



# Investor Day

June 23, 2021

# Cautionary Note On Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. Federal securities laws. These statements reflect management's current expectations based on assumptions we believe are reasonable, but are not guarantees of performance. The forward-looking statements contained in this document 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, but are not limited to, 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 and investment income fluctuations, trends in insured and paid losses, catastrophes, pandemic, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# Today's Agenda

OPENING	Jon Levenson Head of Investor Relations
CHAIRMAN'S REMARKS	Joseph Taranto Chairman, Board of Directors
INTRODUCTION & STRATEGIC OVERVIEW	Juan C. Andrade President and Chief Executive Officer
FINANCIAL OVERVIEW	Mark Kociancic Group Chief Financial Officer
GROUP RISK	Jim Williamson Group Chief Operating Officer and Head of Reinsurance
<b>Q&amp;A SESSION #1</b>	<b>Juan C. Andrade, Mark Kociancic and Jim Williamson</b>
15-MINUTE BREAK	
EVEREST INSURANCE®	Mike Karmilowicz President and CEO of the Everest Insurance® Division Mike Mulray Chief Operating Officer, Everest Insurance®
EVEREST REINSURANCE	Jim Williamson Group Chief Operating Officer and Head of Reinsurance Chris Downey Chief Underwriting Officer, Everest Reinsurance
INVESTMENTS	Seth Vance Chief Investment Officer
SUMMARY THOUGHTS	Juan C. Andrade President and Chief Executive Officer
<b>Q&amp;A SESSION #2</b>	<b>Everest Management Team</b>

# Introduction & Strategic Overview



# Everest's Investment Thesis



# Our Guiding Principles

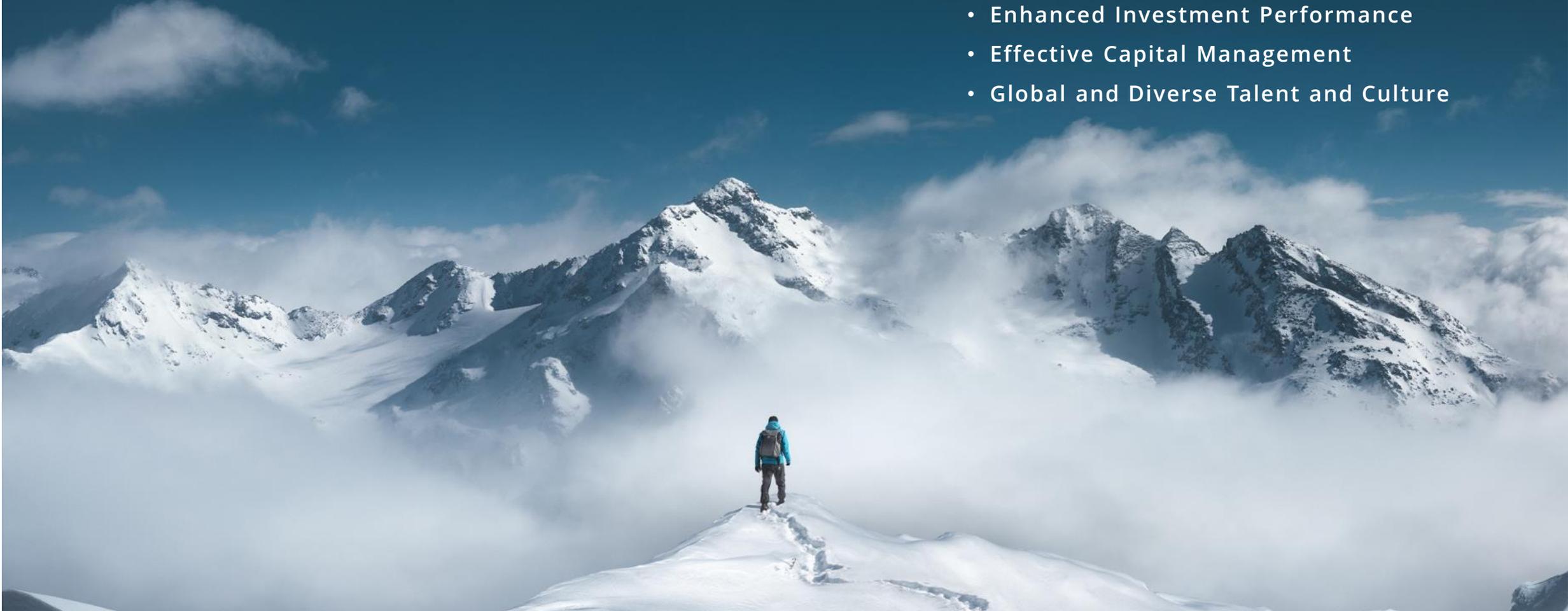
- 1 Our objective is to deliver **leading financial performance**
- 2 We are an underwriting company whose core competency is **the assessment, underwriting, pricing and management of risk**
- 3 We are committed to building a broadly diversified company built upon **competitive advantage and opportunistic responses** to market dislocations
- 4 We are focused on an **investment strategy that optimizes risk, return, liquidity and asset/liability management**, providing support for and balance to our underwriting risk
- 5 We are committed to an **efficient cost base, a flat, responsive, and entrepreneurial organization, and the relentless pursuit of continuous operational excellence**
- 6 Our plans are based on organic growth, but we will **continuously assess opportunities** to accelerate our strategy through acquisitions and partnerships
- 7 We are committed to **investing in our people, culture**, and building on ESG best practices in everything we do. We hold ourselves to the highest ethical standards

# Forging a New Path Forward

Building on a  
50-year legacy

Operating from a  
position of strength

- Top Tier Management Team
- Operational Excellence
- Margin Expansion
- Enhanced Investment Performance
- Effective Capital Management
- Global and Diverse Talent and Culture



# Delivering For Our Stakeholders

Building on

## Strength

Accelerating profitable insurance growth / Capitalizing on leading global reinsurance franchise

Path forward is

## Clear

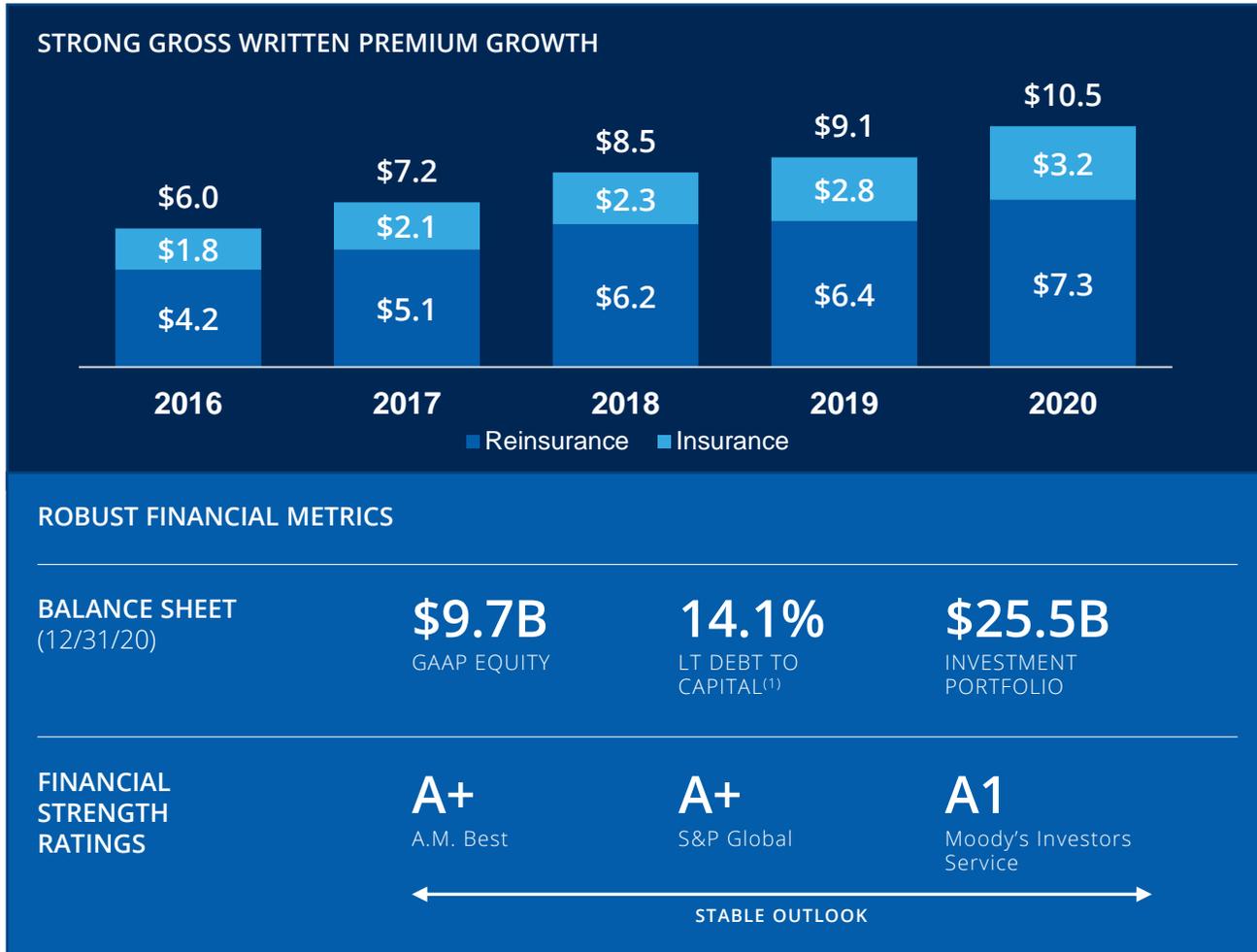
Defined strategic priorities

Delivering superior

## Results

Attractive shareholder returns

# A Unique Global Platform



## EVEREST: A MARKET LEADER

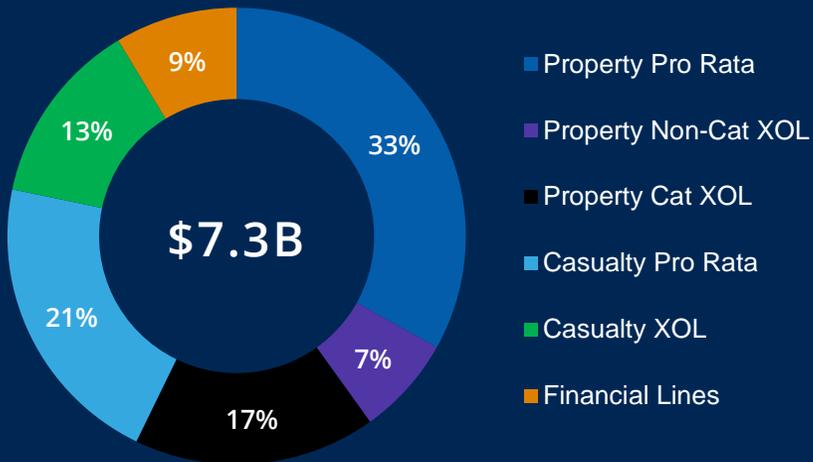
- Growth company with competitive advantage in key markets
- Broadly diversified income streams
- Strong underlying underwriting performance with reduced volatility
- Low expense base
- Nimble, entrepreneurial and responsive
- Strong cash flow
- Growing, highly liquid, strong credit quality investments
- Robust, scalable 3<sup>rd</sup> party capital capabilities

(1) Excludes FHLB debt

# Everest Re: Our Divisions

## Everest Reinsurance Division

### 2020 GROSS WRITTEN PREMIUM BUSINESS MIX

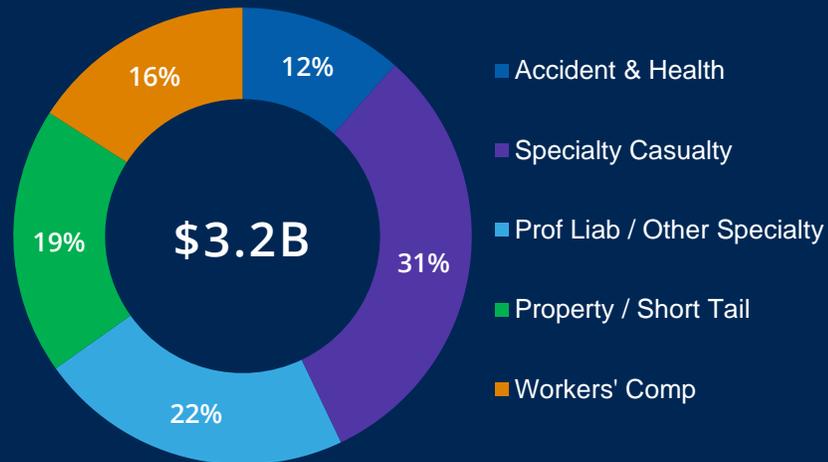


### KEY OPERATING STATISTICS

- 11% GWP CAGR (5-Years)
- 85.2% attritional combined ratio\* (2020)

## Everest Insurance® Division

### 2020 GROSS WRITTEN PREMIUM BUSINESS MIX



### KEY OPERATING STATISTICS

- 16% GWP CAGR (5-Years)
- 94.2% attritional combined ratio\* (2020)

### POSITIONING

- Entrepreneurial and responsive problem solvers
- Rigorous centralized business controls and risk management allow for active portfolio oversight
- Think Globally, trade locally with 24 offices in 10 countries
- Preferred partner to our customers

\* Attritional combined ratio excludes catastrophe losses, reinstatement premiums, prior year development and COVID-19 pandemic impact.

# Everest Leadership: Extensive Global Industry Experience

**Mike Karmilowicz**  
EVP and President &  
CEO of Insurance



**Mike Mulray**  
Chief Operating  
Officer of Insurance



**Chris Downey**  
CUO of  
Reinsurance



**Gail Van Beveren**  
EVP and Chief  
Human Resources  
Officer



**Sanjoy Mukherjee**  
EVP and General Counsel,  
CCO and Secretary



**Terry Walker**  
Chief Information  
Officer



**Anne Rocco**  
Group Chief  
Transformation and  
Shared Services Leader



**Jim Williamson**  
EVP and  
Chief Operating Officer



**Juan C. Andrade**  
President and  
Chief Executive Officer



**Mark Kociancic**  
EVP and  
Chief Financial Officer



**Seth Vance**  
Chief Investment  
Officer



**Don Mango**  
Chief Risk Officer and  
Chief Actuary

# Strategic Building Blocks



# Building Our Franchises



## Insurance

- Fully Embed Data Analytics Across Organization
- Improve Claims Outcomes
- Enhance Distribution
- Expand Global Footprint
- Scalable Operating Model



## Reinsurance

- Continue Local Execution Supported by Strong Core
- Targeted Diversification Globally and by Product
- Grow Alternative Capital



## Investments

- Maintain Portfolio Diversification
- Optimize Total Return Strategy
- Invest with ESG Mindset

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### FRANCHISE STRATEGY BENEFITS

- Accelerate profitable top line growth in attractive markets
- Attain target Combined Ratios in the low 90s
- Enhance sustainability and diversification
- Optimize risk-adjusted returns with a capital efficient investment portfolio

# Continuous Pursuit of Operational Excellence



## Underwriting Discipline

- Build on Culture of Risk Management
- Increase Feedback Loops
- Instill a Holistic View of Risk
- Develop Next Generation ERM Capabilities



## Operating Model

- Use Enhanced Underwriting Analytics
- Enhance Process Efficiency
- Unleash Power of Claims
- Leverage Flat, Agile and Responsive Organization



## Capital Allocation

- Clearly Defined Capital Management Framework
- Expand Sources of Underwriting Capacity
- Allocate Capital to Best Economic Opportunities

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### OPERATIONS STRATEGY BENEFITS

- Improved risk-adjusted operating margin with reduced volatility
- Proactive and scalable management model
- Optimized capital structure with dynamic allocation to highest value opportunities

# Winning Behaviors

## People, Talent and Culture



- Invest in our People and in new Talent Across Organization

## Promoting Diversity, Equity and Inclusion



- Commitment to an inclusive organization

## Pursue ESG Excellence



- Focus on Environmental Impact / Climate Change
- Best-in-class Governance

## Reinforcing Our Culture

Consistently Recognized by Business Insurance as a “Best Place to Work”



TALENT



THOUGHTFUL  
ASSUMPTION OF  
RISK



EXECUTION



EFFICIENCY



HUMILITY



LEADERSHIP

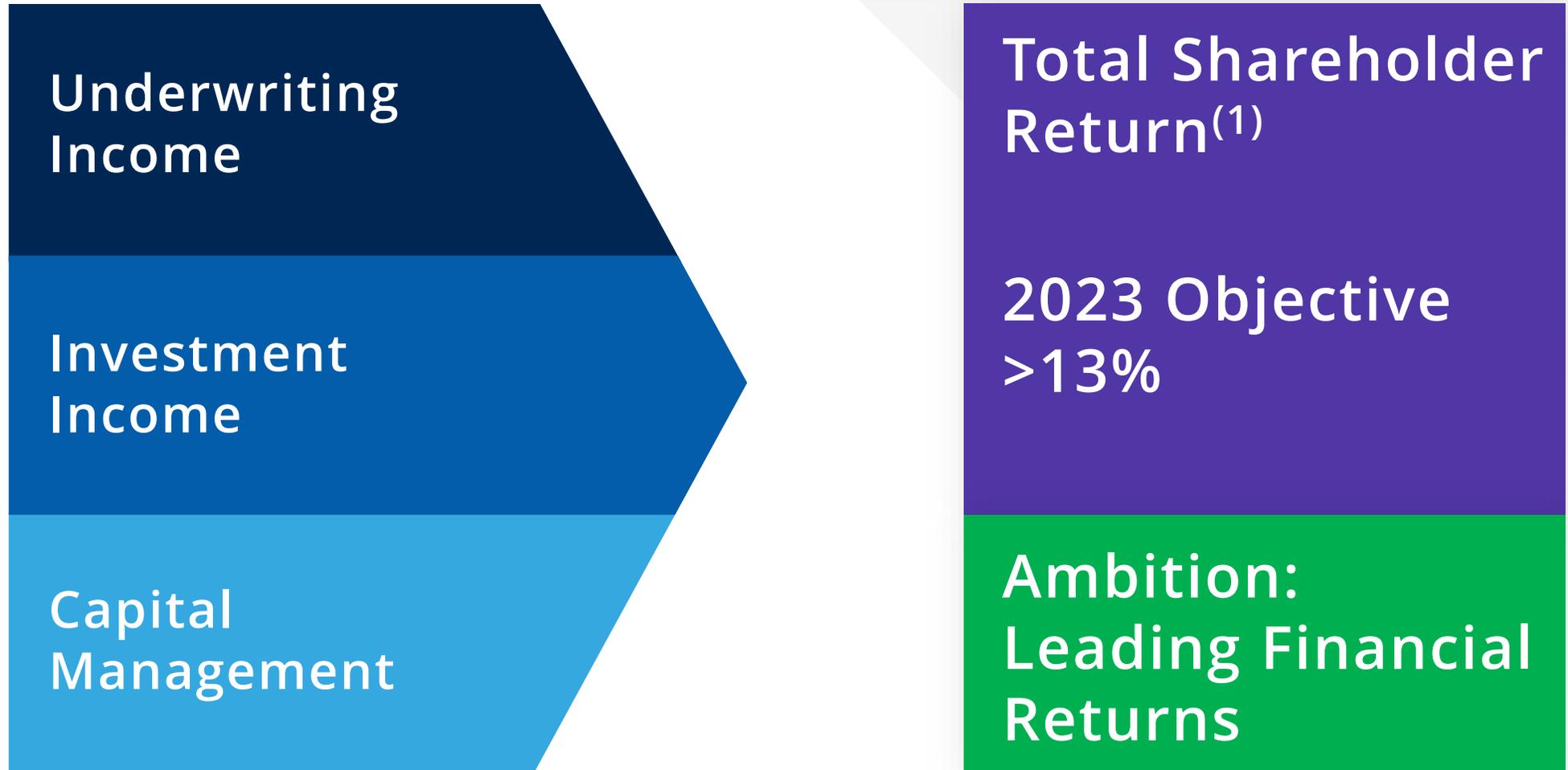


COLLABORATION



DIVERSITY,  
EQUITY AND  
INCLUSION

# Single Focus to Create Shareholder Value



(1) Total Shareholder Return is annual growth in Book Value Per Share excluding Unrealized Gains and Losses on Fixed Maturity Investments, plus Dividends Per Share

# Clear Strategic Direction to Drive Exceptional Outcomes



Seasoned management team forging a new path forward



Building on strengths to accelerate the growth of our franchises



Focusing on continuous operational excellence to drive margin expansion



Investing in our people and the communities we serve



Relentlessly pursuing financial performance: >13% Total Shareholder Return 2023 Target; Ambition for leading financial returns

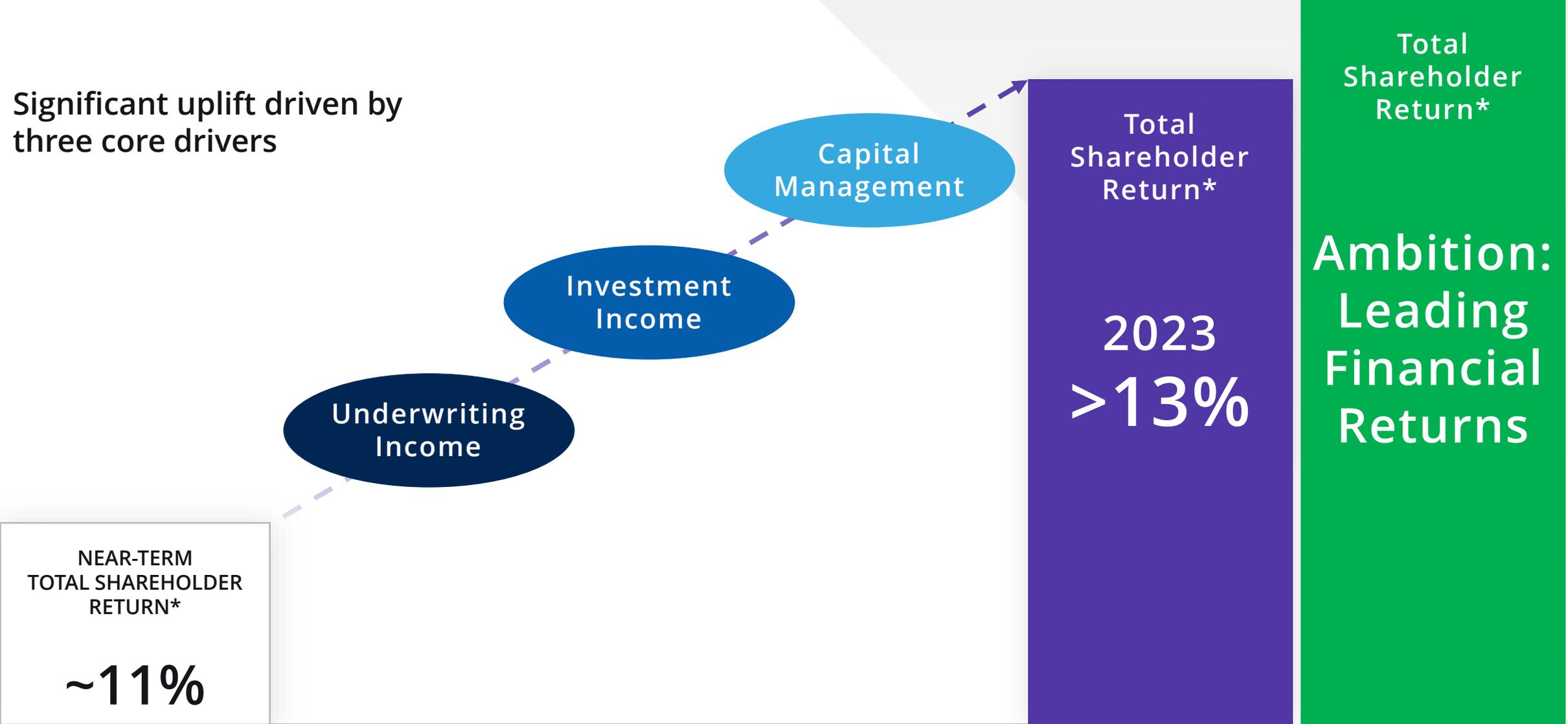
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# Group Finance Overview



# Raising the Financial Return Objective

Significant uplift driven by three core drivers



\* Total Shareholder Return defined as annual growth in Book Value Per Share excluding Unrealized Gains and Losses on Fixed Maturity Investments, plus Dividends Per Share

# 3-Year (2021 – 2023) Strategic Plan Financial Target Assumptions

<b>Underwriting Income</b>	<b>GWP Growth Rate</b> <ul style="list-style-type: none"><li>• Group: 10 – 15% CAGR</li><li>• Reinsurance: 8 – 12% CAGR</li><li>• Insurance: 18 – 22% CAGR</li></ul>	<b>Key Ratios</b> <ul style="list-style-type: none"><li>• 91% - 93% CR (Group and Divisions)</li><li>• 6 – 7% Cat load (included in CR)</li><li>• ~6% Group general expense ratio</li></ul>	<b>2023</b> <b>Total Shareholder Return*</b>  <b>&gt;13%</b>
<b>Investment Income</b>	<b>Investment Mix</b> <ul style="list-style-type: none"><li>• Increasing Alternative Fixed Income, Public &amp; Private Equity</li></ul>	<b>Return on Inv Assets</b> <ul style="list-style-type: none"><li>• 2.75% - 3.25%</li></ul>	
<b>Capital Management</b>	<b>Capital Structure</b> <ul style="list-style-type: none"><li>• A+ Financial Strength Rating<sup>(1)</sup></li><li>• 15 - 20% LT Debt Leverage Ratio</li></ul>	<b>Capital Return</b> <ul style="list-style-type: none"><li>• Commitment to proactive capital management</li></ul>	

\* Total Shareholder Return defined as annual growth in Book Value Per Share excluding Unrealized Gains and Losses on Fixed Maturity Investments, plus Dividends Per Share

(1) Moderately-high risk profile

# Delivering Financial Performance: Underwriting Income



## Premium Growth & Scale

- Strong gross written premium growth creates operating leverage
- Scalable platforms



## Technology Enhancements

- Investment in data & analytics
- Improved claims outcomes
- Transitioning manual processes to automated solutions



## Underwriting and Portfolio Optimization

- Thoughtful cycle management
- Dynamic portfolio management
- Margin expansion
- Expense discipline

# Delivering Financial Performance: Investment Income



## Core Portfolio Strategy

- Assets backing reserves
- High quality and liquid with matched duration while maximizing yield



## Total Return Strategy

- Assets backing capital
- Enhanced investment returns with larger allocation to Alternative Fixed Income, Public & Private Equity

# Delivering Financial Performance: Capital Management

## CAPITAL MANAGEMENT OBJECTIVES

- Capital management evaluated over a long-term horizon
- Optimize operating and financial leverage position
- Target lower cost capital structure
- Thoughtful capital deployment

## CAPITAL MANAGEMENT FRAMEWORK

- 1 Financial Strength**  
Commitment to an A+ equivalent Financial Strength Rating (FSR) 
- 2 Organic Growth**  
Accretive organic growth is primary use of capital 
- 3 Dividends**  
Committed to quarterly cash dividends 
- 4 Share Repurchase**  
Deploy excess capital for benefit of shareholders 
- 5 Inorganic Growth**  
Selectively consider acquisitions that support organic growth 

# Dynamic Resource Allocation Process



## Strategic Planning

- Long-term strategy and operating plan setting vision for the business
- Core strategy is updated to reflect annual planning process



## Annual Planning Process

- One-year operating plan and multi-year plan update
- Deployment of capital for accretive growth within our risk appetite



## Quarterly Reviews

- Quarterly review process
- Updated loss trends and emerging risks drive decision making



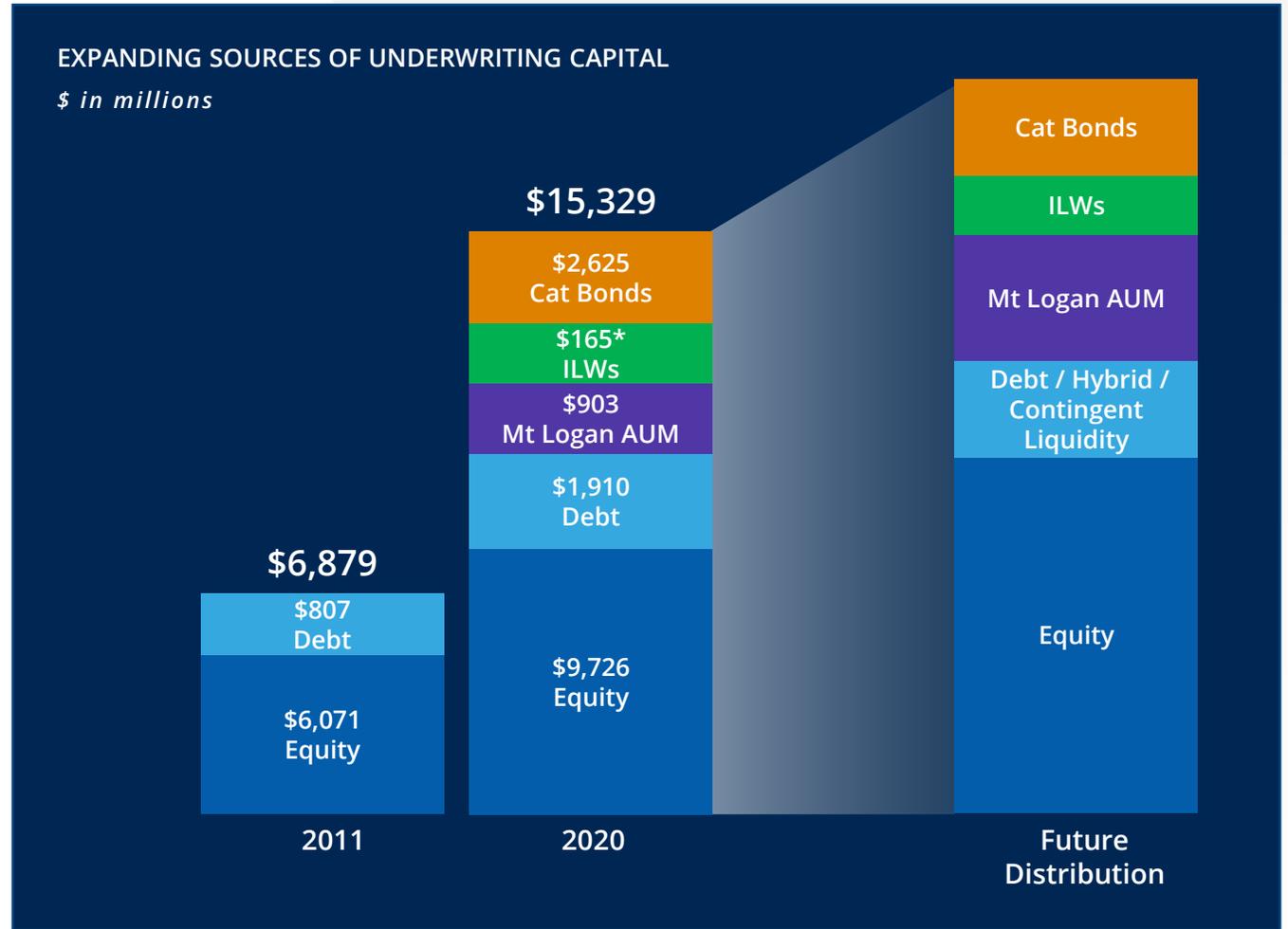
## Daily Tactical Updates

- Constant tactical adjustments made to the underwriting and investment portfolios

# Breadth of Underwriting Capacity

## UNDERWRITING CAPITAL STRATEGY

- Multiple forms of underwriting capital
- Utilizing capital that is most relevant for each underlying risk
- Strategic growth in Mt Logan Re – Everest's 3<sup>rd</sup> party investor risk securitization vehicle
- Continued utilization of cat bonds via Kilimanjaro Re vehicle



\* Average outstanding ILWs through 2020 US wind season.

# Strong and Flexible Capital Position

- A1 / A+ Financial Strength Ratings
- 14.1%<sup>(1)</sup> LT debt / capital at 12/31/20
- Low-cost debt (3.7% weighted average coupon)

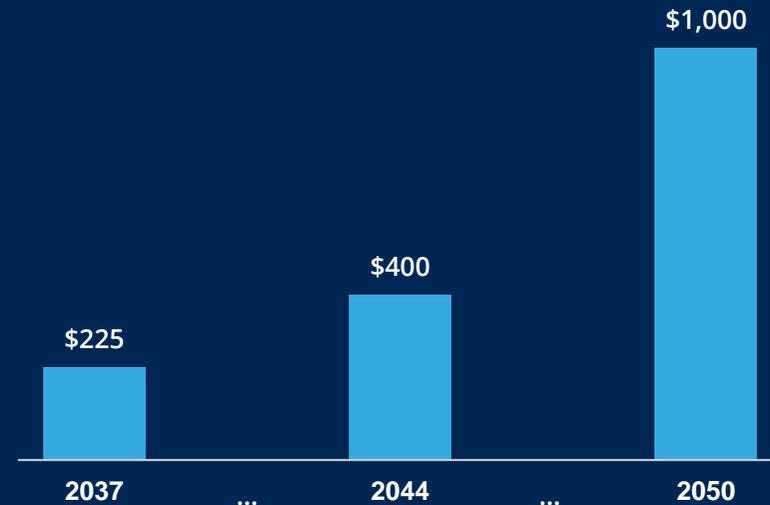
## Debt Issuance Principles

- Long-dated tenors and laddered maturities
- Regulatory and rating agency capital credit
- Low cost of capital
- Target LT debt leverage of 15 – 20%

(1) Excludes FHLB borrowings.

## Attractive Debt Maturity Profile

\$ in millions

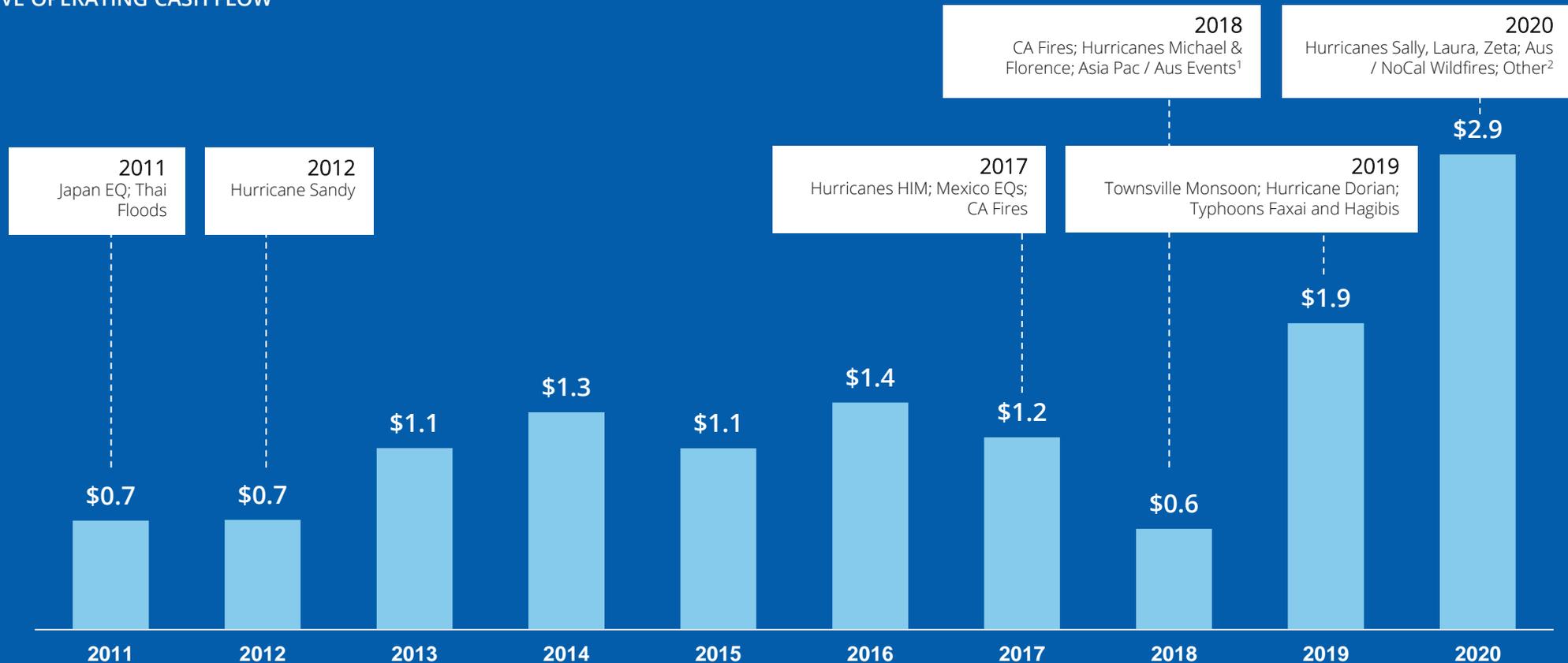


Note: 2037 sub debt initial call date was 2017

# Strong and Consistent Operating Cash Flow Generation

## CONSISTENTLY POSITIVE OPERATING CASH FLOW

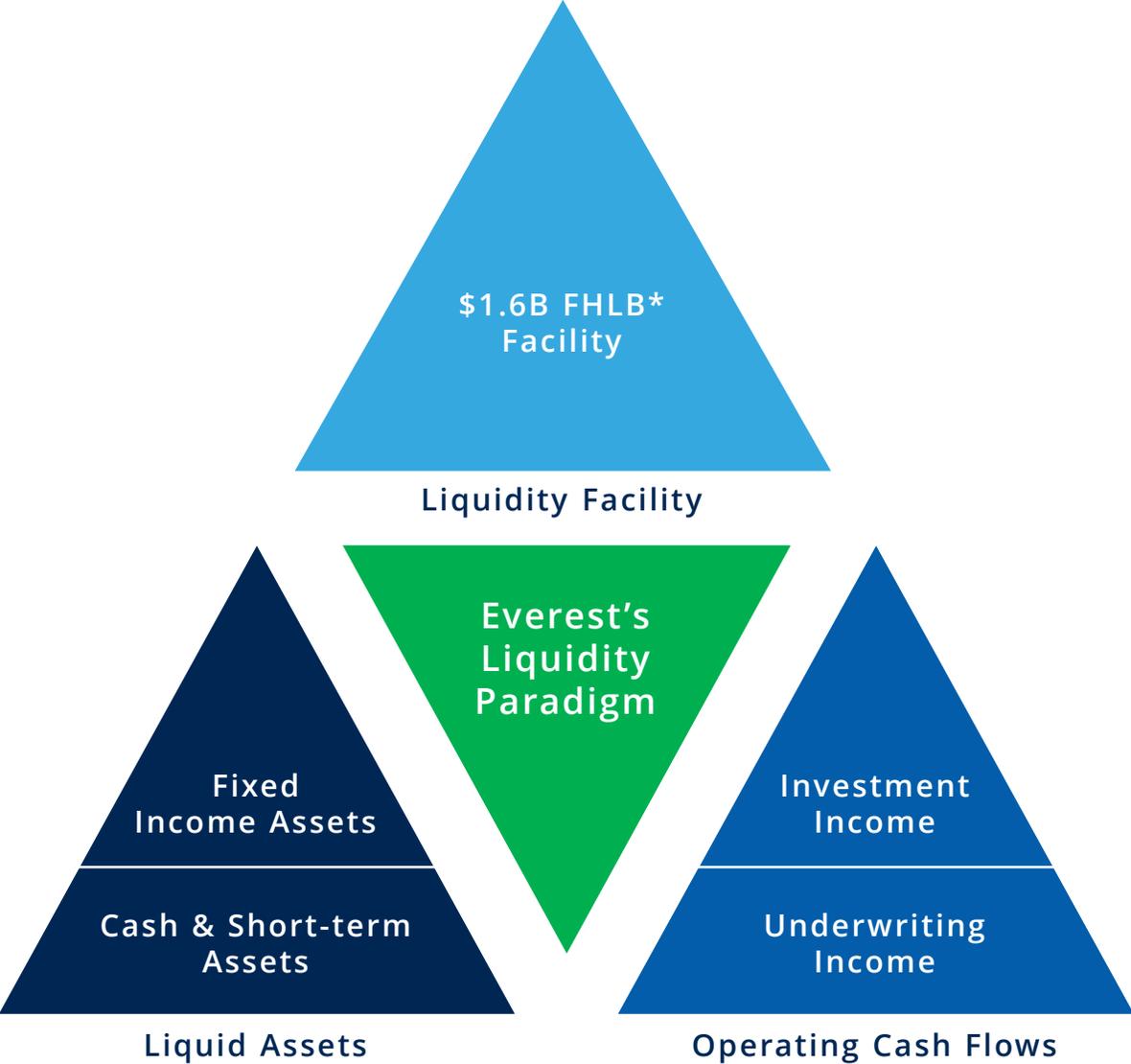
\$ in billions



1) 2018 Asia Pacific / Australian Events are: Typhoon Jebi, Cyclone Mekunu, Typhoon Tremi, Japan Floods, and Sydney Hailstorm

2) 2020 Other events includes: Hurricanes Isaias & Delta and Oregon Wildfires

# Prudent Liquidity Management



## STRONG LIQUIDITY PROFILE

- U.S. platform minimizes collateral requirements
- Strong operating cash flows
- Conservative PML's
- Quality reinsurance with significant available collateral
- Low debt leverage
- Readily marketable investment securities
- \$1.6B Federal Home Loan Bank (FHLB) credit facility

\* Federal Home Loan Bank (FHLB)

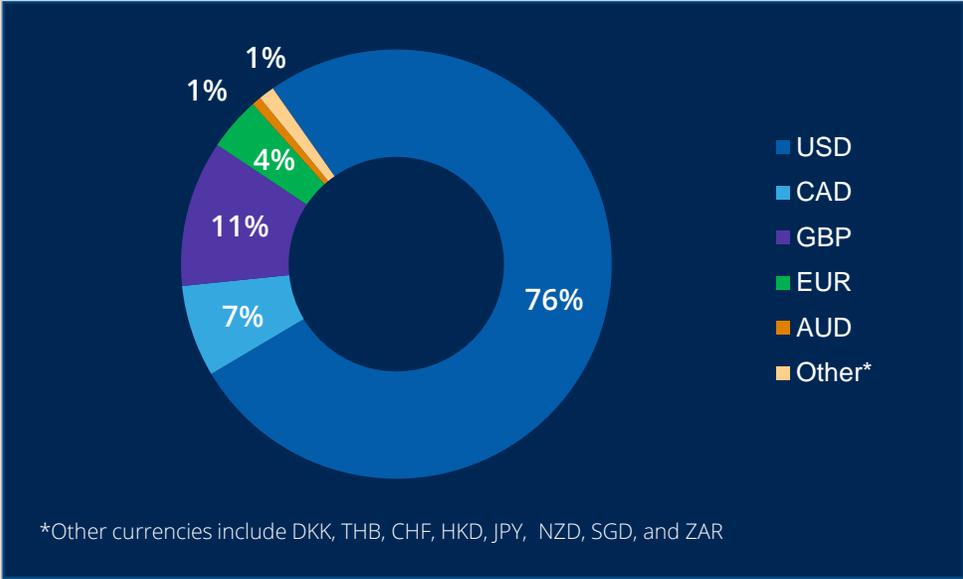
# Efficient Global Platform

## Key Centers of Operation



- United States
- Bermuda
- United Kingdom
- Switzerland
- Canada
- Ireland
- Belgium
- Netherlands
- Brazil
- Singapore

## Total Assets by Currency Allocation



**VALUE ENHANCING**  
**OPERATING STRUCTURE**

- Efficient global legal entity structure
- Operations based in advanced countries with stable political, regulatory and legal systems
- Focused on major currency exposure - high degree of capital fungibility and security
- \$30.4 billion in assets efficiently allocated around the globe

# Financial Strategy Supports Shareholder Value Creation



2023 Total Shareholder Return target >13%;  
Ambition for leading financial returns



10 - 15% gross written premium CAGR



Low 90's combined ratio assumption



Enhancing investment returns with greater focus on Alternative FI / PE



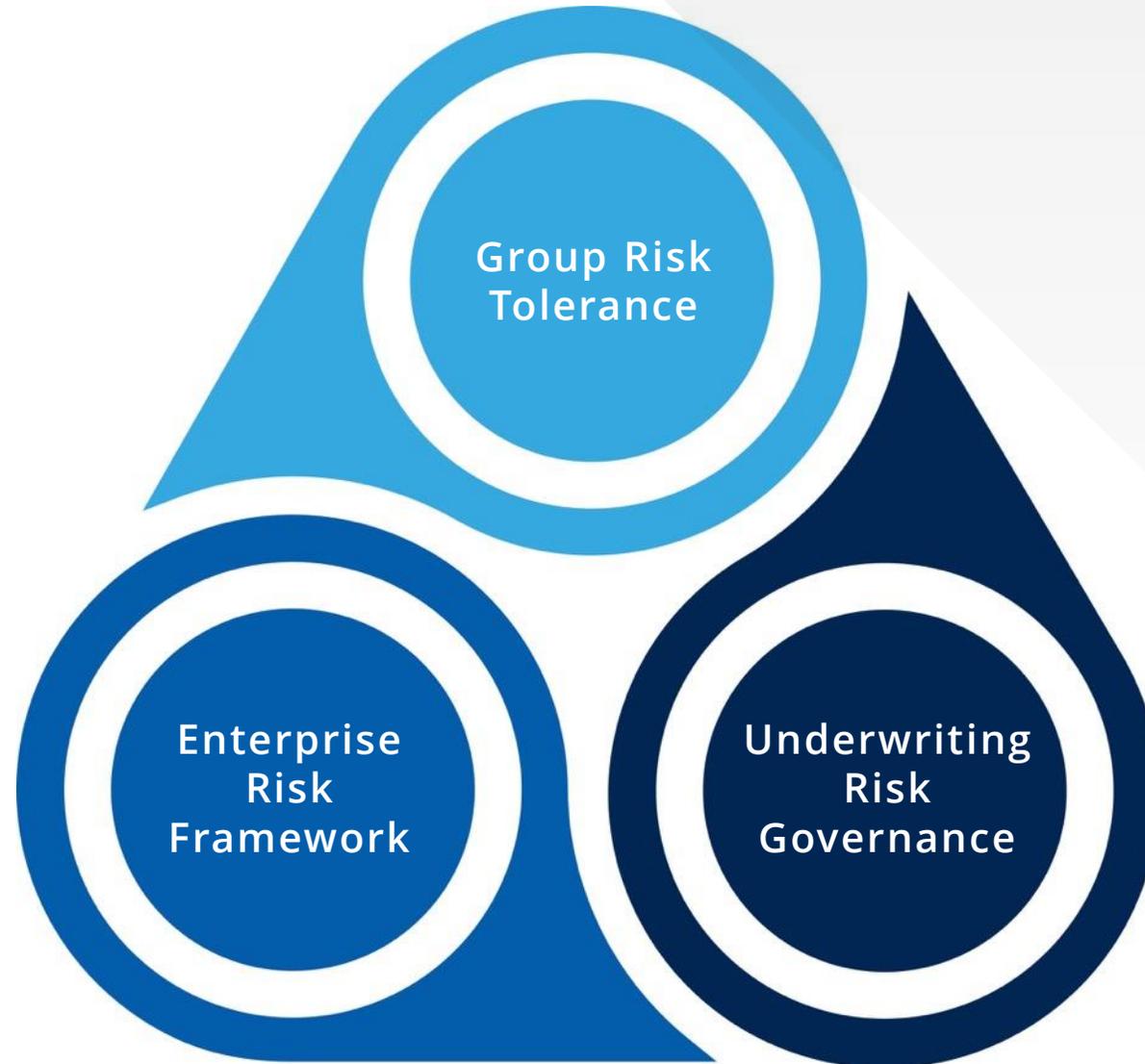
Capital structure evolution will improve shareholder returns

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# Group Risk

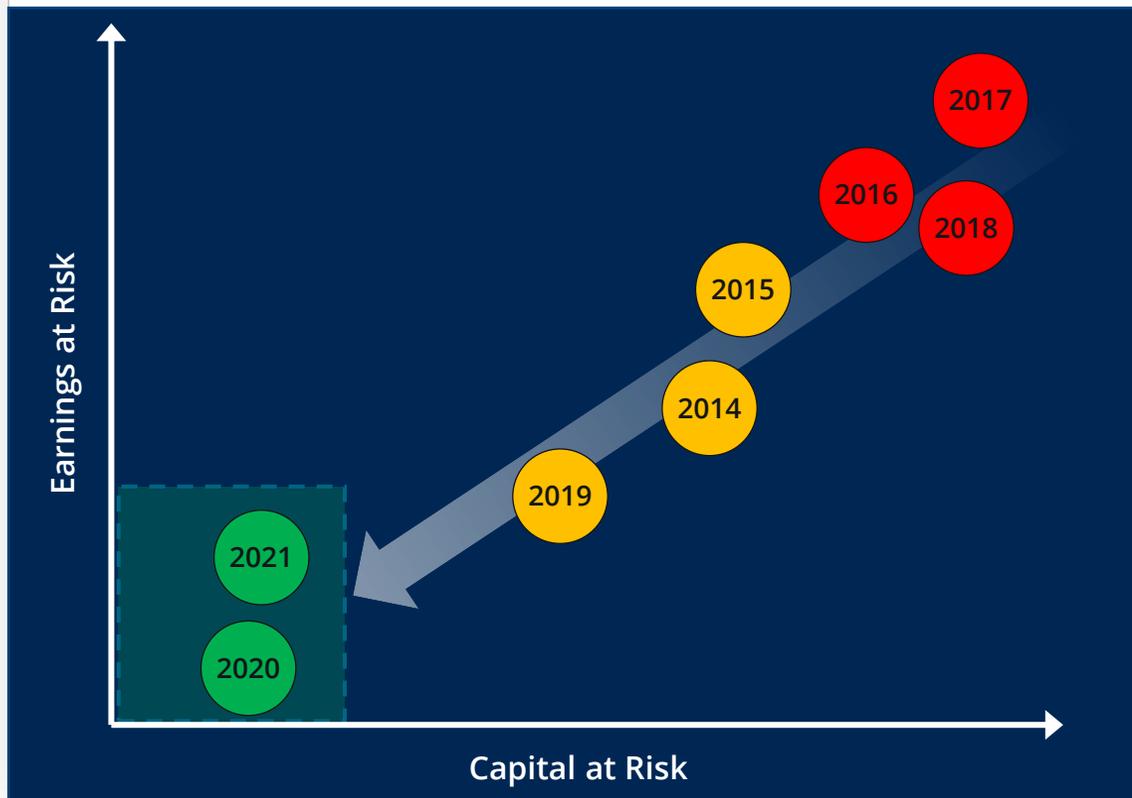


# Underwriting Governance Framework



# Transforming Everest's Risk Profile

## Risk Profile Managed to Superior Risk / Reward Economics



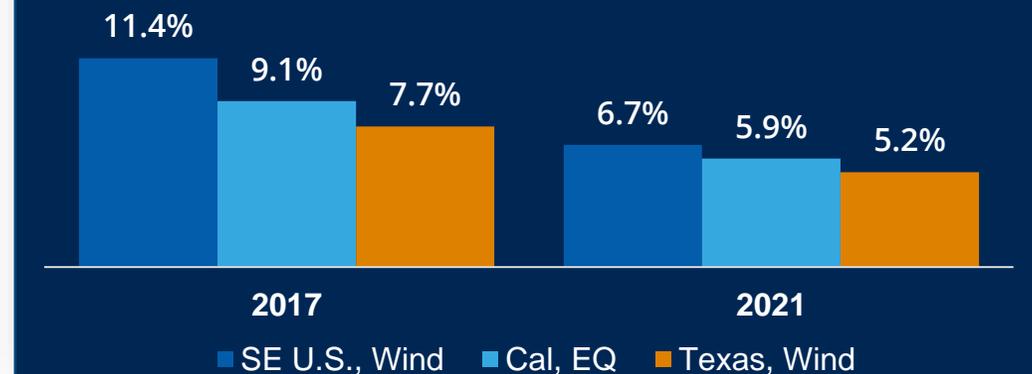
Illustrative purposes

### ENTERPRISE RISK STRATEGY

- Increased expected earnings despite significant reduction in risk profile
- Go-forward appetite defined by clear trading range
- Strong market conditions mean a nimble deployment of additional capacity

## Reducing Risk: PML Management

AFTER TAX 1:100 PML AS A % OF GROUP EQUITY\*



\* Calculated as the 1:100 PML as of January 1 of the respective year, divided by Everest's shareholders' equity of the preceding December 31.

# Everest's Approach to Climate Change Risk



## Science

- Academic research
- Meteorological agencies
- Live-tracking process



## Modeling

- Internal models
- Vendor models



## Experience

- 3rd party industry loss estimates
- Cedant data
- Internal claims

## Our Climate Change Perspective



- Higher global average temps and extreme heat / drought
- Increased flooding from rising sea levels and extreme rain
- Outsized cyclone and extra-tropical cyclone flooding and storm surge from steering currents and air moisture
- Greater global wildfire risk in varied geographies / biomes

## Incorporating Climate Risk



- Models use meteorological data and statistical analysis along with proprietary claims, loss information, cat models and traditional actuarial analysis
- Climate change is inherent component of adjustments
- Prioritize research in perils most influenced by climate change and are most impactful to overall business

# Governance Process to Effectively Manage Risk



Pervasive culture of rigorous risk analysis



Clear, observed appetites for all lines of business



Reduced volatility and increasing underwriting income



Robust risk management feedback loops and metrics

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Q&A



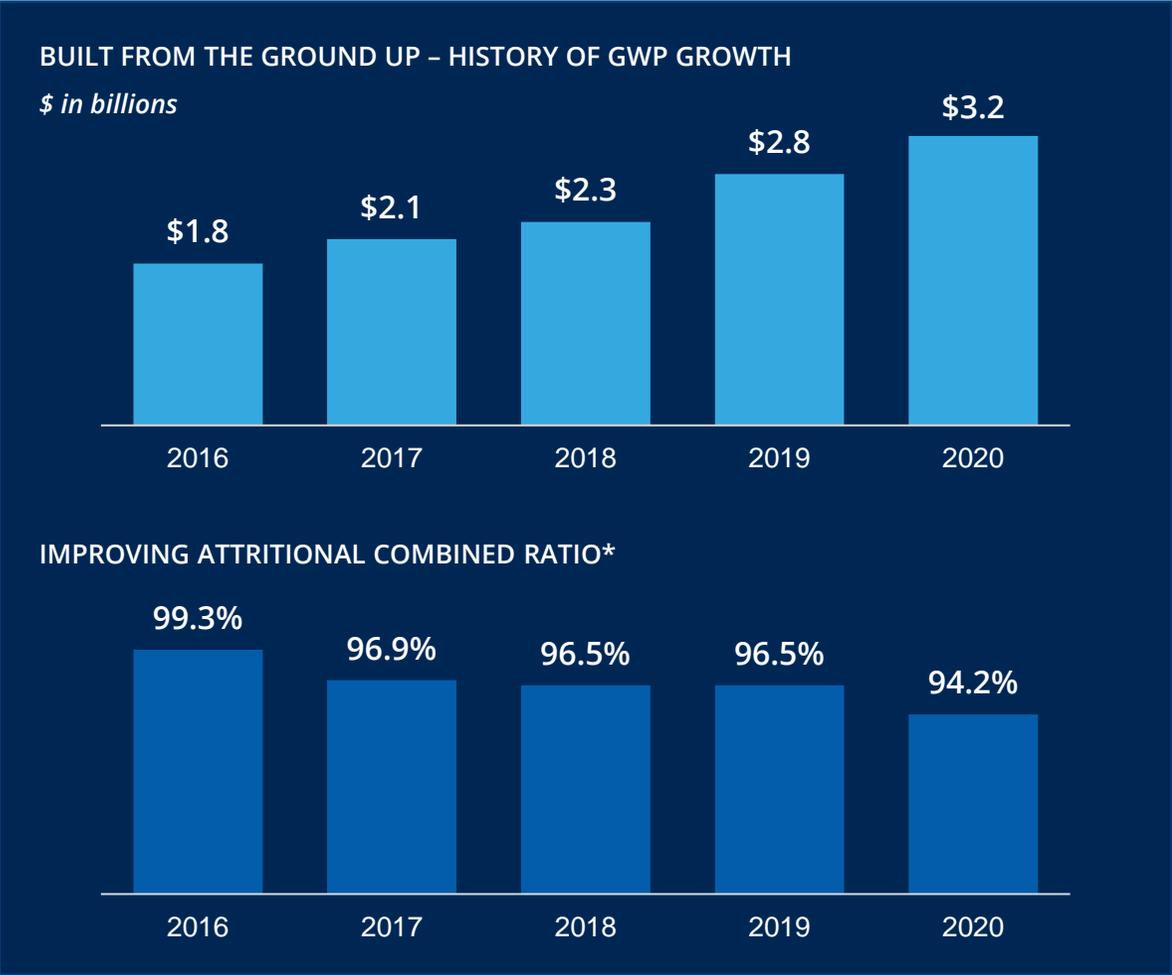
# Everest Insurance®



## Our Mission

To be a World-Class Specialty Diversified  
Global Insurance Company

# Leading Specialty Insurance Platform



## Specialty Commercial P&C Insurer

- Seasoned leadership team delivering on exceptional growth while reducing attritional combined ratios through effective portfolio management
- Extensive product breadth, with history of attacking market opportunities as they develop



\* Attritional combined ratio excludes catastrophe losses, reinstatement premiums, prior year development and COVID-19 pandemic impact.

# Positioned For Opportunity

Deliver top tier  
results

through the cycle

Deliver underwriting  
profitability with

Combined  
Ratios in the  
low 90s

Scale  
enterprise

through continued  
investment in  
automation, shared  
services, data, and  
claims

# A Value Proposition that Attracts and Retains Clients



## **Collaborative Culture**

A Culture rooted in Collaboration, Execution, Thoughtful Assumption of Risk, Leadership, and Humility, that values and prioritizes Diversity, Equity & Inclusion



## **Innovation and Solutions Focus**

Expertise and innovation in all that we do with deep domain knowledge in Underwriting, Claims, and Loss Control to solve problems and exceed customer expectations



## **Responsive and Nimble**

Nimble approach, solving complex problems in a responsive, intimate way



## **Customer Service Oriented**

Easy to work with, flat and agile organization structure enables decision-makers to solve problems quickly



## **Financial Strength**

Financial Strength and Stability with the Capacity to consistently bring solutions to the table

# Industry Leading Management Team

## EXECUTIVE LEADERSHIP



**MIKE KARMILOWICZ**  
President & CEO



**MIKE MULRAY**  
Chief Operating Officer



**DANA LODGE**  
Chief Financial Officer



**PATRICIA McMAHON**  
Chief Claims Officer



**MARCUS COOPER**  
Senior Vice President  
Head of North American  
Distribution, Insurance



**OWEN WILLIAMS**  
Senior Vice President,  
ETS Global Business  
Systems

## GLOBAL LEADERSHIP



**VINCENT VANDENDAEL**  
CEO  
Everest Global Markets



**NEIL LIGHTBOWN**  
CUO, Everest Global Markets  
and Active Underwriter,  
Syndicate 2786



**KYLE ADAMS**  
Head of Bermuda  
Insurance



**LINDA RYAN**  
CEO  
Everest Insurance®  
(Ireland), DAC



**DARIN SCANZANO**  
CEO  
Everest Insurance  
Company of Canada



**CAMERON VOGT**  
Global Head of Actuarial  
Pricing & Modeling

## SEGMENT LEADERSHIP



**DAVID SANDLER**  
President, Risk  
Management Group



**BRIAN DRUM**  
Senior Vice President,  
Head of Everest  
Underwriting Partners



**ROB CLARK**  
Senior Vice President,  
Head of Everest Specialty  
Underwriters



**CONNIE GERMANO**  
President, Specialty  
Casualty



**ERIK NIKODEM**  
Senior Vice President,  
Global Head of Property



**LOU MONTEAGUDO**  
Senior Vice President,  
Head of Accident &  
Health

# Building on a Track Record of Success

## Relevance

### Disciplined Product Launches



17 segments launched since 2016

45% of GWP in 2020 from new offerings

## Diversification

### Shifting Business Mix



Shift away from heavy Workers' Comp exposure to diversified mix

27% → 11% Monoline Guaranteed Cost Workers Comp as % of Portfolio (2016 - 2020)

## Growth

### Accelerating GWP Growth



15.5% GWP CAGR; accelerating as market conditions improved

\$1.8B → \$3.2B GWP (2016 - 2020)

## Profitability & Margin Improvement

### Improved Attritional Combined Ratio



Reduction in attritional CR as mix / diversification earn in portfolio through cycle management

5.1% Attritional CR improvement (2016 - 2020)

# Massive Market Opportunity

Property & Casualty Market  
Opportunity Size\*

**\$820 BILLION**

Estimated size of Global insurance market\*

**0.4%**

Everest's estimated  
share of the global  
insurance market\*

Insurance  
Opportunity

While Everest's relevance has continued to grow based on share of global commercial insurance premium placed, **significant runway remains.**

\*Source of Global Premium: \$798 Billion in 2019 from Finaccount; SwissRe Institute estimate of 2.7% Premium YOY growth in 2020

# Diverse Product Set Appeals to Broad Spectrum of Customers

## Customer Segment

Small Commercial & Digital Partnerships

Middle Market & Wholesale Solutions

Large Customer Accounts

## Everest Offerings

Standardized Products



Tech-supported Underwriting



Niche Industry Solutions

Speed to Market



Empowered Decision-Making



Specialized Terms & Coverages

Tailored Solutions and Services



Deep Industry Expertise



Global Reach

**Small Commercial & Digital Partnerships** is comprised of Everest Underwriting Partners, Eversports & Entertainment Insurance, other API-driven partnerships, A&H  
**Middle Market & Wholesale Solutions** is comprised of Wholesale Casualty & Property, Environmental, Life Sciences, Inland Marine, Lloyd's Syndicate, Multinational, Monoline Workers Comp, Excess Casualty  
**Large Customer Accounts** is comprised of Risk Management, Financial Lines, Transactional Risk, Energy Casualty, Surety, Everest Global Markets (Ireland), National Excess Casualty

# Diversifying and Deepening the Distribution Landscape

## STRATEGIC RESPONSES TO EMERGING TRENDS

### Trend

### Strategy

#### Consolidation

Ongoing mergers & acquisition in the wholesale & retail space

- Enterprise level engagement
- Intimate specialization
- Deepen partnerships

#### Segmentation

Increased delineation between wholesaler & retailers

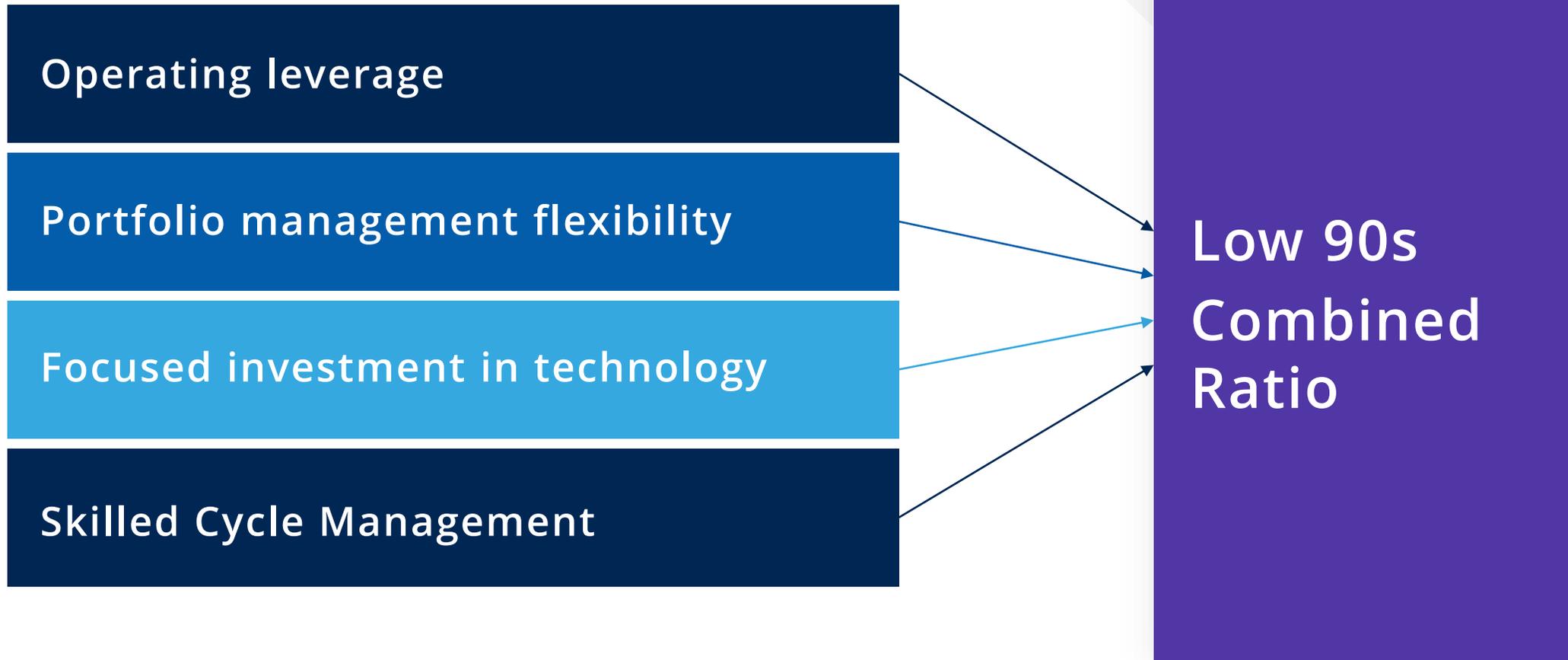
- Dedicated and distinct resources and expertise
- Alignment with industry verticals and capabilities

#### Digitization

Necessary capability going forward

- Online digital trading platforms
- API connectivity

# Scale Creates Margin Opportunity



# Positioned to Deliver



Differentiated Value Proposition grounded in Strong Culture



Right Leadership, Right Vision



Size of Global Market Opportunity



Focused Strategy, Aligned Capabilities



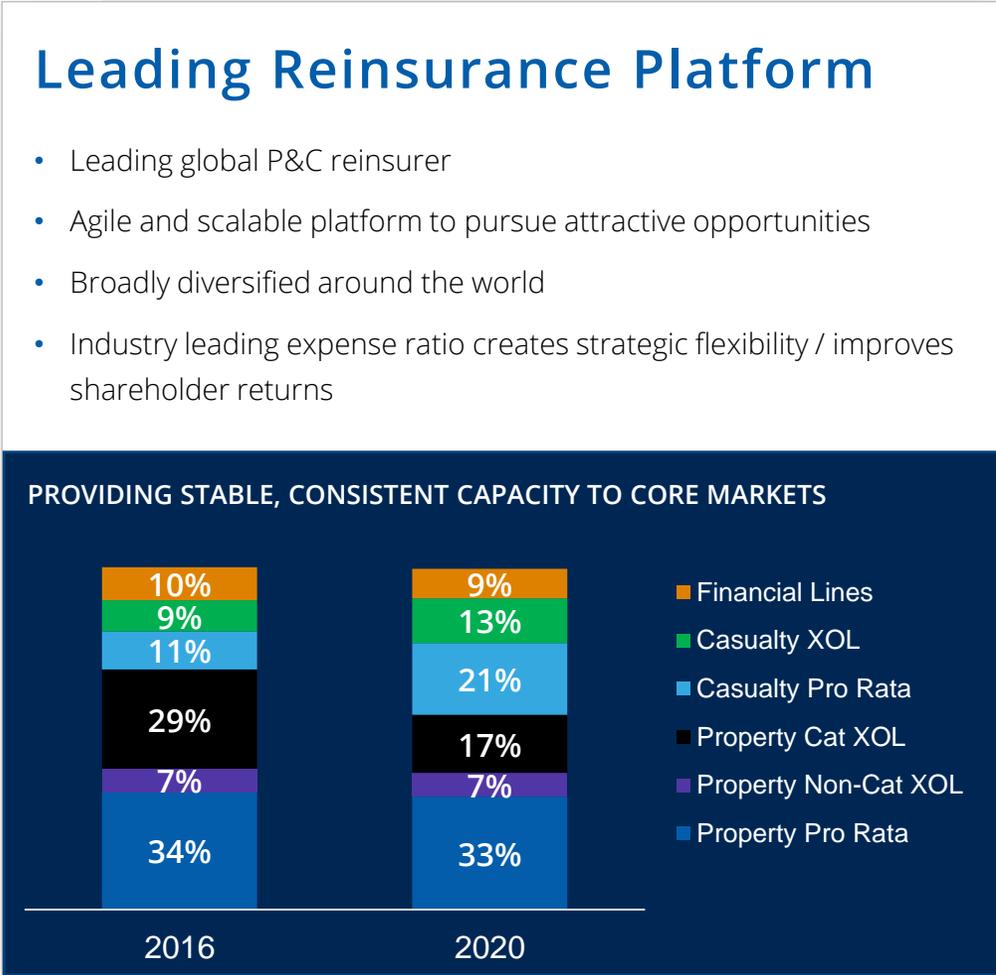
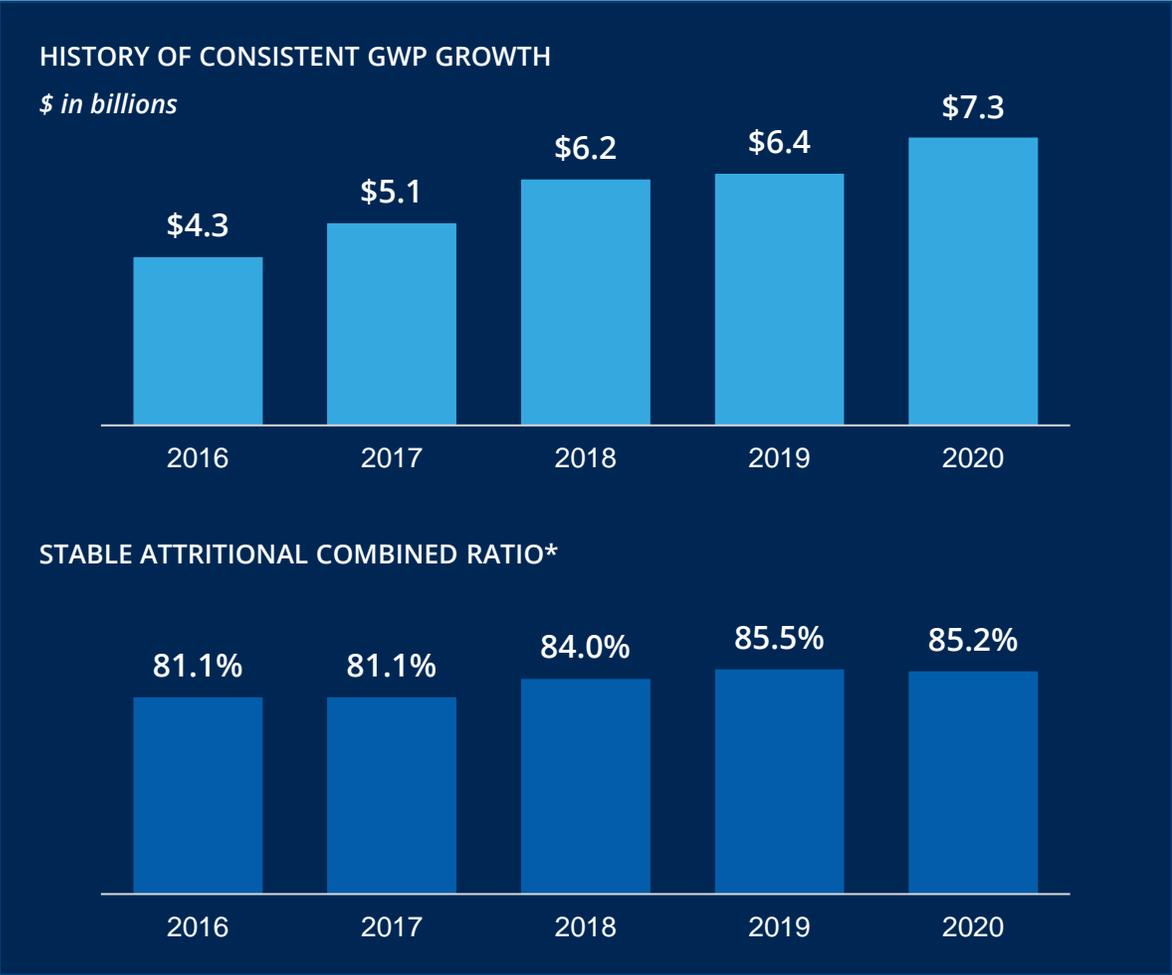
Delivering Top Tier Performance

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# Everest Reinsurance



# Leading Global Reinsurance Platform



\* Attritional combined ratio excludes catastrophe losses, reinstatement premiums, prior year development and COVID-19 pandemic impact.

# Everest Reinsurance is the Preferred Partner



### Local

- Senior leaders in key local markets empowered to make decisions
- Entrepreneurial culture



### Capability Breadth

- Broad capabilities across lines of business and products
- Actively marketing over 250 products



### Financial Strength

- Financial strength to deploy meaningful capacity
  - Balance sheet scale allows for nimble, rapid decision making
-

# Industry Leading Reinsurance Management Team

## EXPERIENCED GLOBAL LEADERSHIP TEAM

**Marty Scherzer**  
SVP  
Head of Structured  
Solutions

**Russ Lewis**  
SVP & Chief  
Agent, Canada

**Paul Tester**  
SVP & CUO  
London

**Artur Klinger**  
Managing Director,  
Continental Europe

**Dennis Alba**  
SVP  
U.S. Casualty &  
Surety

**Ron Diaz**  
EVP  
International  
Reinsurance

**Chuck Volker**  
SVP  
Treaty Property &  
Marine

**Melissa Ford**  
SVP  
Middle East / Africa

**Nitin Talwalkar**  
SVP  
Asia / Australia



**Ike Barbatsoulis**  
SVP  
Chief Claims Officer

**Lou Monteagudo**  
SVP  
Head of Accident &  
Health

**Sharry Tibbitt**  
SVP and Deputy CUO of  
Reinsurance

**Jim Williamson**  
EVP, Group COO  
and Head of Reinsurance

**Chris Downey**  
SVP and CUO of  
Reinsurance

**Peter Bell**  
SVP and Deputy  
Managing Director,  
Bermuda

**David Whiting**  
President /  
CUO Mt. Logan Re



# Existing Product Capabilities Supports Reinsurance Strategy

FLEXIBLE PRODUCTS TO HELP COMPANIES AND COMMUNITIES GET BACK TO NORMAL AFTER LOSS



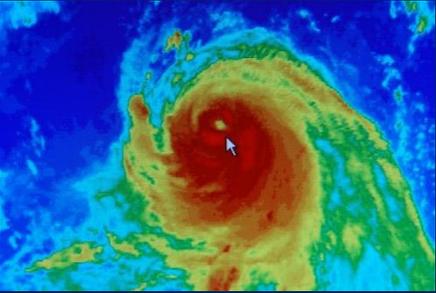
Aviation



Liability



Marine



Natural  
Catastrophes



Professional  
Liabilities



Residential and  
Commercial Housing

## Reinsurance Strategy Drivers



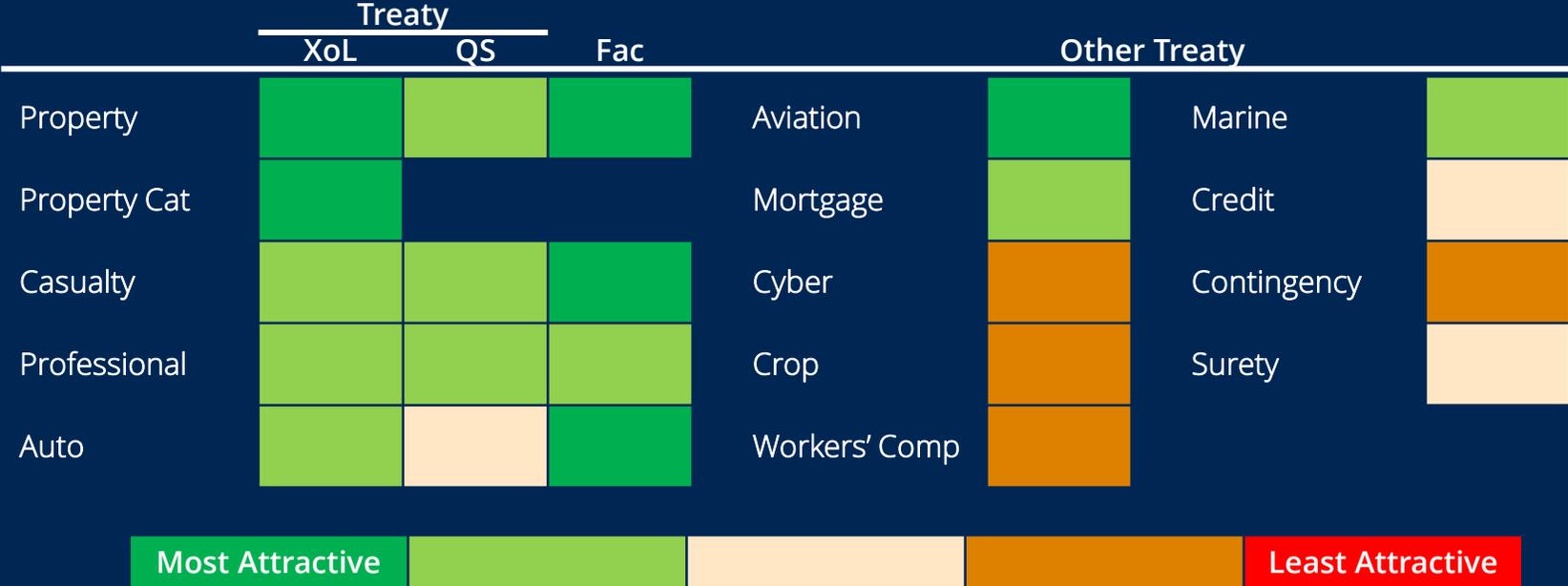
# Market Dynamics Favorable For Everest Reinsurance

## Market Drivers



- Recent loss trends have been challenging (COVID, Cat Frequency/Severity, Social Inflation, etc.)
- Underlying insurance rates exhibiting strong hardening
- Reinsurance terms and conditions improving simultaneously

## Everest Reinsurance Current Market View



# Partnership with Capital Markets Investors

## Leading ILS Manager



- Mt Logan investors are strategically aligned with Everest: win/win – lose/lose relationship
- Efficient capacity for Everest’s global underwriting franchise
- Enhances client relationships and improves terms

**7-Year**  
Track Record

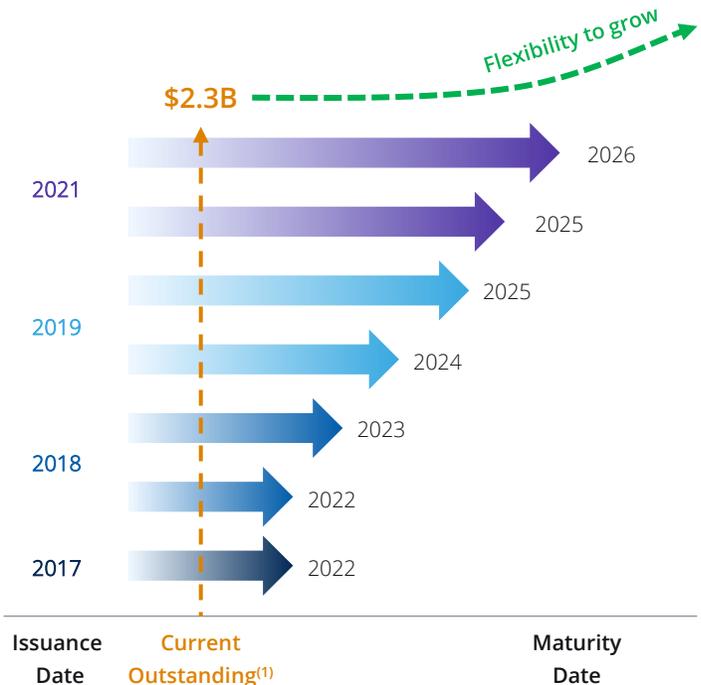
**Nearly \$1B**  
Assets Under Management

## Leading Issuer of Cat Bonds

### KILIMANJARO RE

- Largest global sponsor of cat bonds
- \$2.3B in-force<sup>(1)</sup> limit; staggered term over 4-5 years - creates portfolio of hedging over time
- Index-based, annual aggregate coverage

### LADDERED CAT BOND ISSUANCE STRATEGY



1. As of June 1, 2021

# Technology Augmenting Competitive Position and Margins

## RECOGNIZED TECHNOLOGY LEADER



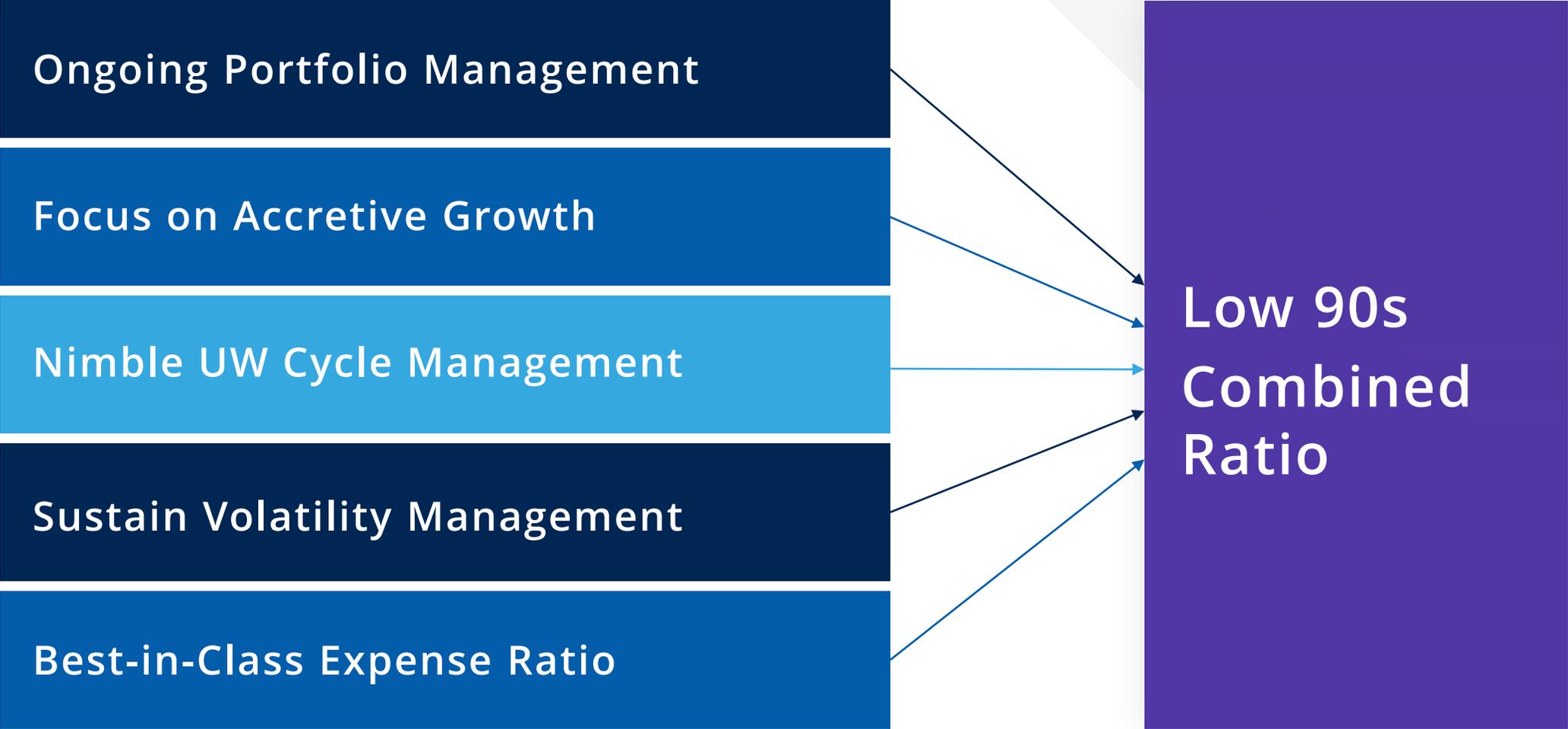
CAT PRICING TEAM WIN



REINSURANCE  
AUTOMATION PLATFORM

- 1 Core Systems**  
Build on core systems strategy
- 2 Enhanced Automation**  
Focus on analytics, automation and customer experience
- 3 Focus on Innovation**  
Data analytics enables data-driven decisions
- 4 Process Reengineering**  
Leverage artificial intelligence, machine learning and robotic process automation
- 5 Improved Analytics**  
Digital reinsurance workbench to improve return on underwriter

# Build on Industry Leading Position to Enhance Underwriting Profit



# Everest: A Leading Global Reinsurer



Preferred global trading partner for brokers and ceding clients



Industry leading talent, bench strength and product expertise



Trade globally in local markets while maintaining strong group controls



Product capabilities enable outperformance in all market conditions



Clear strategy to achieve growth & enhance margins

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# Investments



# Investment Portfolio Guiding Principles

## ENGINES OF EARNINGS POWER



- 1 Portfolio Diversification
- 2 High Degree of Liquidity
- 3 Strong Credit Quality
- 4 Match Asset / Liability Duration
- 5 Dual Strategy Approach: Stable Income and Total Return
- 6 Optimize Risk-Adjusted Return and Capital Efficiency

# Everest's Responsible ESG Investing



\* 0.29% exposure to companies that derive  $\geq 25\%$  of their revenue from coal. Prohibiting new purchases of companies that derive  $\geq 25\%$  of their revenue from coal

# One Portfolio: Two Investment Strategies



## Core Portfolio Strategy

### STABILITY AND LIQUIDITY

- Investment grade assets cover reserves
- Match asset / liability duration
- High degree of liquidity
- Solid credit quality
- Consistent stable income



## Total Return Strategy

### ENHANCED PERFORMANCE

- Maximize risk adjusted returns
- Ensure capital efficiency
- Achieve efficient frontier portfolio
- Long-term investment horizon

**\$25.5B**  
Investment  
Portfolio

# Asset Allocation Strategy

STRATEGIC ASSET ALLOCATION WITHIN RISK TOLERANCE			
	4Q 2020	Target	
		Min	Max
Cash	4%	2%	10%
Fixed Income	84%	70%	90%
<i>Short-term</i>	5%	0%	10%
<i>Government Related</i>	12%	10%	25%
<i>Corporate Bonds</i>	42%	35%	55%
<i>Agency</i>	9%	5%	15%
<i>Securitized<sup>1</sup></i>	14%	10%	20%
<i>Municipals</i>	2%	0%	10%
Public Equity	5%	0%	10%
Private Equity / Credit	7%	5%	15%

1. Securitized includes: CLOs, ABS, CMBS and Non-agency RMBS



## Asset Allocation Strategic Direction

### SHIFT IN PORTFOLIO CONSTRUCTION

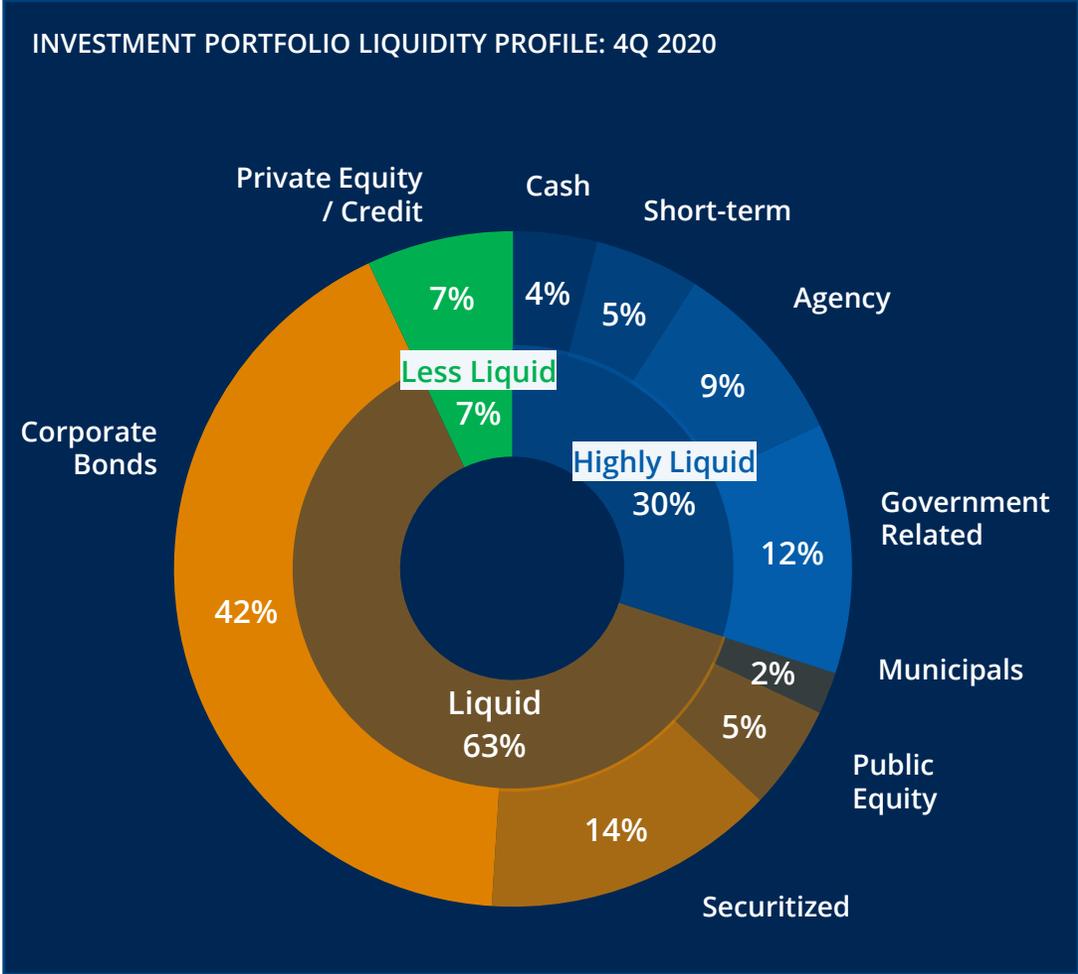
- Reduction in Corporate Bonds by 3-4% allocation
- Commensurate increase in Private Equity and Alternative Fixed Income (i.e. middle market loans, private debt and structured products)

### PHILOSOPHY

- Asset / Liability duration matching
- Retain strong credit quality and liquidity
- Improve capital efficiency

Expected  
**2.75% - 3.25%**  
 Return on Invested Assets

# Investment Portfolio Provides Exceptional Liquidity



## Multiple Sources of Cash Generation



- Diversification is a key tenet of the investment portfolio construction
- Substantial portfolio liquidity part of Everest’s overall liquidity paradigm
  - ~\$2B Cash & Short-term Investments
  - ~12 – 13% of existing fixed portfolio naturally liquidates annually due to maturities and calls
- Operating cash flows and portfolio liquidity create opportunity to continuously maximize yield using strategic asset allocation

# Enhancing Yield Utilizing Alternative Fixed Income



## Enhanced Yield Opportunities

- Alt FI portfolio not matched against reserves providing more latitude for targeted risk-adjusted return maximization
- Floating rate product reduces duration while also providing some inflation protection
- Well understood set of targeted products with attractive risk / return dynamics:

CLO	LOANS
PRIVATE IG	DIRECT CREDIT
EMERGING MARKET DEBT	HIGH YIELD



## Alt FI Portfolio Design Changes

- Portfolio regularly adjusted to maximize risk adjusted return on allocated capital
- Increased focus on rated investment alternatives to optimize return on capital
  - CLOs and rated middle market loan structures exhibit attractive risk-adjusted returns
  - Shifting away from lower credit quality EMD
- Targeting **~200 bps yield pickup** with consistent duration and credit quality metrics of investment grade bonds

# Total Return Strategy Enhances Portfolio Performance

## Everest's Private Equity Strategy

### RATIONALE FOR PRIVATE EQUITY

- Outperformed public equity over last 15 years
- Reported volatility is ~30% lower than public equity
- Diversifies portfolio and optimizes risk-adjusted return profile

### PE INVESTMENT GUIDING PRINCIPLES

- Primary focus is U.S. Buyout
- Targeting tier-1 managers
- Laddered investments / vintage approach

### PRIVATE EQUITY PORTFOLIO MIX OBJECTIVES

**\$1.8B**  
Private Equity /  
Credit Portfolio



## Tactical Approach to Public Equity

- Total return opportunity with rapid liquidity for redeployment
- Select, sector-specific investment strategies

**\$1.3B**  
Public Equity Portfolio

# Investments: A Core Earnings Engine



Single portfolio with two strategies: Core and Total Return



Continued focus on responsible investing



Core strategy provides liquidity, stability and current income



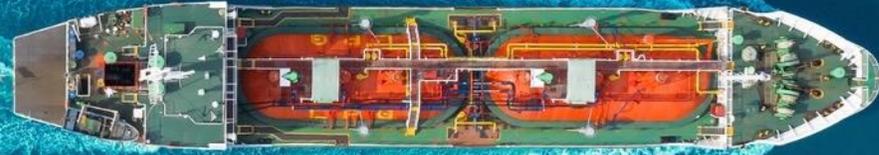
Shift towards PE will improve performance



Investment performance is key to Everest's shareholder returns

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# Investing in Everest



# Investing In Everest



Everest is a growing leading global reinsurance and insurance franchise



Seasoned leadership team in place forging a new path forward



Broadly diversified earnings power: Reinsurance, Insurance and Investments



Franchises are well positioned to drive growth and expand margins with reduced volatility



Strategic plan 2023 target of >13% Total Shareholder Return;  
Ambition for leading financial performance

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Q&A





Thank you  
for joining Everest's  
2021 Investor Day

# Appendix

## Reference Information

**NYSE: RE**

Outstanding Debt: L+2.385% Sub Notes due 2037  
4.868% Sr Notes due 2044  
3.500% Sr Notes due 2050

FINANCIAL  
STRENGTH  
RATINGS

**A+**  
A.M. Best

**A+**  
S&P Global

**A1**  
Moody's Investors  
Service

← STABLE OUTLOOK →

## 2020/'21 ESG Rankings

**ISS**

Environmental: 6  
Social: 5  
Governance: 4

**SAM**

44<sup>th</sup> percentile

**MSCI**

BB

**SUSTAINALYTICS**

Low Risk  
#23 of 290  
insurers ranked

\* AS of May 2021. Score of 1 is best.

## Definitions / Notes

- **Total Shareholder Return:** annual growth in Book Value per Share, excluding Unrealized Gains and Losses on Fixed Maturity Investments, plus Dividends per Share
- **Attritional Combined Ratio:** Calendar year combined ratio excluding catastrophe losses, reinstatement premiums, prior year development and COVID-19 pandemic impacts.
- Note: Asset allocations (both percentages and dollar amounts) have been adjusted relative to GAAP financial presentation to reflect underlying asset risk profile rather than legal entity structure of holding where relevant.

## Glossary of Terms

- **BVPS:** Book Value per Share
- **CLO:** Collateralized Loan Obligation
- **CR:** Combined Ratio
- **DPS:** Dividend per Share
- **EMD:** Emerging Market Debt
- **Fac:** Facultative Risk
- **ILS:** Insurance-linked Securities
- **ILW:** Industry Loss Warranty
- **PML:** Probable Maximum Loss
- **Private IG:** Private Investment Grade Debt
- **QS:** Quota Share
- **XOL:** Excess of Loss