



# Everest Re Group, Ltd.

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**Bank of America 2016 Insurance Conference**

**FEBRUARY 10, 2016**

EVEREST RE GROUP, LTD • SEON PLACE, 141 FRONT STREET, 4TH FLOOR • HAMILTON HM 19, BERMUDA

# Cautionary note on forward-looking statements

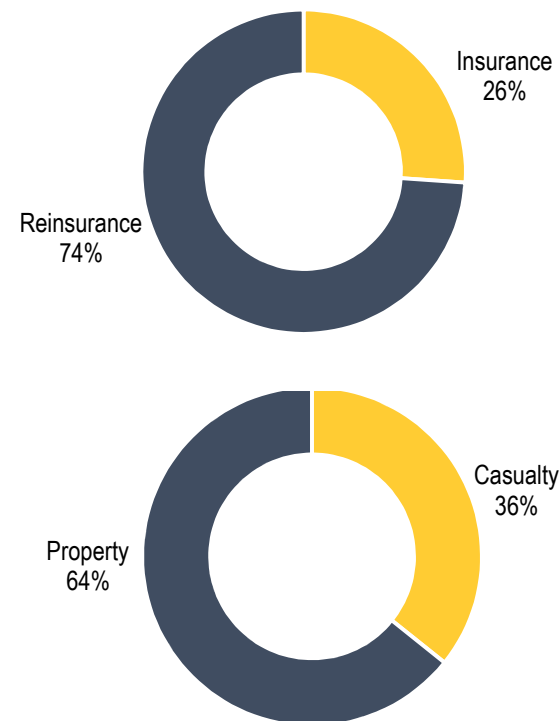
This presentation contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. Federal securities laws. These statements involve risks and uncertainties that could cause actual results to differ materially from those contained in forward-looking statements made on behalf of the company. These risks and uncertainties include the impact of general economic conditions and conditions affecting the insurance and reinsurance industry, the adequacy of our reserves, our ability to assess underwriting risk, trends in rates for property and casualty insurance and reinsurance, competition, investment market fluctuations, trends in insured and paid losses, catastrophes, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. 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.

# The Everest Advantage

WELL POSITIONED TO CONTINUE TO BUILD VALUE

- Strong Brand Recognition
- Top ratings (A.M. Best A+; S&P A+; Moody's A1)
- Experienced Management Team and Board of Directors
- Winning Culture – disciplined, focused on profitable growth, accountable – results oriented, flat and nimble in decision making
- Efficient Operating Structure – 4.9% group expense ratio and 2.9% expense ratio for reinsurance operations only
- High-quality, liquid investment portfolio with \$17.7 Billion of assets with an average rating of Aa3
- Strong Balance Sheet - \$7.6 Billion in GAAP equity
- Diversified Book of Business – Reinsurance/Insurance; Property/Casualty; U.S./Non U.S.

2015 Gross Written Premium  
\$5.9 Billion



Experienced  
Team

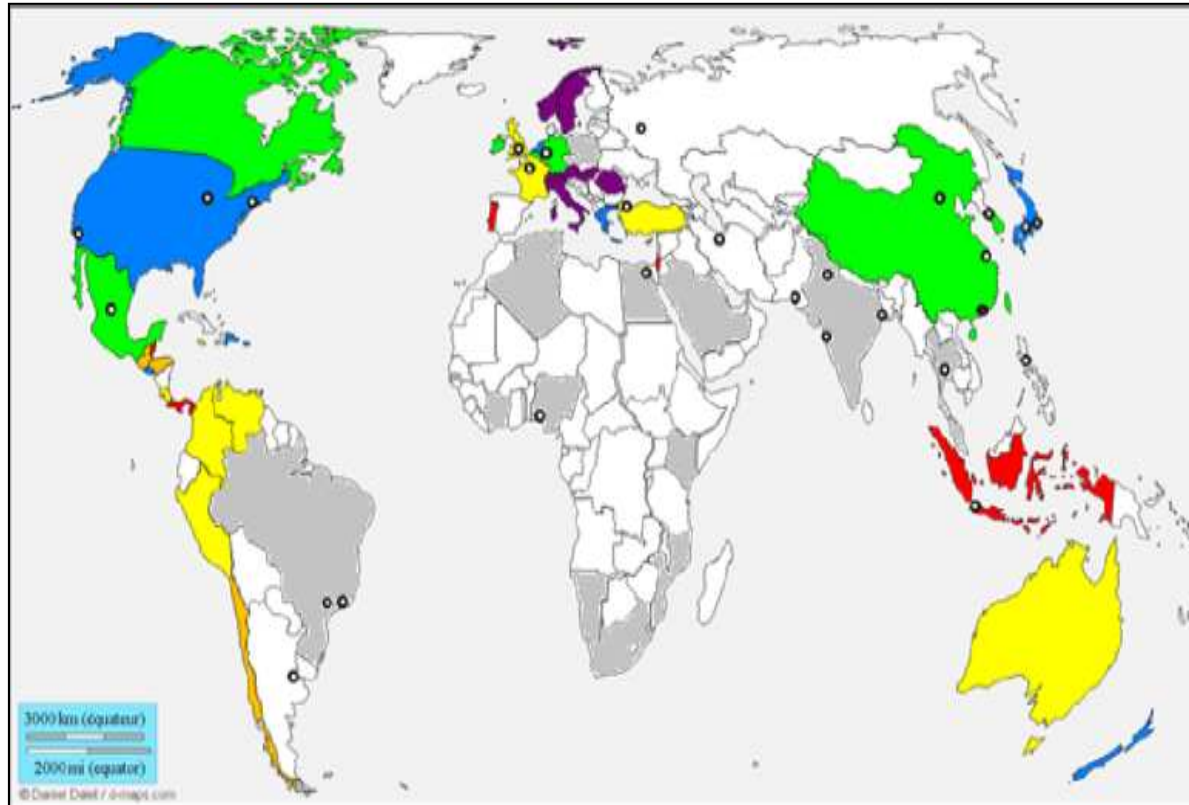
Strong Cycle  
Management

Diversified  
Business Platform

Disciplined Growth

# Everest Re – A Premier Global Insurance Franchise

GLOBAL PLATFORM PROVIDES GEOGRAPHIC REACH ACROSS VIRTUALLY ALL P&C LINES OF BUSINESS



| Map Color Key |             |
|---------------|-------------|
| Color         | Mkt Share % |
| Purple        | 0.1% - 1.0% |
| Blue          | 1.0% - 1.5% |
| Green         | 1.5% - 2.0% |
| Yellow        | 2.0% - 5.0% |
| Orange        | 5.0% - 6.0% |
| Red           | >6.0%       |

*Geographic presence across property markets; grey regions indicate that Everest maintains a presence in these markets but there is not enough market data to quantify market share.*

In today's highly competitive reinsurance environment, Everest Re's top tier industry size, client and broker historical relationships, existing profitable participation on client programs and access to new business  
**-- simply can not be replicated**

# Long Term Market Presence

| Rank   | Reinsurer               | 1989 Prem (\$M) | % of RAA Industry |
|--------|-------------------------|-----------------|-------------------|
| 1      | General Re Group        | \$1,797         | 17%               |
| 2      | Employers Re. Corp.     | \$1,114         | 10%               |
| 3      | American Re             | \$871           | 8%                |
| 4      | Swiss Re America        | \$630           | 6%                |
| 5      | Munich Re Group         | \$571           | 5%                |
| 6      | Prudential Re (Everest) | \$503           | 5%                |
| 7      | Transatlantic/Putnam    | \$472           | 4%                |
| 8      | F&G Re (Platinum)       | \$416           | 4%                |
| 9      | Kemper Re               | \$328           | 3%                |
| 10     | Transamerica Re         | \$280           | 3%                |
| 11     | CIGNA Re                | \$273           | 3%                |
| 12     | Skandia America Group   | \$262           | 2%                |
| 13     | National Re             | \$243           | 2%                |
| 14     | Constitution Re         | \$240           | 2%                |
| 15     | NAC Re                  | \$192           | 2%                |
| Top 15 |                         | \$8,194         | 77%               |
| Top 10 |                         | \$6,983         | 65%               |
| Top 5  |                         | \$4,983         | 47%               |

| Rank   | Reinsurer             | 2013 Prem (\$M) | % of RAA Industry |
|--------|-----------------------|-----------------|-------------------|
| 1      | National Indemnity    | \$5,494         | 13%               |
| 2      | Swiss Re America      | \$4,941         | 12%               |
| 3      | Everest Re            | \$4,349         | 10%               |
| 4      | Munich Re America     | \$4,267         | 10%               |
| 5      | XL Re America         | \$3,380         | 8%                |
| 6      | Transatlantic Re      | \$3,138         | 8%                |
| 7      | Odyssey Re            | \$2,539         | 6%                |
| 8      | PartnerRe             | \$1,623         | 4%                |
| 9      | General Re            | \$1,207         | 3%                |
| 10     | AXIS Re               | \$1,202         | 3%                |
| 11     | American Agri         | \$941           | 2%                |
| 12     | SCOR U.S.             | \$936           | 2%                |
| 13     | Endurance Re of Amer. | \$540           | 1%                |
| 14     | Toa Re of America     | \$481           | 1%                |
| 15     | Platinum              | \$401           | 1%                |
| Top 15 |                       | \$8,194         | 85%               |
| Top 10 |                       | \$6,983         | 77%               |
| Top 5  |                       | \$4,983         | 54%               |

**Note that only Everest Re, Swiss Re, and Munich Re have remained independent since 1989**



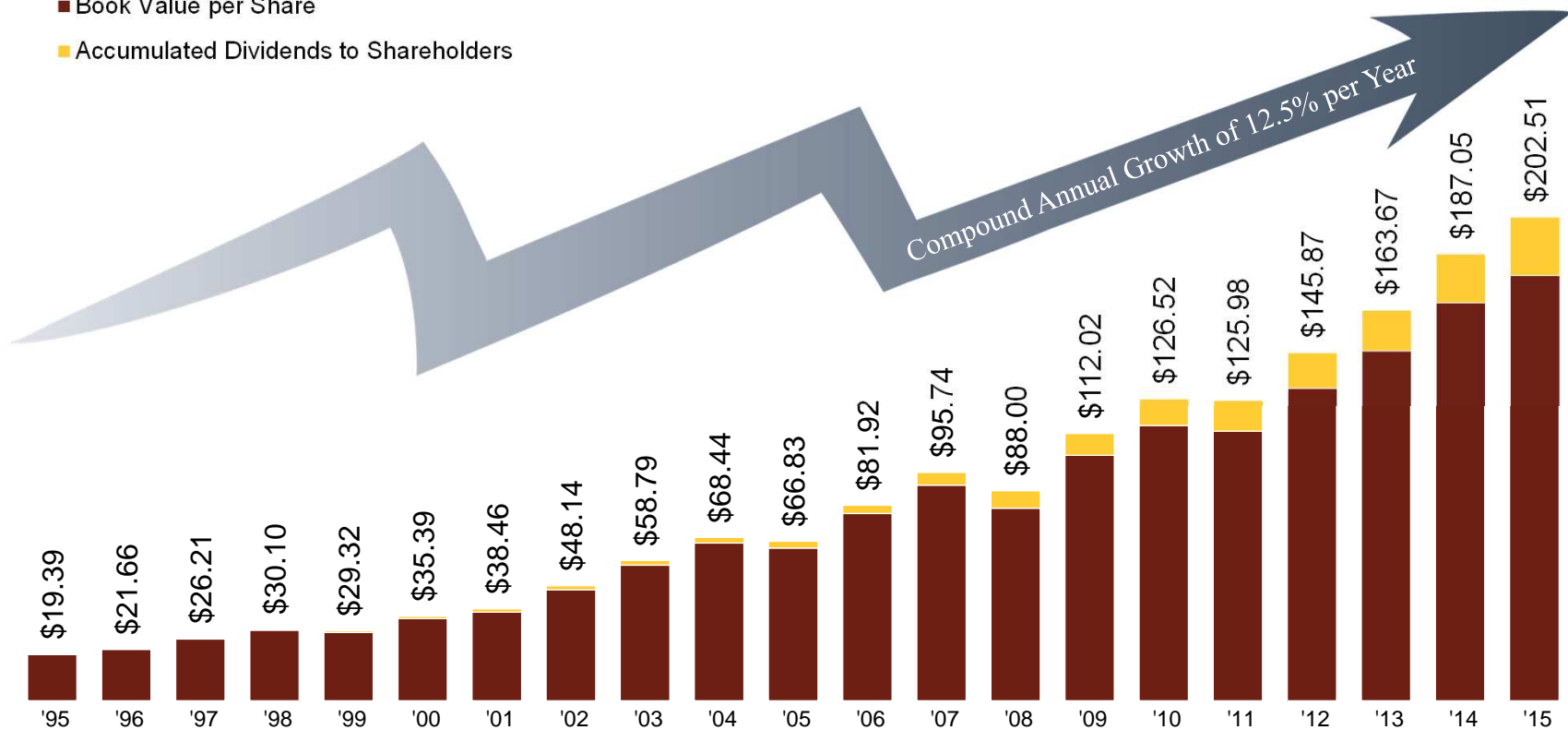
# Generating Shareholder Value

## TOTAL SHAREHOLDER RETURN

Total Value Creation, defined as growth in book value per share + dividends, has averaged 12% annually over the last 10 years

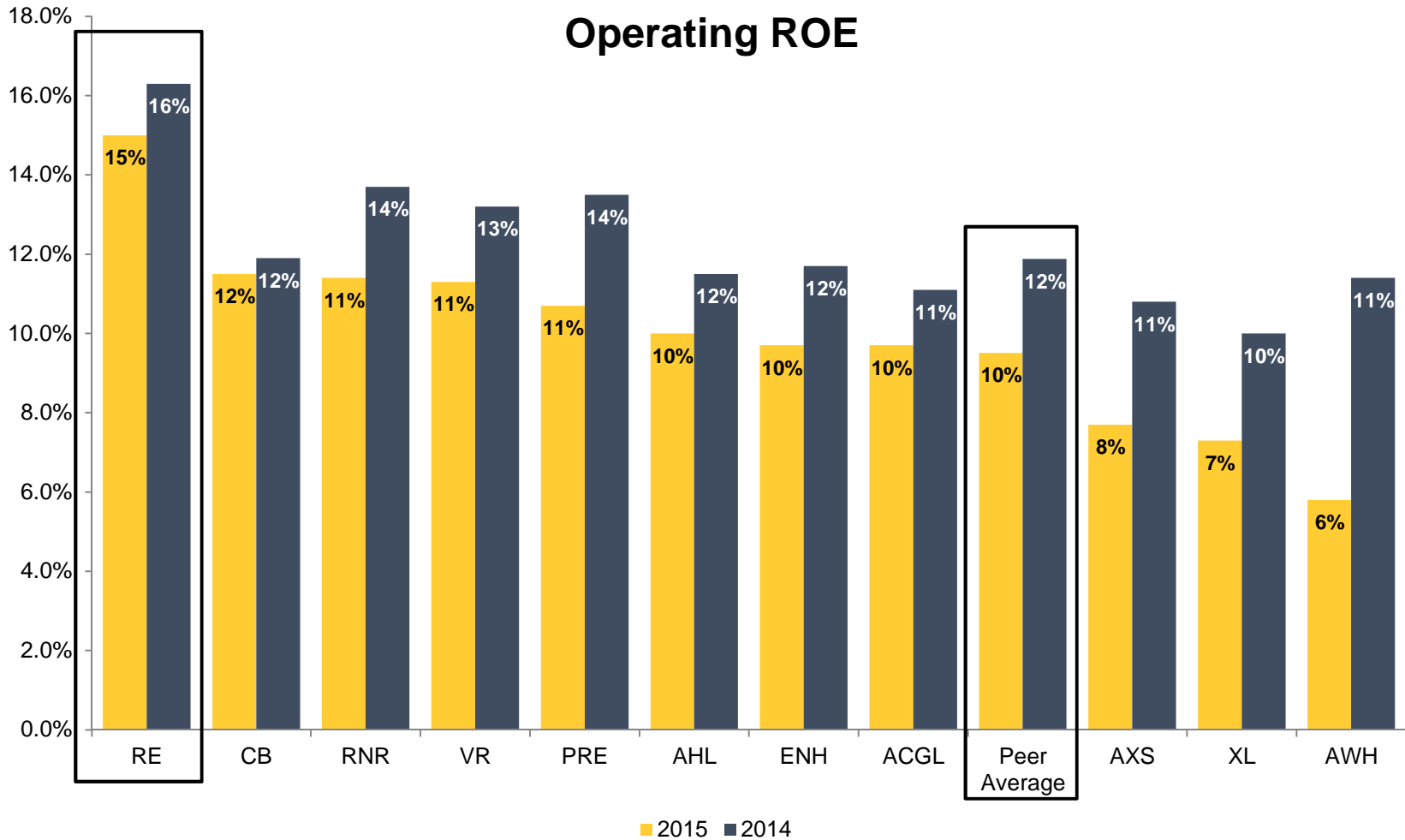
■ Book Value per Share

■ Accumulated Dividends to Shareholders





# Market Leading Returns



\*Operating ROE for ACGL is as of 3Q15

# Leading Global Reinsurer

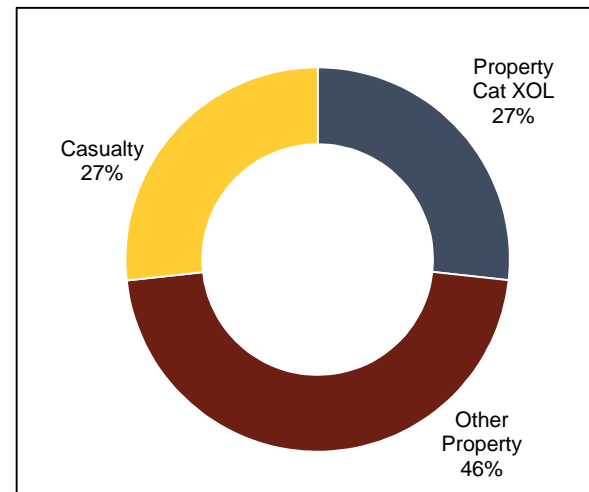
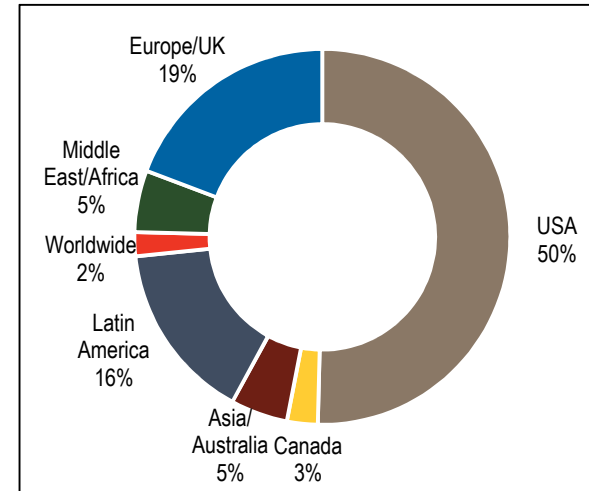
## Everest Reinsurance

|                            |                   |
|----------------------------|-------------------|
| GWP                        | <b>\$ 4,344.0</b> |
| Combined Ratio             | <b>76.5%</b>      |
| Attritional Combined Ratio | <b>79.4%</b>      |

(\*Everest Reinsurance includes Mt. Logan)

- Rank among the top 10 reinsurers worldwide
- Global footprint with a 40 year history
- Broad product capabilities
- Dynamic strategy in response to market conditions
- Innovators of creative risk solutions
- “Best in Class” data-driven management systems
- Competitive expense advantage
- Portfolio optimization through effective capital management

2015



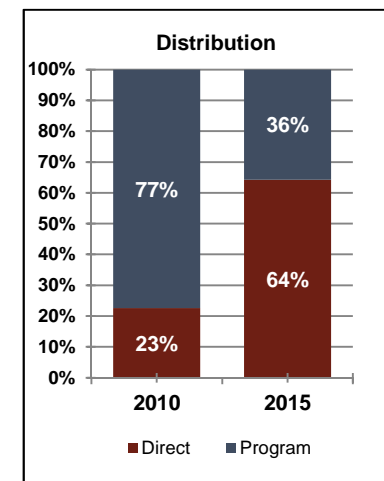
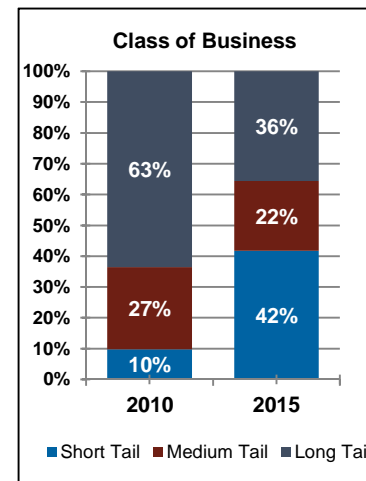
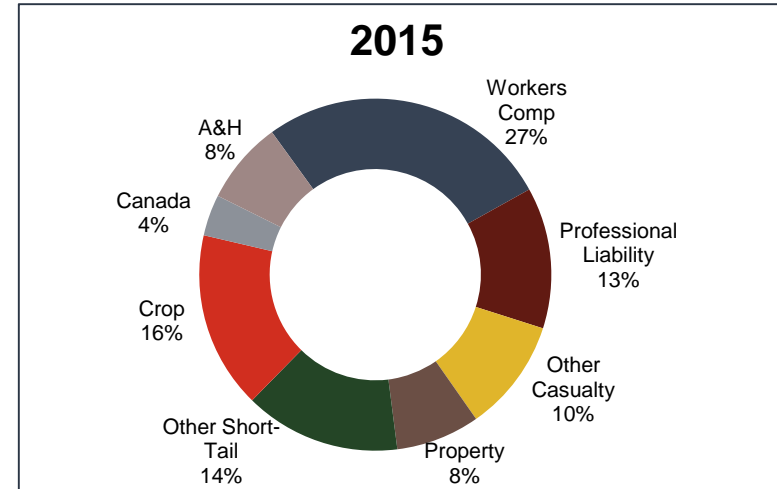


# Building a Premier Global Specialty Insurance Operation

## Everest Insurance

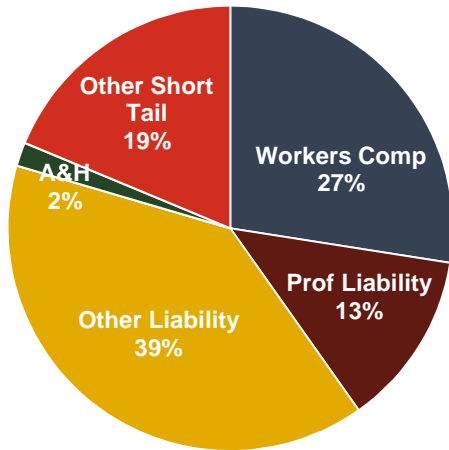
|                             |            |
|-----------------------------|------------|
| GWP                         | \$ 1,532.3 |
| Combined Ratio              | 106.3%     |
| Attritional Combined Ratio* | 94.3%      |

- Selective expansion of the portfolio towards specialty markets
- Multi-channel distribution strategy
- Leverage underwriting talent and infrastructure to deliver underwriting profit
- Balance risks across line, geography, industry and frequency/severity profiles
- Maintain flat, nimble organization and our expense advantage



# Transformation of the Insurance Business Through 2015

2010



2010 GWP: \$0.9B



Significant increase in short and medium-tail business

- 2015: 64%
- 2010: 37%

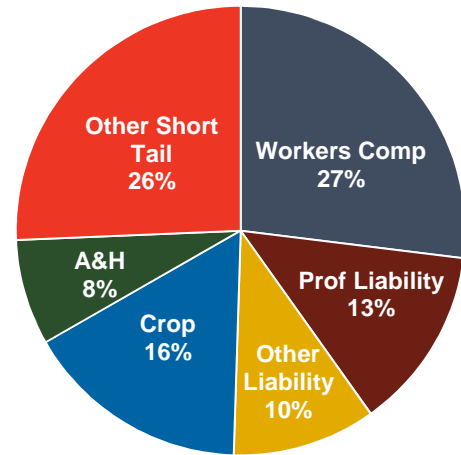
Significant increase in direct distribution

- 2015: 64%
- 2010: 23%

GWP nearly doubled over five year period, representing a

- **CAGR of 12%**

2015



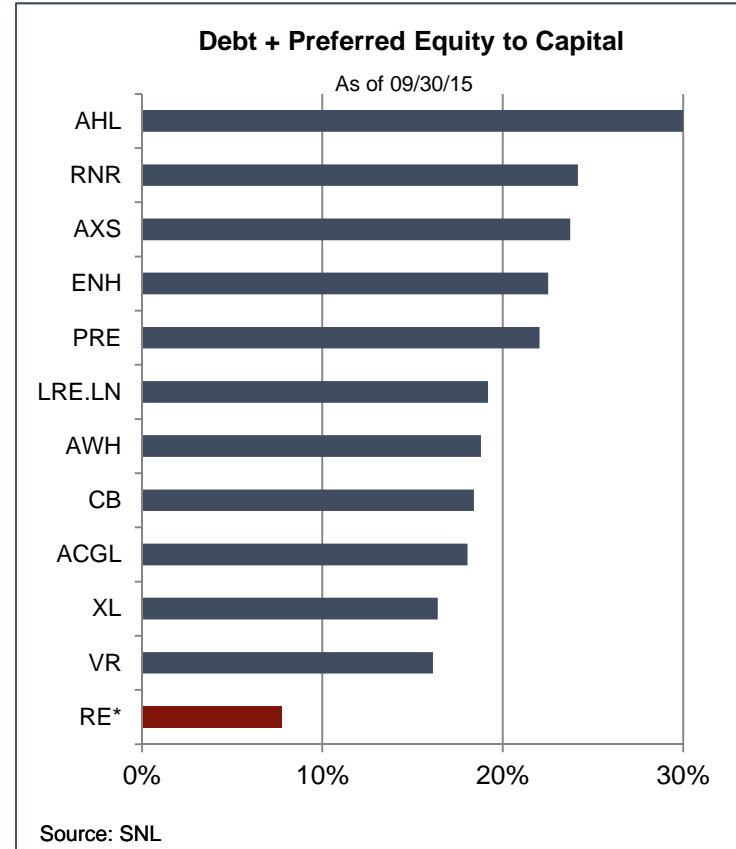
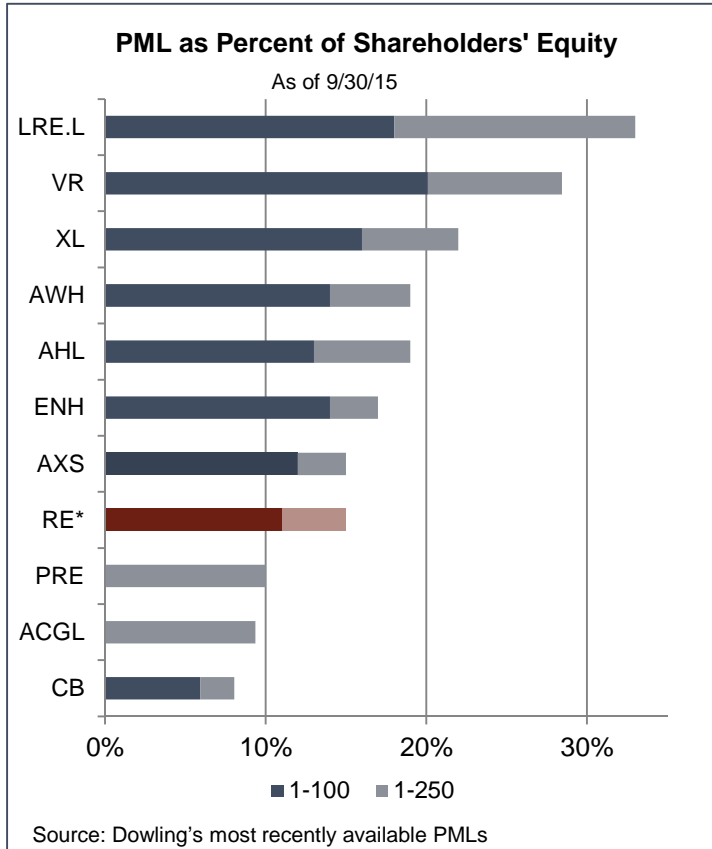
2015 GWP: \$1.5B



2015 – Launched Lloyd’s syndicate (1/2016) & significant insurance hires to build out specialty insurance platform  
 2013 - Agreement with Arrowhead General Insurance Agency, Inc., and became the exclusive underwriter of the combined entities’ non-standard automobile book of business  
 2011 – Acquired Premiere Insurance Underwriting Services, a managing general agent in Toronto, Canada, specializing in entertainment risks  
 2010 - Heartland Crop Insurance, Inc., a managing general agent specializing in underwriting crop insurance is acquired

# Strong Risk Management Culture

WITH CONSIDERABLE FINANCIAL FLEXIBILITY AND CONSERVATIVE PROPERTY CATASTROPHE EXPOSURE



\*Everest as of 12/31/15

Risk is fundamental to our business therefore we have developed a comprehensive enterprise risk management (ERM) framework that aims to preserve the strength of our balance sheet while generating reasonable returns to shareholders.

# A Strategy That Embraces Alternative Capital Paradigm

UTILIZE CAPITAL MARKETS TO ADD TO EVEREST'S CAPACITY AND TO ALLOW TO WRITE CAT RISK AT BETTER MARGINS →

2013

## MT LOGAN

Covered Perils: diversified cat exposures across different geographical regions globally

\$861M AUM at 1/1/16

2014

## KILIMANJARO RE LTD. (SERIES 2014-1)

Covered Perils: U.S. named storms, U.S. earthquakes

\$450M

2014

## KILIMANJARO RE LTD. (SERIES 2014-2)

Covered Perils: U.S and Canada earthquake

\$500M

2015

## KILIMANJARO RE LTD. (SERIES 2015-1)

Covered Perils: U.S., Canada, Puerto Rico, D.C. names storm and earthquake

\$625M

### EVEREST'S CAPITAL MARKETS PLATFORM

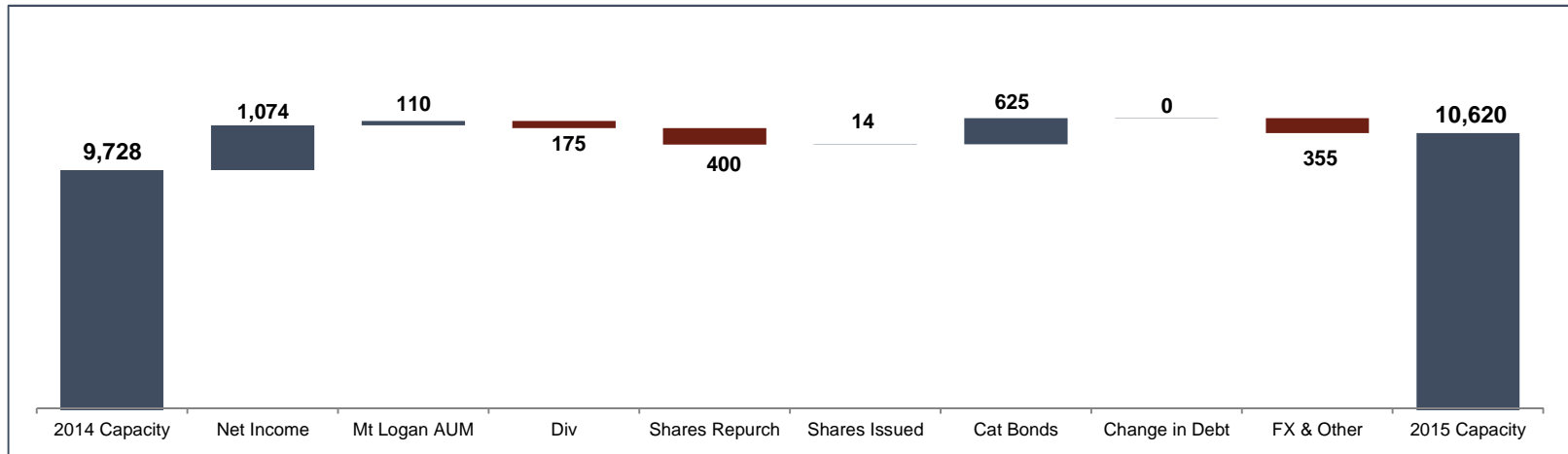
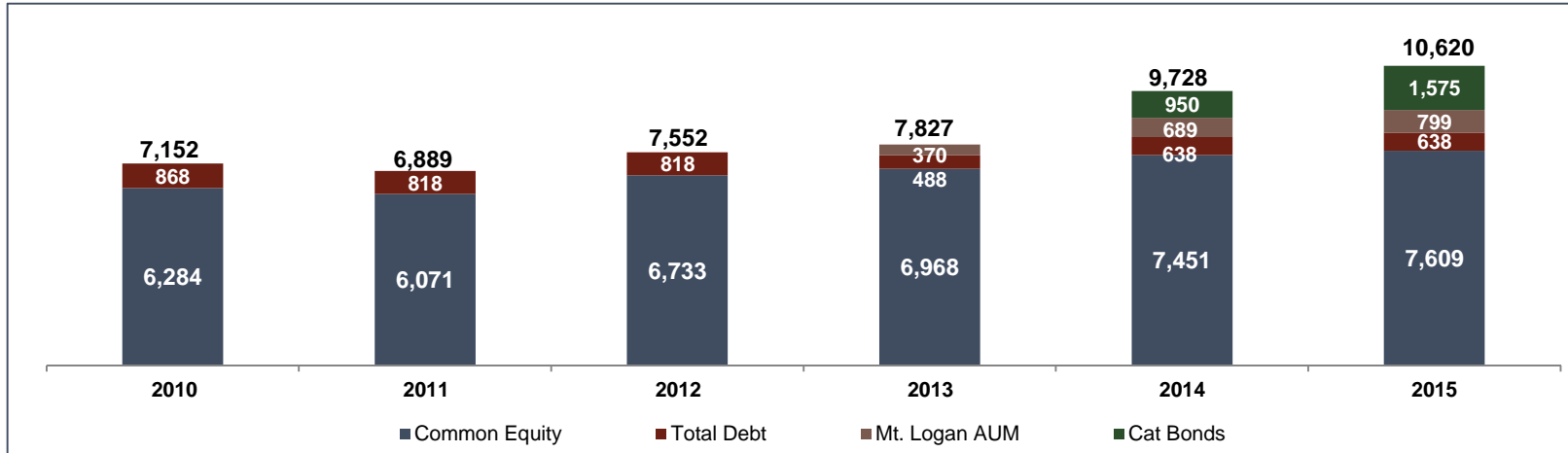
- Assumes reinsurance from Everest
- Generates fee income on business that is too large for Everest's balance sheet

### KILIMANJARO CATASTROPHE BONDS SPONSORED BY EVEREST FURTHER ADDED \$1.6B OF MULTI-YEAR COLLATERALIZED CAPACITY

- Everest, with more than 40 years of experience is a natural and high regarded partner for the investors seeking responsible underwriting partners to originate, aggregate, and package a diversified risk portfolio
- Bond offerings were significantly upsized from initial offering due to high investor demand

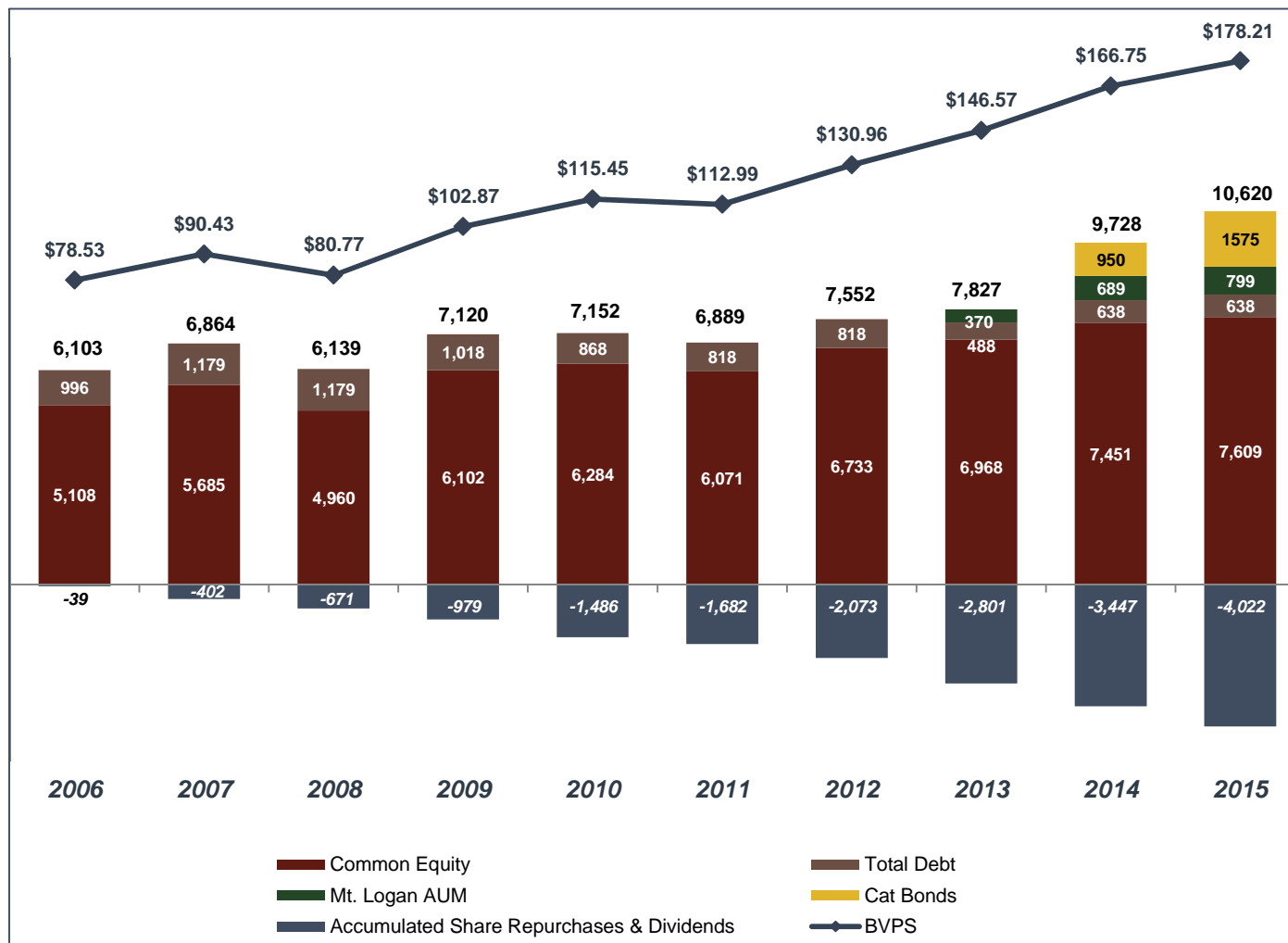
# Operating With Significant Scale

HAVING \$11 BILLION OF CAPACITY



# Active Capital Management Improves Shareholder Value

BOOK VALUE PER SHARE INCREASES 2.3x SINCE 2006

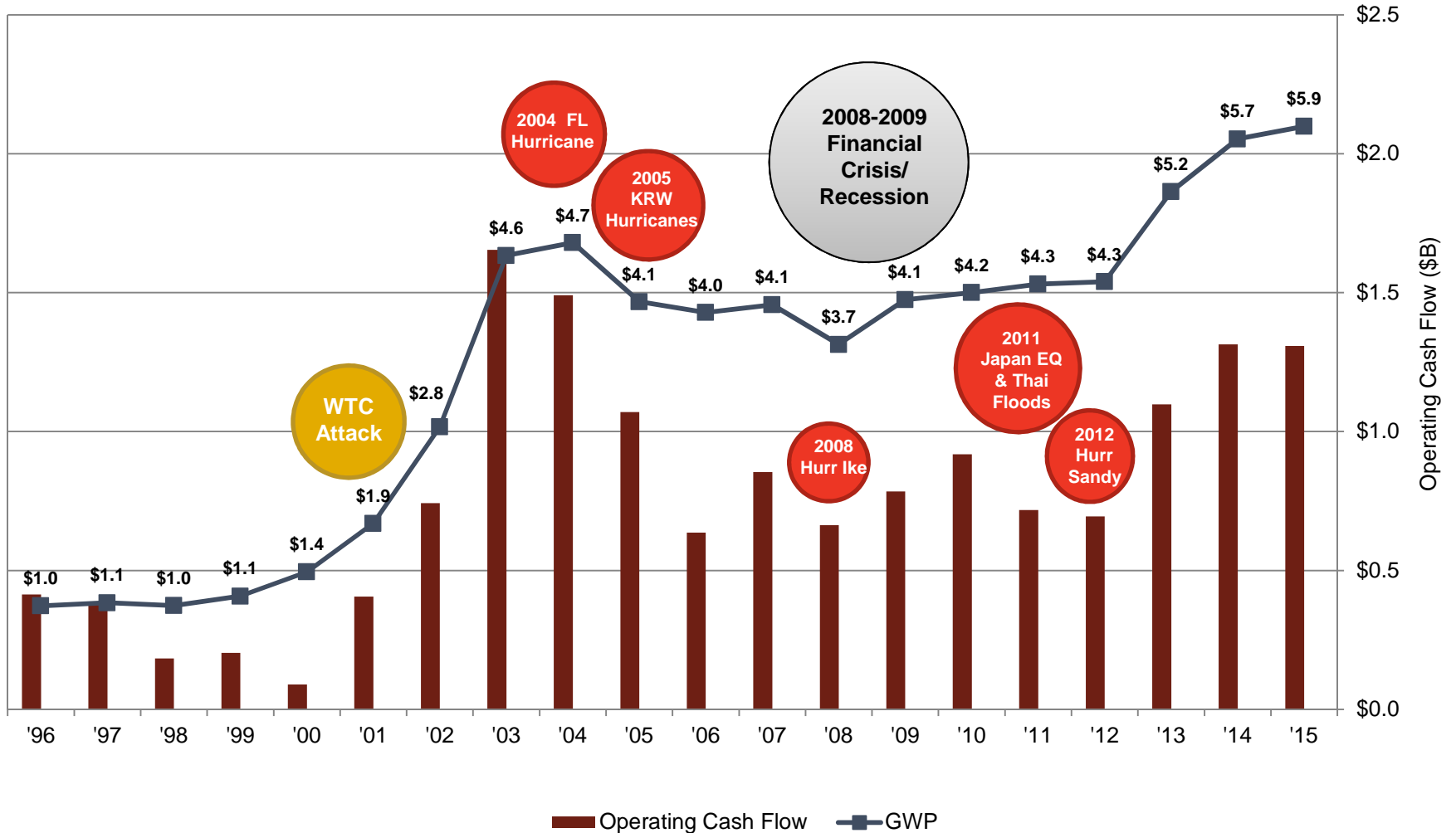


## Capital Management:

- Everest historically addresses excess capital through share buybacks
- Since 2006, Everest has repurchased 40% of its outstanding shares, returning \$2.9 billion of capital to shareholders
- 4.1m shares remain available under the share repurchase agreement at December 31, 2015
- Dividends to shareholders have more than doubled since 3Q2013

# Strong and Consistent Operating Cash Flows

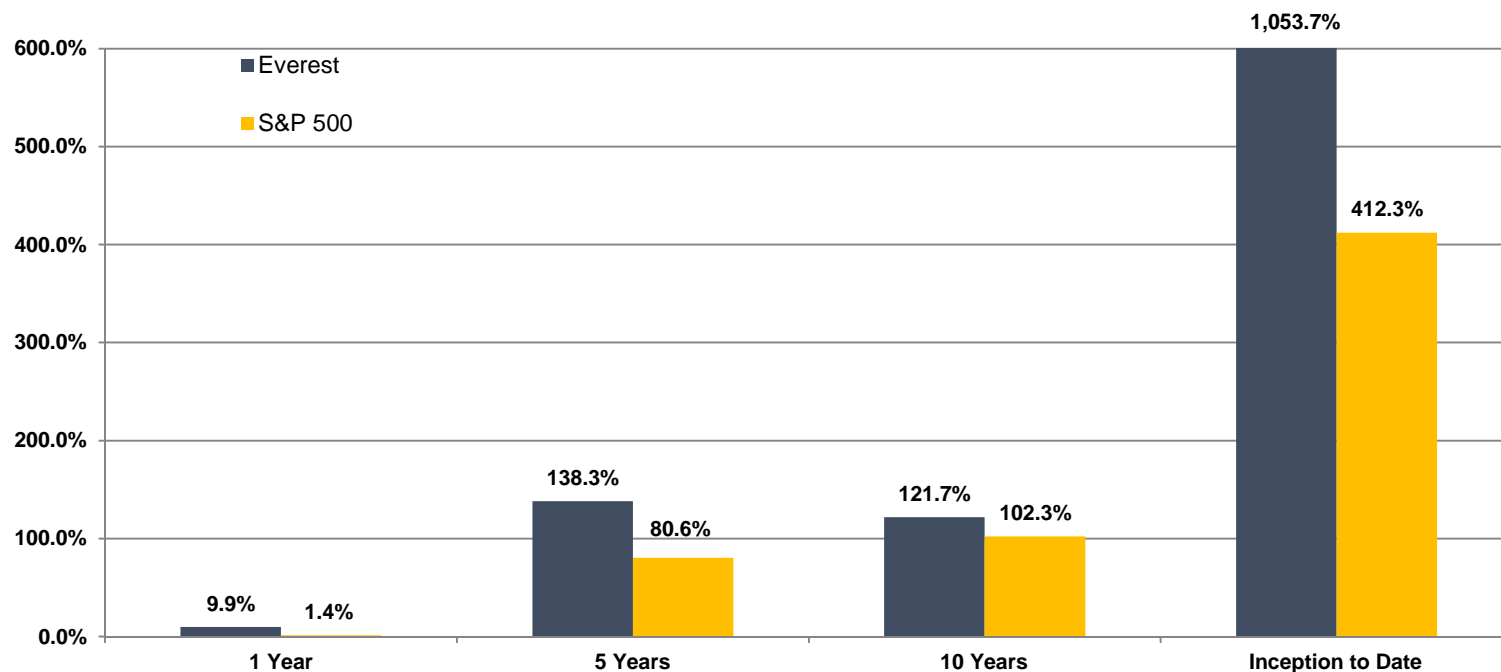
ADD TO STRONG LIQUIDITY PROFILE





# Significant Total Return to Shareholders

RE SHARES OUTPERFORM S&P 500



| Everest Re total return* <u>over</u> S&P 500: |                  |                  |                   |
|---|------------------|------------------|-------------------|
| 2014-2015                                     | 2010 - 2015      | 2005 - 2015      | ITD               |
| <b>9 points</b>                               | <b>58 points</b> | <b>19 points</b> | <b>641 points</b> |

\*Total Return Includes Price Appreciation and Dividends  
Source: Bloomberg

# THE EVEREST FRANCHISE – Well Positioned for Success

A BUSINESS MODEL THAT IS NOT EASILY REPLICATED

## TOP TIER REINSURER

**\$5.9B** 2015 Gross Written  
Premiums

## SIGNIFICANT SCALE

**\$10.6B** Capacity  
Everest + Mt. Logan + Cat Bonds

## GLOBAL REACH

**14** Reinsurance offices,\* 10 outside the US  
**16** Insurance offices,\* 3 outside of US

## LONG TERM MARKET PRESENCE

**40 +** Years of Market Experience

## EXTREME FINANCIAL FLEXIBILITY

**7.7%** Debt to Capital Ratio

## STRONG RATINGS

A.M. Best: **A+** S&P: **A+** Moody's: **A1**

## LONG TERM VALUE CREATION

**12.5%** Compound Annual Growth in  
Book Value Per Share, Adjusted  
for Dividends, since 1995

## EFFICIENT OPERATING STRUCTURE

**7** Point Expense Advantage Relative  
to Our Peers

\*Including Lloyds Syndicate 2786