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 March 31, 2023

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 1-15731

EVEREST RE GROUP, LTD.
(Exact name of registrant as specified in its charter)

Bermuda	**98-0365432**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Seon Place – 4th Floor **141 Front Street** **PO Box HM 845** **Hamilton Bermuda**	**HM 19**
(Address of principal executive offices)	(Zip Code)

441-295-0006
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Class	Trading Symbol	Name of Exchange where Registered
Common Shares, $0.01 par value	**RE**	**New York Stock Exchange**

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 X No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Yes X No

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

Large Accelerated Filer	X	Accelerated filer	
Non-accelerated filer		Smaller reporting company	
		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. [ ]

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

YES NO X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding At May 1, 2023
Common Shares, $0.01 par value	**39,275,224**

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EVEREST RE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

(Dollars and share amounts in millions, except par value per share)	March 31, 2023 (unaudited)		December 31, 2022	
ASSETS:				
Fixed maturities - available for sale, at fair value (amortized cost: 2023, $25,247; 2022, $24,191, credit allowances: 2023, $(62); 2022, $(54))	$	23,560	$	22,236
Fixed maturities - held to maturity, at amortized cost (fair value: 2023, $814; 2022, $821, net of credit allowances: 2023, $(9); 2022, $(9))		825		839
Equity securities, at fair value		250		281
Other invested assets		4,156		4,085
Short-term investments		1,034		1,032
Cash		1,610		1,398
Total investments and cash		31,435		29,872
Accrued investment income		235		217
Premiums receivable (net of credit allowances: 2023, $(30); 2022, $(29))		3,922		3,619
Reinsurance paid loss recoverables (net of credit allowances: 2023, $(24); 2022, $(23))		182		136
Reinsurance unpaid loss recoverables		2,125		2,105
Funds held by reinsureds		1,071		1,056
Deferred acquisition costs		1,011		962
Prepaid reinsurance premiums		611		610
Income tax asset, net		387		459
Other assets (net of credit allowances: 2023, $(7); 2022, $(5))		860		930
TOTAL ASSETS	$	41,839	$	39,966
LIABILITIES:				
Reserve for losses and loss adjustment expenses	$	22,878	$	22,065
Future policy benefit reserve		29		29
Unearned premium reserve		5,418		5,147
Funds held under reinsurance treaties		10		13
Other net payable to reinsurers		618		567
Losses in course of payment		123		74
Senior notes		2,348		2,347
Long-term notes		218		218
Borrowings from FHLB		519		519
Accrued interest on debt and borrowings		41		19
Unsettled securities payable		201		1
Other liabilities		422		526
Total liabilities		32,825		31,525
Commitments and contingencies (Note 7)				
SHAREHOLDERS' EQUITY:				
Preferred shares, par value: $0.01; 50.0 shares authorized; no shares issued and outstanding		—		—
Common shares, par value: $0.01; 200.0 shares authorized; (2023) 70.0 and (2022) 69.9 outstanding before treasury shares		1		1
Additional paid-in capital		2,295		2,302
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of $(218) at 2023 and $(250) at 2022		(1,716)		(1,996)
Treasury shares, at cost; 30.8 shares (2023) and 30.8 shares (2022)		(3,908)		(3,908)
Retained earnings		12,342		12,042
Total shareholders' equity		9,014		8,441
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	41,839	$	39,966

The accompanying notes are an integral part of the consolidated financial statements.

EVERST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)

(Dollars in millions, except per share amounts)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(unaudited)	
REVENUES:		
Premiums earned	$ 3,100	$ 2,792
Net investment income	260	243
Net gains (losses) on investments:		
Credit allowances on fixed maturity securities	(8)	(12)
Gains (losses) from fair value adjustments	4	(137)
Net realized gains (losses) from dispositions	8	(5)
Total net gains (losses) on investments	5	(154)
Other income (expense)	(79)	15
Total revenues	3,286	2,896
CLAIMS AND EXPENSES:		
Incurred losses and loss adjustment expenses	1,966	1,790
Commission, brokerage, taxes and fees	661	605
Other underwriting expenses	200	161
Corporate expenses	19	14
Interest, fees and bond issue cost amortization expense	32	24
Total claims and expenses	2,878	2,594
INCOME (LOSS) BEFORE TAXES	408	302
Income tax expense (benefit)	43	4
NET INCOME (LOSS)	$ 365	$ 298
Other comprehensive income (loss), net of tax:		
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	246	(815)
Reclassification adjustment for realized losses (gains) included in net income (loss)	3	4
Total URA(D) on securities arising during the period	249	(811)
Foreign currency translation adjustments	31	(34)
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	—	1
Total benefit plan net gain (loss) for the period	—	1
Total other comprehensive income (loss), net of tax	280	(844)
COMPREHENSIVE INCOME (LOSS)	$ 645	$ (547)
EARNINGS PER COMMON SHARE:		
Basic	$ 9.31	$ 7.57
Diluted	9.31	7.56

The accompanying notes are an integral part of the consolidated financial statements.

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY

(Dollars in millions, except dividends per share amounts)	Three Months Ended March 31, 2023	2022
	(unaudited)	
COMMON SHARES (shares outstanding):		
Balance beginning of period	39	39
Issued (redeemed) during the period, net	—	—
Treasury shares acquired	—	—
Balance end of period	39	39
COMMON SHARES (par value):		
Balance beginning of period	$ 1	$ 1
Issued during the period, net	—	—
Balance end of period	1	1
ADDITIONAL PAID-IN CAPITAL:		
Balance beginning of period	2,302	2,274
Share-based compensation plans	(7)	(3)
Balance end of period	2,295	2,272
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), NET OF DEFERRED INCOME TAXES:		
Balance beginning of period	(1,996)	12
Net increase (decrease) during the period	280	(844)
Balance end of period	(1,716)	(833)
RETAINED EARNINGS:		
Balance beginning of period	12,042	11,700
Net income (loss)	365	298
Dividends declared ($1.65 per share in 1Q2023 and $1.55 per share in 1Q2022)	(65)	(61)
Balance, end of period	12,342	11,936
TREASURY SHARES AT COST:		
Balance beginning of period	(3,908)	(3,847)
Purchase of treasury shares	—	(1)
Balance end of period	(3,908)	(3,849)
TOTAL SHAREHOLDERS' EQUITY, END OF PERIOD	$ 9,014	$ 9,528

The accompanying notes are an integral part of the consolidated financial statements.

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 365	$ 298
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(259)	(14)
Decrease (increase) in funds held by reinsureds, net	(17)	(67)
Decrease (increase) in reinsurance recoverables	7	(126)
Decrease (increase) in income taxes	41	1
Decrease (increase) in prepaid reinsurance premiums	28	(7)
Increase (decrease) in reserve for losses and loss adjustment expenses	681	632
Increase (decrease) in future policy benefit reserve	—	(1)
Increase (decrease) in unearned premiums	226	4
Increase (decrease) in other net payable to reinsurers	17	46
Increase (decrease) in losses in course of payment	47	(125)
Change in equity adjustments in limited partnerships	(5)	(98)
Distribution of limited partnership income	48	71
Change in other assets and liabilities, net	(121)	47
Non-cash compensation expense	12	12
Amortization of bond premium (accrual of bond discount)	(1)	19
Net (gains) losses on investments	(5)	154
Net cash provided by (used in) operating activities	1,064	846
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from fixed maturities matured/called/repaid - available for sale	562	849
Proceeds from fixed maturities sold - available for sale	72	419
Proceeds from fixed maturities matured/called/repaid - held to maturity	28	—
Proceeds from equity securities sold	46	90
Distributions from other invested assets	137	163
Cost of fixed maturities acquired - available for sale	(1,613)	(2,011)
Cost of fixed maturities acquired - held to maturity	(11)	—
Cost of equity securities acquired	(1)	(195)
Cost of other invested assets acquired	(242)	(137)
Net change in short-term investments	4	355
Net change in unsettled securities transactions	267	46
Net cash provided by (used in) investing activities	(752)	(421)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common shares issued (redeemed) during the period for share-based compensation, net of expense	(19)	(14)
Purchase of treasury shares	—	(1)
Dividends paid to shareholders	(65)	(61)
Cost of shares withheld on settlements of share-based compensation awards	(19)	(17)
Net cash provided by (used in) financing activities	(103)	(94)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	3	6
Net increase (decrease) in cash	212	337
Cash, beginning of period	1,398	1,441
Cash, end of period	$ 1,610	$ 1,778
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid (recovered)	$ 2	$ 3
Interest paid	10	2

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended March 31, 2023 and 2022

1. GENERAL

Everest Re Group, Ltd. (“Group”), a Bermuda company, through its subsidiaries, principally provides reinsurance and insurance in the U.S., Bermuda and international markets. As used in this document, “Company” means Group and its subsidiaries.

2. BASIS OF PRESENTATION

The unaudited consolidated financial statements of the Company as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and 2022 include all adjustments, consisting of normal recurring accruals, which, in the opinion of management, are necessary for a fair statement of the results on an interim basis. Certain financial information, which is normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), has been omitted since it is not required for interim reporting purposes. The December 31, 2022 consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by GAAP. The results for the three months ended March 31, 2023 and 2022 are not necessarily indicative of the results for a full year. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2022, 2021 and 2020, included in the Company’s most recent Form 10-K filing.

The Company consolidates the results of operations and financial position of all voting interest entities ("VOE") in which the Company has a controlling financial interest and all variable interest entities ("VIE") in which the Company is considered to be the primary beneficiary. The consolidation assessment, including the determination as to whether an entity qualifies as a VIE or VOE, depends on the facts and circumstances surrounding each entity.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate actual results could differ, possibly materially, from those estimates.

All intercompany accounts and transactions have been eliminated.

Application of Recently Issued Accounting Standard Changes.

The Company did not adopt any new accounting standards that had a material impact during the three months ended March 31, 2023. The Company assessed the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on the Company’s consolidated financial statements as well as material updates to previous assessments, if any, from the Company’s Annual Report on Form 10-K for the year ended December 31, 2022. There were no accounting standards issued in the three months ended March 31, 2023, that are expected to have a material impact to Group.

3. INVESTMENTS

The tables below present the amortized cost, allowance for credit losses, gross unrealized appreciation/(depreciation) and market value of fixed maturity securities - available for sale for the periods indicated:

	At March 31, 2023				
(Dollars in millions)	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Fixed maturity securities - available for sale					
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 1,323	$ —	$ 5	$ (69)	$ 1,259
Obligations of U.S. states and political subdivisions	424	—	2	(30)	396
Corporate securities	7,202	(55)	29	(497)	6,679
Asset-backed securities	4,567	—	5	(129)	4,443
Mortgage-backed securities					
Commercial	1,075	—	1	(102)	974
Agency residential	3,690	—	19	(244)	3,465
Non-agency residential	5	—	—	(1)	4
Foreign government securities	1,616	—	8	(153)	1,471
Foreign corporate securities	5,345	(7)	22	(491)	4,869
Total fixed maturity securities - available for sale	$ 25,247	$ (62)	$ 91	$ (1,716)	$ 23,560

(Some amounts may not reconcile due to rounding.)

	At December 31, 2022				
(Dollars in millions)	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Fixed maturity securities - available for sale					
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 1,334	$ —	$ 6	$ (82)	$ 1,257
Obligations of U.S. states and political subdivisions	444	—	2	(32)	413
Corporate securities	7,044	(45)	31	(561)	6,469
Asset-backed securities	4,229	—	5	(171)	4,063
Mortgage-backed securities					
Commercial	1,023	—	—	(105)	919
Agency residential	3,382	—	7	(290)	3,099
Non-agency residential	5	—	—	(1)	4
Foreign government securities	1,586	—	8	(179)	1,415
Foreign corporate securities	5,143	(10)	23	(562)	4,596
Total fixed maturity securities - available for sale	$ 24,191	$ (54)	$ 81	$ (1,982)	$ 22,236

(Some amounts may not reconcile due to rounding.)

The following tables show amortized cost, allowance for credit losses, gross unrealized appreciation/(depreciation) and fair value of fixed maturity securities - held to maturity for the periods indicated:

	At March 31, 2023				
(Dollars in millions)	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Fixed maturity securities - held to maturity					
Corporate securities	$ 152	$ (2)	$ 1	$ (3)	$ 148
Asset-backed securities	640	(6)	1	(12)	624
Mortgage-backed securities					
Commercial	14	—	—	—	14
Foreign corporate securities	28	(1)	2	—	29
Total fixed maturity securities - held to maturity	$ 834	(9)	$ 4	$ (15)	$ 814

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	At December 31, 2022 Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Fixed maturity securities - held to maturity					
Corporate securities	$ 152	$ (2)	$ —	$ (6)	$ 144
Asset-backed securities	661	(6)	2	(15)	642
Mortgage-backed securities					
Commercial	7	—	—	—	7
Foreign corporate securities	28	(1)	2	—	28
Total fixed maturity securities - held to maturity	$ 848	$ (9)	$ 3	$ (22)	$ 821

(Some amounts may not reconcile due to rounding.)

The amortized cost and fair value of fixed maturity securities - available for sale are shown in the following table by contractual maturity. As the stated maturity of such securities may not be indicative of actual maturities, the totals for mortgage-backed and asset-backed securities are shown separately.

	At March 31, 2023		At December 31, 2022	
(Dollars in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Fixed maturity securities – available for sale				
Due in one year or less	$ 1,449	$ 1,417	$ 1,331	$ 1,314
Due after one year through five years	8,385	7,877	8,131	7,546
Due after five years through ten years	4,548	4,072	4,636	4,057
Due after ten years	1,528	1,310	1,454	1,233
Asset-backed securities	4,567	4,443	4,229	4,063
Mortgage-backed securities				
Commercial	1,075	974	1,023	919
Agency residential	3,690	3,465	3,382	3,099
Non-agency residential	5	4	5	4
Total fixed maturity securities - available for sale	$ 25,247	$ 23,560	$ 24,191	$ 22,236

(Some amounts may not reconcile due to rounding.)

The amortized cost and fair value of fixed maturity securities - held to maturity are shown in the following table by contractual maturity. As the stated maturity of such securities may not be indicative of actual maturities, the totals for mortgage-backed and asset-backed securities are shown separately.

	At March 31, 2023		At December 31, 2022	
(Dollars in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Fixed maturity securities – held to maturity				
Due in one year or less	$ 5	$ 5	$ 5	$ 5
Due after one year through five years	63	63	63	61
Due after five years through ten years	43	42	43	41
Due after ten years	68	67	68	65
Asset-backed securities	640	624	661	642
Mortgage-backed securities				
Commercial	14	14	7	7
Total fixed maturity securities - held to maturity	$ 834	$ 814	$ 848	$ 821

(Some amounts may not reconcile due to rounding.)

During the third quarter of 2022, the Company re-designated a portion of its fixed maturity securities from its fixed maturity – available for sale portfolio to its fixed maturity – held to maturity portfolio. The fair value of the securities reclassified at the date of transfer was $722 million, net of allowance for current expected credit losses, which was subsequently recognized as the new amortized cost basis. As of March 31, 2023, these securities had an unrealized loss of $48 million, which remained in accumulated other comprehensive income on the balance sheet and will be amortized into income through an adjustment to the yields of the underlying securities over the remaining life of the securities.

The Company evaluated fixed maturity securities classified as held to maturity for current expected credit losses as of March 31, 2023 utilizing risk characteristics of each security, including credit rating, remaining time to maturity, adjusted for prepayment considerations, and subordination level, and applying default and recovery rates, which include the incorporation of historical credit loss experience and macroeconomic forecasts, to develop an estimate of current expected credit losses. These fixed maturities classified as held to maturity are of a high credit quality and are all rated investment grade as of March 31, 2023.

The changes in net unrealized appreciation (depreciation) for the Company's investments are derived from the following sources for the periods indicated:

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Increase (decrease) during the period between the fair value and cost of investments carried at fair value, and deferred taxes thereon:		
Fixed maturity securities - available for sale and short-term investments	$ 279	$ (927)
Change in unrealized appreciation (depreciation), pre-tax	279	(927)
Deferred tax benefit (expense)	(30)	116
Change in unrealized appreciation (depreciation), net of deferred taxes, included in shareholders' equity	$ 249	$ (811)

(Some amounts may not reconcile due to rounding.)

The tables below display the aggregate fair value and gross unrealized depreciation of fixed maturity securities - available for sale by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated:

	Duration of Unrealized Loss at March 31, 2023 By Security Type					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in millions)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 359	$ (10)	$ 764	$ (59)	$ 1,124	$ (69)
Obligations of U.S. states and political subdivisions	113	(6)	119	(22)	232	(28)
Corporate securities	2,358	(89)	3,177	(407)	5,536	(496)
Asset-backed securities	1,644	(37)	1,881	(92)	3,525	(129)
Mortgage-backed securities						
Commercial	317	(20)	634	(82)	951	(102)
Agency residential	1,270	(49)	1,373	(195)	2,643	(244)
Non-agency residential	1	—	4	(1)	4	(1)
Foreign government securities	392	(17)	895	(136)	1,287	(153)
Foreign corporate securities	1,504	(67)	2,743	(425)	4,247	(492)
Total	$ 7,958	$ (295)	$ 11,590	$ (1,419)	$ 19,548	$ (1,714)
Securities where an allowance for credit loss was recorded	3	(1)	—	(1)	3	(2)
Total fixed maturity securities - available for sale	$ 7,961	$ (296)	$ 11,591	$ (1,420)	$ 19,551	$ (1,716)

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Duration of Unrealized Loss at March 31, 2023 By Maturity					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
Due in one year or less	$ 849	$ (14)	$ 285	$ (19)	$ 1,134	$ (32)
Due in one year through five years	2,342	(86)	4,391	(436)	6,733	(523)
Due in five years through ten years	1,196	(66)	2,308	(422)	3,503	(489)
Due after ten years	339	(22)	715	(172)	1,055	(194)
Asset-backed securities	1,644	(37)	1,881	(92)	3,525	(129)
Mortgage-backed securities	1,588	(70)	2,010	(278)	3,598	(347)
Total	$ 7,958	$ (295)	$ 11,590	$ (1,419)	$ 19,548	$ (1,714)
Securities where an allowance for credit loss was recorded	3	(1)	—	(1)	3	(2)
Total fixed maturity securities - available for sale	$ 7,961	$ (296)	$ 11,591	$ (1,420)	$ 19,551	$ (1,716)

(Some amounts may not reconcile due to rounding.)

The aggregate fair value and gross unrealized losses related to fixed maturity securities - available for sale in an unrealized loss position at March 31, 2023 were $19.6 billion and $1.7 billion, respectively. The fair value of securities for the single issuer (the United States government), whose securities comprised the largest unrealized loss position at March 31, 2023, did not exceed 4.8% of the overall fair value of the Company's fixed maturity securities available for sale. The fair value of the securities for the issuer with the second largest unrealized loss position at March 31, 2023, comprised less than 0.8% of the Company's fixed maturity securities available for sale. In addition, as indicated on the above table, there was no significant concentration of unrealized losses in any one market sector. The $296 million of unrealized losses related to fixed maturity securities - available for sale that have been in an unrealized loss position for less than one year were generally comprised of domestic and foreign corporate securities, agency residential and commercial mortgage-backed securities, asset-backed securities and foreign government securities. Of these unrealized losses, $263 million were related to securities that were rated investment grade by at least one nationally recognized rating agency. The $1.4 billion of unrealized losses related to fixed maturity securities - available for sale in an unrealized loss position for more than one year related primarily to foreign and domestic corporate securities, agency residential mortgage-backed securities, foreign government securities and asset-backed securities. Of these unrealized losses, $1.3 billion were related to securities that were rated investment grade by at least one nationally recognized rating agency. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments. Based upon the Company's current evaluation of securities in an unrealized loss position as of March 31, 2023, the unrealized losses are due to changes in interest rates and non-issuer specific credit spreads and are not credit-related. In addition, the contractual terms of these securities do not permit these securities to be settled at a price less than their amortized cost.

The Company, given the size of its investment portfolio and capital position, does not have the intent to sell these securities; and it is more likely than not that the Company will not have to sell the security before recovery of its cost basis. In addition, all securities currently in an unrealized loss position are current with respect to principal and interest payments.

The tables below display the aggregate fair value and gross unrealized depreciation of fixed maturity securities - available for sale by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated:

	Duration of Unrealized Loss at December 31, 2022 By Security Type					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in millions)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 668	$ (31)	$ 487	$ (52)	$ 1,155	$ (82)
Obligations of U.S. states and political subdivisions	235	(23)	27	(9)	261	(32)
Corporate securities	4,143	(326)	1,316	(234)	5,459	(561)
Asset-backed securities	3,204	(142)	456	(29)	3,661	(171)
Mortgage-backed securities						
Commercial	806	(90)	101	(15)	907	(105)
Agency residential	1,905	(132)	870	(158)	2,776	(289)
Non-agency residential	4	—	1	(1)	4	—
Foreign government securities	985	(100)	321	(79)	1,306	(179)
Foreign corporate securities	3,264	(372)	853	(189)	4,117	(561)
Total	$ 15,213	$ (1,217)	$ 4,432	$ (764)	$ 19,645	$ (1,982)
Securities where an allowance for credit loss was recorded	2	—	—	—	2	—
Total fixed maturity securities - available for sale	$ 15,215	$ (1,217)	$ 4,432	$ (764)	$ 19,647	$ (1,982)

(Some amounts may not reconcile due to rounding.)

	Duration of Unrealized Loss at December 31, 2022 By Maturity					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in millions)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
Due in one year or less	$ 989	$ (19)	$ 40	$ (7)	$ 1,029	$ (26)
Due in one year through five years	4,935	(383)	1,645	(209)	6,580	(592)
Due in five years through ten years	2,698	(360)	911	(230)	3,609	(590)
Due after ten years	672	(91)	408	(116)	1,080	(207)
Asset-backed securities	3,204	(142)	456	(29)	3,661	(171)
Mortgage-backed securities	2,715	(222)	972	(173)	3,687	(395)
Total	$ 15,213	$ (1,217)	$ 4,432	$ (764)	$ 19,645	$ (1,982)
Securities where an allowance for credit loss was recorded	2	—	—	—	2	—
Total fixed maturity securities - available for sale	$ 15,215	$ (1,217)	$ 4,432	$ (764)	$ 19,647	$ (1,982)

(Some amounts may not reconcile due to rounding.)

The aggregate fair value and gross unrealized losses related to fixed maturity - available for sale investments in an unrealized loss position at December 31, 2022 were $19.6 billion and $2.0 billion, respectively. The fair value of securities for the single issuer (the United States government), whose securities comprised the largest unrealized loss position at December 31, 2022, did not exceed 5.2% of the overall fair value of the Company's fixed maturity securities - available for sale. The fair value of the securities for the issuer with the second largest unrealized loss comprised less than 0.2% of the Company's fixed maturity securities - available for sale. In addition, as indicated on the above table, there was no significant concentration of unrealized losses in any one market sector. The $1.2 billion of unrealized losses related to fixed maturity securities - available for sale that have been in an unrealized loss position for less than one year were generally comprised of domestic and foreign corporate securities, asset-backed securities, agency residential mortgage-backed securities and foreign government securities. Of these unrealized losses, $1.1 billion were related to securities that were rated investment grade by at least one nationally recognized rating agency. The $764 million of unrealized losses related to fixed maturity securities - available for sale in an unrealized loss position for more than one year related primarily to domestic and foreign corporate securities, agency residential mortgage-backed securities and foreign government securities. Of these unrealized losses, $732 million were related to securities that were rated investment grade by at least one nationally recognized rating agency. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments.

The components of net investment income are presented in the table below for the periods indicated:

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Fixed maturities	$ 247	$ 148
Equity securities	1	4
Short-term investments and cash	17	—
Other invested assets		
Limited partnerships	(15)	88
Other	22	12
Gross investment income before adjustments	272	253
Funds held interest income (expense)	—	4
Future policy benefit reserve income (expense)	—	—
Gross investment income	272	256
Investment expenses	(12)	(13)
Net investment income	$ 260	$ 243

(Some amounts may not reconcile due to rounding.)

The Company records results from limited partnership investments on the equity method of accounting with changes in value reported through net investment income. The net investment income from limited partnerships is dependent upon the Company's share of the net asset values of interests underlying each limited partnership. Due to the timing of receiving financial information from these partnerships, the results are generally reported on a one month or quarter lag. If the Company determines there has been a significant decline in value of a limited partnership during this lag period, a loss will be recorded in the period in which the Company identifies the decline.

The Company had contractual commitments to invest up to an additional $2.7 billion in limited partnerships and private placement loan securities at March 31, 2023. These commitments will be funded when called in accordance with the partnership and loan agreements, which have investment periods that expire, unless extended, through 2027.

During the fourth quarter of 2022, the Company entered into corporate-owned life insurance policies, which are carried within other invested assets at policy cash surrender value of $954 million and $939 million as of March 31, 2023 and December 31, 2022, respectively.

Variable Interest Entities

The Company is engaged with various special purpose entities and other entities that are deemed to be VIEs primarily as an investor through normal investment activities but also as an investment manager. A VIE is an entity that either has investors that lack certain essential characteristics of a controlling financial interest, such as simple majority kick-out rights, or lacks sufficient funds to finance its own activities without financial support provided by other entities. The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and therefore is the primary beneficiary. The Company is deemed to have a controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. Based on the Company's assessment, if it determines it is the primary beneficiary, the Company consolidates the VIE in the Company's Consolidated Financial Statements. As of March 31, 2023 and December 31, 2022, the Company did not hold any securities for which it is the primary beneficiary.

The Company, through normal investment activities, makes passive investments in general and limited partnerships and other alternative investments. For these non-consolidated VIEs, the Company has determined it is not the primary beneficiary as it has no ability to direct activities that could significantly affect the economic performance of the investments. The Company's maximum exposure to loss as of March 31, 2023 and December 31, 2022 is limited to the total carrying value of $4.2 billion and $4.1 billion, respectively, which are included in general and limited partnerships and other alternative investments in Other Invested Assets in the Company's Consolidated Balance Sheets. As of March 31, 2023, the Company has outstanding commitments totaling $2.2 billion whereby the Company is committed to fund these investments and may be called by the partnership during the commitment period to fund the purchase of new investments and partnership expenses. These investments are generally of a passive nature in that the Company does not take an active role in management.

In addition, the Company makes passive investments in structured securities issued by VIEs for which the Company is not the manager. These investments are included in asset-backed securities, which includes collateralized loan obligations and are classified as fixed maturities, available for sale. The Company has not provided financial or other support with respect to these investments other than its original investment. For these investments, the Company determined it is not the primary beneficiary due to the relative size of the Company’s investment in comparison to the principal amount of the structured securities issued by the VIEs, the level of credit subordination which reduces the Company’s obligation to absorb losses or right to receive benefits and the Company’s inability to direct the activities that most significantly impact the economic performance of the VIEs. The Company’s maximum exposure to loss on these investments is limited to the amount of the Company’s investment.

The components of net gains (losses) on investments are presented in the table below for the periods indicated:

(Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Fixed maturity securities		
Allowance for credit losses	$ (8)	$ (12)
Net realized gains (losses) from dispositions	2	3
Equity securities, fair value		
Net realized gains (losses) from dispositions	7	(12)
Gains (losses) from fair value adjustments	4	(137)
Other invested assets	—	4
Total net gains (losses) on investments	$ 5	$ (154)

(Some amounts may not reconcile due to rounding.)

The following tables provide a roll forward of the Company’s beginning and ending balance of allowance for credit losses for the periods indicated:

	Roll Forward of Allowance for Credit Losses - Fixed Maturities - Available for Sale		
	Three Months Ended March 31, 2023		
(Dollars in millions)	Corporate Securities	Foreign Corporate Securities	Total
Beginning Balance	$ (45)	$ (10)	$ (54)
Credit losses on securities where credit losses were not previously recorded	(12)	—	(12)
Increases in allowance on previously impaired securities	—	—	—
Decreases in allowance on previously impaired securities	—	—	—
Reduction in allowance due to disposals	2	3	5
Balance, end of period	$ (55)	$ (7)	$ (62)

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Roll Forward of Allowance for Credit Losses - Fixed Maturities - Held to Maturity			
	Three Months Ended March 31, 2023			
	Corporate Securities	Asset-Backed Securities	Foreign Corporate Securities	Total
Beginning Balance	$ (2)	$ (6)	$ (1)	$ (9)
Credit losses on securities where credit losses were not previously recorded	—	—	—	—
Increases in allowance on previously impaired securities	—	—	—	—
Decreases in allowance on previously impaired securities	—	—	—	—
Reduction in allowance due to disposals	—	—	—	—
Balance, end of period	$ (2)	$ (6)	$ (1)	$ (9)

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Roll Forward of Allowance for Credit Losses - Fixed Maturities - Available for Sale			
	Three Months Ended March 31, 2022			
	Corporate Securities	Asset-Backed Securities	Foreign Corporate Securities	Total
Beginning Balance	$ (19)	$ (8)	$ (3)	$ (30)
Credit losses on securities where credit losses were not previously recorded	(2)	—	(11)	(13)
Increases in allowance on previously impaired securities	—	—	—	—
Decreases in allowance on previously impaired securities	—	—	—	—
Reduction in allowance due to disposals	1	—	—	1
Balance, end of period	$ (20)	$ (8)	$ (14)	$ (42)

(Some amounts may not reconcile due to rounding.)

The proceeds and split between gross gains and losses from dispositions of fixed maturity and equity securities, are presented in the table below for the periods indicated:

(Dollars in millions)	Three Months Ended March 31,	
	2023	2022
Proceeds from sales of fixed maturity securities - available for sale	$ 72	$ 419
Gross gains from dispositions	11	20
Gross losses from dispositions	(9)	(17)
Proceeds from sales of equity securities	$ 46	$ 90
Gross gains from dispositions	7	4
Gross losses from dispositions	—	(15)

4. RESERVE FOR LOSSES, LAE AND FUTURE POLICY BENEFIT RESERVE

Activity in the reserve for losses and loss adjustment expenses ("LAE") is summarized for the periods indicated:

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Gross reserves beginning of period	$ 22,065	$ 19,009
Less reinsurance recoverables on unpaid losses	(2,105)	(1,946)
Net reserves beginning of period	19,960	17,063
Incurred related to:		
Current year	1,966	1,791
Prior years	—	(1)
Total incurred losses and LAE	1,966	1,790
Paid related to:		
Current year	684	308
Prior years	641	919
Total paid losses and LAE	1,325	1,226
Foreign exchange/translation adjustment	152	(122)
Net reserves end of period	20,753	17,505
Plus reinsurance recoverables on unpaid losses	2,125	1,991
Gross reserves end of period	$ 22,878	$ 19,496

(Some amounts may not reconcile due to rounding.)

Current year incurred losses were $2.0 billion and $1.8 billion for the three months ended March 31, 2023 and 2022, respectively. Gross and net reserves increased for the three months ended March 31, 2023, reflecting an increase in underlying exposure due to earned premium growth, year over year, and an increase of $175 million in 2023 current year attritional losses compared to 2022.

5. FAIR VALUE

GAAP guidance regarding fair value measurements addresses how companies should measure fair value when they are required to use fair value measures for recognition or disclosure purposes under GAAP and provides a common definition of fair value to be used throughout GAAP. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. In addition, it establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability. The level in the hierarchy within which a given fair value measurement falls is determined based on the lowest level input that is significant to the measurement, with Level 1 being the highest priority and Level 3 being the lowest priority.

The levels in the hierarchy are defined as follows:

Level 1: Inputs to the valuation methodology are observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in an active market;

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument;

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's fixed maturity and equity securities are primarily managed by third party investment asset managers. The investment asset managers managing publicly traded securities obtain prices from nationally recognized pricing services. These services seek to utilize market data and observations in their evaluation process. They use pricing applications that vary by asset class and incorporate available market information and when fixed maturity securities do not trade on a daily basis the services will apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. In addition, they use model processes, such as the Option Adjusted Spread model to develop prepayment and interest rate scenarios for securities that have prepayment features.

The investment asset managers do not make any changes to prices received from either the pricing services or the investment brokers. In addition, the investment asset managers have procedures in place to review the reasonableness of the prices from the service providers and may request verification of the prices. The Company also continually performs quantitative and qualitative analysis of prices, including but not limited to initial and ongoing review of pricing methodologies, review of prices obtained from pricing services and third party investment asset managers, review of pricing statistics and trends, and comparison of prices for certain securities with a secondary price source for reasonableness. No material variances were noted during these price validation procedures. In limited situations, where financial markets are inactive or illiquid, the Company may use its own assumptions about future cash flows and risk-adjusted discount rates to determine fair value. At March 31, 2023, $1.7 billion of fixed maturities were fair valued using unobservable inputs. The majority of these fixed maturities were valued by investment managers' valuation committees and many of these fair values were substantiated by valuations from independent third parties. The Company has procedures in place to evaluate these independent third party valuations. At December 31, 2022, $1.7 billion of fixed maturities were fair valued using unobservable inputs.

The Company internally manages a portfolio of assets which had a fair value at March 31, 2023 and December 31, 2022 of $3.4 billion and $2.7 billion, respectively, primarily comprised of collateralized loan obligations included in asset-backed securities and US treasury fixed maturities. All prices for these securities were obtained from publicly published sources or nationally recognized pricing vendors.

Equity securities denominated in U.S. currency with quoted prices in active markets for identical assets are categorized as Level 1 since the quoted prices are directly observable. Equity securities traded on foreign exchanges are categorized as Level 2 due to the added input of a foreign exchange conversion rate to determine fair value. The Company uses foreign currency exchange rates published by nationally recognized sources.

Fixed maturity securities listed in the tables have been categorized as Level 2, since a particular security may not have traded but the pricing services are able to use valuation models with observable market inputs such as interest rate yield curves and prices for similar fixed maturity securities in terms of issuer, maturity and seniority. For foreign government securities and foreign corporate securities, the fair values provided by the third party pricing services in local currencies, and where applicable, are converted to U.S. dollars using currency exchange rates from nationally recognized sources.

In addition to the valuations from investment managers, some of the fixed maturities with fair values categorized as Level 3 result when prices are not available from the nationally recognized pricing services and are derived using unobservable inputs. The Company will value the securities with unobservable inputs using comparable market information or receive fair values from investment managers. The investment managers may obtain non-binding price quotes for the securities from brokers. The single broker quotes are provided by market makers or broker-dealers who are recognized as market participants in the markets in which they are providing the quotes. The prices received from brokers are reviewed for reasonableness by the third party asset managers and the Company. If the broker quotes are for foreign denominated securities, the quotes are converted to U.S. dollars using currency exchange rates from nationally recognized sources.

The composition and valuation inputs for the presented fixed maturities categories Level 1 and Level 2 are as follows:

- U.S. Treasury securities and obligations of U.S. government agencies and corporations are primarily comprised of U.S. Treasury bonds and the fair value is based on observable market inputs such as quoted prices, reported trades, quoted prices for similar issuances or benchmark yields;

- Obligations of U.S. states and political subdivisions are comprised of state and municipal bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities, benchmark yields and credit spreads;

- Corporate securities are primarily comprised of U.S. corporate and public utility bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities, benchmark yields and credit spreads;

- Asset-backed and mortgage-backed securities fair values are based on observable inputs such as quoted prices, reported trades, quoted prices for similar issuances or benchmark yields and cash flow models using observable inputs such as prepayment speeds, collateral performance and default spreads;

- Foreign government securities are comprised of global non-U.S. sovereign bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities and models with observable inputs such as benchmark yields and credit spreads and then, where applicable, converted to U.S. dollars using an exchange rate from a nationally recognized source;

- Foreign corporate securities are comprised of global non-U.S. corporate bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities and models with observable inputs such as benchmark yields and credit spreads and then, where applicable, converted to U.S. dollars using an exchange rate from a nationally recognized source.

The following tables present the fair value measurement levels for all assets and liabilities, which the Company has recorded at fair value as of the periods indicated:

		Fair Value Measurement Using		
(Dollars in millions)	March 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Fixed maturities - available for sale				
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 1,259	$ —	$ 1,259	$ —
Obligations of U.S. States and political subdivisions	396	—	396	—
Corporate securities	6,679	—	5,970	709
Asset-backed securities	4,443	—	3,422	1,020
Mortgage-backed securities				
Commercial	974	—	974	—
Agency residential	3,465	—	3,465	—
Non-agency residential	4	—	4	—
Foreign government securities	1,471	—	1,471	—
Foreign corporate securities	4,869	—	4,853	16
Total fixed maturities - available for sale	23,560	—	21,815	1,745
Equity securities, fair value	250	140	110	—

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	December 31, 2022	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Fixed maturities - available for sale				
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 1,257	$ —	$ 1,257	$ —
Obligations of U.S. States and political subdivisions	413	—	413	—
Corporate securities	6,469	—	5,754	715
Asset-backed securities	4,063	—	3,069	994
Mortgage-backed securities				
Commercial	919	—	919	—
Agency residential	3,099	—	3,099	—
Non-agency residential	4	—	4	—
Foreign government securities	1,415	—	1,415	—
Foreign corporate securities	4,596	—	4,579	16
Total fixed maturities - available for sale	22,236	—	20,511	1,725
Equity securities, fair value	281	132	150	—

(Some amounts may not reconcile due to rounding.)

In addition, $316 million and $292 million of investments within other invested assets on the consolidated balance sheets as of March 31, 2023 and December 31, 2022, respectively, are not included within the fair value hierarchy tables as the assets are measured at net asset value (“NAV”) as a practical expedient to determine fair value.

The following table presents the activity under Level 3, fair value measurements using significant unobservable inputs for fixed maturities available for sale, for the periods indicated:

	Total Fixed Maturities, Available for Sale			
	Three Months Ended March 31, 2023			
(Dollars in millions)	Corporate Securities	Asset-Backed Securities	Foreign Corporate	Total
Beginning balance fixed maturities	$ 715	$ 994	$ 16	$ 1,725
Total gains or (losses) (realized/unrealized)				
Included in earnings	1	—	—	1
Included in other comprehensive income (loss)	(4)	18	—	14
Purchases, issuances and settlements	(3)	9	—	5
Transfers in/(out) of Level 3 and reclassification of securities in/(out) of investment categories	—	—	—	—
Ending balance	$ 709	$ 1,020	$ 16	$ 1,745
The amount of total gains or losses for the period included in earnings (or changes in net assets) attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ —	$ —	$ —	$ —

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Total Fixed Maturities, Available for Sale Three Months Ended March 31, 2022 Corporate Securities	Asset-Backed Securities	CMBS	Foreign Corporate	Total
Beginning balance fixed maturities	$ 801	$ 1,251	$ —	$ 16	$ 2,068
Total gains or (losses) (realized/unrealized)					
Included in earnings	16	—	—	—	16
Included in other comprehensive income (loss)	(4)	(29)	—	—	(33)
Purchases, issuances and settlements	(98)	166	6	—	74
Transfers in/(out) of Level 3 and reclassification of securities in/(out) of investment categories	—	—	—	—	—
Ending balance	$ 715	$ 1,389	$ 6	$ 16	$ 2,125
The amount of total gains or losses for the period included in earnings (or changes in net assets) attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ —	$ —	$ —	$ —	$ —

(Some amounts may not reconcile due to rounding.)

There were no transfers of assets in/(out) of Level 3 for the three months ended March 31, 2022.

Financial Instruments Disclosed, But Not Reported, at Fair Value
Certain financial instruments disclosed, but not reported, at fair value are excluded from the fair value hierarchy tables above. Fair values of fixed maturity securities held to maturity and senior notes can be found within Notes 3 and 11, respectively. Short-term investments are stated at cost, which approximates fair value.

6. EARNINGS PER COMMON SHARE

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that would occur if options granted under various share-based compensation plans were exercised resulting in the issuance of common shares that would participate in the earnings of the entity.

Net income (loss) per common share has been computed as per below, based upon weighted average common basic and dilutive shares outstanding.

(Dollars in millions, except per share amounts)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income (loss) per share:		
Numerator		
Net income (loss)	$ 365	$ 298
Less: dividends declared-common shares and unvested common shares	(65)	(61)
Undistributed earnings	300	237
Percentage allocated to common shareholders (1)	98.7 %	98.7 %
	296	234
Add: dividends declared-common shareholders	64	60
Numerator for basic and diluted earnings per common share	$ 360	$ 294
Denominator		
Denominator for basic earnings per weighted-average common shares	38.7	38.8
Effect of dilutive securities:		
Options	—	—
Denominator for diluted earnings per adjusted weighted-average common shares	38.7	38.8
Per common share net income (loss)		
Basic	$ 9.31	$ 7.57
Diluted	$ 9.31	$ 7.56
(1) Basic weighted-average common shares outstanding	38.7	38.8
Basic weighted-average common shares outstanding and unvested common shares expected to vest	39.2	39.3
Percentage allocated to common shareholders	98.7 %	98.7 %

(Some amounts may not reconcile due to rounding.)

There were no options outstanding as of March 31, 2023. Options granted under share-based compensation plans have all expired as of September 19, 2022.

7. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and LAE.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

8. OTHER COMPREHENSIVE INCOME (LOSS)

The following tables present the components of comprehensive income (loss) in the consolidated statements of operations for the periods indicated:

	Three Months Ended March 31, 2023		
(Dollars in millions)	Before Tax	Tax Effect	Net of Tax
Unrealized appreciation (depreciation) ("URA(D)") on securities - non-credit related	$ 273	$ (27)	$ 246
Reclassification of net realized losses (gains) included in net income (loss)	6	(3)	3
Foreign currency translation adjustments	33	(2)	31
Reclassification of benefit plan liability amortization included in net income (loss)	—	—	—
Total other comprehensive income (loss)	$ 312	$ (32)	$ 280

	Three Months Ended March 31, 2022		
(Dollars in millions)	Before Tax	Tax Effect	Net of Tax
Unrealized appreciation (depreciation) ("URA(D)") on securities - non-credit related	$ (932)	$ 117	$ (815)
Reclassification of net realized losses (gains) included in net income (loss)	5	(1)	4
Foreign currency translation adjustments	(35)	1	(34)
Reclassification of benefit plan liability amortization included in net income (loss)	1	—	1
Total other comprehensive income (loss)	$ (961)	$ 117	$ (844)

The following table presents details of the amounts reclassified from AOCI for the periods indicated:

	Three Months Ended March 31,		
AOCI component	2023	2022	Affected line item within the statements of operations and comprehensive income (loss)
(Dollars in millions)			
URA(D) on securities	$ 6	$ 5	Other net realized capital gains (losses)
	(3)	(1)	Income tax expense (benefit)
	$ 3	$ 4	Net income (loss)
Benefit plan net gain (loss)	$ —	$ 1	Other underwriting expenses
	—	—	Income tax expense (benefit)
	$ —	$ 1	Net income (loss)

The following table presents the components of accumulated other comprehensive income (loss), net of tax, in the consolidated balance sheets for the periods indicated:

(Dollars in millions)	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
Beginning balance of URA(D) on securities	$	(1,709)	$	239
Current period change in URA(D) of investments - non-credit related		249		(811)
Ending balance of URA(D) on securities		(1,460)		(572)
Beginning balance of foreign currency translation adjustments		(254)		(177)
Current period change in foreign currency translation adjustments		31		(34)
Ending balance of foreign currency translation adjustments		(223)		(212)
Beginning balance of benefit plan net gain (loss)		(33)		(50)
Current period change in benefit plan net gain (loss)		—		1
Ending balance of benefit plan net gain (loss)		(33)		(49)
Ending balance of accumulated other comprehensive income (loss)	$	(1,716)	$	(833)

(Some amounts may not reconcile due to rounding.)

9. CREDIT FACILITIES

The Company has multiple active letter of credit facilities for a total commitment of up to $1.5 billion as of March 31, 2023. The Company also has additional uncommitted letter of credit facilities of up to $440 million which may be accessible via written request and corresponding authorization from the applicable lender. There is no guarantee the uncommitted capacity will be available to us on a future date.

The terms and outstanding amounts for each facility are discussed below:

Bermuda Re Wells Fargo Bilateral Letter of Credit Facility

Effective February 23, 2021, Bermuda Re entered into a letter of credit issuance facility with Wells Fargo referred to as the “2021 Bermuda Re Wells Fargo Bilateral Letter of Credit Facility.” The Bermuda Re Wells Fargo Bilateral Letter of Credit Facility originally provided for the issuance of up to $50 million of secured letters of credit. Effective May 5, 2021, the agreement was amended to provide for the issuance of up to $500 million of secured letters of credit.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023			At December 31, 2022		
Bank	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Wells Fargo Bank Bilateral LOC Agreement	$ 500	$ 445	12/29/2023	$ 500	$ 463	12/29/2023

(Some amounts may not reconcile due to rounding.)

Bermuda Re Citibank Letter of Credit Facility

Effective August 9, 2021, Bermuda Re entered into a new letter of credit issuance facility with Citibank N.A. which superseded the previous letter of credit issuance facility with Citibank that was effective December 31, 2020. Both of these are referred to as the “Bermuda Re Letter of Credit Facility”. The current Bermuda Re Citibank Letter of Credit Facility provides for the committed issuance of up to $230 million of secured letters of credit. In addition, the facility provided for the uncommitted issuance of up the $140 million, which may be accessible via written request by the Company and corresponding authorization from Citibank N.A.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023					At December 31, 2022				
Bank	Commitment		In Use		Date of Expiry	Commitment		In Use		Date of Expiry
Bermuda Re Citibank LOC Facility- Committed	$	230	$	1	8/15/2023	$	230	$	1	1/1/2023
		—		3	9/23/2023		—		4	2/28/2023
		—		217	12/31/2023		—		1	3/1/2023
		—		4	2/29/2024		—		1	8/15/2023
		—		1	3/1/2024		—		3	9/23/2023
		—		1	12/1/2024		—		212	12/31/2023
Bermuda Re Citibank LOC Facility - Uncommitted		140		106	12/31/2023		140		87	12/31/2023
		—		18	3/30/2027		—		18	12/30/2026
Total Citibank Bilateral Agreement	$	370	$	353		$	370	$	329	

(Some amounts may not reconcile due to rounding.)

Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility

Effective August 27, 2021 Bermuda Re entered into a letter of credit issuance facility with Bayerische Landesbank, an agreement referred to as the “Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility”. The Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility provides for the committed issuance of up to $200 million of secured letters of credit.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023					At December 31, 2022				
Bank	Commitment		In Use		Date of Expiry	Commitment		In Use		Date of Expiry
Bayerische Landesbank Bilateral Secured Credit Facility	$	200	$	175	12/31/2023	$	200	$	183	12/31/2023

(Some amounts may not reconcile due to rounding.)

Bermuda Re Bayerische Landesbank Bilateral Unsecured Letter of Credit Facility

Effective December 30, 2022, Bermuda Re entered into a new additional letter of credit issuance facility with Bayerische Landesbank, New York Branch, referred to as the “Bayerische Landesbank Bilateral Unsecured Letter of Credit Facility”. The Bermuda Re Bayerische Landesbank Bilateral Unsecured Letter of Credit Facility provides for the committed issuance of up to $150 million of unsecured letters of credit.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023					At December 31, 2022				
Bank	Commitment		In Use		Date of Expiry	Commitment		In Use		Date of Expiry
Bayerische Landesbank Bilateral Unsecured LOC Agreement - Committed	$	150	$	150	12/31/2023	$	150	$	150	12/31/2023

(Some amounts may not reconcile due to rounding.)

Bermuda Re Lloyd’s Bank Credit Facility

Effective October 8, 2021 Bermuda Re entered into a letter of credit issuance facility with Lloyd’s Bank Corporate Markets PLC, an agreement referred to as the “Bermuda Re Lloyd’s Bank Credit Facility”. The Bermuda Re Lloyd’s Bank Credit Facility provides for the committed issuance of up to $50 million of secured letters of credit, and subject to credit approval a maximum total facility amount of $250 million.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023			At December 31, 2022		
Bank	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Lloyd's Bank Credit Facility-Committed	$ 50	$ 50	12/31/2023	$ 50	$ 50	12/31/2023
Bermuda Re Lloyd's Bank Credit Facility-Uncommitted	200	156	12/31/2023	200	136	45291
Total Bermuda Re Lloyd's Bank Credit Facility	$ 250	$ 206		$ 250	$ 186	

(Some amounts may not reconcile due to rounding.)

Bermuda Re Barclays Bank Credit Facility

Effective November 3, 2021 Bermuda Re entered into a letter of credit issuance facility with Barclays Bank PLC, an agreement referred to as the “Bermuda Re Barclays Credit Facility”. The Bermuda Re Barclays Credit Facility provides for the committed issuance of up to $200 million of secured letters of credit.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023			At December 31, 2022		
Bank	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Barclays Bilateral Letter of Credit Facility	$ 200	$ 179	12/31/2023	$ 200	$ 179	12/31/2023

Bermuda Re Nordea Bank Letter of Credit Facility

Effective November 21, 2022, Bermuda Re entered into a letter of credit issuance facility with Nordea Bank ABP, New York Branch, referred to as the “Nordea Bank Letter of Credit Facility”. The Bermuda Re Nordea Bank Letter of Credit Facility provides for the committed issuance of up to $200 million of unsecured letters of credit, and subject to credit approval, uncommitted issuance of $100 million for a maximum total facility amount of $300 million.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At March 31, 2023			At December 31, 2022		
Bank	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Nordea Bank ABP, NY Unsecured LOC Facility - Committed	$ 200	$ 200	12/31/2023	$ 200	$ 50	12/31/2023
Nordea Bank ABP, NY Unsecured LOC Facility - Uncommitted	100	100	12/31/2023	100	100	12/31/2023
Total Nordea Bank ABP, NY LOC Facility	$ 300	$ 300		$ 300	$ 150	

(Some amounts may not reconcile due to rounding.)

Federal Home Loan Bank Membership

Everest Reinsurance Company (“Everest Re”) is a member of the Federal Home Loan Bank of New York (“FHLBNY”), which allows Everest Re to borrow up to 10% of its statutory admitted assets. As of March 31, 2023, Everest Re had admitted assets of approximately $23.1 billion which provides borrowing capacity of up to approximately $2.3 billion. As of March 31, 2023, Everest Re has $519 million of borrowings outstanding, all of which expire in 2023. Everest Re incurred interest expense of $6 million and $0.7 million for the three months ended March 31, 2023 and 2022, respectively. The FHLBNY membership agreement requires that 4.5% of borrowed funds be used to acquire additional membership stock.

10. COLLATERALIZED REINSURANCE AND TRUST AGREEMENTS

Certain subsidiaries of Group have established trust agreements, which effectively use the Company’s investments as collateral, as security for assumed losses payable to certain non-affiliated ceding companies. At March 31, 2023, the total amount on deposit in trust accounts was $2.5 billion, which includes $202 million of restricted cash. At March 31, 2022, the total amount on deposit in trust accounts was $1.8 billion, which includes $365 million of restricted cash.

The Company reinsures some of its catastrophe exposures with the segregated accounts of Mt. Logan Re. Mt. Logan Re is a Collateralized insurer registered in Bermuda and 100% of the voting common shares are owned by Group. Each segregated account invests predominantly in a diversified set of catastrophe exposures, diversified by risk/peril and across different geographic regions globally.

The following table summarizes the premiums and losses that are ceded by the Company to Mt. Logan Re segregated accounts and assumed by the Company from Mt. Logan Re segregated accounts.

	Three Months Ended March 31,	
Mt. Logan Re Segregated Accounts	2023	2022
(Dollars in millions)		
Ceded written premiums	$ 53	$ 50
Ceded earned premiums	46	50
Ceded losses and LAE	36	41
Assumed written premiums	1	1
Assumed earned premiums	1	1
Assumed losses and LAE	—	—

The Company entered into various collateralized reinsurance agreements with Kilimanjaro Re Limited ("Kilimanjaro"), a Bermuda based special purpose reinsurer, to provide the Company with catastrophe reinsurance coverage. These agreements are multi-year reinsurance contracts which cover named storm and earthquake events. The table below summarizes the various agreements.

(Dollars in millions)

Class	Description	Effective Date	Expiration Date	Limit	Coverage Basis
Series 2018-1 Class A-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/30/2018	5/5/2023	$ 63	Aggregate
Series 2018-1 Class B-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/30/2018	5/5/2023	200	Aggregate
Series 2019-1 Class A-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	12/12/2019	12/19/2023	150	Occurrence
Series 2019-1 Class B-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	12/12/2019	12/19/2023	275	Aggregate
Series 2019-1 Class A-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	12/12/2019	12/19/2024	150	Occurrence
Series 2019-1 Class B-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	12/12/2019	12/19/2024	275	Aggregate
Series 2021-1 Class A-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/21/2025	150	Occurrence
Series 2021-1 Class B-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/21/2025	85	Aggregate
Series 2021-1 Class C-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/21/2025	85	Aggregate
Series 2021-1 Class A-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/20/2026	150	Occurrence
Series 2021-1 Class B-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/20/2026	90	Aggregate
Series 2021-1 Class C-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/20/2026	90	Aggregate
Series 2022-1 Class A	US, Canada, Puerto Rico – Named Storm and Earthquake Events	6/22/2022	6/22/2025	300	Aggregate
	Total available limit as of March 31, 2023			$ 2,063	

Recoveries under these collateralized reinsurance agreements with Kilimanjaro are primarily dependent on estimated industry level insured losses from covered events, as well as the geographic location of the events. The estimated industry level of insured losses is obtained from published estimates by an independent recognized authority on insured property losses. As of March 31, 2023, none of the published insured loss estimates for catastrophe events during the applicable covered periods of the various agreements have exceeded the single event retentions or aggregate retentions under the terms of the agreements that would result in a recovery.

Kilimanjaro has financed the various property catastrophe reinsurance coverages by issuing catastrophe bonds to unrelated, external investors. The proceeds from the issuance of the catastrophe bonds are held in reinsurance trusts throughout the duration of the applicable reinsurance agreements and invested solely in U.S. government money market funds with a rating of at least "AAAm" by Standard & Poor's. The catastrophe bonds' issue date, maturity date and amount correspond to the reinsurance agreements listed above.

11. SENIOR NOTES

The table below displays Everest Reinsurance Holdings' ("Holdings") outstanding senior notes. Fair value is based on quoted market prices, but due to limited trading activity, these senior notes are considered Level 2 in the fair value hierarchy.

				March 31, 2023		December 31, 2022	
(Dollars in millions)	Date Issued	Date Due	Principal Amounts	Consolidated Balance Sheet Amount	Fair Value	Consolidated Balance Sheet Amount	Fair Value
4.868% Senior notes	6/5/2014	6/1/2044	$ 400	$ 397	$ 373	$ 397	$ 343
3.5% Senior notes	10/7/2020	10/15/2050	1,000	981	728	981	677
3.125% Senior notes	10/4/2021	10/15/2052	1,000	969	677	969	627
			$ 2,400	$ 2,348	$ 1,778	$ 2,347	$ 1,647

(Some amounts may not reconcile due to rounding.)

Interest expense incurred in connection with these senior notes is as follows for the periods indicated:

			Three Months Ended March 31,	
(Dollars in millions)	Interest Paid	Payable Dates	2023	2022
4.868% Senior notes	semi-annually	June 1/ December 1	$ 5	$ 5
3.5% Senior notes	semi-annually	April 15/October 15	9	9
3.125% Senior notes	semi-annually	April 15/October 15	8	8
			$ 22	$ 22

(Some amounts may not reconcile due to rounding.)

12. LONG-TERM SUBORDINATED NOTES

The table below displays Holdings' outstanding fixed to floating rate long-term subordinated notes. Fair value is based on quoted market prices, but due to limited trading activity, these subordinated notes are considered Level 2 in the fair value hierarchy.

			Maturity Date		March 31, 2023		December 31, 2022	
(Dollars in millions)	Date Issued	Original Principal Amount	Scheduled	Final	Consolidated Balance Sheet Amount	Fair Value	Consolidated Balance Sheet Amount	Fair Value
Long-term subordinated notes	4/26/2007	$ 400	5/15/2037	5/1/2067	$ 218	$ 197	$ 218	$ 187

During the fixed rate interest period from May 3, 2007 through May 14, 2017, interest was at the annual rate of 6.6%, payable semi-annually in arrears on November 15 and May 15 of each year, commencing on November 15, 2007. During the floating rate interest period from May 15, 2017 through maturity, interest will be based on the 3 month LIBOR plus 238.5 basis points, reset quarterly, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, subject to Holdings' right to defer interest on one or more occasions for up to ten consecutive years. Deferred interest will accumulate interest at the applicable rate compounded quarterly for periods from and including May 15, 2017. The reset quarterly interest rate for February 15, 2023 to May 14, 2023 is 7.25%.

Holdings may redeem the long-term subordinated notes on or after May 15, 2017, in whole or in part at 100% of the principal amount plus accrued and unpaid interest; however, redemption on or after the scheduled maturity date and prior to May 1, 2047 is subject to a replacement capital covenant. This covenant is for the benefit of certain senior note holders and it mandates that Holdings receive proceeds from the sale of another subordinated debt issue, of at least similar size, before it may redeem the subordinated notes. The Company’s 4.868% senior notes, due on June 1, 2044, 3.5% senior notes due on October 15, 2050 and 3.125% senior notes due on October 15, 2052 are the Company’s long-term indebtedness that rank senior to the long-term subordinated notes.

In 2009, the Company had reduced its outstanding amount of long-term subordinated notes through the initiation of a cash tender offer for any and all of the long-term subordinated notes.

Interest expense incurred in connection with these long-term subordinated notes is as follows for the periods indicated:

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Interest expense incurred	$ 4	$ 2

13. SEGMENT REPORTING

The Reinsurance operation writes worldwide property and casualty reinsurance and specialty lines of business, on both a treaty and facultative basis, through reinsurance brokers, as well as directly with ceding companies. Business is written in the U.S., Bermuda, and Ireland offices, as well as, through branches in Canada, Singapore, the United Kingdom and Switzerland. The Insurance operation writes property and casualty insurance directly and through brokers, surplus lines brokers and general agents within the U.S., Bermuda, Canada, Europe, Singapore and South America through its offices in the U.S., Canada, Chile, Singapore, the United Kingdom, Ireland, and branches located in the Netherlands, France, Germany and Spain.

These segments are managed independently, but conform with corporate guidelines with respect to pricing, risk management, control of aggregate catastrophe exposures, capital, investments and support operations. Management generally monitors and evaluates the financial performance of these operating segments based upon their underwriting results.

Underwriting results include earned premium less losses and loss adjustment expenses (“LAE”) incurred, commission and brokerage expenses and other underwriting expenses. The Company measures its underwriting results using ratios, in particular loss, commission and brokerage and other underwriting expense ratios, which, respectively, divide incurred losses, commissions and brokerage and other underwriting expenses by premiums earned.

The Company does not maintain separate balance sheet data for its operating segments. Accordingly, the Company does not review and evaluate the financial results of its operating segments based upon balance sheet data.

The following tables present the underwriting results for the operating segments for the periods indicated:

(Dollars in millions)	Three Months Ended March 31, 2023 Reinsurance	Insurance	Total
Gross written premiums	$ 2,637	$ 1,106	$ 3,743
Net written premiums	2,454	875	3,329
Premiums earned	$ 2,242	$ 858	$ 3,100
Incurred losses and LAE	1,411	555	1,966
Commission and brokerage	560	101	661
Other underwriting expenses	63	136	200
Underwriting gain (loss)	$ 207	$ 66	$ 273
Net investment income			260
Net gains (losses) on investments			5
Corporate expenses			(19)
Interest, fee and bond issue cost amortization expense			(32)
Other income (expense)			(79)
Income (loss) before taxes			$ 408

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Three Months Ended March 31, 2022 Reinsurance	Insurance	Total
Gross written premiums	$ 2,186	$ 1,001	$ 3,186
Net written premiums	2,081	731	2,812
Premiums earned	$ 2,066	$ 726	$ 2,792
Incurred losses and LAE	1,325	465	1,790
Commission and brokerage	514	91	605
Other underwriting expenses	50	111	161
Underwriting gain (loss)	$ 177	$ 59	$ 235
Net investment income			243
Net gains (losses) on investments			(154)
Corporate expenses			(14)
Interest, fee and bond issue cost amortization expense			(24)
Other income (expense)			15
Income (loss) before taxes			$ 302

(Some amounts may not reconcile due to rounding.)

14. SHARE-BASED COMPENSATION PLANS

For the three months ended March 31, 2023, a total of 174,171 restricted stock awards were granted on February 23, 2023, with a fair value of $382.385 per share. Also, 14,975 performance share unit awards were granted on February 23, 2023, with a fair value of $382.385 per share.

15. INCOME TAXES

The Company is domiciled in Bermuda and has subsidiaries and/or branches in Belgium, Canada, Chile, France, Germany, Ireland, the Netherlands, Singapore, Spain, Switzerland, the United Kingdom, and the United States. The Company's Bermuda domiciled subsidiaries are exempt from income taxation under Bermuda law until 2035. The Company's non-Bermudian subsidiaries and branches are subject to income taxation at varying rates in their respective domiciles.

The Company generally applies the estimated Annualized Effective Tax Rate ("AETR") approach for calculating its tax provision for interim periods as prescribed by ASC 740-270, Interim Reporting. Under the AETR approach, the estimated annualized effective tax rate is applied to the interim year-to-date pre-tax income/(loss) to determine the income tax expense or benefit for the year-to-date period. The tax expense or benefit for the quarter represents the difference between the year-to-date tax expense or benefit for the current year-to-date period less such amount for the immediately preceding year-to-date period. Management considers the impact of all known events in its estimation of the Company’s annual pre-tax income/(loss) and annualized effective tax rate.

16. SUBSEQUENT EVENTS

The Company has evaluated known recognized and non-recognized subsequent events. The Company does not have any subsequent events to report.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Industry Conditions.

The worldwide insurance and reinsurance businesses are highly competitive, as well as cyclical by product and market. As such, financial results tend to fluctuate with periods of constrained availability, higher rates and stronger profits followed by periods of abundant capacity, lower rates and constrained profitability. Competition in the types of insurance and reinsurance business that we underwrite is based on many factors, including the perceived overall financial strength of the reinsurer or insurer, ratings of the reinsurer or insurer by A.M. Best and/or Standard & Poor's, underwriting expertise, the jurisdictions where the reinsurer or insurer is licensed or otherwise authorized, capacity and coverages offered, premiums charged, other terms and conditions of the insurance and reinsurance business offered, services offered, speed of claims payment and reputation and experience in lines written. Furthermore, the market impact from these competitive factors related to reinsurance and insurance is generally not consistent across lines of business, domestic and international geographical areas and distribution channels.

We compete in the U.S., Bermuda and international insurance and reinsurance markets with numerous global competitors. Our competitors include independent reinsurance and insurance companies, subsidiaries or affiliates of established worldwide insurance companies, reinsurance departments of certain insurance companies, domestic and international underwriting operations, including underwriting syndicates at Lloyd's of London and certain government sponsored risk transfer vehicles. Some of these competitors have greater financial resources than we do and have established long-term and continuing business relationships, which can be a significant competitive advantage. In addition, the lack of strong barriers to entry into the reinsurance business and recently, the securitization of insurance and reinsurance risks through capital markets provide additional sources of potential reinsurance and insurance capacity and competition.

Worldwide insurance and reinsurance market conditions historically have been competitive. Generally, there is ample insurance and reinsurance capacity relative to demand, as well as additional capital from the capital markets through insurance linked financial instruments. These financial instruments such as side cars, catastrophe bonds and collateralized reinsurance funds, provided capital markets with access to insurance and reinsurance risk exposure. The capital markets demand for these products is primarily driven by the desire to achieve greater risk diversification and potentially higher returns on their investments. This competition generally has a negative impact on rates, terms and conditions; however, the impact varies widely by market and coverage. Based on recent competitive behaviors in the insurance and reinsurance industry, natural catastrophe events and the macroeconomic backdrop, there has been some dislocation in the market which we expect to have a positive impact on rates and terms and conditions, generally, though local market specificities can vary.

The increased frequency of catastrophe losses experienced throughout recent years appears to be pressuring the increase of rates. As business activity continues to regain strength after the pandemic and current macroeconomic uncertainty, rates appear to be firming in most lines of business, particularly in the casualty lines that had seen significant losses such as excess casualty and directors' and officers' liability. Other casualty lines are experiencing modest rate increase, while some lines such as workers' compensation were experiencing softer market conditions. The impact on pricing conditions is likely to change depending on the line of business and geography.

Our capital position remains a source of strength, with high quality invested assets, significant liquidity and a low operating expense ratio. Our diversified global platform with its broad mix of products, distribution and geography is resilient.

The war in the Ukraine is ongoing and an evolving event. Economic and legal sanctions have been levied against Russia, specific named individuals and entities connected to the Russian government, as well as businesses located in the Russian Federation and/or owned by Russian nationals by numerous countries, including the United States. The significant political and economic uncertainty surrounding the war and associated sanctions have impacted economic and investment markets both within Russia and around the world.

Financial Summary.

We monitor and evaluate our overall performance based upon financial results. The following table displays a summary of the consolidated net income (loss), ratios and shareholders' equity for the periods indicated.

(Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Percentage Increase/ (Decrease)
Gross written premiums	$ 3,743	$ 3,186	17.5 %
Net written premiums	3,329	2,812	18.4 %
REVENUES:			
Premiums earned	$ 3,100	$ 2,792	11.0 %
Net investment income	260	243	7.0 %
Net gains (losses) on investments	5	(154)	-103.3 %
Other income (expense)	(79)	15	NM
Total revenues	3,286	2,896	13.5 %
CLAIMS AND EXPENSES:			
Incurred losses and loss adjustment expenses	1,966	1,790	9.9 %
Commission, brokerage, taxes and fees	661	605	9.3 %
Other underwriting expenses	200	161	23.8 %
Corporate expenses	19	14	34.9 %
Interest, fees and bond issue cost amortization expense	32	24	33.1 %
Total claims and expenses	2,878	2,594	10.9 %
INCOME (LOSS) BEFORE TAXES	408	302	35.0 %
Income tax expense (benefit)	43	4	NM
NET INCOME (LOSS)	$ 365	$ 298	22.6 %
RATIOS:			Point Change
Loss ratio	63.4 %	64.1 %	(0.7)
Commission and brokerage ratio	21.3 %	21.7 %	(0.4)
Other underwriting expense ratio	6.4 %	5.8 %	0.6
Combined ratio	91.2 %	91.6 %	(0.4)

(Dollars in millions, except per share amounts)	At March 31, 2023	At December 31, 2022	Percentage Increase/ (Decrease)
Balance sheet data:			
Total investments and cash	$ 31,435	$ 29,872	5.2 %
Total assets	41,839	39,966	4.7 %
Loss and loss adjustment expense reserves	22,878	22,065	3.7 %
Total debt	3,085	3,084	— %
Total liabilities	32,825	31,525	4.1 %
Shareholders' equity	9,014	8,441	6.8 %
Book value per share	229.49	215.54	6.5 %

(NM, not meaningful)

(Some amounts may not reconcile due to rounding.)

Revenues.

Premiums. Gross written premiums increased by 17.5% to $3.7 billion for the three months ended March 31, 2023, compared to $3.2 billion for the three months ended March 31, 2022, reflecting a $451 million, or 20.6%, increase in our reinsurance business and a $105 million, or 10.5%, increase in our insurance business. The increase in reinsurance premiums was primarily due to increases in casualty pro rata business, property pro rata business and financial lines of business. The increase in insurance premiums was primarily due to increases in property/short tail business and other specialty lines of business.

Net written premiums increased by 18.4% to $3.3 billion for the three months ended March 31, 2023, compared to $2.8 billion for the three months ended March 31, 2022, which is consistent with the percentage change in gross written premiums. Premiums earned increased by 11.0% to $3.1 billion during the three months ended March 31, 2023, compared to $2.8 billion during the three months ended March 31, 2022. The change in premiums earned relative to net written premiums was primarily the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Other Income (Expense). We recorded other expense of $79 million and other income of $15 million for the three months ended March 31, 2023 and 2022, respectively. The changes were primarily the result of fluctuations in foreign currency exchange rates. We recognized foreign currency exchange expense of $85 million for the three months ended March 31, 2023 and foreign currency exchange income of $13 million for the three months ended March 31, 2022.

Net Investment Income. Refer to Consolidated Investments Results Section below.

Net Gains (Losses) on Investments. Refer to Consolidated Investments Results Section below.

Claims and Expenses.

Incurred Losses and Loss Adjustment Expenses. The following table presents our incurred losses and loss adjustment expenses ("LAE") for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2023						
Attritional	$ 1,851	59.7 %	$ —	— %	$ 1,851	59.7 %
Catastrophes	115	3.7 %	—	— %	115	3.7 %
Total	$ 1,966	63.4 %	$ —	— %	$ 1,966	63.4 %
2022						
Attritional	$ 1,676	60.0 %	$ (1)	— %	$ 1,675	60.0 %
Catastrophes	115	4.1 %	—	— %	115	4.1 %
Total	$ 1,791	64.1 %	$ (1)	— %	$ 1,790	64.1 %
Variance 2023/2022						
Attritional	$ 175	(0.3) pts	$ 1	— pts	$ 176	(0.3) pts
Catastrophes	—	(0.4) pts	—	— pts	—	(0.4) pts
Total	$ 175	(0.7) pts	$ 1	— pts	$ 176	(0.7) pts

(Some amounts may not reconcile due to rounding.)

Incurred losses and LAE increased by 9.9% to $2.0 billion for the three months ended March 31, 2023, compared to $1.8 billion for the three months ended March 31, 2022, primarily due to an increase of $175 million in current year attritional losses. The increase in current year attritional losses was mainly due to the impact of the increase in premiums earned. The current year catastrophe losses of $115 million for the three months ended March 31, 2023 related primarily to the 2023 Turkey earthquakes ($75.0 million), and the 2023 New Zealand storms ($40.0 million). The $115 million of current year catastrophe losses for the three months ended March 31, 2022 related primarily to the 2022 Australia floods ($75.0 million), the 2022 European storms ($30.0 million), and the 2022 March U.S. storms ($10.0 million).

Catastrophe losses and loss expenses typically have a material effect on our incurred losses and loss adjustment expense results and can vary significantly from period to period. Losses from natural catastrophes contributed 3.7 percentage points to the combined ratio for the three months ended March 31, 2023, compared with 4.1 percentage points for the three months ended March 31, 2022. The Company has up to $350.0 million of catastrophe bond protection ("CAT Bond") that attaches at a $48.1 billion Property Claims Services ("PCS") Industry loss threshold. This recovery would be recognized on a pro-rata basis up to a $63.8 billion PCS Industry loss level. PCS's current industry estimate of $48.9 billion issued in April 2023 exceeds the attachment point. The potential recovery under the CAT Bond is currently estimated to be $19 million but is subject to further revision of the industry loss estimate. No portion of the potential CAT bond recovery has been included in the Company's current financial results.

Commission, Brokerage, Taxes and Fees. Commission, brokerage, taxes and fees increased by 9.3% to $661 million for the three months ended March 31, 2023 compared to $605 million for the three months ended March 31, 2022. The increase was primarily due to the impact of the increase in premiums earned and changes in the mix of business.

Other Underwriting Expenses. Other underwriting expenses were $200 million and $161 million for the three months ended March 31, 2023 and March 31, 2022, respectively. The increase in other underwriting expenses was mainly due to the impact of the increase in premiums earned as well as the continued build out of our insurance operations, including an expansion of the international insurance platform.

Corporate Expenses. Corporate expenses, which are general operating expenses that are not allocated to segments, were $19 million and $14 million for the three months ended March 31, 2023 and 2022, respectively. The increase from 2022 to 2023 was mainly due to information technology costs and external consulting costs.

Interest, Fees and Bond Issue Cost Amortization Expense. Interest, fees and other bond amortization expense was $32 million and $24 million for the three months ended March 31, 2023 and 2022, respectively. Interest expense was mainly impacted by the movement in the floating interest rate related to the long-term subordinated notes, which is reset quarterly per the note agreement, as well as variable interest rate costs on borrowings from FHLB.

Income Tax Expense (Benefit). We had income tax expense of $43 million and $4 million for the three months ended March 31, 2023 and 2022, respectively. Income tax expense is primarily a function of the geographic location of the Company's pre-tax income and the statutory tax rates in those jurisdictions. The effective tax rate ("ETR") is primarily affected by tax-exempt investment income, foreign tax credits and dividends. Variations in the ETR generally result from changes in the relative levels of pre-tax income, including the impact of catastrophe losses and net capital gains (losses), among jurisdictions with different tax rates.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted. We have evaluated the tax provisions of the IRA, the most significant of which are the corporate alternative minimum tax and the share repurchase excise tax and do not expect the legislation to have a material impact on our results of operations. As the IRS issues additional guidance, we will evaluate any impact to our consolidated financial statements.

Net Income (Loss).

Our net income was $365 million and $298 million for the three months ended March 31, 2023 and 2022, respectively. These changes were primarily driven by the financial component fluctuations explained above.

Ratios.

Our combined ratio decreased by 0.4 points to 91.2% for the three months ended March 31, 2023, compared to 91.6% for the three months ended March 31, 2022. The loss ratio component decreased by 0.7 points for the three months ended March 31, 2023 over the same period last year mainly due to changes in the mix of business and no change in catastrophe losses despite the considerable increase in gross written premiums. The commission and brokerage ratio components decreased to 21.3% for the three months ended March 31, 2023 compared to 21.7% for the three months ended March 31, 2022. The decrease was mainly due to changes in the mix of business. The other underwriting expense ratios increased to 6.4% for the three months ended March 31, 2023 compared to 5.8% for the three months ended March 31, 2022. These increases were mainly due to higher insurance operations costs.

Shareholders' Equity.

Shareholders' equity increased by $573 million to $9.0 billion at March 31, 2023 from $8.4 billion at December 31, 2022, principally as a result of $365 million of net income, $249 million of unrealized appreciation on available for sale fixed maturity portfolio net of tax and $31 million of net foreign currency translation adjustments, partially offset by $65 million of shareholder dividends and $7 million of share-based compensation transactions.

Consolidated Investment Results

Net Investment Income.

Net investment income increased by 7.0% to $260 million for the three months ended March 31, 2023 compared with net investment income of $243 million for the three months ended March 31, 2022. The increase for the three months ended March 31, 2023 was primarily the result of higher income from fixed maturity investments and short-term investments due to rising reinvestment rates, partially offset by a decline in limited partnership income. The limited partnership income primarily reflects decreases in their reported net asset values. As such, until these asset values are monetized and the resultant income is distributed, they are subject to future increases or decreases in the asset value, and the results may be volatile.

The following table shows the components of net investment income for the periods indicated.

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Fixed maturities	$ 247	$ 148
Equity securities	1	4
Short-term investments and cash	17	—
Other invested assets		
Limited partnerships	(15)	88
Other	22	12
Gross investment income before adjustments	272	253
Funds held interest income (expense)	—	4
Future policy benefit reserve income (expense)	—	—
Gross investment income	272	256
Investment expenses	(12)	(13)
Net investment income	$ 260	$ 243

(Some amounts may not reconcile due to rounding.)

The following table shows a comparison of various investment yields for the periods indicated.

	Three Months Ended March 31,	
	2023	2022
Annualized pre-tax yield on average cash and invested assets	3.2 %	3.3 %
Annualized after-tax yield on average cash and invested assets	2.8 %	2.9 %
Annualized return on invested assets	3.3 %	1.2 %

Net Gains (Losses) on Investments.

The following table presents the composition of our net gains (losses) on investments for the periods indicated.

	Three Months Ended March 31,		
(Dollars in millions)	2023	2022	Variance
Realized gains (losses) from dispositions:			
Fixed maturity securities - available for sale			
Gains	$ 11	$ 20	$ (9)
Losses	(9)	(17)	8
Total	2	3	(1)
Equity securities			
Gains	7	4	4
Losses	—	(15)	15
Total	7	(12)	19
Other Invested Assets			
Gains	—	5	(5)
Losses	—	—	—
Total	—	4	(4)
Total net realized gains (losses) from dispositions			
Gains	18	28	(10)
Losses	(9)	(33)	24
Total	9	(5)	14
Allowance for credit losses	(8)	(12)	4
Gains (losses) from fair value adjustments			
Equity securities	4	(137)	141
Total	4	(137)	141
Total net gains (losses) on investments	$ 5	$ (154)	$ 159

(Some amounts may not reconcile due to rounding.)

Net gains (losses) on investments during the three months ended March 31, 2023 primarily relate to net gains from fair value adjustments on equity securities in the amount of $4 million as a result of equity market increases during the first quarter of 2023. In addition, we realized $9 million of gains due to the disposition of investments and recorded an increase to the allowance for credit losses of $8 million.

Segment Results.

The Company manages its reinsurance and insurance operations as autonomous units and key strategic decisions are based on the aggregate operating results and projections for these segments of business.

The Reinsurance operation writes worldwide property and casualty reinsurance and specialty lines of business, on both a treaty and facultative basis, through reinsurance brokers, as well as directly with ceding companies. Business is written in the U.S., Bermuda, and Ireland offices, as well as, through branches in Canada, Singapore, the United Kingdom and Switzerland. The Insurance operation writes property and casualty insurance directly and through brokers, surplus lines brokers and general agents within the U.S., Bermuda, Canada, Europe, Singapore and South America through its offices in the U.S., Canada, Chile, Singapore, the United Kingdom, Ireland and branches located in the Netherlands, France, Germany and Spain.

These segments are managed independently, but conform with corporate guidelines with respect to pricing, risk management, control of aggregate catastrophe exposures, capital, investments and support operations. Management generally monitors and evaluates the financial performance of these operating segments based upon their underwriting results.

Underwriting results include earned premium less LAE incurred, commission and brokerage expenses and other underwriting expenses. We measure our underwriting results using ratios, in particular loss, commission and brokerage and other underwriting expense ratios, which, respectively, divide incurred losses, commissions and brokerage and other underwriting expenses by premiums earned.

The Company does not maintain separate balance sheet data for its operating segments. Accordingly, the Company does not review and evaluate the financial results of its operating segments based upon balance sheet data.

Our loss and LAE reserves are management's best estimate of our ultimate liability for unpaid claims. We re-evaluate our estimates on an ongoing basis, including all prior period reserves, taking into consideration all available information, and in particular, recently reported loss claim experience and trends related to prior periods. Such re-evaluations are recorded in incurred losses in the period in which re-evaluation is made.

The following discusses the underwriting results for each of our segments for the periods indicated.

Reinsurance.

The following table presents the underwriting results and ratios for the Reinsurance segment for the periods indicated.

	Three Months Ended March 31,			
(Dollars in millions)	2023	2022	Variance	% Change
Gross written premiums	$ 2,637	$ 2,186	451	20.6 %
Net written premiums	2,454	2,081	373	17.9 %
Premiums earned	$ 2,242	$ 2,066	$ 176	8.5 %
Incurred losses and LAE	1,411	1,325	86	6.5 %
Commission and brokerage	560	514	46	9.0 %
Other underwriting expenses	63	50	13	25.4 %
Underwriting gain (loss)	$ 207	$ 177	$ 30	17.1 %
				Point Chg
Loss ratio	62.9 %	64.1 %		(1.2)
Commission and brokerage ratio	25.0 %	24.9 %		0.1
Other underwriting expense ratio	2.8 %	2.4 %		0.4
Combined ratio	90.8 %	91.4 %		(0.6)

(NM, Not Meaningful)

(Some amounts may not reconcile due to rounding.)

Premiums. Gross written premiums increased by 20.6% to $2.6 billion for the three months ended March 31, 2023 from $2.2 billion for the three months ended March 31, 2022, primarily due to increases in casualty pro rata business, property pro rata business and financial lines of business. Net written premiums increased by 17.9% to $2.5 billion for the three months ended March 31, 2023 compared to $2.1 billion for the three months ended March 31, 2022, which is consistent with the percentage change in gross written premiums. Premiums earned increased by 8.5% to $2.2 billion for the three months ended March 31, 2023, compared to $2.1 billion for the three months ended March 31, 2022. The change in premiums earned relative to net written premiums was primarily the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the Reinsurance segment for the periods indicated.

(Dollars in millions)	Three Months Ended March 31, Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2023						
Attritional	$ 1,298	57.9 %	$ —	— %	1,298	57.9 %
Catastrophes	113	5.0 %		— %	113	5.0 %
Total Segment	$ 1,411	62.9 %	$ —	— %	$ 1,411	62.9 %
2022						
Attritional	$ 1,216	58.9 %	$ (2)	-0.1 %	1,215	58.8 %
Catastrophes	110	5.3 %	—	— %	110	5.3 %
Total Segment	$ 1,326	64.2 %	$ (2)	-0.1 %	$ 1,325	64.1 %
Variance 2023/2022						
Attritional	$ 82	(1.0) pts	$ 2	0.1 pts	$ 83	(0.9) pts
Catastrophes	3	(0.3) pts	—	— pts	3	(0.3) pts
Total Segment	$ 85	(1.3) pts	$ 2	0.1 pts	$ 86	(1.2) pts

Incurred losses increased by 6.5% to $1.4 billion for the three months ended March 31, 2023, compared to $1.3 billion for the three months ended March 31, 2022. The increase was primarily due to an increase of $82 million in current year attritional losses. The increase in current year attritional losses was mainly related to the impact of the increase in premiums earned. The current year catastrophe losses of $113 million for the three months ended March 31, 2023 related primarily to the 2023 Turkey earthquakes ($75.0 million) and the 2023 New Zealand storms ($38.0 million). The $110 million of current year catastrophe losses for the three months ended March 31, 2022 related primarily to the 2022 Australia floods ($75.0 million), the 2022 European storms ($30.0 million), and the 2022 March U.S. storms ($5.0 million).

Segment Expenses. Commission and brokerage expense increased by 9.0% to $560 million for the three months ended March 31, 2023 compared to $514 million for the three months ended March 31, 2022. The increase was mainly due to the impact of the increase in premiums earned. Segment other underwriting expenses increased to $63 million for the three months ended March 31, 2023 from $50 million for the three months ended March 31, 2022. The increase was due to increased personnel and direct and indirect expenditures supporting the increased premium volume of the segment.

Insurance.

The following table presents the underwriting results and ratios for the Insurance segment for the periods indicated.

(Dollars in millions)	Three Months Ended March 31, 2023	2022	Variance	% Change
Gross written premiums	$ 1,106	$ 1,001	$ 105	10.5 %
Net written premiums	875	731	145	19.7 %
Premiums earned	$ 858	$ 726	$ 133	18.2 %
Incurred losses and LAE	555	465	90	19.4 %
Commission and brokerage	101	91	10	11.1 %
Other underwriting expenses	136	111	25	23.1 %
Underwriting gain (loss)	$ 66	$ 59	$ 7	12.1 %
				Point Chg
Loss ratio	64.7%	64.1%		0.6
Commission and brokerage ratio	11.8%	12.5%		(0.7)
Other underwriting expense ratio	15.9%	15.3%		0.6
Combined ratio	92.4%	91.9%		0.5

(NM not meaningful)

(Some amounts may not reconcile due to rounding.)

Premiums. Gross written premiums increased by 10.5% to $1.1 billion for the three months ended March 31, 2023 compared to $1.0 billion for the three months ended March 31, 2022. The increase in insurance premiums was primarily due to increases in property/short tail business and other specialty lines of business. Net written premiums increased by 19.7% to $875 million for the three months ended March 31, 2023 compared to $731 million for the three months ended March 31, 2022. The higher percentage change in net written premiums compared to gross written premiums is due to higher net retention resulting from changes in the mix of business. Premiums earned increased 18.2% to $858 million for the three months ended March 31, 2023 compared to $726 million for the three months ended March 31, 2022.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the Insurance segment for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2023						
Attritional	$ 553	64.5 %	$ —	— %	553	64.5 %
Catastrophes	2	0.2 %	—	— %	2	0.2 %
Total Segment	$ 555	64.7 %	$ —	— %	$ 555	64.7 %
2022						
Attritional	$ 460	63.3 %	$ 1	0.1 %	460	63.4 %
Catastrophes	5	0.7 %	—	— %	5	0.7 %
Total Segment	$ 465	64.0 %	$ 1	0.1 %	$ 465	64.1 %
Variance 2023/2022						
Attritional	$ 94	1.2 pts	$ (1)	(0.1) pts	$ 93	1.1 pts
Catastrophes	(3)	(0.5) pts	—	— pts	(3)	(0.5) pts
Total Segment	$ 91	0.7 pts	$ (1)	(0.1) pts	$ 90	0.6 pts

(Some amounts may not reconcile due to rounding.)

Incurred losses and LAE increased by 19.4% to $555 million for the three months ended March 31, 2023 compared to $465 million for the three months ended March 31, 2022. The increase was mainly due to an increase of $94 million in current year attritional losses. The increase in current year attritional losses was primarily due to the impact of the increase in premiums earned. The current year catastrophe losses of $2 million related to the 2023 New Zealand storms. The $5 million of current year catastrophe losses for the three months ended March 31, 2022 related to the 2022 March U.S. storms.

Segment Expenses. Commission and brokerage increased by 11.1% to $101 million for the three months ended March 31, 2023 compared to $91 million for the three months ended March 31, 2022. Segment other underwriting expenses increased to $136 million for the three months ended March 31, 2023 compared to $111 million for the three months ended March 31, 2022. The increases were mainly due to the impact of the increase in premiums earned and increased expenses related to the continued build out of the insurance business, including an expansion of the international insurance platform.

FINANCIAL CONDITION

Investments. Total investments were $29.8 billion at March 31, 2023, an increase of $1.3 billion compared to $28.5 billion at December 31, 2022. The rise in investments was primarily related to an increase in fixed maturities, available for sale due to an overall net purchase of $1.0 billion of fixed maturities, available for sale during the first quarter of 2023.

The Company’s limited partnership investments are comprised of limited partnerships that invest in private equity, private credit and private real estate. Generally, the limited partnerships are reported on a month or quarter lag. We receive annual audited financial statements for all of the limited partnerships which are prepared using fair value accounting in accordance with FASB guidance. For the quarterly reports, the Company reviews the financial reports for any unusual changes in carrying value. If the Company becomes aware of a significant decline in value during the lag reporting period, the loss will be recorded in the period in which the Company identifies the decline.

The table below summarizes the composition and characteristics of our investment portfolio for the periods indicated.

	At March 31, 2023	At December 31, 2022
Fixed income portfolio duration (years)	3.0	3.1
Fixed income composite credit quality	A+	A+

Reinsurance Recoverables.

Reinsurance recoverables for both paid and unpaid losses totaled $2.3 billion and $2.2 billion at March 31, 2023 and December 31, 2022, respectively. At March 31, 2023, $500 million, or 21.6%, was receivable from Mt. Logan Re collateralized segregated accounts; $269 million, or 11.7%, was receivable from Munich Reinsurance America, Inc. ("Munich Re") and $135 million, or 5.8% was receivable from Endurance Specialty Holdings, Ltd. ("Endurance"). No other retrocessionaire accounted for more than 5% of our recoverables.

Loss and LAE Reserves. Gross loss and LAE reserves totaled $22.9 billion and $22.1 billion at March 31, 2023 and December 31, 2022, respectively.

The following tables summarize gross outstanding loss and LAE reserves by segment, classified by case reserves and IBNR reserves, for the periods indicated.

	At March 31, 2023			
(Dollars in millions)	Case Reserves	IBNR Reserves	Total Reserves	% of Total
Reinsurance	$ 6,186	$ 10,329	$ 16,515	72.2 %
Insurance	1,842	4,250	6,093	26.6 %
Total excluding A&E	8,028	14,579	22,607	98.8 %
A&E	132	139	271	1.2 %
Total including A&E	$ 8,160	$ 14,718	$ 22,878	100.0 %

(Some amounts may not reconcile due to rounding.)

	At December 31, 2022			
(Dollars in millions)	Case Reserves	IBNR Reserves	Total Reserves	% of Total
Reinsurance	$ 6,045	$ 9,818	$ 15,862	71.9 %
Insurance	1,863	4,062	5,925	26.9 %
Total excluding A&E	7,908	13,880	21,787	98.7 %
A&E	138	140	278	1.3 %
Total including A&E	$ 8,046	$ 14,019	$ 22,065	100.0 %

(Some amounts may not reconcile due to rounding.)

Changes in premiums earned and business mix, reserve re-estimations, catastrophe losses and changes in catastrophe loss reserves and claim settlement activity all impact loss and LAE reserves by segment and in total.

Our carried loss and LAE reserves represent management's best estimate of our ultimate liability for unpaid claims. We continuously re-evaluate our reserves, including re-estimates of prior period reserves, taking into consideration all available information and, in particular, newly reported loss and claim experience. Changes in reserves resulting from such re-evaluations are reflected in incurred losses in the period when the re-evaluation is made. Our analytical methods and processes operate at multiple levels including individual contracts, groupings of like contracts, classes and lines of business, internal business units, segments, accident years, legal entities, and in the aggregate. In order to set appropriate reserves, we make qualitative and quantitative analyses and judgments at these various levels. We utilize actuarial science, business expertise and management judgment in a manner intended to ensure the accuracy and consistency of our reserving practices. Management's best estimate is developed through collaboration with actuarial, underwriting, claims, legal and finance departments and culminates with the input of reserve committees. Each segment reserve committee includes the participation of the relevant parties from actuarial, finance, claims and segment senior management and has the responsibility for recommending and approving management's best estimate. Reserves are further reviewed by Everest's Chief Reserving Actuary and senior management. The objective of such process is to determine a single best estimate viewed by management to be the best estimate of its ultimate loss liability. Nevertheless, our reserves are estimates, which are subject to variation, which may be significant.

There can be no assurance that reserves for, and losses from, claim obligations will not increase in the future, possibly by a material amount. However, we believe that our existing reserves and reserving methodologies lessen the probability that any such increase would have a material adverse effect on our financial condition, results of operations or cash flows.

Asbestos and Environmental Exposures. Asbestos and Environmental ("A&E") exposures represent a separate exposure group for monitoring and evaluating reserve adequacy. The following table summarizes the outstanding loss reserves with respect to A&E reserves on both a gross and net of retrocessions basis for the periods indicated.

(Dollars in millions)	At March 31, 2023	At December 31, 2022
Gross reserves	$ 271	$ 278
Ceded reserves	(20)	(21)
Net reserves	$ 251	$ 257

(Some amounts may not reconcile due to rounding.)

With respect to asbestos only, at March 31, 2023, we had net asbestos loss reserves of $227 million, or 90.4%, of total net A&E reserves, all of which was for assumed business.

Ultimate loss projections for A&E liabilities cannot be accomplished using standard actuarial techniques. We believe that our A&E reserves represent management's best estimate of the ultimate liability; however, there can be no assurance that ultimate loss payments will not exceed such reserves, perhaps by a significant amount.

Industry analysts use the "survival ratio" to compare the A&E reserves among companies with such liabilities. The survival ratio is typically calculated by dividing a company's current net reserves by the three year average of annual paid losses. Hence, the survival ratio equals the number of years that it would take to exhaust the current reserves if future loss payments were to continue at historical levels. Using this measurement, our net three year asbestos survival ratio was 6.7 years at March 31, 2023. These metrics can be skewed by individual large settlements occurring in the prior three years and therefore, may not be indicative of the timing of future payments.

LIQUIDITY AND CAPITAL RESOURCES

Capital. Shareholders' equity at March 31, 2023 and December 31, 2022 was $9.0 billion and $8.4 billion, respectively. Management's objective in managing capital is to ensure its overall capital level, as well as the capital levels of its operating subsidiaries, exceed the amounts required by regulators, the amount needed to support our current financial strength ratings from rating agencies and our own economic capital models. The Company's capital has historically exceeded these benchmark levels.

Our two main operating companies Bermuda Re and Everest Re are regulated by the Bermuda Monetary Authority ("BMA") and the State of Delaware, Department of Insurance, respectively. Both regulatory bodies have their own capital adequacy models based on statutory capital as opposed to GAAP basis equity. Failure to meet the required statutory capital levels could result in various regulatory restrictions, including business activity and the payment of dividends to their parent companies.

The regulatory targeted capital and the actual statutory capital for Bermuda Re and Everest Re were as follows:

	Bermuda Re (2) At December 31,		Everest Re (2) At December 31,	
(Dollars in millions)	2023	2022	2023	2022
Regulatory targeted capital	$ 2,217	$ 2,169	$ 3,353	$ 2,960
Actual capital	$ 2,759	$ 3,184	$ 5,553	$ 5,717

(1) Regulatory targeted capital represents the target capital level from the applicable year's BSCR calculation.
(2) Regulatory targeted capital represents 200% of the RBC authorized control level calculation for the applicable year.

Our financial strength ratings as determined by A.M. Best, Standard & Poor's and Moody's are important as they provide our customers and investors with an independent assessment of our financial strength using a rating scale that provides for relative comparisons. We continue to possess significant financial flexibility and access to debt and equity markets as a result of our financial strength, as evidenced by the financial strength ratings as assigned by independent rating agencies.

We maintain our own economic capital models to monitor and project our overall capital, as well as the capital at our operating subsidiaries. A key input to the economic models is projected income and this input is continually compared to actual results, which may require a change in the capital strategy.

During the first quarter of 2023, there were no shares repurchased in the open market. We paid $65 million in dividends to adjust our capital position and enhance long-term expected returns to our shareholders. In 2022, we repurchased 241,273 shares for $61 million in the open market and paid $255 million in dividends. We may at times enter into a Rule 10b5-1 repurchase plan agreement to facilitate the repurchase of shares. On May 22, 2020, our existing Board authorization to purchase up to 30 million of our shares was amended to authorize the purchase of up to 32 million shares. As of March 31, 2023, we had repurchased 30.8 million shares under this authorization.

We may continue, from time to time, to seek to retire portions of our outstanding debt securities through cash repurchases, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be subject to and depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved in any such transactions, individually or in the aggregate, may be material.

Liquidity. Our liquidity requirements are generally met from positive cash flow from operations. Positive cash flow results from reinsurance and insurance premiums being collected prior to disbursements for claims, which disbursements generally take place over an extended period after the collection of premiums, sometimes a period of many years. Collected premiums are generally invested, prior to their use in such disbursements, and investment income provides additional funding for loss payments. Our net cash flows from operating activities were $1.1 billion and $846 million for the three months ended March 31, 2023 and 2022, respectively. Additionally, these cash flows reflected net catastrophe loss payments of $198 million and $196 million for the three months ended March 31, 2023 and 2022, respectively and net tax payments of $2 million and $3 million for the three months ended March 31, 2023 and 2022, respectively.

If disbursements for claims and benefits, policy acquisition costs and other operating expenses were to exceed premium inflows, cash flow from reinsurance and insurance operations would be negative. The effect on cash flow from insurance operations would be partially offset by cash flow from investment income. Additionally, cash inflows from investment maturities - both short-term investments and longer term maturities are available to supplement other operating cash flows. We do not expect to supplement negative insurance operations cash flows from investment dispositions.

As the timing of payments for claims and benefits cannot be predicted with certainty, we maintain portfolios of long-term invested assets with varying maturities, along with short-term investments that provide additional liquidity for payment of claims. At March 31, 2023 and December 31, 2022, we held cash and short-term investments of $2.6 billion and $2.4 billion, respectively. Our short-term investments are generally readily marketable and can be converted to cash. In addition to these cash and short-term investments, at March 31, 2023, we had $1.4 billion of available for sale fixed maturity securities maturing within one year or less, $7.9 billion maturing within one to five years and $5.4 billion maturing after five years. Our $250 million of equity securities are comprised primarily of publicly traded securities that we believe can be easily liquidated. We believe that these fixed maturity and equity securities, in conjunction with the short-term investments and positive cash flow from operations, provide ample sources of liquidity for the expected payment of losses in the near future. We do not anticipate selling a significant amount of securities to pay losses and LAE. At March 31, 2023 we had $1.6 billion of net pre-tax unrealized depreciation related to fixed maturity - available for sale securities, comprised of $1.7 billion of pre-tax unrealized depreciation and $91 million of pre-tax unrealized appreciation.

Management generally expects annual positive cash flow from operations, which reflects the strength of overall pricing. However, given the recent set of catastrophic events, cash flow from operations may decline and could become negative in the near term as significant claim payments are made related to the catastrophes. However, as indicated above, the Company has ample liquidity to settle its catastrophe claims and/or any payments due for its catastrophe bond program.

In addition to our cash flows from operations and liquid investments, we also have multiple active credit facilities that provide commitments of up to $1.5 billion of collateralized standby letters of credit to support business written by our Bermuda operating subsidiaries. In addition, the Company has the ability to request access to an additional $440 million of uncommitted credit facilities, which would require approval from the applicable lender. There is no guarantee the uncommitted capacity will be available to us on a future date. See Note 9 – Credit Facilities for further details.

Market Sensitive Instruments.

The SEC's Financial Reporting Release #48 requires registrants to clarify and expand upon the existing financial statement disclosure requirements for derivative financial instruments, derivative commodity instruments and other financial instruments (collectively, "market sensitive instruments"). We do not generally enter into market sensitive instruments for trading purposes.

Our current investment strategy seeks to maximize after-tax income through a high quality, diversified, fixed maturity portfolio, while maintaining an adequate level of liquidity. Our mix of investments is adjusted periodically, consistent with our current and projected operating results and market conditions. The fixed maturity securities in the investment portfolio are comprised of non-trading securities. Additionally, we have invested in equity securities.

The overall investment strategy considers the scope of present and anticipated Company operations. In particular, estimates of the financial impact resulting from non-investment asset and liability transactions, together with our capital structure and other factors, are used to develop a net liability analysis. This analysis includes estimated payout characteristics for which our investments provide liquidity. This analysis is considered in the development of specific investment strategies for asset allocation, duration and credit quality. The change in overall market sensitive risk exposure principally reflects the asset changes that took place during the period.

Interest Rate Risk. Our $31.4 billion investment portfolio, at March 31, 2023, is principally comprised of fixed maturity securities, which are generally subject to interest rate risk and some foreign currency exchange rate risk, and some equity securities, which are subject to price fluctuations and some foreign exchange rate risk. The overall economic impact of the foreign exchange risks on the investment portfolio is partially mitigated by changes in the dollar value of foreign currency denominated liabilities and their associated income statement impact.

Interest rate risk is the potential change in value of the fixed maturity securities portfolio, including short-term investments, from a change in market interest rates. In a declining interest rate environment, it includes prepayment risk on the $4.5 billion of mortgage-backed securities in the $24.4 billion fixed maturity portfolio. Prepayment risk results from potential accelerated principal payments that shorten the average life and thus the expected yield of the security.

The table below displays the potential impact of market value fluctuations and after-tax unrealized appreciation on our fixed maturity portfolio (including $1.0 billion of short-term investments) for the period indicated based on upward and downward parallel and immediate 100 and 200 basis point shifts in interest rates. For legal entities with a U.S. dollar functional currency, this modeling was performed on each security individually. To generate appropriate price estimates on mortgage-backed securities, changes in prepayment expectations under different interest rate environments were taken into account. For legal entities with a non-U.S. dollar functional currency, the effective duration of the involved portfolio of securities was used as a proxy for the market value change under the various interest rate change scenarios.

	Impact of Interest Rate Shift in Basis Points At March 31, 2023				
(Dollars in millions)	-200	-100	0	100	200
Total Fair Value	$ 26,918	$ 26,168	$ 25,419	$ 24,670	$ 23,921
Fair Value Change from Base (%)	5.9 %	2.9 %	— %	(2.9)%	(5.9)%
Change in Unrealized Appreciation					
After-tax from Base ($)	$ 1,317	$ 659	$ —	$ (659)	$ (1,317)

We had $22.9 billion and $22.1 billion of gross reserves for losses and LAE as of March 31, 2023 and December 31, 2022, respectively. These amounts are recorded at their nominal value, as opposed to present value, which would reflect a discount adjustment to reflect the time value of money. Since losses are paid out over a period of time, the present value of the reserves is less than the nominal value. As interest rates rise, the present value of the reserves decreases and, conversely, as interest rates decline, the present value increases. These movements are the opposite of the interest rate impacts on the fair value of investments. While the difference between present value and nominal value is not reflected in our financial statements, our financial results will include investment income over time from the investment portfolio until the claims are paid. Our loss and loss reserve obligations have an expected duration of approximately 3.8 years, which is reasonably consistent with our fixed income portfolio. If we were to discount our loss and LAE reserves, net of ceded reserves, the discount would be approximately $3.8 billion resulting in a discounted reserve balance of approximately $16.9 billion, representing approximately 66.6% of the value of the fixed maturity investment portfolio funds.

Equity Risk. Equity risk is the potential change in fair value of the common stock, preferred stock and mutual fund portfolios arising from changing prices. Our equity investments consist of a diversified portfolio of individual securities and mutual funds, which invest principally in high quality common and preferred stocks that are traded on the major exchanges, and mutual fund investments in emerging market debt. The primary objective of the equity portfolio is to obtain greater total return relative to our core bonds over time through market appreciation and income.

The table below displays the impact on fair value and after-tax change in fair value of a 10% and 20% change in equity prices up and down for the period indicated.

	Impact of Percentage Change in Equity Fair Values At March 31, 2023				
(Dollars in millions)	-20%	-10%	0%	10%	20%
Fair Value of the Equity Portfolio	$ 200	$ 225	$ 250	$ 275	$ 300
After-tax Change in Fair Value	$ (41)	$ (20)	$ —	$ 20	$ 41

Foreign Currency Risk. Foreign currency risk is the potential change in value, income and cash flow arising from adverse changes in foreign currency exchange rates. Each of our non-U.S./Bermuda (“foreign”) operations maintains capital in the currency of the country of its geographic location consistent with local regulatory guidelines. Each foreign operation may conduct business in its local currency, as well as the currency of other countries in which it operates. The primary foreign currency exposures for these foreign operations are the Canadian Dollar, the Singapore Dollar, the British Pound Sterling and the Euro. We mitigate foreign exchange exposure by generally matching the currency and duration of our assets to our corresponding operating liabilities. In accordance with FASB guidance, the impact on the fair value of available for sale fixed maturities due to changes in foreign currency exchange rates, in relation to functional currency, is reflected as part of other comprehensive income. Conversely, the impact of changes in foreign currency exchange rates, in relation to functional currency, on other assets and liabilities is reflected through net income as a component of other income (expense). In addition, we translate the assets, liabilities and income of non-U.S. dollar functional currency legal entities to the U.S. dollar. This translation amount is reported as a component of other comprehensive income.

Safe Harbor Disclosure.

This report contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may”, “will”, “should”, “could”, “anticipate”, “estimate”, “expect”, “plan”, “believe”, “predict”, “potential” and “intend”. Forward-looking statements contained in this report include:

- the effects of catastrophic and pandemic events on our financial statements;
- estimates of our catastrophe exposure;
- information regarding our reserves for losses and LAE;
- our failure to accurately assess underwriting risk;
- decreases in pricing for property and casualty reinsurance and insurance;
- our ability to maintain our financial strength ratings;
- the failure of our insured, intermediaries and reinsurers to satisfy their obligations;
- our inability or failure to purchase reinsurance;
- consolidation of competitors, customers and insurance and reinsurance brokers;
- the effect on our business of the highly competitive nature of our industry, including the effect of new entrants to, competing products for and consolidation in the (re)insurance industry;
- our ability to retain our key executive officers and to attract or retain the executives and employees necessary to manage our business;
- the performance of our investment portfolio;
- our ability to determine any impairments taken on our investments;
- foreign currency exchange rate fluctuations;
- the effect of cybersecurity risks, including technology breaches or failure, on our business;
- the CARES Act;
- the impact of the Tax Cut and Jobs Act;
- the adequacy of capital in relation to regulatory required capital; and
- the ability of Everest Re, Holdings, Everest Underwriting Group (Ireland) Limited, Everest Dublin Insurance Holdings Limited (Ireland), Bermuda Re and Everest International Reinsurance, Ltd. to pay dividends.

Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from our expectations. Important factors that could cause our actual events or results to be materially different from our expectations include those discussed under the caption ITEM 1A, “Risk Factors” in the Company’s most recent 10-K filing. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Instruments. See “Liquidity and Capital Resources - Market Sensitive Instruments” in PART I – ITEM 2.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)). Based on their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission’s rules and forms. Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of our internal control over financial reporting to determine whether any changes occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there has been no such change during the quarter covered by this report.

PART II

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and loss adjustment expenses.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

ITEM 1A. RISK FACTORS

No material changes.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities.

Issuer Purchases of Equity Securities				
	(a)	(b)	(c)	(d)
Period	Total Number of Shares (or Units) Purchased (2)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
January 1 - 31, 2023	—	$ —	—	1,228,908
February 1 - 28, 2023	44,937	$ 382.9829	—	1,228,908
March 1 - 31, 2023	6,273	$ 340.8460	—	1,228,908
Total	51,210	$ —	—	1,228,908

(1) On May 22, 2020, the Company's executive committee of the Board of Directors approved an amendment to the share repurchase program authorizing the Company and/or its subsidiary Holdings, to purchase up to a current aggregate of 32.0 million of the Company's shares (recognizing that the number of shares authorized for repurchase has been reduced by those shares that have already been purchased) in open market transactions, privately negotiated transactions or both. Currently, the Company and/or its subsidiary Holdings have repurchased 30.8 million of the Company's shares.

(2) Shares that have not been repurchased through a publicly announced plan or program consist of shares repurchased by the Company from employees in order to satisfy tax withholding obligations on vestings and/or settlements of share based compensation awards.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Index

Exhibit No.	Description
10.1	Employment Agreement, effective January 1, 2023, between Everest Global Services, Inc. and Joseph V. Taranto, filed herewith
10.2	Separation, Transition Services, and General Release Agreement between Everest Global Services, Inc., Everest Re Group, Ltd., and its current and former parents, subsidiaries, affiliates, predecessors, successors and assigns, and Sanjoy Mukherjee, filed herewith
31.1	Section 302 Certification of Juan C. Andrade
31.2	Section 302 Certification of Mark Kociancic
32.1	Section 906 Certification of Juan C. Andrade and Mark Kociancic
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Everest Re Group, Ltd.

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.

Everest Re Group, Ltd.
(Registrant)

/S/ MARK KOCIANCIC

Mark Kociancic
Executive Vice President and
Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

Dated: May 4, 2023

Certain information in the marked exhibit below has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential. Omissions are designated as “[Redacted].”

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is effective as of the 1st day of January 2023, between Everest Global Services, Inc., a Delaware corporation (the "Company"), and Joseph V. Taranto ("Mr. Taranto").

WITNESSETH

WHEREAS, the Company desires to employ Mr. Taranto on a part-time basis as a non-officer employee and Mr. Taranto desires to be employed by the Company on such basis, on the terms and conditions provided below; and

WHEREAS, this Agreement shall govern the part-time employment relationship between Mr. Taranto and the Company; and

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. DUTIES & RESPONSIBILITIES

Consistent with Mr. Taranto’s election to the Board of Directors (the “Board”) of Everest Re Group, Ltd. ("Everest Re") and the Board’s appointment of Mr. Taranto as Chairman of the Board, Mr. Taranto will serve as Chairman in accordance with Everest Re’s Bye-Laws and subject to annual election during Everest Re’s Annual General Meetings which occur over the Term of this Agreement. In addition, however, Mr. Taranto will also provide enhanced duties and responsibilities under this Agreement, such as assisting Everest Re’s President and Chief Executive Officer (“CEO”) given Mr. Taranto’s institutional knowledge and experience regarding the Company and its affiliates; working with the President and CEO and Corporate Secretary in scheduling, preparing agendas and ensuring information flow for Board meetings; recruitment and orientation of new directors; developing and maintaining business relationships beneficial to the Company and its affiliates at certain industry conferences and events; providing support, advice and counsel on any special or extraordinary projects at the request of the President and CEO or the Board; attending and participating in certain meetings with senior management, employees and, when appropriate, third parties, to review and discuss business affairs of the Company and its affiliates; assisting and advising in hiring and retaining certain senior personnel of the Company and its affiliates; and such other and further activities as may be reasonably required by the Company. Mr. Taranto’s activities for the Company may take place in the facilities of the Company, or elsewhere, as required and reasonable.

2. TERM

The term of this Agreement (the "Term") shall commence as of January 1, 2023 and shall continue in effect up through and including December 31, 2024.

3. COMPENSATION

3.1. During the Term, Mr. Taranto's base salary ("Base Salary") shall be equal to the annual cash retainer for all non-executive directors in effect during the Term, plus an additional $300,000 for serving as Chairman of the Board. The Base Salary shall be paid in accordance with the Company's normal payroll practices in effect from time to time.

3.2. Mr. Taranto shall also be entitled to receive an annual equity award equivalent to the annual equity award granted to all non-executive members of the Everest Re Board.

4. EXPENSE REIMBURSEMENTS

Mr. Taranto is authorized to incur and the Company shall either pay directly or reimburse Mr. Taranto for ordinary and reasonable expenses in connection with the performance of his duties hereunder, including, without limitation, expenses for transportation, business meals, travel and lodging, and similar items. Mr. Taranto agrees to comply with Company policies with respect to reimbursement and record keeping in connection with such expenses.

5. TERMINATION

5.1. Removal Without Cause. In the event that (a) Mr. Taranto is removed from the Board without cause, or (b) Everest Re's shareholders fail to elect Mr. Taranto to the Board at any Annual General Meeting occurring during the Term of this Agreement, then this Agreement shall immediately terminate, and Mr. Taranto shall have no further obligations of any kind under or arising out of this Agreement; provided, however, that the provisions of Section 6 below shall continue to remain in full force and effect. In such event, the Company shall be obligated to pay Mr. Taranto the following:

(a) within sixty (60) days of the Agreement's termination date, a lump sum cash payment equal to the remainder of Base Salary payments that Mr. Taranto would have earned had this Agreement remained in effect for the entire Term of this Agreement, subject to a maximum payment of one year of Base Salary;

(b) all reimbursable out-of-pocket expenses incurred by Mr. Taranto in connection with his duties but not yet paid.

In the event that Everest Re's shareholders fail to elect Mr. Taranto to the Board at any Annual General Meeting occurring during the Term of this Agreement, then the Company shall be obligated to pay Mr. Taranto an additional $250,000 in addition to the amounts referenced in 5.1(a) and 5.1(b).

5.2. Resignation for Good Reason. If any of the following circumstances shall have occurred without Mr. Taranto's express consent and shall have remained uncorrected for more than thirty (30) days following Mr. Taranto's giving written notice of such occurrence to the Company, then this Agreement shall immediately terminate and Mr. Taranto's resignation shall be deemed a "Resignation for Good Reason":

(a) a materially adverse change in the nature or status of his position or responsibilities under this Agreement;

(b) a reduction by the Company in the Base Salary set forth in Section 3.1 of this Agreement; or

(c) a material breach of this Agreement by the Company.

In the event of such Resignation for Good Reason, the Company shall pay to Mr. Taranto the sums set forth in section 5.1 (a)-(b).

5.3. Due Cause. The Company may terminate this Agreement at any time for Due Cause and in such event, Mr. Taranto agrees that he shall immediately resign from the Board. In the event of such termination for Due Cause, Mr. Taranto shall only be entitled to receive the portion of the Base Salary earned but not yet paid up to the date of removal and any reimbursable out-of-pocket expenses incurred by Mr. Taranto in connection with his duties but not yet paid. The term "Due Cause" shall mean:

(a) repeated and gross negligence in fulfillment of, or repeated failure of Mr. Taranto to fulfill, his material obligations under this Agreement, in either event after written notice thereof;

(b) material willful misconduct by Mr. Taranto in respect of his obligations hereunder;

(c) conviction of any felony, or any crime of moral turpitude; or

(d) a material breach in trust committed in willful or reckless disregard of the interests of the Company or its affiliates or undertaken for personal gain.

6. RESTRICTIVE COVENANT

6.1. Non-Competition. In order to protect the legitimate domestic and international business interests of the Company and its affiliates, Mr. Taranto agrees that, in exchange for the benefits provided for in this Agreement, during the Term of this Agreement and for a period of twelve (12) months from the last day that Mr. Taranto serves as a member of the Board (the "Non-Competition Period"), he shall not engage in, participate in, carry on, own or manage, directly or indirectly, either for himself or as a partner, stockholder, investor, officer, director, employee, agent, independent contractor, representative or consultant of any person, partnership, corporation or other enterprise, in any "Competitive Business" in any jurisdiction in which the Company or any affiliate actively conducts business. For purposes of this Section 6, "Competitive Business" means the property and casualty insurance or reinsurance business.

Engaging in the following activities will not be deemed to be engaging or participating in a Competitive Business: (i) investment banking; (ii) passive ownership of less than 2% of any class of securities of a company; and (iii) engaging or participating solely in a non-competitive business of an entity which also separately operates a business which is a "Competitive Business."

6.2. Interpretation and Acknowledgment. If any restriction set forth in this Section 6 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable. If Mr. Taranto violates the provisions of this Section 6, he shall continue to be bound by the restrictions set forth herein until a period of twelve (12) months (counting the period before the violation commenced and after the violation has ceased) has expired without any violation of such provisions or until the Non-Competition Period has expired, whichever is longer. Mr. Taranto acknowledges that the restrictions contained in Section 6.1 are necessary for the protection of the business and goodwill of the Company and its affiliates and considers the restrictions to be reasonable for such purpose. He agrees that any breach of Section 6.1 is likely to cause substantial and irrevocable damage and therefore, in the event of any breach of such Section, Mr. Taranto agrees that the Company, in addition to such other remedies that may be available, shall be entitled to injunctive relief, as determined by any court of competent jurisdiction, without the Company's posting of a bond.

6.3. Survivorship. Notwithstanding anything else to the contrary in this Agreement, the provisions of Section 6 shall continue to remain in effect following termination of this Agreement for any reason.

7. BENEFITS & TAXES

Mr. Taranto acknowledges and agrees that he shall work as a part-time employee for the Company pursuant to this Agreement, that the broad-based employee benefit plans of the Company, such as the medical plan and the qualified retirement plan, have minimum service obligations that must be met in order for an employee to be eligible for benefits, and that his services as a part-time employee pursuant to this Agreement for the Company do not meet such minimum service obligations in order to entitle him to participate in such employee benefit plans.

To the extent he may otherwise be entitled to receive any such benefits, Mr. Taranto explicitly waives his right to participate in or receive any benefits under any applicable Company sponsored employee benefit plans as in effect from time to time, regardless of his eligibility to participate in any such plans, including any deferred compensation, medical, dental, life insurance and disability programs and other benefits generally available to the Company’s employees

All payments to be made to and on behalf of Mr. Taranto under this Agreement will be subject to any required withholding of federal, state and local income, employment and excise taxes, and to related reporting requirements.

8. GOVERNING LAW

This Agreement shall be deemed a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of Florida without reference to the principles of conflict of laws.

9. ENTIRE AGREEMENT

This Agreement contains all the understandings and representations between the parties hereto pertaining to the subject matter hereof and supersedes all undertakings and agreements, whether oral or in writing, if any there be, previously entered into by them with respect thereto.

10. AMENDMENTS & WAIVER

No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing, signed by Mr. Taranto and by a duly authorized officer of the Company. Except as otherwise specifically provided in this Agreement, no waiver by either party hereto of any breach by the other party of any condition or provision of the Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar provision or condition at the same or any prior or subsequent time.

11. NOTICES

Any notice to be given hereunder shall be in writing and delivered personally or sent by overnight mail, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

If to the Company:

Everest Global Services, Inc.

Warren Corporate Center
100 Everest Way
Warren, NJ 07059
Attention: General Counsel

If to Mr. Taranto:

[Redacted]

12. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which taken together shall constitute one instrument.

In Witness Whereof, the undersigned have caused this Agreement to be executed as of the date first written above.

Everest Global Services, Inc.

/S/ GAIL VAN BEVEREN	/S/ JOSEPH V TARANTO
By: Gail Van Beveren	Joseph V. Taranto
Title: Executive Vice President, CHRO	

Certain information in the marked exhibit below has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential. Omissions are designated as “[Redacted].”

SEPARATION, TRANSITION SERVICES, AND GENERAL RELEASE AGREEMENT

1. **PARTIES:** The parties to this Separation, Transition Services, and General Release Agreement (hereinafter "Separation Agreement") are Everest Global Services, Inc. (hereinafter the “Company”), Everest Re Group, Ltd., and its current and former parents, subsidiaries, affiliates, predecessors, successors and assigns (including the Company, individually and collectively, “Everest”), and **Sanjoy Mukherjee** (“Employee") (collectively, Everest and Employee are referred to as the "Parties," and, individually, a “Party”).

2. **SEPARATION:** The Employee’s last day of employment with the Company is July 3, 2023 (the “Separation Date”). After the Separation Date, the Employee will not represent himself as being an employee, officer, attorney, agent or representative of the Company and/or Everest, for any purpose. Except as otherwise set forth in this Separation Agreement, the Separation Date will be the employment termination date for the Employee for all purposes, meaning the Employee will no longer be entitled to further compensation, monies or other benefits from the Company and/or Everest, including coverage under any benefits plans or programs sponsored by the Company and/or Everest. Effective July 3, 2023, the Employee will no longer have the authority to act on behalf of Everest Re Group, Ltd., or any of its subsidiaries in any capacity.

2A. **ADVISORY SERVICES:** In consideration for the execution by Employee of this Separation Agreement, and for releasing any rights that Employee may have and in compliance with the promises made herein, Employee and the Company agree that (x) effective April 21, 2023, Employee shall no longer have the titles of Executive Vice President, General Counsel and Secretary of the Company and (y) effective April 22, 2023, Employee shall serve as an advisor to the Company for the period commencing on such date and ending on July 3, 2023 (the “Advisor Period”). During the Advisor Period, Employee shall continue to be paid his current base salary for that portion of the Advisor Period commencing on April 22, 2023 through May 31, 2023 (which will include, without duplication, payment of Employee’s unused, accrued 2023 vacation/carryover days). In addition, the Company shall pay Employee a single lump sum of $50,000 for his services as an advisor for the period commencing on June 1, 2023 and ending on the Separation Date, with such amount to be paid to Employee not later than July 31, 2023. During the Advisor Period Employee agrees to be available to the Company upon request not less than one (1) full working day per week with respect to advisory and transition services; in addition, during the Advisor Period and thereafter Employee agrees that he shall reasonably cooperate with Everest and its counsel in connection with governmental investigations, subpoenas, and/or the negotiations, settlement, defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of Everest that relate to events or occurrences that transpired during Employee's employment with or provision of services to the Company. Employee's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with the Company at mutually convenient times and locations and providing immediate notice to the Company in the event he is served with any subpoena or request for information relating to Everest. Additionally, Employee will make himself reasonably available to respond to questions regarding operations which fell under Employee's area of responsibility during his employment with the Company.

3. **CONSIDERATION:** In consideration for the timely execution by Employee of this Separation Agreement and the Second Release attached hereto as Exhibit A (and not revoking either document), and for releasing any rights that Employee may have as set forth herein, and in compliance with the promises made herein, the Company agrees to provide Employee with the following payments and benefits:

a. Accrued Payments. The Company agrees to provide Employee with the Accrued Payments (as such term is defined in that certain Employment Agreement between the Company and the Employee effective January 1, 2017 (referred herein as the "Employment Agreement").

b. Separation Allowance. The Company agrees to provide Employee with a separation allowance ("Separation Pay"), payable in equal installments in accordance with normal payroll practices over a 12 month period beginning immediately following the Separation Date, equal to two (2) times the sum of Employee's current Base Salary (as such term is defined in the Employment Agreement). In addition to the foregoing, the Company shall pay Employee a one-time cash payment of $1,300,000 on January 15, 2025, contingent upon Employee fulfilling his obligations under this Separation Agreement, including but not limited to, the delivery and non-revocation of the Second Release.

c. Earned But Unpaid Annual Incentive Bonus. The Company agrees to provide Employee with any annual incentive bonuses earned but not yet paid for any completed full fiscal year immediately preceding the Separation Date.

d. Unvested Company Equity Awards. All of Employee's outstanding and unvested Company equity awards (including performance stock unit awards, restricted stock and restricted stock units) shall be eligible for the respective treatment described in section 4(c) and 6(c)(iv) of the Employment Agreement, as applicable; provided, however, that the Company shall make a cash payment to Employee in lieu of the remaining tranche of six hundred and one (601) restricted shares granted pursuant to the Employee's November 2019 stock award that would otherwise have vested on November 19, 2024. The amount of this cash payment will be based on the market price of the Company's stock at the close of the New York Stock Exchange on the Separation Date.

e. Benefits. Regarding the Employee's medical and dental benefits, within 60 days from Employee's Separation Date, he will receive a net payment representing the cost to continue 12 months of his family medical, either through Cobra or retiree medical, and Cobra dental benefits. Everest will reimburse Employee for the cost to maintain his current life insurance benefits for 12 months following the Separation Date through The Hartford's portability feature. In addition, the Company will also continue to provide Employee with disability benefits, if needed, for a maximum of 12 months following the Separation Date per the terms of his Employment Agreement.

All Separation Pay is subject to applicable withholding and deductions will be paid in accordance with the terms as outlined in the Employment Agreement, provided the Company has received (i) the executed version of this Separation Agreement from Employee and the expiration of the applicable 7-day revocation period described in section 7c hereof without Employee revoking his signature hereto as provided in section 7c, and (ii) the executed version of the Release attached hereto as Exhibit A from Employee following the Separation Date and the expiration of the applicable 7-day revocation period described therein.

4. **CONFIDENTIALITY:** The Parties agree to keep confidential and make no voluntary disclosure of the terms of this Separation Agreement and/or the existence thereof, to any person or entity of any kind or identity whatsoever. This confidentiality requirement shall not, however, prohibit Employee from disclosing the payments set forth in section 3 above to his tax accountant, his attorney, and his spouse or significant other (to all of whom Employee will relay the instant confidentiality requirement), the Internal Revenue Service, and/or the appropriate state tax authorities, or as otherwise required by law.

5. **CONFIDENTIAL INFORMATION:**

a. By signing this Separation Agreement, Employee certifies that: (i) Employee has returned to the Company any and all Confidential Information as defined in section 12 of the Employment Agreement and all other materials, documents and/or property belonging to the Company and/or any of its affiliated entities, including the originals and any and all copies thereof, whether in hard copy or electronic form, which were in Employee's possession or under Employee's control, including without limitation files, documents, lists, records, manuals, reports, software and hardware, laptops, printers, computers, cell phone, iPhone, iPad, tablet, blackberry or other PDA, keys, equipment, identification cards, access card, corporate credit cards, mailing lists, rolodexes, personnel information, electronic information and files, computer print-outs, and computer disks and tapes, all without any destruction, deletion, alteration or any other type of compromise, whether such data and/or property was in hard copy or electronic form, (ii) after returning such property to the Company, Employee has not retained any copies of any Confidential Information and/or any other materials, documents and/or property belonging to the Company and/or any of its affiliated entities, (iii) after returning such property to the Company, Employee has permanently deleted all Confidential Information from Employee's home and/or personal computer drives and from any other personal electronic, digital or magnetic storage devices, and (iv) Employee shall remain in strict compliance with Employee's obligations under any applicable Company policies, including without limitation those restricting the use of Confidential Information, prohibiting conflicts of interest, and assigning intellectual property rights.

b. If the Employee is compelled to testify by a validly served subpoena in any legal proceeding or by regulatory authority, the Employee will testify truthfully as to all matters concerning his employment with the Company. Except as prohibited by law, the Employee agrees to disclose to the Company in writing within 72 hours, or as soon as practicable, all such requests for information, and to discuss his response with the Company.

6. **NO ADMISSION OF LIABILITY:** Employee agrees that neither this Separation Agreement nor the furnishings of the consideration for this Separation Agreement shall be deemed or construed at any time for any purpose as an admission by Company of any liability or unlawful conduct of any kind.

7. **CONSIDERATION CONTINGENT UPON RELEASE WITHOUT REVOCATION:** Employee understands and agrees that he is not otherwise entitled to and will not receive the moneys and/or benefits specified in section 3 above, except in consideration for his execution of this Separation Agreement and the Release attached hereto as Exhibit A, and the fulfillment of the promises contained herein without revocation.

a. Employee fully releases and discharges the Company and Everest from any and all rights, claims, actions, liabilities, damages or causes of action arising under the Age Discrimination in Employment Act, ("ADEA") whether known or unknown, asserted or unasserted, or in connection with his employment and/or termination from employment with the Company, or otherwise arising on or prior to the date that Employee signs this Separation Agreement.

b. Employee acknowledges that he has been advised that he has twenty-one (21) days to consider this Separation Agreement, and that if the Employee wishes to accept the Separation Agreement, he must sign and return it to [Redacted] at the Company's Human Resources Department via fax (personal and confidential), mail (personal and confidential) or email with PDF on or before 5:00 p.m. on March 10, 2023.

c. Employee acknowledges that he may revoke this Separation Agreement but must do so within seven (7) days after he executes the Separation Agreement. Such revocation must be in writing and must be emailed, personally delivered, or mailed and postmarked within the seven (7) day revocation period, and sent to the attention of [Redacted] at the Company's Human Resources Department:

Everest Global Services
Attn: [Redacted], Human Resources
100 Everest Way
Warren, NJ 07059
Email: [Redacted]
Fax No.: [Redacted]

d. Employee also acknowledges that he has had the opportunity to consult with his own counsel (at his expense) and that by this provision of the Separation Agreement the Company has advised Employee to consult with his own counsel regarding the terms of this Separation Agreement.

e. If Employee does not advise the Company in writing within seven (7) calendar days after signing that he has revoked this Separation Agreement, this Separation Agreement upon signing by the Company shall be effective, enforceable and binding on all Parties on the eighth (8th) calendar day after Employee signs and delivers this Separation Agreement (the "Effective Date"). The Parties understand that the Company shall not be required to make payments or provide the consideration set forth in this Separation Agreement unless this Separation Agreement becomes effective.

8. **NO OTHER PAYMENTS OR CLAIMS**: The Parties expressly understand and agree that absent this Separation Agreement, Employee would not otherwise be entitled to the consideration specified in section 3 of this Separation Agreement. Further, by signing this Separation Agreement, Employee agrees that Employee is not entitled to any other payments, benefits and/or other consideration from the Company that are not specifically listed in this Separation Agreement. Without limiting the generality of the foregoing, Employee hereby expressly waives any right or claim that Employee may have or assert to employment or reinstatement to employment, and/or to payment for backpay, front pay, interest, bonuses, damages, benefits, outplacement, severance pay benefits or otherwise, equity, and/or attorneys' fees, except for those qualified retirement benefits in which Employee has vested rights under the terms of the applicable plan and applicable law. Employee further agrees and acknowledges that once the Company has provided Employee the payments and other consideration set forth in this Separation Agreement, the Company will have paid Employee in full any and all monies owed to Employee in connection with Employee's employment with the Company and separation from employment, including but not limited to payment for all services performed on behalf of the Company through Employee's Separation Date, except as otherwise specifically stated in this Separation Agreement.

9. **GENERAL RELEASE:** In exchange for the consideration provided herein, and as set forth in section 2A, above, Employee, on behalf of himself, his heirs, executors and assigns, to the extent permissible under applicable law, knowingly, voluntarily and unconditionally releases and forever discharges Everest and its current and former officers, agents, directors, contractors,

attorneys and employees, past and present, (individually and collectively, “Releasees”) from any and all liability, actions, claims, causes of action, charges, and/or complaints under state, federal and/or local laws related to Employee’s employment with Company, termination from employment or otherwise, which Employee has or may have, whether known or unknown, asserted or unasserted, from the beginning of time up to and including the Effective Date. Employee understands that by entering into this Separation Agreement, he is not waiving any rights that may arise after the Effective Date; provided, however, that Employee understands and acknowledges that his entitlement to the consideration provided herein is contingent on both (1) his execution and non-revocation of this Separation Agreement and (2) his future execution and non-revocation of the Second Release attached hereto as Exhibit A.

For the avoidance of doubt, this general release specifically includes, but is not limited to, the complete and full release of any and all claims or potential claims arising under the following:

- Age Discrimination in Employment Act of 1967 (“ADEA”)
- Title VII of the Civil Rights Act of 1964 (“Title VII”);
- Civil Rights Act of 1991;
- Americans with Disabilities Act (“ADA”);
- Employee Retirement Income Security Act (“ERISA”), including but not limited to Section 510 of ERISA, 29 U.S.C. Section 1140 or any allegation or claim that arises out of the Employee’s participation in any employee benefit plan sponsored by Everest, including but not limited to the Everest Reinsurance Retirement Plan;
- Equal Pay Act of 1963, and all other federal and state “equal pay” laws;
- Family and Medical Leave Act (“FMLA”);
- the Families First Coronavirus Response Act (“FFCRA”), including but not limited to the Emergency Paid Sick Leave provisions or the Emergency Family and Medical Leave Expansion Act provisions;
- Sarbanes-Oxley Act of 2002;
- National Labor Relations Act and Labor Management Relations Act, and all other federal and state “labor” laws**;**
- Worker Adjustment and Retraining Notification Act;
- Fair Labor Standards Act (“FLSA”) and all other federal and state wage and hour laws, including but not limited to the New Jersey Wage Payment law and the New Jersey Wage & Hour Laws**;**
- the New Jersey Law Against Discrimination (“NJLAD”);
- all state and local laws, statutes, rules, regulations, and ordinances relating to whistleblowing, including but not limited to the New Jersey Conscientious Employee Protection Act;
- the Pennsylvania Human Relations Act, the Pennsylvania Whistleblower Law, the Pennsylvania Public Employee Relations Act, the Philadelphia Fair Practices Ordinance;
- any other federal, state, or local statute, law, rule, regulation, or ordinance relating to employment or the termination of employment including but not

limited to any employment-related laws enacted in New Jersey, Pennsylvania or elsewhere in response to the Coronavirus pandemic;

- any claim under the common law of any state or locality, including but not limited to claims for wrongful or retaliatory discharge, breach of actual or implied contract, breach of employment policies or manuals, violation of public policy, defamation, slander, libel, invasion of privacy, prima facie tort, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, promissory estoppel, negligence, fraud and misrepresentation;
- any applicable Executive Order Programs;
- any claim or allegation that arises out of Employee's participation in any employee benefit plan sponsored by the Company, including but not limited to the Everest Reinsurance Retirement Plan, claims for benefits, severance or similar termination payments;
- claims for punitive damages, penalties, attorneys' fees and costs; and
- claims of discrimination, harassment, breach of contract, defamation, fraud, conspiracy, wrongful discharge in violation of public policy, breach of the implied covenant of good faith and fair dealing, and negligent or intentional misrepresentation arising out of Employee's employment with Company and/or his termination from Company.

10. **<u>NEUTRAL REFERENCE FOR PROSPECTIVE EMPLOYERS</u>:** In the event that the Employee seeks to provide confirmation of his employment with the Company to a potential or future employer, the Employee shall refer the employer to the "Human Resources Department (Attn: [Redacted] of Human Resources)" at Everest, and the Company agrees that it will solely provide a neutral reference in the form of confirming the Employee's name, job title, dates of service, and final salary (salary information only provided with the Employee's signed authorization). The Company agrees not to provide to any potential employer any information regarding the Employee's termination of employment with the Company or this Separation Agreement.

11. **<u>NO CLAIMS FILED</u>:** Employee represents and agrees that he has not filed any claims, charges, complaints, actions or lawsuits against Everest, or caused to be filed any claims, charges, complaints, actions or lawsuits against Everest with any municipal, state or federal agency charged with the enforcement of any law. Pursuant to and as a part of the release and discharge of the Company, as set forth herein, and to the fullest extent permitted by law, Employee agrees not to sue or file a claim, charge, complaint, action, or lawsuit against Everest in any forum or assist or otherwise participate willingly or voluntarily in any claim, arbitration, suit, action, investigation or other proceeding of any kind which relates to any matter that involves Everest, and that occurred up to and including the date of the execution of this Separation Agreement, unless required to do so by court order, subpoena or other directive by a court, administrative agency, arbitration panel or legislative body. To the extent any such action may be brought by a third party, Employee expressly waives any claim to any form of monetary or other damages, or any other form of recovery or relief in connection with any such action.

Notwithstanding the foregoing, nothing in this Separation Agreement shall prevent Employee (or Employee's attorneys) from filing a charge with, or cooperating with an investigation by, the federal Equal Opportunity Commission ("EEOC"), the National Labor Relations Board, or any other federal or state regulator, as applicable, or commencing an arbitration to enforce the terms of the Separation Agreement.

12. **BREACH OF SEPARATION AGREEMENT:** Employee agrees that in the event of any such breach or threatened breach of any provision of this Separation Agreement, the Company shall, in addition to any other remedies available to it, be entitled to: (i) a temporary restraining order and/or preliminary and/or permanent injunction, or other equivalent relief, restraining Employee from any actual or threatened breach of this Separation Agreement, (ii) cease further payments pursuant to section 3 of this Separation Agreement and/or recover any payments already made, and (iii) recover damages from Employee, plus reasonable attorneys' fees and costs. However, it is understood and agreed that the remaining provisions of this Separation Agreement, including without limitation section 9, shall remain in full force and effect.

13. **REPRESENTATIONS, WARRANTIES AND COVENANTS:**

The parties represent and warrant to the others as follows:

a. This is a binding Separation Agreement, enforceable against each of them in accordance with its terms;

b. The parties have not sold, assigned, transferred, or otherwise disposed of any of the claims, demands, or rights that are the subject of this Separation Agreement;

c. The parties have full power and authority to enter into this Separation Agreement and no further consent or approval is required as a condition to the validity of this Separation Agreement;

d. The parties have not relied on any representations or promises in entering into this Separation Agreement except those expressly contained herein;

e. Employee understands and agrees that the consideration provided to Employee under the terms of this Separation Agreement is in addition to anything of value to which Employee is otherwise entitled;

f. Employee represents, warrants and confirms that: (a) he has no claims, complaints or actions of any kind filed against the Company and Everest, with any court of law, or local, state or federal government agency; and (b) he has been properly paid for all hours worked for the Company, and that all commissions, bonuses and other compensation due to him has been paid.

g. Employee represents, warrants and confirms that he has not engaged in, and is not aware of, any unlawful conduct in relation to the business of the Company and/or Everest. If any of these statements are not true, the Employee cannot sign this Separation Agreement and must notify the Company immediately, in writing, of the statements that are not true. Such notice will not automatically disqualify the Employee from receiving these benefits but will require the Company's review and consideration.

h. Employee warrants, represents and confirms that he has not incurred any unauthorized credit card charges or other liabilities of any nature for which the Company may be liable, and that he is currently unaware of any facts or circumstances that might give rise to a claim against the Company for any expenses incurred by Employee that are not otherwise reimbursable to Employee under the Company's expense policy; and

i. Employee warrants that he has not raised, and does not have, a claim of unlawful discrimination, retaliation, sexual harassment or abuse against the Company.

j. Employee acknowledges and agrees that he has been paid all monies and compensation owed up to and including the date on which Employee signs this Separation Agreement; including but not limited to all wages, salary, commissions, vacation, and bonuses.

k. Employee acknowledges that the Company has provided to him all sick leave or family/medical leave to which he was entitled to by law during the course of his employment.

14. **<u>CODE SECTION 409A</u>:** This Separation Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable administrative guidance and regulations ("Section 409A"), and the parties hereby agree to amend this Separation Agreement as and when necessary or desirable to conform to or otherwise properly reflect any guidance issued under Section 409A after the date hereof without violating Section 409A. In case any one or more provisions of this Separation Agreement fails to comply with the provisions of Section 409A, the remaining provisions of this Separation Agreement shall remain in effect, and this Separation Agreement shall be administered and applied as if the non-complying provisions were not part of this Separation Agreement. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Employee by Section 409A or damages for failing to comply with Section 409A. A termination of Employee's employment or service hereunder shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit constituting "deferred compensation" under Section 409A upon or following a termination of employment or service unless such termination is also a "separation from

service” within the meaning of Section 409A and, for purposes of any such provision of this Separation Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” In the event that any payment or benefit made hereunder or under any compensation plan, program or arrangement of the Company would constitute payments or benefits pursuant to a non-qualified deferred compensation plan within the meaning of Section 409A and, at the time of Employee’s “separation from service” Employee is a “specified employee” within the meaning of Section 409A, then any such payments or benefits shall be delayed until the six-month anniversary of the date of Employee’s “separation from service.” Each payment made under this Separation Agreement shall be designated as a “separate payment” within the meaning of Section 409A. All reimbursements and in-kind benefits provided under this Separation Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A. All reimbursements for expenses paid pursuant hereto that constitute taxable income to Employee shall in no event be paid later than the end of the calendar year next following the calendar year in which Employee incurs such expense or pays such related tax. Unless otherwise permitted by Section 409A, the right to reimbursement or in-kind benefits under this Separation Agreement shall not be subject to liquidation or exchange for another benefit and the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, respectively, in any other taxable year. The Company makes no representations or warranties and shall have no responsibility regarding the tax implications of the compensation and benefits to be paid to Employee under this Separation Agreement, including under Section 409A.

15. **SEVERABILITY:** This Separation Agreement is made in the State of New Jersey and shall be governed by and interpreted under the laws of the State of New Jersey (without regard to conflict of law rules). Should any provision of this Separation Agreement be declared illegal or unenforceable, such provision shall immediately become null and void, leaving the remainder of the provisions in this Separation Agreement in full force and effect; provided however, that should the general release in Section 9, or any part of it, be declared unenforceable by final non-appealable court order for any reason, Employee shall immediately return the entirety of the gross consideration paid by the Company to Employee pursuant to this Separation Agreement. Contingent on and only upon the return of said consideration, all waivers of claims by Employee stipulated in Section 9 shall become null and void, and any and all applicable statute of limitations periods shall be deemed tolled for the period running from the date of this Separation Agreement up to and including (but for no more than) the date upon which the final, non-appealable court order declaring all or part of Section 9 unenforceable, was issued. Thereafter, the Company and Employee agree to negotiate in good faith to reach a mutually acceptable substitute agreement consistent with the commercial purposes of this Separation Agreement.

16. **NO OBLIGATION TO REHIRE:** Employee agrees that Employer has no obligation, contractual or otherwise, to rehire, re-employ or recall Employee in the future. If Employee does apply for employment with the Company, its subsidiaries, or any of its affiliated companies, the Employee agrees that the Company, its subsidiaries, and its affiliated companies need not employ

him, and that if the Company, its subsidiaries, and its affiliated companies decline to employ him, they shall not be liable to Employee for any cause or damages whatsoever.

17. **WAIVER OF CONFLICTS OF INTEREST**: Contingent upon Employee delivering and not revoking an executed Second Release in the form attached, and effective as of July 4, 2023, the Company agrees to waive any and all future non-litigation conflicts of interest that would otherwise preclude Employee from representing as counsel any client, including legal entities, corporations, regulatory bodies or individuals, that may have a business interest adverse to that of the Company and its affiliates; provided however, that nothing in this waiver limits or modifies the obligations set forth in Sections 4, 5 or 9 of this Separation Agreement or otherwise impacts in any way any ongoing ethical or confidentiality obligations Employee may have as a result of having served as counsel to Everest.

18. **ENTIRE AGREEMENT:** With the exception of the obligations of the Employee that survive the termination of the Employment Agreement, including but not limited to Sections 6(g), 9, 12 and 13 of the Employment Agreement, this Separation Agreement sets forth the entire agreement between the parties hereto and supersedes any and all prior or contemporaneous understandings, whether written or oral, between the Parties concerning the subject matter of this Separation Agreement. Any modification to this Separation Agreement must be in writing and signed by the Employee and Everest's Vice President, Human Resources or another authorized representative.

19. **COUNTERPARTS:** This Separation Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. **ACKNOWLEDGEMENT AND FULL UNDERSTANDING:** THE TERMS OF THIS SEPARATION AGREEMENT ARE THE PRODUCT OF MUTUAL NEGOTIATION AND COMPROMISE BETWEEN THE PARTIES. EMPLOYEE HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTION OF THIS SEPARATION AGREEMENT. THE PARTIES HAVE ELECTED TO EXECUTE THIS SEPARATION AGREEMENT, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE CONSIDERATION SET FORTH HEREIN, EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS SEPARATION AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS.

* * *

THEREFORE, the Parties now voluntarily and knowingly execute this Separation Agreement.

DATED: ________ /S/ SANJOY MUKHERJEE
Sanjoy Mukherjee

Everest Global Services, Inc.

DATED: February 17, 2023 By: /S/ GAIL VAN BEVEREN
As Revised March 10, 2023 Title: Chief Human Resources Officer

EXHIBIT A

SECOND RELEASE

1. RELEASE OF CLAIMS. Terms that are capitalized but not defined herein shall be given the same meaning as in the attached Separation, Transition Services, and General Release Agreement dated March 10, 2023 (the "Separation Agreement," which shall be considered together with this Release as one document). For and in consideration of the payments and benefits described in the Separation Agreement, excluding enforcement of the covenants, promises and/or rights reserved in the Separation Agreement and herein, Sanjoy Mukherjee (the "Advisor"), on behalf of himself, his heirs, executors and assigns, to the extent permissible under applicable law, knowingly, voluntarily and unconditionally releases and forever discharges Everest and its current and former officers, agents, directors, contractors, attorneys and employees, past and present, (individually and collectively, "Releasees") from any and all liability, actions, claims, causes of action, charges, and/or complaints under state, federal and/or local laws related to Advisor's role as advisor to Everest during the Advisor Period, termination as an advisor or otherwise, which Advisor has or may have, whether known or unknown, asserted or unasserted, from the beginning of time up to and including the seventh (7th) day after the date on which Advisor signs and delivers this Second Release to the Company.

For the avoidance of doubt, this general release specifically includes, but is not limited to, the complete and full release of any and all claims or potential claims arising under the following:

- Age Discrimination in Employment Act of 1967 ("ADEA")
- Title VII of the Civil Rights Act of 1964 ("Title VII");
- Civil Rights Act of 1991;
- Americans with Disabilities Act ("ADA");
- Employee Retirement Income Security Act ("ERISA"), including but not limited to Section 510 of ERISA, 29 U.S.C. Section 1140 or any allegation or claim that arises out of the Advisor's participation in any employee benefit plan sponsored by Everest, including but not limited to the Everest Reinsurance Retirement Plan;
- Equal Pay Act of 1963, and all other federal and state "equal pay" laws;
- Family and Medical Leave Act ("FMLA");
- The Families First Coronavirus Response Act ("FFCRA"), including but not limited to the Emergency Paid Sick Leave provisions or the Emergency Family and Medical Leave Expansion Act provisions;
- Sarbanes-Oxley Act of 2002;
- National Labor Relations Act and Labor Management Relations Act, and all other federal and state "labor" laws;
- Worker Adjustment and Retraining Notification Act;
- Fair Labor Standards Act ("FLSA") and all other federal and state wage and hour laws, including but not limited to the New Jersey Wage Payment law and the New Jersey Wage & Hour Laws;

- the New Jersey Law Against Discrimination (“NJLAD”);
- all state and local laws, statutes, rules, regulations, and ordinances relating to whistleblowing, including but not limited to the New Jersey Conscientious Employee Protection Act;
- the Pennsylvania Human Relations Act, the Pennsylvania Whistleblower Law, the Pennsylvania Public Employee Relations Act, the Philadelphia Fair Practices Ordinance;
- any other federal, state, or local statute, law, rule, regulation, or ordinance relating to employment or the termination of employment including but not limited to any employment-related laws enacted in New Jersey, Pennsylvania or elsewhere in response to the Coronavirus pandemic;
- any claim under the common law of any state or locality, including but not limited to claims for wrongful or retaliatory discharge, breach of actual or implied contract, breach of employment policies or manuals, violation of public policy, defamation, slander, libel, invasion of privacy, prima facie tort, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, promissory estoppel, negligence, fraud and misrepresentation;
- any applicable Executive Order Programs;
- any claim or allegation that arises out of Advisor’s participation in any employee benefit plan sponsored by the Company, including but not limited to the Everest Reinsurance Retirement Plan, claims for benefits, severance or similar termination payments;
- claims for punitive damages, penalties, attorneys' fees and costs; and
- claims of discrimination, harassment, breach of contract, defamation, fraud, conspiracy, wrongful discharge in violation of public policy, breach of the implied covenant of good faith and fair dealing, and negligent or intentional misrepresentation arising out of Advisor’s role with Company and/or his termination from Company.

2. NO CLAIMS FILED: Advisor represents and agrees that he has not filed any claims, charges, complaints, actions or lawsuits against Everest, or caused to be filed any claims, charges, complaints, actions or lawsuits against Everest with any municipal, state or federal agency charged with the enforcement of any law. Pursuant to and as a part of the release and discharge of Everest, as set forth herein, and to the fullest extent permitted by law, Advisor agrees not to sue or file a claim, charge, complaint, action, or lawsuit against Everest in any forum or assist or otherwise participate willingly or voluntarily in any claim, arbitration, suit, action, investigation or other proceeding of any kind which relates to any matter that involves Everest, and that occurred up to and including the date of the execution of this Separation Agreement, unless required to do so by court order, subpoena or other directive by a court, administrative agency, arbitration panel or legislative body. To the extent any such action may be brought by a third party, Advisor expressly waives any claim to any form of monetary or other damages, or any other form of recovery or relief in connection with any such action.

Notwithstanding the foregoing, nothing in this Release or the Separation Agreement shall prevent Advisor (or Advisor's attorneys) from making a voluntary report to, filing a charge with, or cooperating with an investigation by, the federal Equal Opportunity Commission ("EEOC"), the National Labor Relations Board, or any other federal or state regulator, as applicable, or commencing an arbitration to enforce the terms of the Separation Agreement.

3. Advisor represents, warrants and confirms that: (a) he has no claims, complaints or actions of any kind filed against the Company and Everest, with any court of law, or local, state or federal government agency; and (b) he has been properly paid for all hours worked for the Company, and that all commissions, bonuses and other compensation due to him has been paid to him.

4. Advisor understands and agrees that he is not otherwise entitled to and will not receive the moneys and/or benefits specified in section 3 of the Separation Agreement, except in consideration for his execution of the Separation Agreement and this Release, and the fulfillment of the promises contained herein without revocation.

a. Advisor fully releases and discharges the Company and Everest from any and all rights, claims, actions, liabilities, damages or causes of action arising under the Age Discrimination in Employment Act, ("ADEA") whether known or unknown, asserted or unasserted, or in connection with his employment, provision of services and/or termination from employment or provision of services with or to the Company, or otherwise arising on or prior to the date that Advisor signs this Release.

b. Advisor acknowledges that he has been advised that he has twenty-one (21) days to consider this Release, and that if the Advisor wishes to accept the terms of the Separation Agreement and this Release, he must sign and return this Release <u>no sooner than the Separation Date</u> to [Redacted] at the Company's Human Resources Department via fax (personal and confidential), mail (personal and confidential) or email with PDF on or before July 7, 2023.

c. Advisor acknowledges that he may revoke this Release but must do so within seven (7) days after he executes the Release. Such revocation must be in writing and must be emailed, personally delivered, or mailed and postmarked within the seven (7) day revocation period, and sent to the attention of [Redacted] at the Company's Human Resources Department:

Everest Global Services
Attn: [Redacted], Human Resources
100 Everest Way
Warren, NJ 07059
Email: [Redacted]
Fax No.: [Redacted]

d. Advisor also acknowledges that he has had the opportunity to consult with his own counsel (at his expense) and that by this provision of the Release the Company has advised Advisor to consult with his own counsel regarding the terms of this Release.

e. If Advisor does not advise the Company in writing within seven (7) calendar days after signing that he has revoked this Release, this Release upon signing by the Company shall be effective, enforceable and binding on all Parties on the eighth (8^{th}) calendar day after Advisor signs this Release (the "Effective Date"). The Parties understand that the Company shall not be required to make payments or provide the consideration set forth in the Separation Agreement unless this Release becomes effective.

THEREFORE, the Parties now voluntarily and knowingly execute this Release.

DATED: ________ /S/ SANJOY MUKHERJEE____

Sanjoy Mukherjee

Everest Global Services, Inc.

DATED: By:

Title:

Exhibit 31.1

CERTIFICATIONS

I, Juan C. Andrade, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Everest Re Group, Ltd;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 4, 2023

/S/ JUAN C. ANDRADE

Juan C. Andrade
President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Mark Kociancic, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Everest Re Group, Ltd;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 4, 2023

/S/ MARK KOCIANCIC

Mark Kociancic
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of Everest Re Group, Ltd., a company organized under the laws of Bermuda (the "Company"), filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. ss. 1350, as enacted by section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 4, 2023

/S/ JUAN C. ANDRADE

Juan C. Andrade
President and
Chief Executive Officer

/S/ MARK KOCIANCIC

Mark Kociancic
Executive Vice President and
Chief Financial Officer