal and state income taxes	9,009	7,476	17,370	14,235
Net earnings	\$15,673	\$10,468	\$30,219	\$23,227
Net earnings before unusual charges*	\$15,848	\$10,468	\$31,786	\$23,227
Basic earnings per share	\$0.50	\$0.44	\$1.01	\$0.98
Diluted earnings per share	\$0.48	\$0.42	\$0.95	\$0.95
Diluted earnings per share before unusual charges*	\$0.48	\$0.42	\$1.00	\$0.95
Weighted average common shares outstanding	31,226,618	23,813,516	29,852,208	23,813,842
Weighted average common shares outstanding including potentially dilutive common shares	32,860,550	25,060,656	31,657,579	24,437,412
Loss ratio	54.6%	57.5%	54.3%	57.8%
Expense ratio	22.2%	23.8%	20.6%	22.2%
Combined ratio	76.8%	81.3%	74.9%	80.0%

</TABLE>

*Adjust for debt extinguishment costs and stock awards to employees in connection with the Company's initial public offering, after taxes.

BRISTOL WEST HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in thousands, except share data)

<TABLE>
<CAPTION>

	(Unaudited) June 30, 2004	December 31, 2003
Assets:		

<S>	<C>	<C>
Total investments	\$ 248,486	\$141,285
Cash and cash equivalents	31,319	9,256
Reinsurance receivables	364,803	335,036
Receivables	179,322	143,856
Goodwill	101,677	101,677
Other assets	57,383	46,766
	-----	-----
Total assets	\$ 982,990	\$ 777,876
	=====	=====
Liabilities and Stockholders' Equity:		
Total policy liabilities	\$ 409,071	\$ 361,628
Reinsurance payables	163,733	159,598
Accounts payable and other liabilities	45,937	46,415
Long-term debt	74,463	71,500
	-----	-----
Total liabilities	693,204	639,141
	-----	-----
Total stockholders' equity	289,786	138,735
	-----	-----
Total liabilities and stockholders' equity	\$ 982,990	777,876
	=====	=====
Book Value per Share - basic	\$ 9.14	\$ 5.82
Book Value per Share - basic pro-forma (a)	-	8.40

</TABLE>

(a) pro-forma for the Company's initial public offering on February 12, 2004.

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BRISTOL WEST HOLDINGS, INC.

SUPPLEMENTAL DATA

DIRECT WRITTEN PREMIUM PRODUCTION BY STATE
(\$ in millions)

<TABLE>

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State	Three months ended June 30			Six months ended June 30		
	2004	2003	% Change	2004	2003	% Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
California	\$ 100.7	\$ 99.8	0.9%	\$ 233.4	207.9	12.3%
Florida	23.4	18.1	29.3%	46.0	36.6	25.7%
Michigan	16.8	10.6	58.5%	33.8	21.0	61.0%
Pennsylvania	4.1	3.4	20.6%	8.2	6.2	32.3%
South Carolina	4.1	2.7	51.9%	7.9	6.2	27.4%
Virginia	3.0	1.9	57.9%	6.4	3.3	93.9%
Maine	3.2	2.6	23.1%	6.7	4.8	39.6%
Texas	3.4	2.5	36.0%	6.5	5.2	25.0%
Georgia	3.2	4.9	-34.7%	6.6	10.9	-39.4%
New Hampshire	3.3	1.7	94.1%	6.0	3.3	81.8%
All Other	10.0	7.6	31.6%	19.4	14.8	31.1%
	-----	-----	-----	-----	-----	-----
TOTAL	\$ 175.2	\$155.8	12.5%	\$ 380.9	320.2	19.0%
	=====	=====	=====	=====	=====	=====

</TABLE>

RECONCILIATION OF GROSS AND NET COMBINED RATIOS

<TABLE>

<CAPTION>

Ratio	Three months ended June 30			Six months ended June 30		
	2004	2003	% Change	2004	2003	% Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Gross Loss Ratio	59.7%	62.8%	-3.1%	59.3%	62.3%	-3.0%
Gross Expense Ratio	25.7%	25.8%	-0.1%	25.5%	25.3%	0.2%
Gross Combined Ratio	85.4%	88.6%	-3.2%	84.8%	87.6%	-2.8%
Effect of Reinsurance	-8.6%	-7.3%	-1.3%	-9.9%	-7.6%	-2.3%
Net Combined Ratio, as Reported	76.8%	81.3%	-4.5%	74.9%	80.0%	-5.1%

</TABLE>

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BRISTOL WEST HOLDINGS, INC.

SUPPLEMENTAL DATA

Underwriting Results Before Reinsurance

<TABLE>
<CAPTION>

Revenues	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Gross earned premium	\$ 174,463	\$158,290	\$337,709	\$300,195
Expenses				
Losses and adjustment expenses incurred	115,498	111,762	222,617	209,654
Commissions	24,647	24,599	49,596	44,048
Other underwriting expenses	16,788	15,055	30,518	28,795
Other operating and general expenses	8,350	6,245	15,414	12,246
Total underwriting expenses	165,283	157,661	318,145	294,743
Gross underwriting result	9,180	629	19,564	5,452
Fee and other income	18,961	19,807	37,424	36,181
Pretax underwriting income	\$28,141	\$20,436	\$ 56,988	\$ 41,633

</TABLE>

Reinsurance Ceded Results

<TABLE>
<CAPTION>

Ceded earned premium	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Ceded earned premium	\$93,362	\$ 85,887	\$186,999	\$155,405

Expenses				
Ceded losses and adjustment expenses incurred	60,846	58,773	120,399	105,006
Ceding commissions	27,545	23,947	56,727	44,854
	-----	-----	-----	-----
Total underwriting expenses	88,391	82,720	177,126	149,860
	-----	-----	-----	-----
Ceded underwriting income	\$ 4,971	\$ 3,167	\$ 9,873	\$ 5,545
	=====	=====	=====	=====

</TABLE>

Net Underwriting Results

<TABLE>
<CAPTION>

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
	-----	-----	-----	-----
Revenues				
	<C>	<C>	<C>	<C>
Net earned premium	\$81,101	\$ 72,403	\$150,710	\$144,790
Expenses				
Net losses and adjustment expenses incurred	54,652	52,989	102,218	104,648
Commissions - net of reinsurance	(2,898)	652	(7,131)	(806)
Other underwriting expenses	16,788	15,055	30,518	28,795
Other operating and general expenses	8,350	6,245	15,414	12,246
	-----	-----	-----	-----
Total underwriting expenses	76,892	74,941	141,019	144,883
	-----	-----	-----	-----
Net underwriting result	4,209	(2,538)	9,691	(93)
Fee and other income	18,961	19,807	37,424	36,181
	-----	-----	-----	-----
Pretax underwriting income	\$23,170	\$ 17,269	\$47,115	\$ 36,088
	=====	=====	=====	=====

</TABLE>

Reinsurance Balances

<TABLE>
<CAPTION>

	June 30	
	2004	2003
	-----	-----
Reinsurance recoverable on paid and unpaid losses and loss adjustment expenses	\$150,380	\$ 124,875
Prepaid reinsurance	103,331	82,622
Ceding commission receivable	111,092	67,058
Reinsurance payables	(163,733)	(137,678)
	-----	-----
Net balance	\$201,070	\$ 136,877
	=====	=====

</TABLE>