EVEREST GROUP, LTD.

2022 LOSS DEVELOPMENT TRIANGLES

Loss Development Triangle Cautionary Language

This report is for informational purposes only. It is current as of December 31, 2022. Everest Group, Ltd. ("Everest", "we", "us", or "the Company") is under no obligation and does not expect to update or revise this report whether as a result of new information, future events or otherwise, even when such new data has been reflected in the Company's filings with the U.S. Securities and Exchange Commission (the "SEC") or otherwise. Although the underlying data in the loss development patterns disclosed in this report are an important factor in the process used to estimate loss reserve requirements, they are not the only factors considered in establishing reserves. The process for establishing reserves is subject to considerable variability and requires the use of informed estimates and judgments. Important details, such as specific loss development expectations for particular contracts, years, or events, cannot be developed solely by analyzing the information provided in this report. In addition to analyzing loss development information, management incorporates additional information into the reserving process, such as pricing for insurance and reinsurance products; geographic, coverage, and other class differences; as well as assumptions about current market conditions. Readers must keep these and other qualifications more fully described in this report in mind when reviewing this information. This report should be read in conjunction with other documents filed by Everest with the SEC, including the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. These materials shall not be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Act of 1934, as amended.

Safe Harbor for Forward-Looking Statements

Some of the statements in this report contain 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 U.S. Federal securities laws. These statements involve risks and uncertainties that could cause actual results to differ materially from those contained in forward-looking statements made on behalf of the Company. These risks and uncertainties include the impact of general economic conditions and conditions affecting the insurance and reinsurance industry, the adequacy of our reserves, our ability to assess underwriting risk, trends in rates for property and casualty insurance and reinsurance, competition, investment market fluctuations, trends in insured and paid losses, catastrophes, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. 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 information regarding our reserves for losses and LAE or estimates of our catastrophe exposures. 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 in our latest Annual Report on Form 10-K. The Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

EVERREST RE GROUP, LTD.

2022 LOSS DEVELOPMENT TRIANGLES

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INTRODUCTION

This is Everest Group's thirteenth annual publication of its global loss development triangles. These triangles provide additional detail on Everest's reserves as shown in its financial statements as of December 31, 2022. For reinsurance business, triangles are presented on an underwriting year basis, net of specific cessions and external corporate covers, for both paid loss and allocated loss adjustment expense (ALAE) and reported loss and ALAE. For insurance business (except construction liability), triangles are presented on an accident year basis, net of external reinsurance, for both paid loss and ALAE and reported loss and ALAE. Construction liability insurance triangles are presented on a report year basis, net of external reinsurance, for both paid loss and ALAE and reported loss and ALAE. Intercompany reinsurance transactions are not reflected in the triangles.

It is strongly advised that readers of this report do not attempt to project ultimate loss and ALAE for Everest based solely on the triangles provided. Doing so would not appropriately account for the true nature of the underlying liabilities and would likely result in projections that could be materially misleading. Loss payment patterns and loss reporting patterns derived from development triangles are only two of many factors considered in establishing loss reserves. Additional information, including but not limited to pricing, market conditions, changes in terms and conditions, changes in premium volume, and changes in mix of business, are also factored in to determine a range of reasonable results. The triangles presented here are an aggregation of approximately 200 triangles used by our actuaries to evaluate reserves. This aggregation will result in the masking of trends and development patterns which are apparent in the more detailed triangles used to evaluate reserves.

DATA

Loss and ALAE development triangles are provided for nine classes; four for reinsurance business and five for insurance business. The reserves included in the triangles increased from $14.9 billion as of December 31, 2021 to $17.2 billion as of December 31, 2022. The percent of total reserves this represents remains consistent with last year; 87% in 2021 and 86% in 2022. Excluding reserves for catastrophes and asbestos and environmental exposures, the nine classes in the triangles cover 97% of Everest's reserves, consistent with 97% in 2021.

The triangles presented are compiled from roughly 200 individual reserving groups. The nine classes are:

<u>Reinsurance Classes:</u>

- Worldwide Casualty Pro Rata Reinsurance
- Worldwide Casualty Excess of Loss Reinsurance
- Worldwide Property Pro Rata Reinsurance (excluding catastrophes)
- Worldwide Property Excess of Loss Reinsurance (excluding catastrophes)

<u>Insurance Classes:</u>

- Worldwide Casualty Primary Insurance

- Worldwide Casualty Excess Insurance
- Worldwide Property Insurance (excluding catastrophes)
- Worldwide Workers Compensation Insurance
- Worldwide Construction Liability Insurance

Triangles are presented for loss and ALAE combined for all classes. Triangles for our reinsurance business are presented on an underwriting year basis. We rely primarily on underwriting year data for our internal reinsurance reserve analyses, as accident year is not generally available for contracts written on a pro rata basis. Underwriting year refers to the year in which a contract incepts. Accident year refers to the year in which a claim occurs. One underwriting year will generally incorporate claims from multiple accident years. Reinsurance contracts written on a treaty basis are combined with those written as facultative certificates. Each reinsurance class includes business emanating from Everest branches and offices covering geographic areas around the world.

Summary exhibits for each reinsurance class and all reinsurance classes combined are also presented. These exhibits display ultimate premium, earned premium, paid loss and ALAE, loss and ALAE case reserves, and reported loss and ALAE by underwriting year. Incurred but not reported (IBNR) loss and ALAE, ultimate loss and ALAE, and the ultimate loss and ALAE ratio for all years combined are also shown.

Triangles for our insurance business are presented on an accident year basis, except for construction liability, which is presented on a report year basis. Report year refers to the year in which a claim is reported to Everest regardless of date of loss. We rely primarily on accident year data for our internal insurance reserve analyses. Because this business is written direct, more information is available, relative to the reinsurance business. Business written on a program basis through managing general agents (MGAs) is combined with business written through direct channels. Claims for much of the business written through MGAs, as well as some business written through direct channels, are adjusted and settled by third party administrators (TPAs). These TPAs are managed and overseen by internal Everest Claims staff. These claims are combined in the triangles with claims adjusted and settled directly by Everest's Claims staff.

Summary exhibits for each insurance class and all insurance classes combined excluding Worldwide Construction Liability are also presented. These exhibits display written premium, earned premium, paid loss and ALAE, loss and ALAE case reserves, and reported loss and ALAE by accident year. Loss and ALAE IBNR, ultimate loss and ALAE, and the ultimate loss and ALAE ratio for all years combined are also shown.

If not otherwise specified, the term loss as used in this report means loss and ALAE but does not include unallocated loss adjustment expense (ULAE).

<u>Catastrophes and Large Losses</u>

Everest defines a catastrophe to be an event which causes damage to multiple risks resulting in at least $10 million of loss and ALAE to Everest. Events are defined as catastrophe or non-catastrophe based on the definition in effect at the time the event occurred. A catastrophe can be natural, such as an earthquake or hurricane, or man-made, such as a terrorist attack.

Catastrophe losses for underwriting year 1993 and later have been removed from the Worldwide Property Pro Rata Reinsurance and Worldwide Property Excess of Loss Reinsurance triangles. Catastrophe losses for accident year 2011 and later have been removed from the Worldwide Property Insurance triangles. There were no earlier catastrophe events which impacted the insurance triangles. Large losses, regardless of size, which are not categorized as catastrophe events have not been removed from any of the reinsurance or insurance triangles.

The table below shows the ultimate catastrophe loss and ALAE and outstanding catastrophe reserves by accident year for all accident years with outstanding catastrophe reserves:

Catastrophe Losses by Accident Year as of December 31, 2022
(Amounts in 000s of U.S. dollars)

Accident Year	Ultimate Loss & ALAE	Outstanding Reserves	Reserves as % of Ultimate
2010	645,910	7,677	1.2%
2011	1,211,947	6,598	0.5%
2012	378,431	9,617	2.5%
2016	360,917	(1,358)	-0.4%
2017	2,464,925	168,985	6.9%
2018	943,503	87,205	9.2%
2019	347,289	64,754	18.6%
2020	544,890	111,779	20.5%
2021	1,191,688	498,492	41.8%
2022	1,055,000	1,040,031	98.6%
Total	9,144,500	1,993,779	

Ultimate losses from widespread catastrophic events, such as hurricanes, cannot be estimated using traditional actuarial methods. Therefore, we estimate losses for these types of events based on information derived from catastrophe models; quantitative and qualitative exposure analyses, reports and communications from ceding companies; and development patterns from historically similar events. Due to the inherent uncertainty in estimating such losses, these estimates are subject to variability, which increases with the severity and complexity of the underlying event.

COVID-19

Losses emanating from the COVID-19 pandemic have been removed from the reinsurance and insurance triangles. Similar to catastrophe events, ultimate losses from the pandemic cannot be estimated using traditional actuarial methods.

Currency

All triangles are presented in thousands of U.S. dollars. Everest writes business worldwide in many different currencies. All data in the triangles has been converted to U.S. dollars using a common December 2022 exchange rate, so as to eliminate distortions from exchange rate fluctuations flowing through the triangles.

Excluded Business

Asbestos and Environmental

Certain classes of business written by Everest do not lend themselves to traditional actuarial analysis using loss development triangles, and are therefore excluded from the triangles. The most significant of these are asbestos and environmental (A&E) exposures. Everest's annual report on Form 10-K contains an extensive discussion of the uncertainties surrounding the estimate of A&E exposures.

Our reserves include an estimate of our ultimate liability for A&E claims. Our A&E liabilities emanate from assumed reinsurance business. We believe the nature and uncertainties surrounding these exposures render reserves for A&E, and particularly asbestos losses, significantly less receptive to traditional actuarial analysis than reserves for other types of losses.

Specific or general claim developments that may have material implications for the Company are regularly communicated to senior management, as well as the actuarial, legal and financial areas. Senior management and claim management personnel meet at least quarterly to review the Company's overall reserve positions and make changes, if appropriate. We utilize a number of different projection methods to establish reserves that reflect our expected exposure given the facts and prevailing law.

Other Exclusions

Several other exposures which do not have material reserves as of December 2022 have also been excluded. A small number of newer programs and/or business segments for which triangles are not yet available are excluded from the insurance classes. These excluded areas will likely be added in future releases.

Discounting

The loss and ALAE in the triangles do not include a provision to reflect the time value of money.

RESERVE CLASS DESCRIPTIONS

Reinsurance Classes

The reinsurance classes include business written out of Everest's reinsurance offices around the world including the United States, Bermuda, Brazil, Canada, Ireland, London, Singapore, and Zurich. The reinsurance triangles and exhibits show twenty individual underwriting years and a prior line. The prior line on the triangles displays the inception to date paid or reported loss and ALAE for underwriting year 2002 and prior as of the end of each of the latest twenty years. For example, the prior line amount as of 12 months is the inception to date paid or reported loss and ALAE as of December 31, 2002. The prior line amount as of 24 months is the inception to date paid or reported loss and ALAE as of December 31, 2003. And so on, up to 252 months which is the inception to date paid or reported loss and ALAE as of December 31, 2022.

Worldwide Casualty Pro Rata Reinsurance

The Worldwide Casualty Pro Rata Reinsurance class includes casualty business written on a pro rata treaty basis. Pro rata treaties split exposure proportionally between the ceding company and the reinsurer with each responsible for a specified percentage of each loss. All types of casualty business written by Everest are represented, including general liability, workers compensation, auto liability/motor, directors & officers, medical malpractice, other professional liability, aviation, and surety.

Worldwide Casualty Excess of Loss Reinsurance

The Worldwide Casualty Excess of Loss Reinsurance class includes casualty business written on an excess of loss treaty basis and a facultative basis. Excess of loss treaties differ from pro rata treaties in that the ceding company and reinsurer are not each responsible for a specified percentage of each loss. Instead, the ceding company retains up to a specified dollar amount of each loss and the reinsurer assumes any amount of each loss over the ceding company's retention, subject to the treaty limit. All types of casualty business written by Everest are represented including general liability, workers compensation, auto liability/motor, directors & officers, medical malpractice, other professional liability, aviation, and surety.

75% of the total historical premium is derived from treaties and 25% from facultative certificates, although the distribution has changed over time. The percentage of premium derived from treaties was 76% for 1991 and prior, 82% for 1992-1998, 70% for 1999-2006, and 74% for 2007-2022. Although a small portion of the total losses, the facultative losses in the older years generally take longer to develop than the treaty losses and can skew observed development patterns. This is especially true for 1999-2002 where development patterns are skewed by a number of programs exposed to construction liability, which exhibits a much different development pattern than other types of liability exposures. Development patterns for these years will extend longer than would be appropriate for the more recent years which do not include construction liability exposure. Facultative business in the more recent years generally develop faster than the treaty losses in those years. In addition, the changing mix of treaty and facultative business over time makes it harder to draw conclusions about how historical development patterns might apply to the future.

Worldwide Property Pro Rata Reinsurance (excluding catastrophes)

The Worldwide Property Pro Rata Reinsurance (excluding catastrophes) class includes property, marine, and accident & health business written on a pro rata treaty basis. Accident & health is combined with property due to its short-tailed nature, which more closely resembles property rather than casualty loss development. Catastrophe losses for underwriting year 1993 and later have been excluded from the data as these would distort the development patterns shown in the triangles and do not lend themselves to a traditional loss development triangle approach.

Underwriting year 2019 shows exceptionally high paid losses as of 12 months due to earlier settlements on several large crop contracts. Ultimate losses for these contracts are not expected to be unusual; simply the timing of payment was faster than usual. Absent these early settlements, paid losses would be in line with prior years.

Worldwide Property Excess of Loss Reinsurance (excluding catastrophes)

The Worldwide Property Excess of Loss Reinsurance (excluding catastrophes) class includes property, marine, and accident & health business written on an excess of loss treaty basis and property business written on a facultative basis. Accident & health is combined with property due to its short-tailed nature which more closely resembles property rather than casualty loss development. Catastrophe losses for underwriting year 1993 and later have been excluded from the data as these would distort the development patterns shown in the triangles and do not lend themselves to a traditional loss development triangle approach.

86% of the total historical premium is derived from treaties and 14% from facultative certificates, although the distribution has changed over time. The percentage of premium derived from treaties was 66% for 1991 and prior, 81% for 1992-2000, 68% for 2001-2006, and 91% for 2007-2022. The changing mix of treaty and facultative business over time makes it harder to draw conclusions about how historical development patterns might apply to the future.

<u>Insurance Classes</u>

The insurance classes include business written through managing general agents on a program basis and through direct channels out of offices in the United States, Canada, London, Ireland, Singapore, Chile and Bermuda. Because programs may only be written for a short time, the volume of business written from year to year can be quite variable. An increase in premium will often reflect nothing more than the addition of a new program. Conversely, a decrease in premium will often reflect the cancellation of a particular program. The insurance triangles and exhibits show twenty individual accident years and a prior line. The prior line on the triangles displays the inception to date paid or reported loss and ALAE for accident year 2002 and prior as of the end of each of the latest twenty years.

For example, the prior line amount as of 12 months is the inception to date paid or reported loss and ALAE as of December 31, 2002. The prior line amount as of 24 months is the inception to date paid or reported loss and ALAE as of December 31, 2003. And so on, up to 252 months which is the inception to date paid or reported loss and ALAE as of December 31, 2022.

Worldwide Primary Casualty Insurance

The Worldwide Primary Casualty Insurance class includes all primary casualty business except workers compensation and construction liability. Primary business covers the first dollar of every loss up to the specified policy limit. This business may be subject to deductibles or self-insured retentions. General liability, auto liability, including non-standard auto liability, and various professional liability lines are included in this class. In the past few years, Everest has shifted an increasing volume of claims from external third-party administrators to in-house claims personnel. This has accelerated the claims settling process and has resulted in case reserves (and ultimate losses) being established faster than in the past. Loss development patterns are likely to have shifted and accelerated as a result of these claims management changes. This is partially influencing the elevated development factors on the recent diagonals of the triangle.

The 2020 and 2021 accident years in particular show development much higher than normal, but this is due to a "COVID catch-up", where the reported losses as of year-end 2021 were artificially low due to court delays. The current reported loss ratios for these accident years are in line and actually lower than other AY at the same point in time.

Worldwide Excess Casualty Insurance

The Worldwide Excess Casualty Insurance class includes all excess casualty business. Excess business is written over a primary policy and covers any amount of each loss which exceeds the primary policy limit up to the excess policy limit. Everest writes primarily unsupported excess casualty business. Excess business is unsupported when the primary and excess policies are written by different insurance companies. This differs from supported excess business where the same insurance company writes both the primary and excess policies.

Worldwide Property Insurance (excluding catastrophes)

The Worldwide Property Insurance (excluding catastrophes) class includes all property business and other short-tailed lines. Catastrophe losses for accident year 2011 and later have been excluded from the data as these would distort the development patterns shown in the triangles and do not lend themselves to a traditional loss development triangle approach. There are no catastrophe losses prior to 2011. 45% of the property premium for 2006 and prior is derived from non-standard auto physical damage business concentrated in Georgia. In the later years, non-standard auto business represents a much smaller portion of the total, accounting for only 10% of the property premium for 2007-2017 and less than 1% for 2018 and later. For 2007-2015, Florida and northeast property exposures contribute

56% of the property premium. Beginning in 2016, property premium began to be more diversified across North America.

Worldwide Workers Compensation Insurance

The Worldwide Workers Compensation Insurance class includes workers compensation business written across the United States. The mix among states has changed over time, shifting from Florida to California to more diversified across the country. Very little workers compensation business was written prior to 1997. From 1997-1999, the book was primarily concentrated in Florida. Everest began writing California workers compensation in 2000 and this business dominated the book from 2001-2017, accounting for 74% of the premium from 2001-2017. Since 2018, California accounts for less than 45% of the workers compensation premium. Florida workers compensation exposure has decreased dramatically in recent years, accounting for less than 1% of the premium since 2010.

Everest believes its workers compensation experience is different from the rest of California and does not exhibit as long a tail. Everest establishes case reserves reflecting each claim's ultimate value as quickly as possible after a claim is reported. Therefore, the Company's development in the early development periods may be higher than the industry but development in later periods, including the tail, will be significantly less. For example, Everest's California workers compensation reported losses reach 90% of ultimate at approximately 72 months. By comparison, the Workers' Compensation Insurance Rating Bureau of California (WCIRB) January 1, 2022 Pure Premium Rate Filing shows reported losses reaching 90% of ultimate at approximately 120 months.

Worldwide Construction Liability Insurance

The Worldwide Construction Liability Insurance class includes contractors' liability written on both practice policies and wrap policies. A practice policy is issued to a specific contractor and provides general liability coverage for the contractor. A wrap policy is issued for a specific construction project and provides general liability coverage for the builder, general contractor, and all enrolled subcontractors. Wrap policies account for 55% of the historical premium while practice policies account for 45% of the historical premium. This business is written primarily but not exclusively in California. 82% of the premium is from California with another 6% each from Nevada and Arizona. No other individual state accounts for more than 2% of the premium. Named insured exposures account for 82% of the reported loss with additional insured exposures accounting for the remaining 18%.

Unlike the other insurance classes, this group is presented on a report year basis. Report year is defined as the year in which a claim is reported to Everest regardless of the date of loss. Because a construction liability claim can be reported up to ten years after a project is completed, an analysis by accident year is less meaningful for this business.

RESERVING METHODOLOGY

The Company maintains reserves equal to our estimated ultimate liability for losses and loss adjustment expense (LAE) for reported and unreported claims for our insurance and reinsurance businesses. Because reserves are based on estimates of ultimate losses and LAE by underwriting or accident year, the Company uses a variety of statistical and actuarial techniques to monitor reserve adequacy over time, evaluate new information as it becomes known, and adjust reserves whenever an adjustment appears warranted. The Company considers many factors when setting reserves including: (1) exposure base and projected ultimate premium; (2) expected loss ratios by product and class of business, which are developed collaboratively by underwriters and actuaries; (3) actuarial methodologies which analyze loss reporting and payment experience, reports from ceding companies and historical trends, such as reserving patterns, loss payments, and product mix; (4) current legal interpretations of coverage and liability; and (5) economic conditions. Insurance and reinsurance loss and LAE reserves represent the Company's best estimate of its ultimate liability. Actual loss and LAE ultimately paid may deviate, perhaps substantially, from such reserves. Net income (gain or loss) will be impacted in a period in which the change in estimated ultimate loss and LAE is recorded.

The detailed data required to evaluate ultimate losses for the Company's insurance business is accumulated from its underwriting and claim systems. Reserving for reinsurance requires evaluation of loss information received from ceding companies. Ceding companies report losses in many forms, depending on the type of contract, and the agreed or contractual reporting requirements. Generally, pro rata contracts require the submission of a monthly/quarterly account, which includes premium and loss activity for the period with corresponding reserves as established by the ceding company. This information is recorded into the Company's records. For certain pro rata contracts, the Company may require a detailed loss report for claims that exceed a certain dollar threshold or relate to a particular type of loss. Excess of loss and facultative contracts generally require individual loss reporting with precautionary notices provided when a loss reaches a significant percentage of the attachment point of the contract or when certain causes of loss or types of injury occur. Experienced claims staff handles individual loss reports and supporting claim information. Based on evaluation of a claim, the Company may establish additional case reserves in addition to the case reserves reported by the ceding company. To ensure ceding companies are submitting required and accurate data, Everest's Underwriting, Claim, Reinsurance Accounting, and Internal Audit Departments perform various reviews of ceding companies, particularly larger ceding companies, including on-site audits.

The Company segments both reinsurance and insurance reserves into exposure groupings for actuarial analysis. The Company assigns business to exposure groupings so that the underlying exposures have reasonably homogeneous loss development characteristics and are large enough to facilitate credible estimation of ultimate losses. The Company periodically reviews its exposure groupings and may change groupings over time as business changes. The Company currently uses approximately 200 exposure groupings to develop reserve estimates. One of the key selection characteristics for the exposure groupings is the historical duration of the claims settlement process. Business in which claims are reported and settled relatively quickly are commonly referred to as short tail lines, principally property lines. On the other hand, casualty claims tend to take longer to be reported and settled and casualty lines are generally referred to as long tail lines. Estimates of ultimate losses for shorter tail lines, with the exception of loss estimates for large catastrophic events, generally exhibit less volatility than those for the longer tail lines.

The Company uses a variety of actuarial methodologies, such as the expected loss ratio method, chain ladder methods, and Bornhuetter-Ferguson methods, supplemented by judgment where appropriate, to estimate ultimate loss and LAE for each exposure group.

Expected Loss Ratio Method: The expected loss ratio method uses earned premium times an expected loss ratio to calculate ultimate losses for a given underwriting or accident year. This method relies entirely on expectation to project ultimate losses with no consideration given to actual losses. As such, it may be appropriate for an immature underwriting or accident year where few, if any, losses have been reported or paid, but less appropriate for a more mature year.

Chain Ladder Method: Chain ladder methods use a standard loss development triangle to project ultimate losses. Age-to-age development factors are selected for each development period and combined to calculate age-to-ultimate development factors which are then applied to paid or reported losses to project ultimate losses. This method relies entirely on actual paid or reported losses to project ultimate losses. No other factors such as changes in pricing or other expectations are taken into account. It is most appropriate for groups with homogeneous, stable experience where past development patterns are expected to continue in the future. It is least appropriate for groups which have changed significantly over time, or which are more volatile.

Bornhuetter-Ferguson Method: The Bornhuetter-Ferguson method is a combination of the expected loss ratio method and the chain ladder method. Ultimate losses are projected based partly on actual paid or reported losses and partly on expectation. Incurred but not reported (IBNR) reserves are calculated using earned premium, an a priori loss ratio, and selected age-to-age development factors and added to actual reported (paid) losses to determine ultimate losses. It is more responsive to actual reported or paid development than the expected loss ratio method but less responsive than the chain ladder method. The reliability of the method depends on the accuracy of the selected a priori loss ratio.

Although the Company uses similar actuarial methods for both short tail and long tail lines, the faster reporting of experience for the short tail lines allows the Company to have greater confidence in its estimates of ultimate losses for short tail lines at an earlier stage than for long tail lines. As a result, the Company utilizes, as well, exposure-based methods to estimate its ultimate losses for longer tail lines, especially for immature underwriting or accident years. For both short and long tail lines, the Company supplements these general approaches with analytically based judgments.

Key actuarial assumptions contain no explicit provisions for reserve uncertainty nor does the Company supplement the actuarially determined reserves for uncertainty.

Carried reserves at each reporting date are the Company's best estimate of ultimate unpaid losses and LAE at that date. The Company completes detailed reserve studies for each exposure group annually for both reinsurance and insurance operations. The completed annual reserve studies are "rolled-forward" for each accounting period until the subsequent reserve study is completed. Analyzing the roll-forward process involves comparing actual reported losses to expected losses based on the most recent reserve study. The Company analyzes significant variances between actual and expected losses and posts adjustments to its reserves as warranted.

RECONCILIATIONS

Reconciliation of Net Reserves

The following table reconciles the reserves for loss and LAE published in this report to the net reserves for loss and LAE as of December 31, 2022 as reported in the Everest consolidated financial statements prepared in accordance with U.S. GAAP.

Reconciliation of Net Loss and Loss Adjustment Expense Reserves
(Amounts in thousands of U.S. dollars, on net basis)

Consolidated Net Loss and ALAE Reserves from Triangles	$	17,235,609
ULAE Reserves		244,094
Excluded Business		
Catastrophes		1,993,779
COVID-19		252,857
Asbestos & Environmental		257,052
Insurance Programs		39,202
Other Adjustments		(62,747)
Total	$	19,959,846
Net Reserves for Loss and LAE per December 31, 2022 Consolidated Financial Statements	$	19,959,846
Difference	$	0

Reconciliation to 2021 Loss Development Triangles

The tables below reconcile the reported losses and paid losses from this release to those in the 2021 Loss Development Triangles. This is done by comparing the penultimate diagonal from the 2022 triangles, representing losses as of December 31, 2021, to the latest diagonal from the 2021 triangles, also representing losses as of December 31, 2021. The Worldwide Reinsurance Total is reconciled in this way along with each of the individual reinsurance classes. The Worldwide Insurance Total excluding Construction Liability is also reconciled in this way along with each of the individual insurance classes.

There are a number of reasons why the amounts on the comparable diagonals could be different. The most significant of these is currency fluctuations. As explained earlier, all data in the triangles has been converted to U.S. dollars using a common December 2022 exchange rate. To the extent this exchange rate differs from that used at December 2021, the paid and reported losses in the triangles will also differ. Changes due to currency fluctuations are shown separately from other changes in the tables below.

Another cause of differences could be the inclusion in the triangles of data which was excluded in the prior release. Reclassification of business can also cause movement between classes or years from one release to another, although such movement will have no impact in total. This year, we have improved the allocation of Insurance provisional claims that were booked at year-end 2021 to accident year 2021. In reality these claims should be spread across many years. In last year's triangles this caused an apparent jump in paid claims in accident year 2021. This year, we have properly spread these claims to the correct accident year.

Everest carefully reviews the process for compiling this disclosure each year. This review can result in minor adjustments to the data from year to year. These adjustments are shown in the tables below under Other along with the other adjustments detailed above.