

Everest Re Group, Ltd.

Analyst Supplement

September 30, 2009



EVEREST®

EVEREST RE GROUP, LTD.
Supplemental GAAP Operating Information

(Dollars in thousands, except per share amounts)

(unaudited)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| PRODUCTION INFORMATION: | | | | | | | | | | |
| Gross written premiums | \$ 3,100,446 | \$ 2,781,992 | \$ 1,128,840 | \$ 973,821 | \$ 997,785 | \$ 896,147 | \$ 999,167 | \$ 905,323 | \$ 877,502 | \$ 1,050,667 |
| Net written premiums | 2,954,746 | 2,664,016 | 1,057,254 | 926,746 | 970,746 | 841,197 | 960,597 | 864,756 | 838,663 | 955,499 |
| Net premiums earned | 2,864,578 | 2,785,927 | 975,380 | 956,908 | 932,290 | 908,374 | 931,859 | 942,095 | 911,973 | 996,394 |
| INVESTMENT INCOME: | | | | | | | | | | |
| Pre-tax investment income | \$ 401,350 | \$ 490,527 | \$ 165,387 | \$ 167,209 | \$ 68,754 | \$ 75,360 | \$ 164,478 | \$ 175,917 | \$ 150,132 | \$ 174,101 |
| Effective tax rate | 8.1% | 14.8% | 8.1% | 9.7% | 4.5% | 18.5% | 14.3% | 15.8% | 14.3% | 14.0% |
| After-tax investment income | \$ 368,643 | \$ 417,786 | \$ 151,991 | \$ 150,985 | \$ 65,667 | \$ 61,440 | \$ 140,917 | \$ 148,150 | \$ 128,719 | \$ 149,737 |
| Net pre-tax yield - amortized cost | 3.7% | 4.5% | 4.6% | 4.8% | 2.0% | 2.1% | 4.5% | 4.8% | 4.1% | 4.8% |
| Net after-tax yield - amortized cost | 3.4% | 3.8% | 4.2% | 4.3% | 1.9% | 1.7% | 3.9% | 4.0% | 3.5% | 4.1% |
| CATASTROPHE INFORMATION: | | | | | | | | | | |
| Net pre-tax catastrophe losses ⁽¹⁾ | \$ 64,194 | \$ 299,443 | \$ 24,061 | \$ 7,608 | \$ 32,525 | \$ 7,755 | \$ 267,412 | \$ 13,747 | \$ 18,283 | \$ 9,237 |
| After-tax effect of catastrophe losses on earnings per basic common share ⁽¹⁾ | (0.85) | (3.86) | (0.29) | (0.12) | (0.44) | (0.06) | (3.53) | (0.16) | (0.20) | (0.07) |
| After-tax effect of catastrophe losses on earnings per diluted common share ⁽¹⁾ | (0.85) | (3.86) | (0.29) | (0.12) | (0.44) | (0.06) | (3.53) | (0.16) | (0.20) | (0.07) |
| EFFECTIVE TAX RATE ON: | | | | | | | | | | |
| Net income (loss) | 15.3% | -92.4% | 16.5% | 12.9% | 18.4% | -69.9% | -17.4% | 9.7% | 7.5% | -115.2% |
| Net realized capital gains (losses) | 21.2% | -16.5% | 38.0% | 30.3% | -25.6% | -16.4% | -16.2% | -14.4% | -17.4% | -21.5% |
| Net gain on debt repurchase | 35.0% | 0.0% | 0.0% | 0.0% | 35.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Operating income | 12.3% | 11.4% | 13.7% | 11.5% | 11.5% | 0.0% | -12.6% | 10.4% | 13.6% | 10.5% |
| AFTER-TAX EARNINGS: | | | | | | | | | | |
| Net income (loss) | \$ 609,762 | \$ (2,167) | \$ 228,618 | \$ 272,588 | \$ 108,556 | \$ (16,591) | \$ (233,127) | \$ 153,027 | \$ 77,933 | \$ 12,238 |
| Per basic common share | 9.97 | (0.04) | 3.76 | 4.44 | 1.77 | (0.27) | (3.79) | 2.48 | 1.24 | 0.19 |
| Per diluted common share | 9.94 | (0.04) | 3.75 | 4.43 | 1.76 | (0.27) | (3.79) | 2.46 | 1.24 | 0.19 |
| Net realized capital gains (losses) | (12,866) | (385,406) | 19,254 | 16,343 | (48,463) | (196,084) | (245,734) | (27,020) | (112,652) | (50,981) |
| Per basic common share | (0.21) | (6.22) | 0.32 | 0.27 | (0.79) | (3.19) | (3.99) | (0.44) | (1.80) | (0.81) |
| Per diluted common share | (0.21) | (6.22) | 0.32 | 0.27 | (0.79) | (3.19) | (3.99) | (0.43) | (1.79) | (0.81) |
| Net gain on debt repurchase | 50,876 | - | - | - | 50,876 | - | - | - | - | - |
| Per basic common share | 0.83 | - | - | - | 0.83 | - | - | - | - | - |
| Per diluted common share | 0.83 | - | - | - | 0.83 | - | - | - | - | - |
| Operating income, excl. net realized capital gains (losses) ⁽²⁾ | 571,752 | 383,239 | 209,364 | 256,245 | 106,143 | 179,493 | 12,607 | 180,047 | 190,585 | 63,219 |
| Per basic common share | 9.35 | 6.18 | 3.45 | 4.17 | 1.73 | 2.92 | 0.20 | 2.92 | 3.04 | 1.00 |
| Per diluted common share | 9.32 | 6.18 | 3.43 | 4.16 | 1.72 | 2.92 | 0.20 | 2.89 | 3.03 | 1.00 |

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.
Supplemental GAAP Operating Information (cont.)

(Dollars in thousands, except per share amounts)

(unaudited)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| COMBINED RATIO: | | | | | | | | | | |
| Loss ratio | 60.2% | 70.5% | 60.2% | 59.2% | 61.1% | 52.3% | 87.3% | 64.2% | 59.8% | 78.3% |
| Commission and brokerage ratio | 23.9% | 24.8% | 23.5% | 24.0% | 24.2% | 26.5% | 23.4% | 26.0% | 24.9% | 26.3% |
| Other underwriting expense ratio | 4.7% | 4.3% | 5.0% | 4.7% | 4.4% | 4.7% | 4.3% | 4.2% | 4.4% | 3.8% |
| Combined ratio | 88.8% | 99.6% | 88.7% | 87.9% | 89.7% | 83.5% | 115.0% | 94.4% | 89.1% | 108.4% |
| CASH FLOW INFORMATION: | | | | | | | | | | |
| Cash flow provided by operations | \$ 598,670 | \$ 607,687 | \$ 314,743 | \$ 103,421 | \$ 180,506 | \$ 55,308 | \$ 375,399 | \$ (18,364) | \$ 250,652 | \$ 235,740 |
| Paid losses, net | 1,786,278 | 1,637,984 | 562,263 | 657,600 | 566,415 | 673,471 | 525,743 | 642,197 | 470,044 | 592,809 |
| Paid cats, net | 184,776 | 200,928 | 58,199 | 52,525 | 74,052 | 89,581 | 52,704 | 79,842 | 68,382 | 87,897 |
| Paid (recovered) asbestos and environmental losses, net | 126,305 | 19,175 | 51,179 | 57,979 | 17,147 | 59,139 | 12,266 | 22,679 | (15,770) | 41,941 |
| Taxes paid (recovered) | 70,762 | 3,286 | 2,983 | 40,644 | 27,135 | 7,669 | (97,418) | 67,486 | 33,218 | 14,824 |
| RETURN ON EQUITY: | | | | | | | | | | |
| Beginning of period shareholders' equity | \$ 4,960,355 | \$ 5,684,770 | \$ 5,545,415 | \$ 5,039,854 | \$ 4,960,355 | \$ 5,036,576 | \$ 5,567,603 | \$ 5,632,984 | \$ 5,684,770 | \$ 5,612,344 |
| Net unrealized depreciation (appreciation) of investments | 163,359 | (73,221) | (11,525) | 116,411 | 163,359 | 282,223 | 91,765 | (52,700) | (73,221) | (8,910) |
| Adjusted beginning of period shareholders' equity | \$ 5,123,714 | \$ 5,611,549 | \$ 5,533,890 | \$ 5,156,265 | \$ 5,123,714 | \$ 5,318,799 | \$ 5,659,368 | \$ 5,580,284 | \$ 5,611,549 | \$ 5,603,434 |
| End of period shareholders' equity | \$ 6,084,952 | \$ 5,036,576 | \$ 6,084,952 | \$ 5,545,415 | \$ 5,039,854 | \$ 4,960,355 | \$ 5,036,576 | \$ 5,567,603 | \$ 5,632,984 | \$ 5,684,770 |
| Net unrealized (appreciation) depreciation of investments | (355,035) | 282,223 | (355,035) | (11,525) | 116,411 | 163,359 | 282,223 | 91,765 | (52,700) | (73,221) |
| Adjusted end of period shareholders' equity | \$ 5,729,917 | \$ 5,318,799 | \$ 5,729,917 | \$ 5,533,890 | \$ 5,156,265 | \$ 5,123,714 | \$ 5,318,799 | \$ 5,659,368 | \$ 5,580,284 | \$ 5,611,549 |
| Average adjusted shareholders' equity | \$ 5,426,816 | \$ 5,465,174 | \$ 5,631,904 | \$ 5,345,078 | \$ 5,139,990 | \$ 5,221,257 | \$ 5,489,084 | \$ 5,619,826 | \$ 5,595,917 | \$ 5,607,492 |
| After-tax operating income, excluding after-tax net realized capital gains (losses) and after-tax gain on debt repurchase ⁽²⁾ | \$ 571,752 | \$ 383,239 | \$ 209,364 | \$ 256,245 | \$ 106,143 | \$ 179,493 | \$ 12,607 | \$ 180,047 | \$ 190,585 | \$ 63,219 |
| After-tax net realized capital (losses) gains | (12,866) | (385,406) | 19,254 | 16,343 | (48,463) | (196,084) | (245,734) | (27,020) | (112,652) | (50,981) |
| After-tax realized gain on debt repurchase | 50,876 | - | - | - | 50,876 | - | - | - | - | - |
| Net income (loss) | \$ 609,762 | \$ (2,167) | \$ 228,618 | \$ 272,588 | \$ 108,556 | \$ (16,591) | \$ (233,127) | \$ 153,027 | \$ 77,933 | \$ 12,238 |
| Return on equity (annualized) | | | | | | | | | | |
| After-tax operating income, excluding after-tax net realized capital gains (losses) and after-tax gain on debt repurchase ⁽²⁾ | 14.0% | 9.3% | 14.9% | 19.2% | 8.3% | 13.8% | 0.9% | 12.8% | 13.6% | 4.5% |
| After-tax net realized capital (losses) gains | -0.2% | -9.4% | 1.3% | 1.2% | -3.8% | -15.1% | -17.9% | -2.0% | -8.1% | -3.6% |
| After-tax realized gain on debt repurchase | 1.2% | 0.0% | 0.0% | 0.0% | 3.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net income (loss) | 15.0% | -0.1% | 16.2% | 20.4% | 8.4% | -1.3% | -17.0% | 10.8% | 5.5% | 0.9% |

(Some amounts may not reconcile due to rounding.)

(1) Catastrophe losses are net of specific reinsurance and reinstatement premiums but before recoveries under corporate level reinsurance. A catastrophe is a property event with expected reported losses of at least \$5.0 million before corporate level reinsurance and taxes.

(2) The Company generally uses after-tax operating income, a non-GAAP financial measure, to evaluate its performance. After-tax operating income consists of net income excluding after-tax net realized capital gains (losses) and after-tax gain on debt repurchase. Although net realized capital gains (losses) are an integral part of the Company's insurance operations, the determination of net realized capital gains (losses) is independent of the insurance underwriting process. The Company believes that the level of net realized capital gains (losses) for any particular period is not indicative of the performance of the underlying business in that particular period. Providing only a GAAP presentation of net income makes it more difficult for users of the financial information to evaluate the Company's success or failure in its basic business, and may lead to incorrect or misleading assumptions and conclusions. The Company understands that the equity analysts who follow the Company focus on after-tax operating income in their analyses for the reasons discussed above. The Company provides after-tax operating income to investors so that they have what management believes to be a useful supplement to GAAP information concerning the Company's performance.

EVEREST RE GROUP, LTD.
Supplemental GAAP Balance Sheet Information

(Dollars in thousands, except per share amounts)

(unaudited)

| | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
|---|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| BALANCE SHEET HIGHLIGHTS: | | | | | | | | |
| Total investments and cash | \$ 15,113,049 | \$ 14,207,305 | \$ 13,601,083 | \$ 13,714,280 | \$ 14,119,579 | \$ 14,580,935 | \$ 14,996,499 | \$ 14,936,172 |
| Total assets | 18,128,891 | 17,326,935 | 16,724,994 | 16,846,590 | 17,370,387 | 17,792,928 | 18,046,001 | 17,999,482 |
| Reserve for losses and loss adjustment expenses ("LAE") (gross) | 8,889,681 | 8,815,875 | 8,775,462 | 8,840,660 | 9,247,610 | 9,078,381 | 9,124,432 | 9,040,606 |
| Future policy benefit reserve | 66,153 | 67,320 | 69,334 | 66,172 | 66,893 | 70,865 | 75,404 | 78,417 |
| 8.75% Senior notes due 3/15/2010 | 199,931 | 199,894 | 199,857 | 199,821 | 199,786 | 199,751 | 199,718 | 199,685 |
| 5.4% Senior notes due 10/15/2014 | 249,759 | 249,748 | 249,738 | 249,728 | 249,718 | 249,708 | 249,699 | 249,689 |
| 6.6% Long term notes due 5/1/2067 | 238,347 | 238,347 | 238,346 | 399,643 | 399,642 | 399,641 | 399,640 | 399,639 |
| Junior subordinated debt securities payable | 329,897 | 329,897 | 329,897 | 329,897 | 329,897 | 329,897 | 329,897 | 329,897 |
| Shareholders' equity | 6,084,952 | 5,545,415 | 5,039,854 | 4,960,355 | 5,036,576 | 5,567,603 | 5,632,984 | 5,684,770 |
| Common shares outstanding | 60,398 | 60,853 | 61,542 | 61,414 | 61,408 | 61,644 | 61,896 | 62,864 |
| Book value per common share outstanding | \$ 100.75 | \$ 91.13 | \$ 81.89 | \$ 80.77 | \$ 82.02 | \$ 90.32 | \$ 91.01 | \$ 90.43 |
| TOTAL LOSS RESERVES: | | | | | | | | |
| Gross reserve for losses and LAE | \$ 8,889,681 | \$ 8,815,875 | \$ 8,775,462 | \$ 8,840,660 | \$ 9,247,610 | \$ 9,078,381 | \$ 9,124,432 | \$ 9,040,606 |
| Reinsurance receivables on unpaid losses | (629,535) | (626,028) | (685,014) | (690,509) | (690,047) | (705,504) | (666,967) | (707,523) |
| Net reserve for losses and LAE | \$ 8,260,146 | \$ 8,189,847 | \$ 8,090,448 | \$ 8,150,151 | \$ 8,557,563 | \$ 8,372,877 | \$ 8,457,465 | \$ 8,333,083 |
| ASBESTOS AND ENVIRONMENTAL LOSS RESERVES: | | | | | | | | |
| Gross loss and LAE reserves | \$ 652,337 | \$ 704,507 | \$ 768,762 | \$ 786,842 | \$ 854,103 | \$ 870,997 | \$ 901,040 | \$ 922,843 |
| Net loss and LAE reserves | 622,765 | 673,944 | 731,923 | 749,070 | 808,209 | 820,475 | 843,154 | 827,384 |
| END OF PERIOD INVESTMENT PORTFOLIO INFORMATION: | | | | | | | | |
| Pre-tax yield - net of expenses, amortized cost basis | 4.0% | 4.0% | 4.2% | 4.5% | 4.5% | 4.5% | 4.4% | 4.7% |
| After-tax yield - net of expenses, amortized cost basis | 3.5% | 3.6% | 3.7% | 4.0% | 3.9% | 3.8% | 3.7% | 3.9% |
| Modified duration of fixed income portfolio (in years) | 3.8 | 3.9 | 3.9 | 4.1 | 4.4 | 4.4 | 4.1 | 3.9 |
| Average credit quality | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 | Aa2 |
| OPERATING LEVERAGE: | | | | | | | | |
| Ratio of net written premiums to shareholders' equity (12 month rolling) | 0.62 TO 1 | 0.67 TO 1 | 0.72 TO 1 | 0.71 TO 1 | 0.72 TO 1 | 0.67 TO 1 | 0.67 TO 1 | 0.69 TO 1 |
| Ratio of net loss and LAE reserves to shareholders' equity | 1.36 TO 1 | 1.48 TO 1 | 1.61 TO 1 | 1.64 TO 1 | 1.70 TO 1 | 1.50 TO 1 | 1.50 TO 1 | 1.47 TO 1 |

EVEREST RE GROUP, LTD.

Segment Results

(Dollars in thousands)

(unaudited)

TOTAL SEGMENTS

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 3,100,446 | \$ 2,781,992 | \$ 1,128,840 | \$ 973,821 | \$ 997,785 | \$ 896,147 | \$ 999,167 | \$ 905,323 | \$ 877,502 | \$ 1,050,667 |
| Net written premiums | 2,954,746 | 2,664,016 | 1,057,254 | 926,746 | 970,746 | 841,197 | 960,597 | 864,756 | 838,663 | 955,499 |
| Premiums earned | \$ 2,864,578 | \$ 2,785,927 | \$ 975,380 | \$ 956,908 | \$ 932,290 | \$ 908,374 | \$ 931,859 | \$ 942,095 | \$ 911,973 | \$ 996,394 |
| Incurred losses and LAE | 1,723,937 | 1,963,760 | 587,247 | 566,785 | 569,905 | 475,212 | 813,668 | 604,742 | 545,350 | 780,016 |
| Commission and brokerage | 684,509 | 689,905 | 229,257 | 229,214 | 226,038 | 240,789 | 218,045 | 244,713 | 227,147 | 261,575 |
| Other underwriting expenses | 121,829 | 109,640 | 44,504 | 40,970 | 36,355 | 38,898 | 37,078 | 35,158 | 37,404 | 47,254 |
| Underwriting gain (loss) | \$ 334,303 | \$ 22,622 | \$ 114,372 | \$ 119,939 | \$ 99,992 | \$ 153,475 | \$ (136,932) | \$ 57,482 | \$ 102,072 | \$ (92,451) |
| Loss ratio | 60.2% | 70.5% | 60.2% | 59.2% | 61.1% | 52.3% | 87.3% | 64.2% | 59.8% | 78.3% |
| Commission and brokerage ratio | 23.9% | 24.8% | 23.5% | 24.0% | 24.2% | 26.5% | 23.4% | 26.0% | 24.9% | 26.3% |
| Other underwriting expenses | 4.2% | 3.9% | 4.6% | 4.3% | 4.0% | 4.3% | 4.0% | 3.7% | 4.1% | 4.7% |
| Combined ratio | 88.3% | 99.2% | 88.3% | 87.5% | 89.3% | 83.1% | 114.7% | 93.9% | 88.8% | 109.3% |
| Attritional - current year | \$ 1,625,353 | \$ 1,553,032 | \$ 554,037 | \$ 552,512 | \$ 518,804 | \$ 497,254 | \$ 516,833 | \$ 532,552 | \$ 503,647 | \$ 556,998 |
| Attritional - prior year | 32,648 | 65,948 | 8,686 | 6,021 | 17,941 | (41,546) | (9,055) | 54,101 | 20,902 | (103,941) |
| Catastrophes | 65,936 | 344,780 | 24,524 | 8,252 | 33,160 | 19,504 | 305,890 | 18,089 | 20,801 | 15,735 |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | 311,224 |
| Total incurred losses and LAE | \$ 1,723,937 | \$ 1,963,760 | \$ 587,247 | \$ 566,785 | \$ 569,905 | \$ 475,212 | \$ 813,668 | \$ 604,742 | \$ 545,350 | \$ 780,016 |

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

TOTAL INSURANCE (U.S. insurance)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 648,719 | \$ 595,458 | \$ 230,491 | \$ 213,511 | \$ 204,717 | \$ 176,340 | \$ 194,021 | \$ 190,977 | \$ 210,460 | \$ 278,387 |
| Net written premiums | 511,994 | 490,738 | 160,499 | 169,054 | 182,441 | 126,219 | 160,250 | 153,892 | 176,596 | 190,782 |
| Premiums earned | \$ 503,039 | \$ 544,134 | \$ 168,402 | \$ 168,617 | \$ 166,020 | \$ 161,388 | \$ 168,421 | \$ 181,199 | \$ 194,514 | \$ 180,456 |
| Incurred losses and LAE | 367,131 | 443,050 | 130,784 | 120,324 | 116,023 | 106,804 | 115,606 | 193,505 | 133,939 | 123,259 |
| Commission and brokerage | 99,290 | 110,087 | 34,591 | 33,179 | 31,520 | 36,641 | 35,368 | 39,351 | 35,368 | 33,746 |
| Other underwriting expenses | 56,415 | 47,118 | 19,982 | 19,152 | 17,281 | 17,206 | 16,876 | 15,900 | 14,342 | 18,595 |
| Underwriting (loss) gain | \$ (19,797) | \$ (56,121) | \$ (16,955) | \$ (4,038) | \$ 1,196 | \$ 737 | \$ 571 | \$ (67,557) | \$ 10,865 | \$ 4,856 |
| Loss ratio | 73.0% | 81.4% | 77.7% | 71.4% | 69.9% | 66.2% | 68.6% | 106.8% | 68.9% | 68.3% |
| Commission and brokerage ratio | 19.7% | 20.2% | 20.5% | 19.7% | 19.0% | 22.7% | 21.0% | 21.7% | 18.2% | 18.7% |
| Other underwriting expense ratio | 11.2% | 8.7% | 11.9% | 11.3% | 10.4% | 10.6% | 10.1% | 8.8% | 7.3% | 10.3% |
| Combined ratio | 103.9% | 110.3% | 110.1% | 102.4% | 99.3% | 99.5% | 99.7% | 137.3% | 94.4% | 97.3% |
| Attritional - current year | \$ 356,841 | \$ 375,806 | \$ 120,994 | \$ 119,824 | \$ 116,023 | \$ 105,204 | \$ 115,806 | \$ 128,361 | \$ 131,639 | \$ 123,559 |
| Attritional - prior year | 10,290 | 67,500 | 9,790 | 500 | - | 1,600 | (200) | 65,400 | 2,300 | (300) |
| Catastrophes | - | (256) | - | - | - | - | - | (256) | - | - |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | - |
| Total incurred losses and LAE | \$ 367,131 | \$ 443,050 | \$ 130,784 | \$ 120,324 | \$ 116,023 | \$ 106,804 | \$ 115,606 | \$ 193,505 | \$ 133,939 | \$ 123,259 |

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

TOTAL REINSURANCE

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 2,451,727 | \$ 2,186,534 | \$ 898,349 | \$ 760,310 | \$ 793,068 | \$ 719,807 | \$ 805,146 | \$ 714,346 | \$ 667,042 | \$ 772,280 |
| Net written premiums | 2,442,752 | 2,173,278 | 896,755 | 757,692 | 788,305 | 714,978 | 800,347 | 710,864 | 662,067 | 764,717 |
| Premiums earned | \$ 2,361,539 | \$ 2,241,793 | \$ 806,978 | \$ 788,291 | \$ 766,270 | \$ 746,986 | \$ 763,438 | \$ 760,896 | \$ 717,459 | \$ 815,938 |
| Incurred losses and LAE | 1,356,806 | 1,520,710 | 456,463 | 446,461 | 453,882 | 368,408 | 698,062 | 411,237 | 411,411 | 656,757 |
| Commission and brokerage | 585,219 | 579,818 | 194,666 | 196,035 | 194,518 | 204,148 | 182,677 | 205,362 | 191,779 | 227,829 |
| Other underwriting expenses | 65,414 | 62,522 | 24,522 | 21,818 | 19,074 | 21,692 | 20,202 | 19,258 | 23,062 | 28,659 |
| Underwriting gain (loss) | \$ 354,100 | \$ 78,743 | \$ 131,327 | \$ 123,977 | \$ 98,796 | \$ 152,738 | \$ (137,503) | \$ 125,039 | \$ 91,207 | \$ (97,307) |
| Loss ratio | 57.5% | 67.8% | 56.6% | 56.6% | 59.2% | 49.3% | 91.4% | 54.0% | 57.3% | 80.5% |
| Commission and brokerage ratio | 24.8% | 25.9% | 24.1% | 24.9% | 25.4% | 27.3% | 23.9% | 27.0% | 26.7% | 27.9% |
| Other underwriting expense ratio | 2.7% | 2.8% | 3.0% | 2.8% | 2.5% | 3.0% | 2.7% | 2.6% | 3.3% | 3.5% |
| Combined ratio | 85.0% | 96.5% | 83.7% | 84.3% | 87.1% | 79.6% | 118.0% | 83.6% | 87.3% | 111.9% |
| Attritional - current year | \$ 1,268,512 | \$ 1,177,226 | \$ 433,043 | \$ 432,688 | \$ 402,781 | \$ 392,050 | \$ 401,027 | \$ 404,191 | \$ 372,008 | \$ 433,439 |
| Attritional - prior year | 22,358 | (1,552) | (1,104) | 5,521 | 17,941 | (43,146) | (8,855) | (11,299) | 18,602 | (103,641) |
| Catastrophes | 65,936 | 345,036 | 24,524 | 8,252 | 33,160 | 19,504 | 305,890 | 18,345 | 20,801 | 15,735 |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | 311,224 |
| Total incurred losses and LAE | \$ 1,356,806 | \$ 1,520,710 | \$ 456,463 | \$ 446,461 | \$ 453,882 | \$ 368,408 | \$ 698,062 | \$ 411,237 | \$ 411,411 | \$ 656,757 |

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

U.S. REINSURANCE

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 876,049 | \$ 714,534 | \$ 345,567 | \$ 266,151 | \$ 264,331 | \$ 243,366 | \$ 280,467 | \$ 200,348 | \$ 233,719 | \$ 240,018 |
| Net written premiums | 873,112 | 705,195 | 346,306 | 266,306 | 260,500 | 243,603 | 277,243 | 198,079 | 229,873 | 235,550 |
| Premiums earned | \$ 835,744 | \$ 792,841 | \$ 276,696 | \$ 295,891 | \$ 263,157 | \$ 257,499 | \$ 265,473 | \$ 238,084 | \$ 289,284 | \$ 297,613 |
| Incurred losses and LAE | 417,670 | 656,911 | 120,980 | 158,905 | 137,785 | 141,254 | 363,313 | 116,736 | 176,862 | 305,610 |
| Commission and brokerage | 189,259 | 206,224 | 53,847 | 70,073 | 65,339 | 67,106 | 55,857 | 70,101 | 80,266 | 88,428 |
| Other underwriting expenses | 25,250 | 23,500 | 9,665 | 8,023 | 7,562 | 8,680 | 7,840 | 6,850 | 8,810 | 12,187 |
| Underwriting gain (loss) | \$ 203,565 | \$ (93,794) | \$ 92,204 | \$ 58,890 | \$ 52,471 | \$ 40,459 | \$ (161,537) | \$ 44,397 | \$ 23,346 | \$ (108,612) |
| Loss ratio | 50.0% | 82.9% | 43.7% | 53.7% | 52.4% | 54.9% | 136.9% | 49.0% | 61.1% | 102.7% |
| Commission and brokerage ratio | 22.6% | 26.0% | 19.5% | 23.7% | 24.8% | 26.1% | 21.0% | 29.4% | 27.7% | 29.7% |
| Other underwriting expense ratio | 3.0% | 2.9% | 3.5% | 2.7% | 2.9% | 3.3% | 2.9% | 3.0% | 3.1% | 4.1% |
| Combined ratio | 75.6% | 111.8% | 66.7% | 80.1% | 80.1% | 84.3% | 160.8% | 81.4% | 91.9% | 136.5% |
| Attritional - current year | \$ 420,805 | \$ 365,688 | \$ 134,730 | \$ 160,531 | \$ 125,544 | \$ 105,645 | \$ 121,905 | \$ 107,252 | \$ 136,531 | \$ 127,326 |
| Attritional - prior year | (3,687) | 43,465 | (16,223) | 505 | 12,031 | 9,419 | 11,702 | (2,910) | 34,673 | (48,652) |
| Catastrophes | 552 | 247,758 | 2,473 | (2,131) | 210 | 26,190 | 229,706 | 12,394 | 5,658 | 9,204 |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | 217,732 |
| Total incurred losses and LAE | \$ 417,670 | \$ 656,911 | \$ 120,980 | \$ 158,905 | \$ 137,785 | \$ 141,254 | \$ 363,313 | \$ 116,736 | \$ 176,862 | \$ 305,610 |

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

SPECIALTY UNDERWRITING (reinsurance)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 183,726 | \$ 193,941 | \$ 67,615 | \$ 57,188 | \$ 58,923 | \$ 66,481 | \$ 54,828 | \$ 84,202 | \$ 54,911 | \$ 68,515 |
| Net written premiums | 180,622 | 190,551 | 66,909 | 55,746 | 57,967 | 63,668 | 53,274 | 83,006 | 54,271 | 65,293 |
| Premiums earned | \$ 184,889 | \$ 186,445 | \$ 66,839 | \$ 54,916 | \$ 63,134 | \$ 65,333 | \$ 55,305 | \$ 78,855 | \$ 52,285 | \$ 61,997 |
| Incurred losses and LAE | 130,869 | 124,052 | 48,153 | 42,675 | 40,041 | 41,817 | 54,165 | 41,538 | 28,349 | 37,897 |
| Commission and brokerage | 52,835 | 52,162 | 19,340 | 14,913 | 18,582 | 18,662 | 16,122 | 19,646 | 16,394 | 19,980 |
| Other underwriting expenses | 6,227 | 6,182 | 2,383 | 1,999 | 1,845 | 1,873 | 1,937 | 1,834 | 2,411 | 3,382 |
| Underwriting (loss) gain | \$ (5,042) | \$ 4,049 | \$ (3,037) | \$ (4,671) | \$ 2,666 | \$ 2,981 | \$ (16,919) | \$ 15,837 | \$ 5,131 | \$ 738 |
| Loss ratio | 70.8% | 66.5% | 72.0% | 77.7% | 63.4% | 64.0% | 97.9% | 52.7% | 54.2% | 61.1% |
| Commission and brokerage ratio | 28.6% | 28.0% | 28.9% | 27.2% | 29.4% | 28.6% | 29.2% | 24.9% | 31.4% | 32.2% |
| Other underwriting expense ratio | 3.3% | 3.3% | 3.6% | 3.6% | 3.0% | 2.8% | 3.5% | 2.3% | 4.6% | 5.5% |
| Combined ratio | 102.7% | 97.8% | 104.5% | 108.5% | 95.8% | 95.4% | 130.6% | 79.9% | 90.2% | 98.8% |
| Attritional - current year | \$ 124,514 | \$ 110,426 | \$ 46,429 | \$ 40,375 | \$ 37,710 | \$ 40,412 | \$ 33,392 | \$ 47,350 | \$ 29,684 | \$ 35,873 |
| Attritional - prior year | 2,501 | (9,025) | 2,501 | 8 | (8) | 1,488 | (17) | (6,008) | (3,000) | (1,827) |
| Catastrophes | 3,854 | 22,651 | (777) | 2,292 | 2,339 | (83) | 20,790 | 196 | 1,665 | 3,851 |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | - |
| Total incurred losses and LAE | \$ 130,869 | \$ 124,052 | \$ 48,153 | \$ 42,675 | \$ 40,041 | \$ 41,817 | \$ 54,165 | \$ 41,538 | \$ 28,349 | \$ 37,897 |

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

INTERNATIONAL (reinsurance)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 797,606 | \$ 654,183 | \$ 272,603 | \$ 274,253 | \$ 250,750 | \$ 250,485 | \$ 248,821 | \$ 218,984 | \$ 186,378 | \$ 216,267 |
| Net written premiums | 794,520 | 653,984 | 270,891 | 272,902 | 250,727 | 248,153 | 248,797 | 218,901 | 186,286 | 215,916 |
| Premiums earned | \$ 771,070 | \$ 635,065 | \$ 262,215 | \$ 254,341 | \$ 254,514 | \$ 250,391 | \$ 230,107 | \$ 213,990 | \$ 190,968 | \$ 212,097 |
| Incurred losses and LAE | 454,249 | 376,950 | 165,370 | 133,538 | 155,341 | 127,864 | 133,943 | 133,261 | 109,746 | 118,471 |
| Commission and brokerage | 197,643 | 161,019 | 68,341 | 62,965 | 66,337 | 69,901 | 58,899 | 55,810 | 46,310 | 54,249 |
| Other underwriting expenses | 16,463 | 14,492 | 6,159 | 5,684 | 4,620 | 5,288 | 4,691 | 4,747 | 5,054 | 6,439 |
| Underwriting gain | \$ 102,715 | \$ 82,604 | \$ 22,345 | \$ 52,154 | \$ 28,216 | \$ 47,338 | \$ 32,574 | \$ 20,172 | \$ 29,858 | \$ 32,938 |
| Loss ratio | 58.9% | 59.4% | 63.1% | 52.5% | 61.0% | 51.1% | 58.2% | 62.3% | 57.5% | 55.9% |
| Commission and brokerage ratio | 25.6% | 25.4% | 26.1% | 24.8% | 26.1% | 27.9% | 25.6% | 26.1% | 24.3% | 25.6% |
| Other underwriting expense ratio | 2.2% | 2.2% | 2.3% | 2.2% | 1.8% | 2.1% | 2.0% | 2.2% | 2.6% | 3.0% |
| Combined ratio | 86.7% | 87.0% | 91.5% | 79.5% | 88.9% | 81.1% | 85.8% | 90.6% | 84.4% | 84.5% |
| Attritional - current year | \$ 412,629 | \$ 349,501 | \$ 139,897 | \$ 135,268 | \$ 137,464 | \$ 151,897 | \$ 130,746 | \$ 116,793 | \$ 101,962 | \$ 118,835 |
| Attritional - prior year | 3,244 | (2,367) | 2,318 | 8 | 918 | (31,084) | (7,006) | 7,666 | (3,027) | (9,977) |
| Catastrophes | 38,376 | 29,816 | 23,155 | (1,738) | 16,959 | 7,051 | 10,203 | 8,802 | 10,811 | 9,613 |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | - |
| Total incurred losses and LAE | \$ 454,249 | \$ 376,950 | \$ 165,370 | \$ 133,538 | \$ 155,341 | \$ 127,864 | \$ 133,943 | \$ 133,261 | \$ 109,746 | \$ 118,471 |

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

BERMUDA (reinsurance)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|----------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| Gross written premiums | \$ 594,346 | \$ 623,876 | \$ 212,564 | \$ 162,718 | \$ 219,064 | \$ 159,475 | \$ 221,030 | \$ 210,812 | \$ 192,034 | \$ 247,480 |
| Net written premiums | 594,498 | 623,548 | 212,649 | 162,738 | 219,111 | 159,554 | 221,033 | 210,878 | 191,637 | 247,958 |
| Premiums earned | \$ 569,836 | \$ 627,442 | \$ 201,228 | \$ 183,143 | \$ 185,465 | \$ 173,763 | \$ 212,553 | \$ 229,967 | \$ 184,922 | \$ 244,231 |
| Incurred losses and LAE | 354,018 | 362,797 | 121,960 | 111,343 | 120,715 | 57,473 | 146,641 | 119,702 | 96,454 | 194,779 |
| Commission and brokerage | 145,482 | 160,413 | 53,138 | 48,084 | 44,260 | 48,479 | 51,799 | 59,805 | 48,809 | 65,172 |
| Other underwriting expenses | 17,474 | 18,348 | 6,315 | 6,112 | 5,047 | 5,851 | 5,734 | 5,827 | 6,787 | 6,651 |
| Underwriting gain (loss) | \$ 52,862 | \$ 85,884 | \$ 19,815 | \$ 17,604 | \$ 15,443 | \$ 61,960 | \$ 8,379 | \$ 44,633 | \$ 32,872 | \$ (22,371) |
| Loss ratio | 62.1% | 57.8% | 60.6% | 60.8% | 65.1% | 33.1% | 69.0% | 52.1% | 52.2% | 79.8% |
| Commission and brokerage ratio | 25.5% | 25.6% | 26.4% | 26.3% | 23.9% | 27.9% | 24.4% | 26.0% | 26.4% | 26.7% |
| Other underwriting expense ratio | 3.1% | 2.9% | 3.2% | 3.3% | 2.7% | 3.3% | 2.7% | 2.5% | 3.6% | 2.7% |
| Combined ratio | 90.7% | 86.3% | 90.2% | 90.4% | 91.7% | 64.3% | 96.1% | 80.6% | 82.2% | 109.2% |
| Attritional - current year | \$ 310,564 | \$ 351,611 | \$ 111,987 | \$ 96,514 | \$ 102,063 | \$ 94,096 | \$ 114,984 | \$ 132,796 | \$ 103,831 | \$ 151,405 |
| Attritional - prior year | 20,300 | (33,625) | 10,300 | 5,000 | 5,000 | (22,969) | (13,534) | (10,047) | (10,044) | (43,185) |
| Catastrophes | 23,154 | 44,811 | (327) | 9,829 | 13,652 | (13,654) | 45,191 | (3,047) | 2,667 | (6,933) |
| Asbestos & environmental | - | - | - | - | - | - | - | - | - | 93,492 |
| Total incurred losses and LAE | \$ 354,018 | \$ 362,797 | \$ 121,960 | \$ 111,343 | \$ 120,715 | \$ 57,473 | \$ 146,641 | \$ 119,702 | \$ 96,454 | \$ 194,779 |

EVEREST RE GROUP, LTD.
Supplemental Investment Portfolio Analysis

(Dollars in thousands)
(unaudited)

INVESTMENTS AND CASH

| | At September 30, 2009 | | | At December 31, 2008 | | |
|---|-----------------------|-------------------------|---|----------------------|-------------------------|---|
| | Market Value | Cost/ Amortized Cost | Pre-tax Unrealized Gains/(Losses) | Market Value | Cost/ Amortized Cost | Pre-tax Unrealized Gains/(Losses) |
| Investments and cash: | | | | | | |
| Fixed maturities-available for sale, at market value | \$ 12,637,625 | \$ 12,175,370 | \$ 462,255 | \$ 10,759,612 | \$ 10,932,076 | \$ (172,464) |
| Fixed maturities-available for sale, at fair value | 52,815 | 52,815 | - | 43,090 | 43,090 | - |
| Equity securities-available for sale, at market value | 16,572 | 14,244 | 2,328 | 16,900 | 14,915 | 1,985 |
| Equity securities-available for sale, at fair value | 158,456 | 158,456 | - | 119,829 | 119,829 | - |
| Other invested assets | 642,025 | 644,320 | (2,295) | 679,356 | 687,265 | (7,909) |
| Short-term investments | 1,340,481 | 1,340,481 | - | 1,889,799 | 1,889,799 | - |
| Cash | 265,075 | 265,075 | - | 205,694 | 205,694 | - |
| Total | \$ 15,113,049 | \$ 14,650,761 | \$ 462,288 | \$ 13,714,280 | \$ 13,892,668 | \$ (178,388) |

FIXED INCOME AND CASH

Fixed income investments and cash:

| | Market Value | % of Total | Market Value | % of Total |
|--|----------------------|---------------|----------------------|---------------|
| Fixed maturities-available for sale, at market value | \$ 12,637,625 | 88.4% | \$ 10,759,612 | 83.4% |
| Fixed maturities-available for sale, at fair value | 52,815 | 0.4% | 43,090 | 0.3% |
| Short-term investments | 1,340,481 | 9.4% | 1,889,799 | 14.7% |
| Cash | 265,075 | 1.8% | 205,694 | 1.6% |
| Total | \$ 14,295,996 | 100.0% | \$ 12,898,195 | 100.0% |

Investment Sectors:

| | At September 30, 2009 | | | At December 31, 2008 | | |
|-------------------------------|-----------------------|---------------|---|----------------------|---------------|---|
| | Market Value | % of Total | Pre-tax Unrealized Gains/(Losses) | Market Value | % of Total | Pre-tax Unrealized Gains/(Losses) |
| Treasury | \$ 355,616 | 2.5% | \$ 18,432 | \$ 408,718 | 3.2% | \$ 54,523 |
| Agency | 27,372 | 0.2% | 2,150 | 109,928 | 0.9% | 5,222 |
| Corporate | 2,416,401 | 16.9% | 62,604 | 2,199,885 | 17.1% | (142,803) |
| Mortgage-backed securities | | | | | | |
| Agency | 2,083,492 | 14.6% | 68,168 | 1,359,871 | 10.5% | 25,829 |
| Non-agency residential | 126,542 | 0.9% | (25,406) | 128,251 | 1.0% | (41,865) |
| Alt.-A | 34,184 | 0.2% | (2,514) | 39,545 | 0.3% | (3,823) |
| Commercial | 431,660 | 3.0% | (44,251) | 350,725 | 2.7% | (90,108) |
| Asset-backed securities | | | | | | |
| Other | 306,563 | 2.2% | 5,057 | 241,356 | 1.9% | (27,476) |
| Subprime | 5,574 | 0.0% | (2,208) | 11,893 | 0.1% | (1,083) |
| Municipal | 3,966,426 | 27.8% | 218,646 | 3,795,718 | 29.4% | (51,036) |
| Non-US | 2,936,610 | 20.5% | 161,577 | 2,156,812 | 16.7% | 100,156 |
| Cash & short-term investments | 1,605,556 | 11.2% | - | 2,095,493 | 16.2% | - |
| Total | \$ 14,295,996 | 100.0% | \$ 462,255 | \$ 12,898,195 | 100.0% | \$ (172,464) |

Credit Quality:

| | Market Value | % of Total | Market Value | % of Total |
|--------------|----------------------|---------------|----------------------|---------------|
| AAA | \$ 7,085,739 | 49.6% | \$ 6,650,442 | 51.6% |
| AA | 2,407,601 | 16.9% | 2,591,815 | 20.1% |
| A | 3,007,517 | 21.0% | 2,278,490 | 17.7% |
| BBB | 1,462,698 | 10.2% | 1,205,457 | 9.3% |
| BB | 146,827 | 1.0% | 90,832 | 0.7% |
| B | 57,704 | 0.4% | 48,227 | 0.4% |
| Other | 127,910 | 0.9% | 32,932 | 0.2% |
| Total | \$ 14,295,996 | 100.0% | \$ 12,898,195 | 100.0% |

EVEREST RE GROUP, LTD.**Supplemental Investment Portfolio Analysis (cont.)**

(Dollars in thousands)

(unaudited)

FIXED INCOME AND CASH (cont.)

| | <u>September 30, 2009</u> | |
|---|---------------------------|-------------------------------------|
| <u>Top 20 Largest Corporate Fixed Income Positions:</u> | <u>Market Value</u> | <u>Unrealized Gain / (Loss)</u> |
| Network Rail | \$ 80,249 | \$ 1,973 |
| European Investment Bank | 78,270 | 1,717 |
| PNC Financial Services Group, Inc. | 73,800 | (59) |
| AT&T, Inc. | 67,796 | 4,365 |
| Wells Fargo & Co. | 58,479 | 1,867 |
| JP Morgan Chase & Co. | 58,006 | 1,701 |
| Goldman Sachs Group, Inc. | 56,755 | 2,027 |
| American Express Company | 54,711 | 1,633 |
| Bank Nederlandse Gemeenten | 51,848 | (241) |
| Morgan Stanley | 50,154 | 2,446 |
| Citigroup, Inc. | 47,260 | 913 |
| General Electric Capital Corp. | 47,092 | 237 |
| Credit Suisse Group | 46,928 | 3,402 |
| Kredit Fuer Wiederaufbau | 45,100 | 395 |
| Prudential Financial, Inc. | 45,069 | (170) |
| France Telecom | 42,047 | 1,560 |
| ConocoPhillips | 36,830 | 3,106 |
| Vodafone Group, plc | 36,312 | 2,411 |
| Landesbank Baden-Württemberg | 34,096 | 2,249 |
| US Bancorp | 33,980 | 2,006 |
| Total | <u>\$ 1,044,782</u> | <u>\$ 33,538</u> |

| | <u>December 31, 2008</u> | |
|---|--------------------------|-------------------------------------|
| <u>Top 20 Largest Corporate Fixed Income Positions:</u> | <u>Market Value</u> | <u>Unrealized Gain / (Loss)</u> |
| Wells Fargo & Co. | \$ 98,132 | \$ (4,508) |
| PNC Financial Services Group, Inc. | 72,416 | 8,038 |
| AT&T, Inc. | 64,947 | (108) |
| European Investment Bank | 63,205 | 6,024 |
| Network Rail | 60,648 | 1,929 |
| JP Morgan Chase & Co. | 55,452 | (4,600) |
| American Express Company | 49,203 | (2,244) |
| Citigroup, Inc. | 47,828 | (7,624) |
| Kredit Fuer Wiederaufbau | 46,518 | 319 |
| General Electric Capital Corp. | 45,966 | (1,975) |
| Bank of America Corporation | 43,372 | (9,140) |
| Goldman Sachs Group, Inc. | 41,926 | (3,291) |
| Bank Nederlandse Gemeenten | 38,910 | 1,276 |
| Morgan Stanley | 35,193 | (1,999) |
| France Telecom | 34,006 | 449 |
| CIT Group, Inc. | 33,701 | 9,334 |
| Merrill Lynch & Co. | 31,286 | (132) |
| Credit Suisse Group | 31,186 | (476) |
| Vodafone Group, plc | 31,077 | 436 |
| Landesbank Baden-Württemberg | 30,682 | 1,484 |
| Total | <u>\$ 955,654</u> | <u>\$ (6,808)</u> |

EVEREST RE GROUP, LTD.**Supplemental Investment Portfolio Analysis (cont.)**

(Dollars in thousands)

(unaudited)

EQUITIES

| | September 30, 2009 | | December 31, 2008 |
|--|---------------------|--|---------------------|
| <u>Top 20 Largest Equity Positions:</u> | <u>Market Value</u> | <u>Top 20 Largest Equity Positions:</u> | <u>Market Value</u> |
| HSBC French Government Bond Fund - Class C | \$ 16,560 | HSBC French Government Bond Fund - Class C | \$ 16,884 |
| Mirant Corporation | 9,582 | Mirant Corporation | 11,175 |
| Nexen, Inc. | 8,134 | Barrick Gold Corporation | 7,005 |
| El DuPont de Nemours & Co. | 8,122 | El DuPont de Nemours & Co. | 6,482 |
| Barrick Gold Corporation | 7,030 | Newmont Mining Corp. | 6,280 |
| Gold Fields, Ltd. | 6,092 | Nexen, Inc. | 5,492 |
| Automatic Data Processing, Inc. | 5,502 | Unisource Energy Corp. | 4,698 |
| Newmont Mining Corp. | 5,445 | Post Properties, Inc. | 4,698 |
| Calpine Corp. | 5,327 | Berkshire Hathaway Holdings - Class B | 3,712 |
| Post Properties, Inc. | 5,125 | Gold Fields, Ltd. | 3,466 |
| Loews Corp. | 4,439 | Calpine Corp. | 3,384 |
| Cimarex Energy Co. | 4,284 | Pfizer, Inc. | 3,315 |
| Meredith Corp. | 4,281 | State Auto Financial Corp. | 3,255 |
| Berkshire Hathaway Holdings - Class B | 4,194 | H&R Block, Inc. | 3,238 |
| Unisource Energy Corp. | 3,785 | NV Energy, Inc. | 3,215 |
| NV Energy, Inc. | 3,687 | Tootsie Roll Industries, Inc. | 3,145 |
| Tootsie Roll Industries, Inc. | 3,519 | Automatic Data Processing, Inc. | 3,076 |
| Pfizer, Inc. | 3,164 | Petro-Canada | 2,655 |
| Domstar Corporation | 3,087 | Meredith Corp. | 2,363 |
| Marathon Oil Corporation | 2,836 | Xerox Corp. | 2,283 |
| Total | <u>\$ 114,195</u> | Total | <u>\$ 99,821</u> |

EVEREST RE GROUP, LTD.

Supplemental Investment Income and Realized Capital (Losses) Gains

(Dollars in thousands)

(unaudited)

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|---|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| NET INVESTMENT INCOME | | | | | | | | | | |
| Fixed maturities | \$ 434,363 | \$ 401,603 | \$ 145,408 | \$ 144,333 | \$ 144,622 | \$ 141,822 | \$ 140,009 | \$ 133,233 | \$ 128,361 | \$ 124,212 |
| Equity securities | 2,183 | 17,177 | 757 | 730 | 696 | 2,769 | 4,947 | 6,880 | 5,350 | 13,527 |
| Short-term investments and cash | 5,872 | 43,622 | 629 | 1,682 | 3,561 | 8,466 | 8,896 | 12,121 | 22,605 | 30,847 |
| Other invested assets | | | | | | | | | | |
| Limited partnerships | (29,227) | 31,076 | 23,452 | 20,267 | (72,946) | (73,307) | 11,076 | 25,088 | (5,088) | 8,724 |
| Other | (297) | 2,027 | (1,332) | 261 | 774 | 253 | 275 | 291 | 1,461 | 707 |
| Total gross investment income | 412,894 | 495,505 | 168,914 | 167,273 | 76,707 | 80,003 | 165,203 | 177,613 | 152,689 | 178,017 |
| Interest (debited) credited on funds held | (3,066) | (3,739) | 397 | (2,457) | (1,006) | (516) | (2,004) | (1,024) | (711) | (132) |
| Interest credited to future policy benefit reserves | 8,257 | 2,456 | 755 | 712 | 6,790 | 2,824 | 728 | 720 | 1,008 | 1,729 |
| Other investment expenses | 6,353 | 6,261 | 2,375 | 1,809 | 2,169 | 2,335 | 2,001 | 2,000 | 2,260 | 2,319 |
| Total investment expenses | 11,544 | 4,978 | 3,527 | 64 | 7,953 | 4,643 | 725 | 1,696 | 2,557 | 3,916 |
| Total net investment income | \$ 401,350 | \$ 490,527 | \$ 165,387 | \$ 167,209 | \$ 68,754 | \$ 75,360 | \$ 164,478 | \$ 175,917 | \$ 150,132 | \$ 174,101 |

| | Nine Months Ended | | Three Months Ended | | | | | | | |
|--|--------------------|--------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | December 31, 2007 |
| NET REALIZED CAPITAL (LOSSES) GAINS | | | | | | | | | | |
| Fixed maturities | \$ (48,648) | \$ (174,699) | \$ (1,355) | \$ 520 | \$ (47,813) | \$ (12,825) | \$ (167,674) | \$ (5,988) | \$ (1,037) | \$ (5,524) |
| Equity securities | 38,016 | (286,647) | 32,415 | 22,927 | (17,326) | (221,528) | (125,697) | (25,553) | (135,397) | (59,439) |
| Other invested assets | - | - | - | - | - | - | - | - | - | - |
| Short-term investments | 20 | 32 | 3 | 15 | 2 | (163) | 6 | (25) | 51 | 1 |
| Total net realized capital (losses) gains | \$ (10,612) | \$ (461,314) | \$ 31,063 | \$ 23,462 | \$ (65,137) | \$ (234,516) | \$ (293,365) | \$ (31,566) | \$ (136,383) | \$ (64,962) |

EVEREST RE GROUP, LTD.

Asbestos Exposures as of September 30, 2009

(Dollars in thousands)

(unaudited)

| | End of Period Reserves | 3 Yr Survival Ratio | 3rd Qtr. 2009 Incurred | ITD Incurred |
|---|------------------------------|---------------------------|------------------------------|---------------------|
| Direct Operations - Gross: | | | | |
| Settlements in place ⁽¹⁾ | \$ 37,702 | NA | \$ 26,073 | \$ 580,423 |
| Unsettled claims | 23,050 | NA | (17,239) | 342,907 |
| IBNR | <u>71,593</u> | NA | <u>(8,834)</u> | <u>71,591</u> |
| Total | 132,345 | 1.5 | - | 994,921 |
| Reinsurance Operations - Gross: | | | | |
| Case reserves | 128,589 | NA | 18,384 | 767,641 |
| Supplemental case reserves ⁽²⁾ | 144,238 | NA | 2,383 | 146,167 |
| IBNR | <u>213,549</u> | NA | <u>(20,768)</u> | <u>213,548</u> |
| Total | 486,376 | 9.7 | - | 1,127,357 |
| Total operations - gross | <u>\$ 618,721</u> | 4.6 | <u>\$ -</u> | <u>\$ 2,122,278</u> |
| Adjusted total - excluding settlements in place | <u>\$ 581,019</u> | 7.7 | | |
| | | | | |
| Direct operations | \$ 122,869 | 1.6 | \$ - | \$ 494,031 |
| Reinsurance operations | <u>464,566</u> | 9.6 | <u>-</u> | <u>741,817</u> |
| Total operations | 587,436 | | - | 1,235,848 |
| Stop loss cession | <u>-</u> | NA | <u>-</u> | <u>(160,000)</u> |
| Total operations - net | <u>\$ 587,436</u> | 6.8 | <u>\$ -</u> | <u>\$ 1,075,848</u> |
| Adjusted total - excluding settlements in place | <u>\$ 552,318</u> | 7.7 | | |

(1) Settlement in place claims represent definitive settlement arrangements, which lower but do not eliminate potential variability.

(2) Supplemental case reserves are case specific reserves determined by Everest Re to be needed over and above those reported by the ceding company.

NA, Not applicable