

# Everest Re Group, Ltd.

Analyst Supplement

September 30, 2011



**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, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
<b>PRODUCTION INFORMATION:</b>										
Gross written premiums	\$ 3,181,300	\$ 3,198,119	\$ 1,128,506	\$ 987,865	\$ 1,064,929	\$ 1,002,600	\$ 1,163,591	\$ 1,013,509	\$ 1,021,019	\$ 1,028,509
Net written premiums	3,065,795	3,003,448	1,090,790	955,121	1,019,884	942,130	1,085,225	948,970	969,253	975,015
Net premiums earned	3,095,619	2,914,466	1,044,338	1,039,835	1,011,446	1,020,159	997,265	989,899	927,302	1,029,520
<b>INVESTMENT INCOME:</b>										
Pre-tax investment income	\$ 493,788	\$ 468,598	\$ 156,465	\$ 158,618	\$ 178,705	\$ 184,865	\$ 141,368	\$ 165,731	\$ 161,499	\$ 146,443
Effective tax rate	13.7%	12.1%	13.6%	14.7%	12.9%	14.2%	11.6%	12.6%	12.1%	14.9%
After-tax investment income	\$ 426,022	\$ 411,861	\$ 135,123	\$ 135,314	\$ 155,585	\$ 158,677	\$ 124,926	\$ 144,897	\$ 142,038	\$ 124,656
Net pre-tax yield - amortized cost	4.4%	4.3%	4.1%	4.2%	4.8%	5.0%	3.9%	4.6%	4.4%	4.0%
Net after-tax yield - amortized cost	3.8%	3.8%	3.6%	3.6%	4.2%	4.3%	3.4%	4.0%	3.9%	3.4%
<b>CATASTROPHE INFORMATION:</b>										
Net pre-tax catastrophe losses <sup>(1)</sup>	\$ 866,874	\$ 491,482	\$ 119,386	\$ 112,992	\$ 634,496	\$ 52,600	\$ 89,448	\$ 64,603	\$ 337,431	\$ 972
After-tax effect of catastrophe losses on earnings per basic common share	(13.15)	(6.99)	(1.71)	(1.66)	(9.77)	(0.78)	(1.35)	(0.90)	(4.66)	(0.03)
After-tax effect of catastrophe losses on earnings per diluted common share	(13.15)	(6.97)	(1.71)	(1.65)	(9.77)	(0.77)	(1.34)	(0.90)	(4.66)	(0.03)
<b>EFFECTIVE TAX RATE ON:</b>										
Net income (loss)	-36.5%	13.2%	-571.6%	6.8%	-7.5%	-28.1%	14.8%	2.3%	131.9%	10.2%
Net realized capital gains (losses)	-39.7%	30.9%	-39.3%	-45.1%	36.9%	-37.1%	34.9%	-32.5%	29.7%	36.5%
Operating income	-29.8%	8.9%	0.3%	8.0%	-8.6%	-26.6%	10.2%	8.5%	-10.5%	9.2%
<b>AFTER-TAX EARNINGS:</b>										
Net income (loss)	\$ (121,528)	\$ 308,221	\$ 63,054	\$ 131,312	\$ (315,894)	\$ 302,533	\$ 174,200	\$ 156,673	\$ (22,652)	\$ 197,227
Per basic common share	(2.24)	5.35	1.16	2.42	(5.81)	5.53	3.12	2.70	(0.38)	3.29
Per diluted common share	(2.24)	5.33	1.16	2.41	(5.81)	5.51	3.11	2.70	(0.38)	3.28
Net realized capital gains (losses)	(78,612)	47,930	(83,619)	(2,661)	7,668	44,695	24,930	(28,141)	51,141	5,272
Per basic common share	(1.45)	0.83	(1.54)	(0.05)	0.14	0.82	0.45	(0.49)	0.86	0.09
Per diluted common share	(1.45)	0.83	(1.54)	(0.05)	0.14	0.81	0.45	(0.48)	0.86	0.09
Operating income, excl. net realized capital gains (losses) <sup>(2)</sup>	(42,916)	260,291	146,673	133,971	(323,562)	257,838	149,270	184,814	(73,793)	191,955
Per basic common share	(0.79)	4.51	2.71	2.47	(5.95)	4.71	2.67	3.19	(1.25)	3.20
Per diluted common share	(0.79)	4.50	2.70	2.46	(5.95)	4.70	2.67	3.18	(1.25)	3.19

(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, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
<b>COMBINED RATIO:</b>										
Loss ratio	87.4%	76.4%	69.0%	70.8%	123.6%	70.6%	67.7%	65.1%	97.8%	63.1%
Commission and brokerage ratio	22.7%	23.6%	21.8%	22.8%	23.4%	24.0%	23.8%	23.9%	22.9%	23.7%
Other underwriting expense ratio	4.5%	4.2%	4.8%	4.4%	4.4%	4.1%	4.4%	4.2%	4.2%	4.4%
Combined ratio	<u>114.6%</u>	<u>104.2%</u>	<u>95.6%</u>	<u>98.0%</u>	<u>151.4%</u>	<u>98.7%</u>	<u>95.9%</u>	<u>93.2%</u>	<u>124.9%</u>	<u>91.2%</u>
<b>CASH FLOW INFORMATION:</b>										
Cash flow provided by operations	\$ 546,656	\$ 790,613	\$ 207,910	\$ 150,640	\$ 188,106	\$ 127,862	\$ 297,771	\$ 221,510	\$ 271,332	\$ 186,068
Paid losses, net	2,050,525	1,791,737	758,425	599,435	692,665	765,342	682,292	597,907	511,538	599,110
Paid cats, net	391,555	312,037	204,889	73,106	113,560	98,813	168,583	92,559	50,895	50,565
Paid (recovered) asbestos and environmental losses, net	37,666	58,533	9,913	9,503	18,250	21,682	34,886	10,716	12,931	10,073
Taxes paid (recovered)	(5,919)	(36,715)	6,627	(24,470)	11,924	5,737	(877)	(48,597)	12,759	41,069
<b>RETURN ON EQUITY:</b>										
Beginning of period shareholders' equity	\$ 6,283,517	\$ 6,101,722	\$ 6,152,558	\$ 5,914,170	\$ 6,283,517	\$ 6,281,620	\$ 6,035,599	\$ 6,036,955	\$ 6,101,722	\$ 6,084,952
Net unrealized depreciation (appreciation) of investments	(369,439)	(309,275)	(456,587)	(344,949)	(369,439)	(621,761)	(457,098)	(343,846)	(309,275)	(355,035)
Adjusted beginning of period shareholders' equity	<u>\$ 5,914,078</u>	<u>\$ 5,792,448</u>	<u>\$ 5,695,971</u>	<u>\$ 5,569,221</u>	<u>\$ 5,914,078</u>	<u>\$ 5,659,859</u>	<u>\$ 5,578,501</u>	<u>\$ 5,693,109</u>	<u>\$ 5,792,448</u>	<u>\$ 5,729,917</u>
End of period shareholders' equity	\$ 6,091,841	\$ 6,281,620	\$ 6,091,841	\$ 6,152,558	\$ 5,914,170	\$ 6,283,517	\$ 6,281,620	\$ 6,035,599	\$ 6,036,955	\$ 6,101,722
Net unrealized depreciation (appreciation) of investments	(421,631)	(621,761)	(421,631)	(456,587)	(344,949)	(369,439)	(621,761)	(457,098)	(343,846)	(309,275)
Adjusted end of period shareholders' equity	<u>\$ 5,670,210</u>	<u>\$ 5,659,859</u>	<u>\$ 5,670,210</u>	<u>\$ 5,695,971</u>	<u>\$ 5,569,221</u>	<u>\$ 5,914,078</u>	<u>\$ 5,659,859</u>	<u>\$ 5,578,501</u>	<u>\$ 5,693,109</u>	<u>\$ 5,792,448</u>
Average adjusted shareholders' equity	\$ 5,792,144	\$ 5,726,154	\$ 5,683,091	\$ 5,632,596	\$ 5,741,650	\$ 5,786,969	\$ 5,619,180	\$ 5,635,805	\$ 5,742,778	\$ 5,761,183
After-tax operating income, excluding after-tax net realized capital gains (losses) <sup>(2)</sup>	\$ (42,916)	\$ 260,291	\$ 146,673	\$ 133,971	\$ (323,562)	\$ 257,838	\$ 149,270	\$ 184,814	\$ (73,793)	\$ 191,955
After-tax net realized capital gains (losses)	(78,612)	47,930	(83,619)	(2,661)	7,668	44,695	24,930	(28,141)	51,141	5,272
Net income (loss)	<u>\$ (121,528)</u>	<u>\$ 308,221</u>	<u>\$ 63,054</u>	<u>\$ 131,312</u>	<u>\$ (315,894)</u>	<u>\$ 302,533</u>	<u>\$ 174,200</u>	<u>\$ 156,673</u>	<u>\$ (22,652)</u>	<u>\$ 197,227</u>
Return on equity (annualized)										
After-tax operating income, excluding after-tax net realized capital gains (losses) <sup>(2)</sup>	-1.0%	6.1%	10.3%	9.5%	-22.5%	17.8%	10.6%	13.1%	-5.1%	13.3%
After-tax net realized capital gains (losses)	-1.8%	1.1%	5.4%	-0.2%	0.5%	3.1%	1.8%	-2.0%	3.6%	0.4%
Net income (loss)	<u>-2.8%</u>	<u>7.2%</u>	<u>4.4%</u>	<u>9.3%</u>	<u>-22.0%</u>	<u>20.9%</u>	<u>12.4%</u>	<u>11.1%</u>	<u>-1.6%</u>	<u>13.7%</u>

(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. Effective with the June 30, 2010 reporting period, which includes June 30, 2010 year-to-date and quarter results, a catastrophe is a property event with expected reported losses of at least \$10.0 million before corporate level reinsurance and taxes. All prior periods reflect a catastrophe as 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 (loss), a non-GAAP financial measure, to evaluate its performance. After-tax operating income (loss) consists of net income (loss) excluding after-tax net realized capital gains (losses). 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 (loss) 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 (loss) in their analyses for the reasons discussed above. The Company provides after-tax operating income (loss) 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, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
<b>BALANCE SHEET HIGHLIGHTS:</b>								
Total investments and cash	\$ 15,713,917	\$ 15,836,619	\$ 15,365,817	\$ 15,365,019	\$ 15,487,491	\$ 15,102,116	\$ 15,044,388	\$ 14,918,816
Total assets	18,735,588	19,003,917	18,792,434	18,407,971	18,549,911	18,206,876	18,160,085	18,001,312
Reserve for losses and loss adjustment expenses ("LAE") (gross)	9,979,984	10,145,655	9,969,189	9,340,183	9,331,987	9,237,813	9,299,417	8,937,858
Future policy benefit reserve	61,971	62,608	62,785	63,002	63,747	63,968	64,401	64,536
Revolving credit borrowings	-	40,000	40,000	50,000	83,000	133,000	-	-
8.75% Senior notes due 3/15/2010	-	-	-	-	-	-	-	199,970
5.4% Senior notes due 10/15/2014	249,847	249,835	249,824	249,812	249,801	249,790	249,780	249,769
6.6% Long term notes due 5/1/2067	238,353	238,352	238,352	238,351	238,350	238,349	238,349	238,348
Junior subordinated debt securities payable	329,897	329,897	329,897	329,897	329,897	329,897	329,897	329,897
Shareholders' equity	6,091,841	6,152,558	5,914,170	6,283,517	6,281,620	6,035,599	6,036,955	6,101,722
Common shares outstanding	53,789	54,346	54,224	54,428	55,023	56,242	58,922	59,318
Book value per common share outstanding	\$ 113.26	\$ 113.21	\$ 109.07	\$ 115.45	\$ 114.16	\$ 107.31	\$ 102.46	\$ 102.87
<b>TOTAL LOSS RESERVES:</b>								
Gross reserve for losses and LAE	\$ 9,979,984	\$ 10,145,655	\$ 9,969,189	\$ 9,340,183	\$ 9,331,987	\$ 9,237,813	\$ 9,299,417	\$ 8,937,858
Reinsurance receivables on unpaid losses	(585,541)	(690,140)	(696,088)	(689,445)	(676,249)	(635,508)	(652,830)	(641,269)
Net reserve for losses and LAE	\$ 9,394,443	\$ 9,455,515	\$ 9,273,101	\$ 8,650,738	\$ 8,655,738	\$ 8,602,305	\$ 8,646,587	\$ 8,296,589
<b>ASBESTOS AND ENVIRONMENTAL LOSS RESERVES:</b>								
Gross loss and LAE reserves	\$ 516,395	\$ 526,722	\$ 535,764	\$ 554,790	\$ 577,537	\$ 614,135	\$ 625,208	\$ 638,674
Net loss and LAE reserves	496,004	505,916	514,656	532,906	554,588	589,474	600,190	613,121
Net asbestos 3 year survival ratio	5.0	5.1	4.9	5.9	5.7	6.7	6.3	7.0
Net asbestos 3 year survival ratio excluding settlements in place	8.9	9.0	8.1	8.7	9.6	9.4	8.8	9.0
<b>END OF PERIOD INVESTMENT PORTFOLIO INFORMATION:</b>								
Pre-tax yield - net of expenses, amortized cost basis	3.9%	4.0%	3.9%	3.9%	4.1%	4.2%	4.1%	4.1%
After-tax yield - net of expenses, amortized cost basis	3.4%	3.5%	3.4%	3.5%	3.7%	3.8%	3.7%	3.6%
Modified duration of fixed income portfolio (in years)	3.1	3.5	3.7	3.8	3.7	3.7	3.9	3.8
Average credit quality	Aa3	Aa3	Aa3	Aa2	Aa2	Aa2	Aa2	Aa2
<b>OPERATING LEVERAGE:</b>								
Ratio of net written premiums to shareholders' equity (12 month rolling)	0.66 TO 1	0.65 TO 1	0.68 TO 1	0.63 TO 1	0.63 TO 1	0.65 TO 1	0.65 TO 1	0.64 TO 1
Ratio of net loss and LAE reserves to shareholders' equity	1.54 TO 1	1.54 TO 1	1.57 TO 1	1.38 TO 1	1.38 TO 1	1.43 TO 1	1.43 TO 1	1.36 TO 1

**EVEREST RE GROUP, LTD.**
**Segment Results**

(Dollars in thousands)

(unaudited)

**TOTAL SEGMENTS**

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Gross written premiums	\$ 3,181,300	\$ 3,198,119	\$ 1,128,506	\$ 987,865	\$ 1,064,929	\$ 1,002,600	\$ 1,163,591	\$ 1,013,509	\$ 1,021,019	\$ 1,028,509
Net written premiums	3,065,795	3,003,448	1,090,790	955,121	1,019,884	942,130	1,085,225	948,970	969,253	975,015
Premiums earned	\$ 3,095,619	\$ 2,914,466	\$ 1,044,338	\$ 1,039,835	\$ 1,011,446	\$ 1,020,159	\$ 997,265	\$ 989,899	\$ 927,302	\$ 1,029,520
Incurred losses and LAE										
Attritional - current year	1,784,624	1,741,585	584,110	614,396	586,118	648,505	605,911	584,046	551,628	556,079
Attritional - prior year	551	(29,799)	4,314	(2,371)	(1,392)	14,352	(20,801)	(9,779)	781	92,113
Catastrophes	920,337	513,805	132,287	123,000	665,050	57,264	89,677	69,681	354,447	1,500
Asbestos & environmental	764	-	-	764	-	-	-	-	-	429
Total incurred losses and LAE	2,706,276	2,225,591	720,711	735,789	1,249,776	720,121	674,787	643,948	906,856	650,121
Commission and brokerage	701,800	686,628	227,969	237,374	236,457	245,227	237,473	236,493	212,662	243,824
Other underwriting expenses	140,290	125,028	49,437	45,897	44,956	41,230	44,337	41,747	38,944	45,349
Underwriting gain (loss)	\$ (452,747)	\$ (122,781)	\$ 46,221	\$ 20,775	\$ (519,743)	\$ 13,581	\$ 40,668	\$ 67,711	\$ (231,160)	\$ 90,226
Loss ratio										
Attritional - current year	57.6%	59.8%	55.9%	59.1%	57.9%	63.6%	60.8%	59.0%	59.5%	54.0%
Attritional - prior year	0.0%	-1.0%	0.4%	-0.2%	-0.1%	1.4%	-2.1%	-0.9%	0.1%	8.9%
Catastrophes	29.7%	17.6%	12.7%	11.8%	65.8%	5.6%	9.0%	7.0%	38.2%	0.1%
Asbestos & environmental	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	87.4%	76.4%	69.0%	70.8%	123.6%	70.6%	67.7%	65.1%	97.8%	63.1%
Commission and brokerage ratio	22.7%	23.6%	21.8%	22.8%	23.4%	24.0%	23.8%	23.9%	22.9%	23.7%
Other underwriting expenses	4.5%	4.2%	4.8%	4.4%	4.4%	4.1%	4.4%	4.2%	4.2%	4.4%
Combined ratio	114.6%	104.2%	95.6%	98.0%	151.4%	98.7%	95.9%	93.2%	124.9%	91.2%

(Some amounts may not reconcile due to rounding.)

Beginning in the third quarter of 2011, the Specialty segment is no longer being reported as a separate segment. The businesses which were included within the Specialty segment previously - A&H Primary, A&H Reinsurance, Surety, and Marine & Aviation - have been reclassified within other reporting segments. The A&H primary business, which has increased significantly recently, has been reclassified as part of the Insurance segment. The A&H Reinsurance, Surety and Marine & Aviation businesses, which have declined recently, have been reclassified as part of the U.S. Reinsurance segment. These changes to the reporting segments have been made to better reflect the aggregation of similar businesses and to better reflect how management monitors its businesses. The segment results presented within this document have been restated for all prior reporting periods to reflect the changes in segment classification.

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**TOTAL INSURANCE**

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Gross written premiums	\$ 750,283	\$ 650,448	\$ 236,294	\$ 242,528	\$ 271,461	\$ 214,923	\$ 214,701	\$ 205,813	\$ 229,934	\$ 193,845
Net written premiums	647,964	462,581	203,395	213,304	231,265	157,720	141,495	142,406	178,680	144,184
Premiums earned	\$ 641,881	\$ 478,555	\$ 216,220	\$ 212,037	\$ 213,624	\$ 162,553	\$ 158,840	\$ 156,194	\$ 163,521	\$ 168,080
Incurred losses and LAE										
Attritional - current year	479,110	352,826	168,102	151,795	159,213	147,171	122,750	113,599	116,477	122,766
Attritional - prior year	25,000	6,605	25,000	-	-	30,151	4,400	5,537	(3,332)	48,729
Catastrophes	2,835	-	2,500	335	-	-	-	-	-	-
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	506,945	359,431	195,602	152,130	159,213	177,322	127,150	119,136	113,145	171,495
Commission and brokerage	106,025	91,503	38,582	32,879	34,564	29,282	29,986	29,521	31,997	25,098
Other underwriting expenses	68,589	52,335	24,316	22,401	21,872	17,341	19,479	16,279	16,577	18,212
Underwriting gain (loss)	\$ (39,678)	\$ (24,714)	\$ (42,280)	\$ 4,627	\$ (2,025)	\$ (61,392)	\$ (17,775)	\$ (8,742)	\$ 1,802	\$ (46,725)
Loss ratio										
Attritional - current year	74.6%	73.7%	77.7%	71.5%	74.5%	90.6%	77.2%	72.8%	71.2%	73.0%
Attritional - prior year	3.9%	1.4%	11.6%	0.0%	0.0%	18.5%	2.8%	3.5%	-2.0%	29.0%
Catastrophes	0.5%	0.0%	1.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	79.0%	75.1%	90.5%	71.7%	74.5%	109.1%	80.0%	76.3%	69.2%	102.0%
Commission and brokerage ratio	16.5%	19.1%	17.8%	15.5%	16.2%	18.0%	18.9%	18.9%	19.6%	14.9%
Other underwriting expense ratio	10.7%	11.0%	11.3%	10.6%	10.2%	10.7%	12.3%	10.4%	10.1%	10.9%
Combined ratio	106.2%	105.2%	119.6%	97.8%	100.9%	137.8%	111.2%	105.6%	98.9%	127.8%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**TOTAL REINSURANCE**

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Gross written premiums	\$ 2,431,017	\$ 2,547,671	\$ 892,212	\$ 745,337	\$ 793,468	\$ 787,677	\$ 948,890	\$ 807,696	\$ 791,085	\$ 834,664
Net written premiums	2,417,831	2,540,867	887,395	741,817	788,619	784,410	943,730	806,564	790,573	830,831
Premiums earned	\$ 2,453,738	\$ 2,435,911	\$ 828,118	\$ 827,798	\$ 797,822	\$ 857,606	\$ 838,425	\$ 833,705	\$ 763,781	\$ 861,440
Incurred losses and LAE										
Attritional - current year	1,305,514	1,388,759	416,008	462,601	426,905	501,334	483,161	470,447	435,151	433,313
Attritional - prior year	(24,449)	(36,404)	(20,686)	(2,371)	(1,392)	(15,799)	(25,201)	(15,316)	4,113	43,384
Catastrophes	917,502	513,805	129,787	122,665	665,050	57,264	89,677	69,681	354,447	1,500
Asbestos & environmental	764	-	-	764	-	-	-	-	-	429
Total incurred losses and LAE	2,199,331	1,866,160	525,109	583,659	1,090,563	542,799	547,637	524,812	793,711	478,626
Commission and brokerage	595,775	595,125	189,387	204,495	201,893	215,945	207,487	206,972	180,665	218,726
Other underwriting expenses	71,701	72,693	25,121	23,496	23,084	23,889	24,858	25,468	22,367	27,137
Underwriting gain (loss)	\$ (413,069)	\$ (98,067)	\$ 88,501	\$ 16,148	\$ (517,718)	\$ 74,973	\$ 58,443	\$ 76,453	\$ (232,962)	\$ 136,951
Loss ratio										
Attritional - current year	53.2%	57.0%	50.2%	55.8%	53.5%	58.4%	57.6%	56.3%	57.0%	50.3%
Attritional - prior year	-1.0%	-1.5%	-2.5%	-0.3%	-0.2%	-1.8%	-3.0%	-1.8%	0.5%	5.0%
Catastrophes	37.4%	21.1%	15.7%	14.9%	83.4%	6.7%	10.7%	8.4%	46.4%	0.2%
Asbestos & environmental	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	89.6%	76.6%	63.4%	70.5%	136.7%	63.3%	65.3%	62.9%	103.9%	55.6%
Commission and brokerage ratio	24.3%	24.4%	22.9%	24.7%	25.3%	25.2%	24.7%	24.8%	23.7%	25.4%
Other underwriting expense ratio	2.9%	3.0%	3.0%	2.8%	2.9%	2.8%	3.0%	3.1%	2.9%	3.1%
Combined ratio	116.8%	104.0%	89.3%	98.0%	164.9%	91.3%	93.0%	90.8%	130.5%	84.1%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**U.S. REINSURANCE**

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Gross written premiums	\$ 947,155	\$ 1,076,614	\$ 360,833	\$ 280,231	\$ 306,091	\$ 318,819	\$ 435,218	\$ 333,198	\$ 308,198	\$ 347,303
Net written premiums	945,273	1,074,173	360,331	279,388	305,554	318,464	434,337	332,147	307,689	343,448
Premiums earned	\$ 953,459	\$ 1,010,540	\$ 326,824	\$ 307,584	\$ 319,051	\$ 376,411	\$ 353,245	\$ 354,829	\$ 302,466	\$ 364,240
Incurred losses and LAE										
Attritional - current year	502,614	580,242	163,756	171,628	167,230	216,292	207,008	207,376	165,858	165,531
Attritional - prior year	(1,391)	6,942	(2,450)	1,344	(285)	56,748	1,143	5,645	154	28,142
Catastrophes	210,821	22,845	32,580	63,248	114,993	17,869	(4,669)	(4,933)	32,447	(4,507)
Asbestos & environmental	-	-	-	-	-	-	-	-	-	429
Total incurred losses and LAE	712,044	610,029	193,886	236,220	281,938	290,909	203,482	208,088	198,459	189,595
Commission and brokerage	231,486	247,831	71,131	77,488	82,867	103,728	86,288	87,739	73,803	102,643
Other underwriting expenses	30,621	32,617	10,843	9,872	9,906	9,893	11,076	11,784	9,757	13,423
Underwriting gain (loss)	\$ (20,692)	\$ 120,063	\$ 50,964	\$ (15,996)	\$ (55,660)	\$ (28,119)	\$ 52,399	\$ 47,218	\$ 20,447	\$ 58,579
Loss ratio										
Attritional - current year	52.7%	57.4%	50.0%	55.8%	52.4%	57.5%	58.6%	58.4%	54.7%	45.5%
Attritional - prior year	-0.1%	0.7%	-0.7%	0.4%	-0.1%	15.1%	0.3%	1.6%	0.1%	7.7%
Catastrophes	22.1%	2.3%	10.0%	20.6%	36.0%	4.7%	-1.3%	-1.4%	10.8%	-1.2%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Total loss ratio	74.7%	60.4%	59.3%	76.8%	88.3%	77.3%	57.6%	58.6%	65.6%	52.1%
Commission and brokerage ratio	24.3%	24.5%	21.8%	25.2%	26.0%	27.6%	24.4%	24.7%	24.4%	28.2%
Other underwriting expense ratio	3.2%	3.2%	3.3%	3.2%	3.1%	2.6%	3.2%	3.4%	3.2%	3.6%
Combined ratio	102.2%	88.1%	84.4%	105.2%	117.4%	107.5%	85.2%	86.7%	93.2%	83.9%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**INTERNATIONAL (reinsurance)**

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Gross written premiums	\$ 923,649	\$ 906,089	\$ 326,053	\$ 288,749	\$ 308,847	\$ 300,864	\$ 323,741	\$ 306,998	\$ 275,350	\$ 286,870
Net written premiums	912,145	901,677	321,601	286,043	304,501	297,917	319,405	306,960	275,312	286,817
Premiums earned	\$ 934,187	\$ 869,831	\$ 300,692	\$ 317,160	\$ 316,335	\$ 298,299	\$ 301,267	\$ 291,964	\$ 276,600	\$ 282,468
Incurred losses and LAE										
Attritional - current year	472,670	487,813	138,644	168,825	165,201	159,876	172,350	153,478	161,985	134,067
Attritional - prior year	(30,027)	(30,796)	(20,017)	(5,013)	(4,997)	(11,121)	(24,797)	(5,764)	(235)	16,109
Catastrophes	553,178	418,060	50,848	57,806	444,524	26,247	75,807	76,413	265,840	8,826
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	995,821	875,077	169,475	221,618	604,728	175,002	223,360	224,127	427,590	159,002
Commission and brokerage	230,444	221,355	78,228	73,786	78,430	67,068	78,574	77,846	64,935	69,478
Other underwriting expenses	20,938	20,363	7,549	6,950	6,439	7,283	6,675	7,308	6,380	6,620
Underwriting gain (loss)	\$ (313,016)	\$ (246,964)	\$ 45,440	\$ 14,806	\$ (373,262)	\$ 48,946	\$ (7,342)	\$ (17,317)	\$ (222,305)	\$ 47,368
Loss ratio										
Attritional - current year	50.6%	56.0%	46.2%	53.3%	52.3%	53.6%	57.1%	52.6%	58.6%	47.5%
Attritional - prior year	-3.2%	-3.5%	-6.7%	-1.6%	-1.6%	-3.7%	-8.2%	-2.0%	-0.1%	5.7%
Catastrophes	59.2%	48.1%	16.9%	18.2%	140.5%	8.8%	25.2%	26.2%	96.1%	3.1%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	106.6%	100.6%	56.4%	69.9%	191.2%	58.7%	74.1%	76.8%	154.6%	56.3%
Commission and brokerage ratio	24.7%	25.4%	26.0%	23.3%	24.8%	22.5%	26.1%	26.7%	23.5%	24.6%
Other underwriting expense ratio	2.2%	2.4%	2.5%	2.1%	2.0%	2.4%	2.2%	2.4%	2.3%	2.3%
Combined ratio	133.5%	128.4%	84.9%	95.3%	218.0%	83.6%	102.4%	105.9%	180.4%	83.2%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**BERMUDA (reinsurance)**

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Gross written premiums	\$ 560,213	\$ 564,968	\$ 205,326	\$ 176,357	\$ 178,530	\$ 167,994	\$ 189,931	\$ 167,500	\$ 207,537	\$ 200,491
Net written premiums	560,413	565,017	205,463	176,386	178,564	168,029	189,988	167,457	207,572	200,566
Premiums earned	\$ 566,092	\$ 555,540	\$ 200,602	\$ 203,054	\$ 162,436	\$ 182,896	\$ 183,913	\$ 186,912	\$ 184,715	\$ 214,732
Incurred losses and LAE										
Attritional - current year	330,230	320,704	113,608	122,148	94,474	125,166	103,803	109,593	107,308	133,715
Attritional - prior year	6,969	(12,550)	1,781	1,298	3,890	(61,426)	(1,547)	(15,197)	4,194	(867)
Catastrophes	153,503	72,900	46,359	1,611	105,533	13,148	18,539	(1,799)	56,160	(2,819)
Asbestos & environmental	764	-	-	764	-	-	-	-	-	-
Total incurred losses and LAE	491,466	381,054	161,748	125,821	203,897	76,888	120,795	92,597	167,662	130,029
Commission and brokerage	133,845	125,939	40,028	53,221	40,596	45,149	42,625	41,387	41,927	46,605
Other underwriting expenses	20,142	19,713	6,729	6,674	6,739	6,713	7,107	6,376	6,230	7,094
Underwriting gain (loss)	\$ (79,361)	\$ 28,834	\$ (7,903)	\$ 17,338	\$ (88,796)	\$ 54,146	\$ 13,386	\$ 46,552	\$ (31,104)	\$ 31,004
Loss ratio										
Attritional - current year	58.4%	57.8%	56.6%	60.2%	58.2%	68.4%	56.4%	58.6%	58.1%	62.3%
Attritional - prior year	1.2%	-2.3%	0.9%	0.6%	2.4%	-33.6%	-0.8%	-8.1%	2.3%	-0.4%
Catastrophes	27.1%	13.1%	23.1%	0.8%	64.9%	7.2%	10.1%	-1.0%	30.4%	-1.3%
Asbestos & environmental	0.1%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	86.8%	68.6%	80.6%	62.0%	125.5%	42.0%	65.7%	49.5%	90.8%	60.6%
Commission and brokerage ratio	23.6%	22.7%	20.0%	26.2%	25.0%	24.7%	23.2%	22.1%	22.7%	21.7%
Other underwriting expense ratio	3.6%	3.5%	3.3%	3.3%	4.2%	3.7%	3.8%	3.5%	3.3%	3.3%
Combined ratio	114.0%	94.8%	103.9%	91.5%	154.7%	70.4%	92.7%	75.1%	116.8%	85.6%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**  
**Supplemental Investment Portfolio Analysis**

(Dollars in thousands)  
(unaudited)

**INVESTMENTS AND CASH**

	At September 30, 2011			At December 31, 2010		
	Market Value	Cost/ Amortized Cost	Pre-tax Unrealized Gains/(Losses)	Market Value	Cost/ Amortized Cost	Pre-tax Unrealized Gains/(Losses)
<b>Investments and cash:</b>						
Fixed maturities-available for sale, at market value	\$ 12,154,232	\$ 11,618,929	\$ 535,303	\$ 12,450,469	\$ 12,011,336	\$ 439,133
Fixed maturities-available for sale, at fair value	120,597	120,597	-	180,482	180,482	-
Equity securities-available for sale, at market value	435,699	457,075	(21,376)	363,736	363,283	453
Equity securities-available for sale, at fair value	1,138,670	1,138,670	-	721,449	721,449	-
Other invested assets	586,142	586,142	-	605,196	603,681	1,515
Short-term investments	834,871	834,871	-	785,279	785,279	-
Cash	443,706	443,706	-	258,408	258,408	-
<b>Total</b>	<b>\$ 15,713,917</b>	<b>\$ 15,199,990</b>	<b>\$ 513,927</b>	<b>\$ 15,365,019</b>	<b>\$ 14,923,918</b>	<b>\$ 441,101</b>

**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	\$ 12,154,232	89.7%	\$ 12,450,469	91.1%
Fixed maturities-available for sale, at fair value	120,597	0.9%	180,482	1.3%
Short-term investments	834,871	6.2%	785,279	5.7%
Cash	443,706	3.2%	258,408	1.9%
<b>Total</b>	<b>\$ 13,553,406</b>	<b>100.0%</b>	<b>\$ 13,674,638</b>	<b>100.0%</b>

	At September 30, 2011			At December 31, 2010		
	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)
<b>Investment Sectors:</b>						
Treasury	\$ 307,467	2.3%	\$ 13,540	\$ 401,807	3.0%	\$ 7,117
Agency	21,211	0.2%	1,305	27,168	0.2%	1,691
Corporate	3,480,118	25.7%	133,771	3,111,621	22.8%	150,478
Mortgage-backed securities						
Agency	2,154,975	15.9%	97,029	2,093,282	15.3%	74,899
Non-agency residential	46,323	0.3%	46	57,560	0.4%	142
Alt.-A	14,294	0.1%	(142)	18,181	0.1%	(661)
Commercial	317,735	2.3%	3,203	337,219	2.5%	12,297
Asset-backed securities						
Other	190,574	1.4%	7,593	216,311	1.6%	7,133
Subprime	1,689	0.0%	(170)	1,990	0.0%	451
Municipal	1,854,151	13.7%	111,846	2,901,505	21.2%	91,991
Non-US	3,886,292	28.7%	167,282	3,464,307	25.3%	93,595
Cash & short-term investments	1,278,577	9.4%	-	1,043,687	7.6%	-
<b>Total</b>	<b>\$ 13,553,406</b>	<b>100.0%</b>	<b>\$ 535,303</b>	<b>\$ 13,674,638</b>	<b>100.0%</b>	<b>\$ 439,133</b>

**Credit Quality:**

	Market Value	% of Total	Market Value	% of Total
AAA	\$ 4,005,496	29.6%	\$ 6,336,787	46.3%
AA	4,880,352	36.0%	2,717,742	19.9%
A	2,381,061	17.6%	2,660,366	19.5%
BBB	1,176,162	8.7%	1,224,163	9.0%
BB	613,363	4.5%	401,499	2.9%
B	436,479	3.2%	260,460	1.9%
Other	60,493	0.4%	73,621	0.5%
<b>Total</b>	<b>\$ 13,553,406</b>	<b>100.0%</b>	<b>\$ 13,674,638</b>	<b>100.0%</b>

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

(Dollars in thousands)

(unaudited)

**FIXED INCOME AND CASH (cont.)**

	<u>September 30, 2011</u>	
	<u>Market Value</u>	<u>Unrealized Gain / (Loss)</u>
<b>Top 20 Largest Corporate Fixed Income Positions:</b>		
European Investment Bank	\$ 90,793	\$ 3,743
JPMorgan Chase & Co.	81,610	3,756
Kredit Fuer Wiederaufbau	76,474	1,811
General Electric Capital Corporation	63,436	2,334
PNC Financial Services Group, Inc.	60,907	3,217
Bank Nederlandse Gemeenten	60,136	(494)
AT&T, Inc.	58,766	3,243
ConocoPhillips	57,279	5,653
Credit Suisse Group	55,220	1,571
MetLife, Inc.	51,688	1,437
National Australia Bank Limited	50,001	1,210
The Goldman Sachs Group, Inc.	49,412	(1,731)
Citigroup, Inc.	45,196	833
Morgan Stanley	44,875	(920)
Bank of New York Mellon Corporation	41,848	1,653
Wal-Mart Stores, Inc.	41,368	2,899
Barclays Bank PLC	41,151	(1,112)
Australia and New Zealand Banking Group Limited	38,302	(287)
Caterpillar Financial Services Corporation	37,928	3,087
American Express Company	37,378	4,490
Total	<u>\$ 1,083,768</u>	<u>\$ 36,393</u>

	<u>December 31, 2010</u>	
	<u>Market Value</u>	<u>Unrealized Gain / (Loss)</u>
<b>Top 20 Largest Corporate Fixed Income Positions:</b>		
JPMorgan Chase & Co.	\$ 81,159	\$ 4,954
European Investment Bank	74,726	982
PNC Financial Services Group, Inc.	62,159	4,382
Credit Suisse Group	62,077	3,730
AT&T, Inc.	58,808	2,997
General Electric Capital Corporation	57,084	2,192
Kredit Fuer Wiederaufbau	56,777	(436)
ConocoPhillips	56,272	4,437
Citigroup, Inc.	46,589	2,499
Bank Nederlandse Gemeenten	45,388	(1,323)
The Goldman Sachs Group, Inc.	44,724	517
US Bancorp	44,331	1,774
Bank of America Corporation	43,762	(3,531)
Wal-Mart Stores, Inc.	43,690	1,095
MetLife, Inc.	40,975	712
Bank of New York Mellon Corporation	40,069	1,505
Network Rail	38,403	(1,899)
Barclays Bank PLC	37,981	680
Wells Fargo & Company	37,769	2,378
Merck & Company, Inc.	37,491	876
Total	<u>\$ 1,010,234</u>	<u>\$ 28,521</u>

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

(Dollars in thousands)

(unaudited)

**EQUITIES AT FAIR VALUE**

	September 30, 2011		December 31, 2010
<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>	<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>
Chevron Corporation	\$ 26,915	Chevron Corporation	\$ 25,641
AT&T, Inc.	24,290	AT&T, Inc.	18,674
Pfizer, Inc.	21,325	Pfizer, Inc.	17,492
Johnson & Johnson	21,196	E.I. du Pont de Nemours and Company	16,430
Xcel Energy, Inc.	20,336	Automatic Data Processing, Inc.	16,291
Wells Fargo & Company	19,547	ConocoPhillips	15,636
E.I. du Pont de Nemours and Company	19,493	Xcel Energy, Inc.	14,898
ConocoPhillips	18,359	Waste Management, Inc.	14,586
Kimberly-Clark Corporation	17,970	The Home Depot, Inc.	13,989
Kinder Morgan Energy Partners, LP	16,498	Johnson & Johnson	13,830
Exxon Mobil Corporation	16,247	Exxon Mobil Corporation	13,564
Automatic Data Processing, Inc.	15,781	General Electric Company	13,096
The Home Depot, Inc.	15,778	Wells Fargo & Company	12,814
Merck & Company, Inc.	15,094	JPMorgan Chase & Co.	12,641
Waste Management, Inc.	13,881	3M Company	12,626
Kraft Foods, Inc.	13,827	Merck & Company, Inc.	12,459
Verizon Communications, Inc.	13,785	Marsh & McLennan Companies, Inc.	12,147
Dominion Resources, Inc.	13,621	Occidental Petroleum Corporation	12,145
Marsh & McLennan Companies, Inc.	12,799	Marathon Oil Corporation	11,213
Nalco Holding Company	12,146	Kraft Foods, Inc.	11,060
Total	<u>\$ 348,888</u>	Total	<u>\$ 291,232</u>

EVEREST RE GROUP, LTD.

Supplemental Investment Income and Realized Capital Gains (Losses)

(Dollars in thousands)

(unaudited)

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
<b>NET INVESTMENT INCOME</b>										
Fixed maturities	\$ 397,204	\$ 438,017	\$ 131,680	\$ 132,668	\$ 132,856	\$ 143,853	\$ 143,801	\$ 149,017	\$ 145,199	\$ 136,435
Equity securities	40,813	8,142	15,794	13,156	11,863	4,058	2,763	2,856	2,523	1,391
Short-term investments and cash	1,042	(26)	366	439	237	177	364	(82)	(308)	93
Other invested assets										
Limited partnerships	66,700	30,401	15,725	14,344	36,631	40,339	(1,108)	15,611	15,898	10,205
Other	3,203	885	(1,520)	4,126	597	389	183	330	372	371
Total gross investment income	508,962	477,419	162,045	164,733	182,184	188,816	146,003	167,732	163,684	148,495
Interest (debited) credited on funds held	(634)	(2,026)	(958)	955	(631)	(668)	688	(1,269)	(1,445)	(1,015)
Interest (debited) credited to future policy benefit reserves	1,183	1,832	476	637	70	1,252	626	585	621	547
Other investment expenses	14,625	9,015	6,062	4,523	4,040	3,367	3,321	2,685	3,009	2,520
Total investment expenses	15,174	8,821	5,580	6,115	3,479	3,951	4,635	2,001	2,185	2,052
Total net investment income	\$ 493,788	\$ 468,598	\$ 156,465	\$ 158,618	\$ 178,705	\$ 184,865	\$ 141,368	\$ 165,731	\$ 161,499	\$ 146,443

	Nine Months Ended		Three Months Ended							
	September 30, 2011	September 30, 2010	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
<b>NET REALIZED CAPITAL GAINS (LOSSES)</b>										
Fixed maturities	\$ (17,499)	\$ 49,986	\$ 17,360	\$ (5,079)	\$ (29,780)	\$ (9,604)	\$ (1,526)	\$ (4,577)	\$ 56,089	\$ (209)
Equity securities	(112,862)	19,327	(155,032)	235	41,935	42,194	39,823	(37,124)	16,628	8,490
Other invested assets	-	-	-	-	-	-	-	-	-	-
Short-term investments	1	7	1	(1)	1	1	(2)	8	1	19
Total net realized capital gains (losses)	\$ (130,360)	\$ 69,320	\$ (137,671)	\$ (4,845)	\$ 12,156	\$ 32,591	\$ 38,295	\$ (41,693)	\$ 72,718	\$ 8,300

**EVEREST RE GROUP, LTD.**  
**Supplemental Investment Portfolio Analysis**

(Dollars in thousands)  
(unaudited)

**BREAKOUT OF FOREIGN CORPORATE, SOVEREIGN AND SUPRANATIONAL**

**FIXED INCOME SECURITIES BY COUNTRY**

	At September 30, 2011				
	Foreign Banks	Foreign Corporate	Sovereign	Supranational	Grand Total
Asia	\$ 136,084	\$ 94,835	\$ 256,459	\$ -	\$ 487,378
Canada	132,785	279,743	660,720	-	1,073,248
Europe	490,616	495,300	850,132	-	1,836,048
Europe (distressed) <sup>(1)</sup>	9,319	57,304	654	-	67,277
Latin America	13,547	54,309	55,113	-	122,969
Other Countries	6,250	67,430	4,359	221,333	299,372
Total	\$ 788,601	\$ 1,048,921	\$ 1,827,437	\$ 221,333	\$ 3,886,292

<sup>(1)</sup> Europe (distressed) encompasses Portugal, Italy, Ireland, Greece and Spain.