

# Foundations of Commercial Lines

Understanding Insurance Industry Financial Measures  
Part 4 - Types of Premium



# Premium

Earned vs. Written

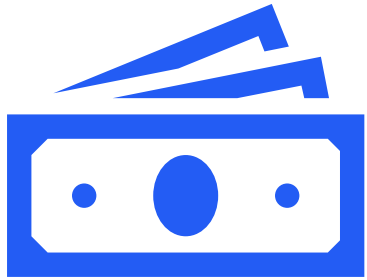
Gross vs. Net

Insurance vs. Reinsurance

# Earned vs. Written premium

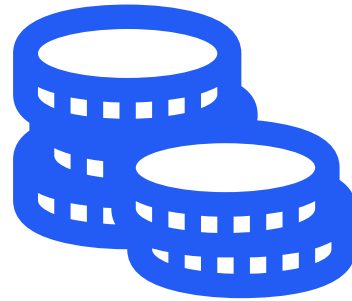
1. Policy written for \$1000 on July 1, 2022
  - \$500 is earned in 2022; \$500 earned in 2023
2. Policy written for \$1000 on October 1, 2022
  - \$250 is earned in 2022; \$750 earned in 2023
3. Policy written for \$1200 on December 1, 2022
  - \$100 is earned in 2022; \$1100 earned in 2023
4. Policy written on January 1, 2022:
  - How much is earned in 2022?
  - How much is earned in 2023?

# Gross vs. Net premium



## **Gross premium**

Total premiums before  
any expense deductions



## **Net premium**

Total premiums minus expenses

- Ceded reinsurance
- Commissions

# Insurance vs. Reinsurance



## **Insurance**

Provides insurance  
to organizations



## **Reinsurance**

Provides insurance to  
insurance companies



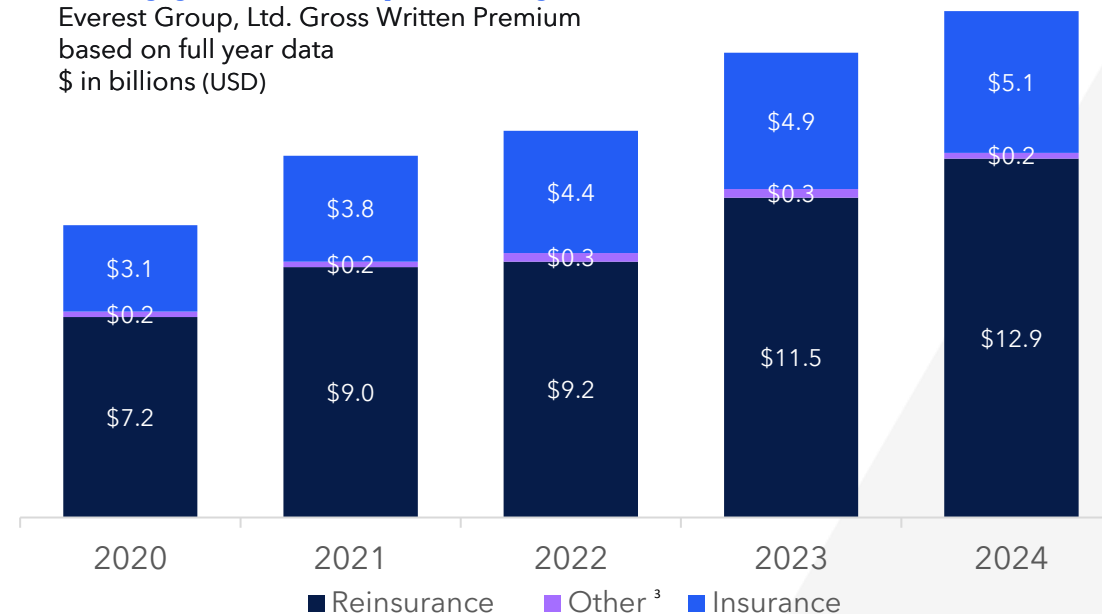
We underwrite  
opportunity.™

## Everest Group, Ltd. Fast facts

- Year-over-year gross written premium growth of 9.1% for Everest Group, Ltd.
- Gross written premium growth of 12.2% for Reinsurance and 4.0% for Insurance on a comparable basis
- Net investment income increased over \$500 million (USD) to approximately \$2 billion (USD), a company record
- Strong operating cashflow for the year of \$5 billion (USD), a company record
- Attritional combined ratio of 84.0%<sup>1</sup> for Reinsurance and 97.5% for Insurance, which includes decisive actions to strengthen U.S. casualty reserves

### Strong gross written premium growth

Everest Group, Ltd. Gross Written Premium  
based on full year data  
\$ in billions (USD)



**87.6%<sup>2</sup>**

Attritional Combined  
Ratio

**\$18.2 billion (USD)**

Full-Year Gross Written  
Premium 2024

**Everest Group, Ltd.**  
**Financial strength ratings**  
As of 12/31/24

**A+**  
A.M. Best

**A+**  
S&P Global

**A1**  
Moody's Investors  
Service

<sup>1</sup> Excludes approximately \$68m of profit commission related to loss reserves releases. When including this profit commission, the Reinsurance Segment's reported attritional combined ratio is 84.6% for the year ended December 31, 2024.

<sup>2</sup> Excludes approximately \$68m of profit commission related to loss reserves releases. When including this profit commission, the Group's reported attritional combined ratio is 88.1% for the year ended December 31, 2024.

<sup>3</sup> "Our "Other" segment primarily includes the results of our sports and leisure business that was sold in October 2024, consisting of policies written prior to the sale and policies renewed and certain new business on the Company's paper post-sale. It also includes run-off asbestos and environmental exposures, certain discontinued insurance programs primarily written prior to 2012, and certain discontinued insurance and reinsurance coverage classes. The "Other" segment does not generally sell insurance or reinsurance products but are responsible for the management of existing policies and settlement of related losses. The only noteworthy exception relates to a limited number of renewed and new policies written on the Company's paper by the purchaser of the sports and leisure business referred to above, for a finite period of time post-closing.

**\*This document is for educational purposes only. The data shown is illustrative and does not represent the latest information from Everest.**

Thank you for completing this module.

For more, please complete the other modules in our  
[Foundations of Commercial Lines series.](#)