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CORPORATE PARTICIPANTS

Matthew Rohrmann

Senior Vice President & Head-Investor Relations, Everest Group Ltd.

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd.

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd.

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OTHER PARTICIPANTS

Alex Scott

Analyst, Barclays Capital, Inc.

Andrew Andersen

Analyst, Jefferies LLC

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

C. Gregory Peters

Analyst, Raymond James & Associates, Inc.

Joshua Shanker

Analyst, BofA Securities, Inc.

Rowland Mayor

Analyst, RBC Capital Markets LLC

Chris Hartwell

Analyst, Bernstein Autonomous LLP

Michael Zaremski

Analyst, BMO Capital Markets Corp.

Yaron Kinar

Analyst, Mizuho Securities USA LLC

Brian Meredith

Analyst, UBS Securities LLC

David Motemaden

Analyst, Evercore ISI

Matthew Heimermann

Analyst, Citigroup Global Markets, Inc.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC

Tracy Benguigui

Analyst, Wolfe Research LLC

Ryan Tunis

Analyst, Cantor Fitzgerald & Co.

Everest Group Ltd. *(*EG)

Q3 2026 Earnings Call

Corrected Transcript

29-Oct-2026

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MANAGEMENT DISCUSSION SECTION

Operator: Welcome to the Everest Group Third Quarter 2026 Earnings Conference Call. All participants will be

in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask

questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Matthew Rohrmann, Senior Vice President, Head of Investor

Relations. Please go ahead.

.....

Matthew Rohrmann

Senior Vice President & Head-Investor Relations, Everest Group Ltd.

Thank you, Drew. Good morning, everyone, and welcome to the Everest Group Limited third quarter of 2026

earnings conference call. The Everest executives leading today's call are Jim Williamson, President and CEO;

and Elias Habayeb, Executive Vice President and CFO. We're also joined by other members of the Everest

management team.

Before we begin, I'll preface the comments by noting that today's call will include forward-looking statements.

Actual results may differ materially, and we undertake no obligation to publicly update forward-looking statements.

Please note that forward-looking statements, including estimates, projections and forecasts of future results are

subject to the risks, uncertainties and assumptions noted in Everest's SEC Filings. Management will also be

referring to certain non-GAAP financial measures. Available explanations and reconciliations to GAAP can be

found in the earnings release, investor presentation and financial supplement on our Investor Relations website.

And with that, I'll turn the call over to Jim.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd.

Thanks, Matt. Good morning, everyone.

Everest has generated a year-to-date annualized total shareholder return of 14.2%, while executing on several

initiatives focused on generating shareholder value and positioning the company for its next chapter. I've said that

Everest would do whatever was necessary to ensure the strength and sustainability of our balance sheet. This

quarter, we prudently strengthened our casualty reserves and reinsurance while not taking full credit for favorable

development in short-tail lines. As a result, our reserve position is now over $850 million above our more

conservative actuarial central estimates, further demonstrating this commitment.

Our annual long-tail reserve studies were more robust than ever. Both Elias and Katy Bradica, our new Group

Chief Actuary, materially enhanced our reserving process, applying more conservative assumptions, while giving

little to no credit for the significant underwriting actions we've taken unless clearly evident in our data. Elias will

provide more details.

Moving on to third quarter results. Our strategy is centered around strengthening our core underwriting

businesses, while managing the cycle with relentless discipline. Operating earnings per share of $7.62 were

driven by disciplined attritional underwriting across our core businesses, record net investment income and

accelerated capital return. Our core businesses delivered $3.7 billion in gross written premium, a modest yearEverest

Group Ltd. *(*EG)

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over-year decrease, reflecting our disciplined approach. As I've said, prioritizing bottom line results over topline

production is imperative, especially when we're seeing more signs of irresponsible behavior in the market.

Over the past several years, we have significantly repositioned the casualty portfolios across both core

businesses, balanced our mix and improved risk quality. We prudently raised our casualty loss picks at the

beginning of this year. Coupled with the significant underwriting actions we've implemented, our current accident

year loss picks remain conservative.

Now turning to the segments. Our Reinsurance Treaty team continues to do an excellent job managing the cycle

across all markets. We continue to decrease our exposure to U.S. casualty lines and selectively reduced business

where rates were not adequate. This resulted in about a 6% decrease in gross written premium year-over-year on

a constant dollar basis and excluding reinstatement premiums. Casualty lines were down by 18%, while property

premiums decreased slightly as growth in Property Pro-Rata was offset by decreases in our CAT and non-CAT

XOL portfolios.

We continue to see growth opportunities in our global specialty and financial risk portfolios, where risk-adjusted

returns remain attractive. Growth in the quarter was led [ph] by a variety of specialty lines (4:23). The increase in

the combined ratio in the quarter largely reflects the casualty reserve strengthening I mentioned as well as pre-tax

catastrophe losses of $277 million, net of estimated recoveries and reinstatement premiums, primarily associated

with the Columbia earthquake events in the Middle East and a number of smaller European and Canadian losses.

At the same time, the underlying portfolio's performance remained solid, as evidenced by the attritional loss ratio

improving to 56.3% in the quarter.

Looking ahead to the 1/1/27 renewals, we expect market conditions to remain competitive. Everest is well known

in the industry as a top tier lead market, sought after by high quality cedants looking for longstanding

partnerships. Despite expected competition, we continue to see opportunities for attractive capital deployment.

That said, we remain disciplined. Where deals don't meet our return thresholds, we'll adjust our participation

accordingly.

Turning to the Global Wholesale and Specialty segment, which delivered another solid performance. Despite rate

headwinds in short-tail lines, our strategy to expand the portfolio in specialty lines and targeted international

markets remains consistent, while continuing to deliver margin expansion. Gross written premium increased over

3% year-over-year. We grew double digits internationally with broad-based growth across financial lines, marine

and a number of specialty classes, partially offset by aviation. While rate across our portfolio increased modestly,

it continues to vary by line. More importantly, the areas of our business, we are expanding, are rate adequate.

The attritional loss ratio improved 90 basis points year-over-year to 60%. This is a result of the team's disciplined

risk selection and portfolio management, driving improved loss experience.

The combined ratio was 97.3%, prudently positioned at the high end of our expected range in the mid to high 90s

for the full year. This included pre-tax catastrophe losses of $25 million net of estimated recoveries, primarily

resulting from the Columbia earthquake and mid-sized losses in the Middle East.

Now a word on capital management. We accelerated capital return to shareholders to approximately $550 million

in the quarter, inclusive of dividends, bringing the year-to-date total to over $1.4 billion. Share repurchases

continue to be a top priority for capital deployment as we approach year end and head into 2027.

Over the last two years, we have transformed Everest. As we move forward, I couldn't be more optimistic in the

strategy we're executing across our core businesses, as Everest embarks on its next chapter, one that I believe

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will consistently generate value for shareholders, led by disciplined underwriting, proactive capital management

and balance sheet strength.

And with that, I'll turn the call over to Elias.

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd.

Thank you, Jim and good morning, everyone.

The third quarter financial results reflects our continued focused execution on our strategic priorities. We grew

book value per share, excluding unrealized gains and losses on the available for sale fixed maturity portfolio to

$414, which grew both on a year-over-year basis as well as sequentially. This is despite higher CAT losses and

reserve strengthening in our reinsurance business.

Before unpacking this quarter's results, let me first touch on reserves. First, as Jim said, Katy and I performed indepth

reviews of all material reserve studies for the quarter, which included all material long-tail lines. Second, we

followed a very robust process. We thoroughly vetted and refreshed all material actuarial assumptions and

methodologies with added conservatism. This included expected loss ratios and loss development factors across

all years, and we responded more promptly to credible emerging trends. We improved line of business

segmentation within our reserve studies to better reflect performance and mix.

While we've taken meaningful underwriting actions in recent years, we did not make any adjustments for these

actions unless definitively evident in the data. While there's evidence of accelerated case reserving in casualty,

based on our enhanced claims analytics, we did not make any adjustments for this deliberate action in our core

businesses. As I stated last quarter, our philosophy is to book our reserves at management's best estimates,

which we expect to be above the actuarial central estimates. The actions we've taken this quarter have moved our

reserves to a more conservative position and have meaningfully increased the differential between management's

best estimates over the actuarial central estimates. This differential increased to over $850 million as of

September 30. This further strengthens our balance sheet as well as reduces the potential for future reserve

volatility.

Now turning to the reserve movements in the quarter. We reported net – overall net unfavorable development of

$268 million, driven largely by casualty reinsurance reserve strengthening. While loss, emergence and short-tail

lines continues to be favorable, we held back the majority of the favorable development as we look to enhance

our conservative position.

In Reinsurance Treaty, we strengthened growth casualty reserves in the quarter by approximately $600 million,

which is on top of the $200 million of strengthening in the second quarter in U.S. casualty. The vast majority of the

development was in underwriting years 2022 and prior, where we added conservatism to each underwriting year.

In addition, we also rolled that experience forward into the more recent underwriting years.

Turning to our insurance businesses, the bifurcation of our reserve studies into separate studies for each of

Global Wholesale and Specialty and legacy resulted in de minimis net overall reserve movement with no

meaningful change to reserves subject to the ADC. As a result, we continue to have approximately $1 billion of

net limits remaining under the ADC. More importantly, the Reserve study confirmed our view that the underwriting

actions we took over the past few years have been beneficial and the Global Wholesale and Specialty business is

performing as expected. Finally, the reserve studies resulted in no change to our 2026 loss picks, as they were

previously set more conservatively.

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Now turning to the third quarter group results. Everest generated after-tax net operating earnings per share of

$7.62. This was largely driven by attritional underwriting income, record net investment income and strong share

repurchases.

Moving to our core businesses. Gross written premiums were $3.7 billion, down approximately 4% on a

comparable basis year-over-year, largely driven by our underwriting discipline in casualty lines. The attritional loss

ratio was 57.2%, a decrease versus the prior year, reflecting improved loss experience and mix. Pre-tax CAT

losses were $302 million net of estimated recoveries and reinstatement premiums in the quarter, largely driven by

the events Jim mentioned. The expense ratio increased to 5.2%, largely reflecting the impact of lower net earned

premium.

Now moving on to our Reinsurance Treaty business. Gross written premiums were $2.7 billion, down

approximately 6% on a comparable basis year-over-year, largely driven by our underwriting discipline in casualty

lines, to a lesser extent to rate softening in property. The combined ratio included 11.3 points of net adverse prioryear

development and 12.8 points of CAT losses. The attritional loss ratio improved to 56.3%, reflecting improved

loss experience.

Now moving to our Global Wholesale and Specialty business, where we're focused on improving underwriting

margins as we pursue profitable growth in targeted lines and geographies. While the combined ratio increased to

97.3% due to CAT losses, the attritional loss ratio improved by 90 basis points to 60% as a result of the

underwriting actions we've been taking and improving mix of business.

Pre-tax CAT losses net of estimated recoveries and reinstatement premiums contributed 3.5 points to the

combined ratio versus 80 basis points in the prior year quarter. The underwriting related expense ratio increased

to 12.6%, largely driven by lower earned premium volume. We continue to expect this business to deliver

combined ratios in the mid to high 90s in the near-term.

Now moving to our Legacy segment. We continued to manage the transition of our commercial retail insurance

business to AIG, which remains on track. As expected, the segment generated a modest earnings drag on the

group underwriting results in the third quarter. At the same time, we continued to proactively manage claims down

as efficiently as possible.

Moving on to investments. Net investment income set a new quarterly record of $634 million. This was largely

driven by strong performance from the private equity portfolio, which generated $144 million of income in the

quarter. Overall, our book yield increased to 4.6% in the quarter, which is below our current new money yield of

approximately 5.1%. The portfolio's average credit quality remains at AA minus.

Turning to capital management. In the third quarter, we repurchased approximately 1.3 million shares, amounting

to $474 million at an average share price of [ph] $3.74 per share (16:04). Since the beginning of 2025, our share

count has been reduced by approximately 13%. And when, including our quarterly dividend, we returned

approximately $550 million [ph] to shareholders. Over (16:22) the last four quarters our payout ratio has been

approximately 92%. Looking ahead, while we continue to view share repurchases of $300 million as our quarterly

floor, we expect to exceed that amount when appropriate, given the strength of our balance sheet and earnings

generation.

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In summary, Everest continues to create momentum through the execution of our strategic objectives of

disciplined underwriting and proactive capital management, while taking the necessary steps to maintain a strong

balance sheet.

And with that, I'll turn the call back over to Matt for Q&A.

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Matthew Rohrmann

Senior Vice President & Head-Investor Relations, Everest Group Ltd.

Thanks, Elias.

Drew, we're now ready. Open the line for questions. We do ask you to please limit your questions to one question

plus one follow-up and rejoin the queue for additional questions. Drew, over to you. Thanks.

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QUESTION AND ANSWER SECTION

Operator: Thank you. We will now begin the question-and-answer session. [Operator Instructions] The first

question comes from Alex Scott with Barclays. Please go ahead.

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Alex Scott

Analyst, Barclays Capital, Inc. Q

Hey, good morning. First, what I have for you is, just for Elias, I'd be interested in if you could provide some

additional commentary on your confidence in the process and really your confidence that you got it to a place that

would be more typical for this point in the cycle, kind of coming out of a hard market and maybe relative to the

industry peers. And if you think this can be a clearing event?

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Hey, thanks, Alex. So listen, let me – I'm going to answer it in three parts, your question.

Part one is, what did we try to accomplish with this reserve review? And our motivation was to increase the

conservatism on the balance sheet and to position us to be able to bring more stability to our reserves going

forward and reduce the risk of further what's called reserve volatility. And I think we've accomplished that with the

exercise we just went in.

Second, I'll talk about the process we did. And this was Katy and my first go around since we've joined the

company to go through it, and I think we went through a pretty robust and thorough process around it. We

reviewed all the major – all the lines that were scheduled for the quarter, which includes all the major long-tail

lines. And we went through all the key assumptions, and we thoroughly vetted them, challenged them, and

refreshed them, and that includes things like loss trends, loss development factors, tail factors, expected loss

ratios, as well as expanding the actuarial methodologies that are considered. We did increase the segmentation

to get a more accurate view on performance and mix in the business, and we enhanced the claims analytics and

the feedback loop relative to it. So with that, I think from a process perspective, we went through a pretty robust

process this quarter.

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The third element on conservatism, and this also links to some of the things that I said in the second quarter

earnings call, things we're considering. One is where we saw loss emergence in the older accident years. We

didn't just react to it then. We kind of rolled it forward into the more recent accident years. Second, we – there's

been a lot of underwriting actions in the last few years. We do see it kind of emerging in the – you know, if you

look at 2026. But we decided unless it's in the data, we didn't make any adjustments. So, there was no explicit

adjustments made for any of the underwriting actions. We'll wait till it emerges in the data before reflecting it.

Second, I would say on – we've done some work – we've done work from a claims analytics perspective that

shows evidence in the insurance side of the House about case reserve strengthening and casualty. We see

indications of it in the data from a number of our cedants. That being said, we did not make any adjustment for it

in the reserving on our, you know, for our core businesses.

The other thing I would say is when you look at the shorter lines, there's been a significant amount of favorable

loss emergence on the short-tail lines. We released a smaller portion of it this quarter. The majority of the

favorable emergence we're seeing on short-tail lines, we held back. And as a result of this work, I believe we've

moved our actuarial central estimate up to a more conservative position from where it was before. At the same

time, the differential between where we're booking our reserves and the actuarial central estimates, we also

increased that differential and it's over $850 million as of the end of September. And I think this is one of the

highest it's been as far as I could tell at the company.

With respect to 2026, that – we applied the same approach and judgment. We had the higher loss picks entering

into this year. And we didn't see, given the emergence we're seeing and the results of the actuarial work, any

need to make any changes to 2026. So, 2026 continues to be prudent.

.....

Alex Scott

Analyst, Barclays Capital, Inc. Q

That's all really helpful. Second question I had is if you're looking at 01/01 renewals, any commentary you can

provide there? And is there any need for additional underwriting actions just coming away from all the work you've

done?

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes, let's look at obviously a topic that's been widely discussed over the last few weeks. I mean, our expectation

on 01/01, and particularly as it relates to CAT renewals and peak zones is it'll be another competitive renewal.

You're looking at some additional rate decreases. Obviously, our view, as I've stated in prior calls, is that current

rate levels continue to deliver a very strong expected return, and which is why we continue to deploy capital. But

as rates compress, more and more of the programs we look at will be you know, will look a little less favorable.

And we respond very quickly to that. And you saw that certainly in this quarter's results where our CAT XOL

written premium decreased in a reasonable way. And I wouldn't be surprised if we continue to get more selective

as we go into 2027.

Where we're really focused from an underwriting perspective, there's a few things. Number one, best-in-class

cedants, and we've been very consistent on putting our capital to work with people that we think have a sort of

differentiated expertise in what they're writing. The second would be terms and conditions. I mean, I know we like

to talk about rate because it's easy to measure. But the most recent hard market delivered substantial

improvements in terms and conditions. In many cases, for Everest, those happened in a non-concurrent fashion

and we've been able to sustain those despite recent rate decreases. And our outlook is that we'll sustain the vast

majority of that as we head into 2027, and then obviously, the work that we do around portfolio optimization and

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shifting capital from lower return to higher return opportunities. You're going to see all that play out. I'm really

confident that our reinsurance team, notwithstanding some of the competitiveness we've seen will deliver an

excellent portfolio for us to enjoy in 2027.

Alex Scott

Analyst, Barclays Capital, Inc. Q

Thank you.

Operator: Thank you. The next question comes from Andrew Andersen with Jefferies. Please go ahead.

Andrew Andersen

Analyst, Jefferies LLC Q

Hey, good morning. You had described the favorable some short-term emergence as significant, but you only

released a small portion there. What prevents you from recognizing more of that favorability today?

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Hey, Andrew, it's Elias. We had the ability to release more of it. We chose not to. And that kind of ties to our

objective of this reserve study is kind of increasing the conservative position on the balance sheet and to kind of

position it to reduce future reserve volatility risk. So, it was a management decision not to release more.

.....

Andrew Andersen

Analyst, Jefferies LLC Q

Okay. And maybe, maybe bigger picture, with the book shrinking in several areas and market conditions

becoming more competitive, how do you ensure the underwriting discipline today doesn't come at the expense of

market relevance or your ability to re-accelerate growth over time?

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes, sure. Look, we've proven over multiple cycles that we can effectively prune exposures, when we think the

economic terms available are below our standards and then re-accelerate into the hard market. In fact, I would

take you back to the 2023 hardening. In the year prior to that, we substantially cut our CAT book. What allowed us

to reaccelerate is core to Everest value proposition, which is we are an incredibly nimble organization. We're very

lean. We have empowered leaders in each of the regions who have deep customer relationships. We tend to

participate, given our depth and breadth of expertise across many lines of business. We're a top tier market, and

we're welcomed on the reinsurance panels of all the lead market underwriters. And I think that they will be more

than willing to find more room for Everest when the time comes. And that's, frankly, when they'll need our capacity

most. So, we deliver a real service to our clients in that fashion. There's nothing about what we're doing now that

even gets close to the idea of changing our relevance or the quality of our value proposition.

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Andrew Andersen

Analyst, Jefferies LLC Q

Thank you.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

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Got it.

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Operator: Thank you. The next question comes from Meyer Shields with KBW. Please go ahead.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc. Q

Great, thanks. So one, I guess process question, Elias or Jim, are you open to maybe updating the year-end

global loss triangles for the strengthening that you've done so far this year, so we can take a look at that, maybe

substantiate your confidence in reserves.

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Meyer, it's Elias. We will take it under consideration. Our process was to release it after we're done with all the

reserves for the year. There's still some more studies in the fourth quarter, even though we covered all the

material ones from a long-tail line perspective this quarter. We'll take it under consideration.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc. Q

Okay. And then, Jim, just going back to 01/01, I was hoping you could talk about how the casualty reinsurance

environment is looking from your perspective.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes, Meyer. Look, I think this is a frustratingly consistent message to what I've said over the last many number of

calls. The fact is, our view of casualty reinsurance is a fairly bearish one, and I would attribute to a number of

things. One, the underlying environment remains very challenging, and that's driven by social inflation and legal

system abuse in the U.S. The plaintiffs bar has not let up on their aggression in that space. And while there is

some, I think, very encouraging signs that states are beginning to wake up to how destructive this process has

been to the U.S. economy, it's still pretty limited. So, the underlying environment isn't great. Rate, while I think in a

number of areas continues to stay abreast of loss trend, I am starting to see more competition, which I think is

problematic. And I think for a lot of new entrants, in particular into the primary liability space, I think they're kidding

themselves a little bit around the idea that the industry has somehow achieved excellent rate adequacy in that

space and that it's a place to make a lot of money. We just don't see it that way.

And then lastly, ceding commissions are stubbornly high, and I think are not justified by the underlying

performance, which is why, you certainly saw in this quarter's results our written premium for Casualty Pro-Rata

was down by 18%. And we will continue to critically evaluate that portfolio. Now, the good news, I would say, is,

given all the work we've done in Casualty, we're down to a core portfolio of really exceptional underwriters, where

we have a lot of confidence in what they're doing. And so, we can be, I think, selective and have a lot of

confidence in the performance of the existing portfolio. But I certainly don't see us going out from here and trying

to regrow that portfolio until conditions improve materially.

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Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc. Q

Okay. That's very helpful. Thank you.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

You got it.

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Operator: Thank you. The next question comes from C. Gregory Peters with Raymond James. Please go

ahead.

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C. Gregory Peters

Analyst, Raymond James & Associates, Inc. Q

Hey, good morning. I guess, when I – laser focusing on the reinsurance piece, you spent a lot of time talking

about the casualty side, but we also know that the property side is under intense competitive pressures. Can you

talk about, when you think about next year, how you think the portfolio within reinsurance might change or what

the headwinds might be to growth, and then sort of map that in with how your views on PMLs look.

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Sure. Yes. I mean, look, I think if you piece together the last few questions, right, property on the CAT side is

going to be challenging. We are fortunate, in that we write the majority of our CAT XOL business on a nonconcurrent

basis, and I think we're shielded from some of the competitive pressures, but it's certainly a reality.

Casualty, we just talked about and, I think, on a broad basis, it's sort of the status quo situation.

What I will say though, is, I made – and I made this comment in my prepared remarks. We're still seeing a lot of

really interesting places to deploy capital. And it's occurring more in international markets and more in our

specialty business. And those tend to be higher margin, very high quality portfolios. We've delivered a lot of

expertise into the market. We are a lead, if not the lead, global engineering market. We have a renewable energy

vertical that we stood up that's performing exceptionally well, that offers differentiated value to clients. We have a

performing – high-performing parametric business and you can kind of go down the line.

Now, from a pure volume perspective, Greg, those subsegment are not going to overtake Property Pro-Rata or

Casualty Pro-Rata premiums, but I'm not worried about that. And we don't really get focus on the topline. It's how

are we delivering margin? And so I do see some sustained margin development in those parts of the business.

As respect to PMLs, and we've certainly seen it in our net PMLs over the last few quarters, those will more likely

than not continue to retract slightly as this market cycle plays itself out. And again, I don't get too worried about

that either. It frees up capital, and we have options for deploying that capital. And as we've said in the last few

calls, that priority for that capital redeployment will be to return it to our shareholders. So, it's not necessarily a bad

thing that we're being a little more selective and taking some chips off the table from a PML perspective.

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C. Gregory Peters

Analyst, Raymond James & Associates, Inc. Q

Great. That makes sense. And you sort of teased this, and you spoke about it in your comments. But pivoting to

the wholesale and specialty business, if we just look at some of the increases in growth that you're seeing in

casualty financial lines and specialty, maybe you could just spend a second and just tell us where the opportunity

– what you're seeing in the opportunities there because that those growth rates are pretty impressive.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes, sure, no, it's a great question. First of all, I think we are in a really good spot with Global Wholesale and

Specialty. And I'll certainly, while we've spent a lot of time talking about reinsurance reserves on this call, we're in

an equally conservative position on how we're thinking about our loss picks in that business, and all of the

indicators are showing that we're developing incremental reserve strength and margin in that business. So, those

are very good signs.

As respect to growth. Look, we came out of last year, after we divested retail, we doubled down on our Global

Wholesale and Specialty strategy. That business has really come together under Jason Keen's leadership in a

great way in terms of its operation, its cohesion across geographies and across lines of business. And we're now

starting to see the benefits of that.

Where you're seeing growth, though, you really need to look under the covers to see where it's coming from. So,

for example, in Casualty, this is not open market excess casualty for any and every class of business in the U.S.

This is targeted growth, mainly internationally, and in particular in lines of business or areas of the market where

we have distinct product expertise and capabilities. So, for example, in the area of construction where you're

seeing a global boom in data centers, in manufacturing, we have specific products underwriting expertise. We're

delivering that to the market and you're seeing growth. The other piece of the casualty story is rate. And we are

continuing to drive rate into the market. So, with a stable set of – even with stable exposures, you would expect to

see growth. And I think that same story plays out in financial lines and then in the specialty markets, which has

been the really core area of our focus, very much driving growth in our London market business and increasingly

in the U.S., in those specialties. And those again are areas where rates are adequate, we have a differentiated

position in the market. We're highly valued as a trading partner, which is why we could see growth.

And so, for GWS overall, very modest growth in the quarter. But as you unpack it, what you're seeing is a lot of

very strong portfolio management in areas where we see more competition, like CAT – casualty, where we're

decreasing meaningfully in areas like specialty and particularly in London where still lots of great opportunity,

we're growing even faster. And we'll continue to manage that dynamic through the coming quarters without a

whole lot of concern about what it means for the topline. This is all about driving the right margin outcome, and I

think you'll continue to see that.

.....

C. Gregory Peters

Analyst, Raymond James & Associates, Inc. Q

Thanks for the detail.

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

You got it, Greg.

.....

Operator: Thank you. The next question comes from Josh Shanker with Bank of America. Please go ahead.

.....

Joshua Shanker

Analyst, BofA Securities, Inc. Q

Yes, and thank you very much for taking my question. I guess this is for Elias and it's about process on the

reserves. If over the last two quarters, you have not made any changes into your casualty reserves, but you had

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released $550 million of short-tailed lines, would that be a process that people should say we've gotten a bit more

accurate in our short-tailed reserving, or that there was a cushion in the reserves that we had at the beginning of

the year that we don't have anymore? I'm trying to weigh, yes, certainly the casualty reserves have gotten more

conservative. But how should we feel about the reserving on the short-tail side where you've released a lot of

reserves to offset that?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Hey, Josh, it's Elias, a good question. What I would tell you is what it tells you is there is prudence on the property

and the short-tail lines from the beginning. And with the favorable loss emergence, it demonstrates the prudence

and the strong underwriting in that. That being said, when I said we have a margin over our actuarial central

estimate of $850 million, that's coming from both a long-tail and short-tail line, but a bigger proportion is coming

from the short-tail lines. So, if while we may have released $500 million year-to-date, on short-tail lines, we still

have hefty redundancy within our short-tail line reserves, and I feel very comfortable with that.

.....

Joshua Shanker

Analyst, BofA Securities, Inc. Q

And one of the things that manufactures short-tail reserve releases is short-tail losses. Since 2Q 2025 to present,

we really haven't had much CAT activity. At what point in the way that you're doing the reserves can enough

quarters past without any major property losses to say, look, we're still conservative. We just don't have loss

reserves up because we haven't have the losses.

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes. Josh, it's Jim. Let me add a little bit of flavor on this because, I think when you unpack the details, particularly

within reinsurance and in our Property Pro-Rata book, a lot has happened over the last few years to reduce the

amount of volatility that book contains. So, this is very much an attritional loss ratio story, when it comes to a lot of

the short-tail property reserves. Now, that's not to say that it's not influenced by CAT activity. It certainly is, but not

nearly to the degree, I think, you're implying.

And then lastly, I would say and I would ask Elias to weigh in here as well. Having said all that, we're also seeing

that same strength in our CAT book. And when CAT events occur, as you saw in this quarter, we're booking those

very, very prudently. We don't need an event-free quarter to have strong performance in our CAT reserves. That's

just not – that's not the linkage you should be drawing.

But I don't know Elias, anything you'd add to that?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes, I think you covered it. The one thing I would say is, in terms of CAT, we did have some movement on CAT

reserves, some net releases. It's more from the attritional side this quarter. But when we look at individual CAT,

you got to look at the facts and circumstances of each CAT to evaluate if it's matured or not. So, some events,

you know, you may have to wait couple years. Some event less. It depends on the facts and circumstances of

those individual events.

.....

Joshua Shanker

Analyst, BofA Securities, Inc. Q

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Thanks for all the answers. Appreciate it.

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

You got it.

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Operator: Thank you. The next question comes from Rowland Mayor with RBC Capital Markets. Please go

ahead.

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.....

Rowland Mayor

Analyst, RBC Capital Markets LLC Q

Hi, thank you for taking my questions. As you went through the review process, did you identify any incremental

portfolios of business that no longer meet your return thresholds, need to either be non-renewed or divested?

.....
.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes, sure. No, good question. No, not really. I mean, we've had a firm bead on the performance of a number of

these portfolios. And I would say in reinsurance, you've certainly see that play out over the last several quarters.

Casualty, which again is the subject of a lot of the conversation today, we've been reducing consistently over the

last couple of years on the order of magnitude of billions of dollars of reduction in written premium. So, we clearly

were ahead of that. We saw it in the underwriting, and so feel good about where that portfolio is and reduced it

further, obviously, as you saw in the third quarter.

In GWS, in a similar way, Jason and his team, I think, took a very critical eye of all those portfolios. And overall,

feel excellent about where we're positioned. There have been spots. A recent one that I would say is transactional

liability, we didn't need a reserve study to tell us that that market was in a bad spot, and we've moved away from

it.

So, I think our portfolio management, in some ways, has been well ahead of these reserve outputs. And that

means that we're now in a position where, as far as the in-force book is concerned, we feel great. And I would,

sure, to the last comment, as a proof point of that, you reference back to Elias' comments on the current accident

year loss picks. We didn't feel a need to move them. If we were discovering new, new things about our in-force

portfolio, we certainly would be moving those picks and that's just not the case.

.....
.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes, I agree with what Jim said. I don't know if there were any surprises coming out of those reserve studies. I

kind of, Rowland, refer to my comments earlier, responding to Alex. What drove a big part of the $600 million and

strengthening on casualty is increasing prudence because we want to position ourselves to reduce risk future

reserve volatility. So that drove kind of a lot of our decision-making and how we position the balance sheet and

contribute to more stable reserves going forward. Recognizing like, listen, there's still some uncertainty with social

inflation, but we feel much more comfortable with where we are today as a result of the actions we took.

.....

Rowland Mayor

Analyst, RBC Capital Markets LLC Q

Thank you. That's super-helpful. And then, for my follow-up on the AIG renewal portfolio, can you maybe walk

through any capital that's locked up as those liabilities run off? How long is the tail, and is it incremental to the

current buyback pace?

.....

Elias Farid Habayeb

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Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

So, on the non-renewal part, on the new business, there is not capital that's being consumed. There's capital on

the portfolio that we have on our balance sheet. There is the – the average duration is maybe 3 years to 4 years

on that for it to release itself. But it's going to depend on the speed and if there's opportunities to accelerate that.

The other thing I just since we're talking about the AIG renewal rights deal, just want to remind people, is we were

getting a TSA payment from AIG, about [ph] $30 million (42:50) a month, to cover expenses. That one expired at

the end of the third quarter. So, we won't be having that credit in the fourth quarter.

.....

Rowland Mayor

Analyst, RBC Capital Markets LLC Q

It's helpful. Thank you so much.

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Operator: Thank you. The next question comes from Chris Hartwell with Autonomous. Please go ahead.

.....

Chris Hartwell

Analyst, Bernstein Autonomous LLP Q

Good morning. Apologies to come back again to the reserve question, but wondering if you could maybe talk to, I

guess, the split between IBNR and case reserves, in terms of what's really driving the action there? And I think

there's a Part B to that – sorry, excuse my question. There's part B to that. Where do you think you are in sort of

the broader range of the best estimate now? I don't know whether you think about that in terms of confidence

intervals, but would be interested to know where you sort of, if you think you really are at the maximum you can

be there.

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes. Hi, Chris. Thank you. So, in terms of the IBNR versus case reserves, we've definitely increased the

proportion of reserves at our IBNR. And with respect to the range, what I could tell you right now is we definitely

moved up within the range. Where, we're above our central estimate on that, we have a margin of over $850

million. Most of that margin sits within our reinsurance business, and that's what gives us confidence with what we

did about contributing to more stable reserves and reducing future reserve volatility.

.....

Chris Hartwell

Analyst, Bernstein Autonomous LLP Q

Okay. Thank you. And just to sort of come back on, I think it really sort of touches on one of the earlier questions.

But if we're thinking about, I guess, management confidence and conservatism within reserving, obviously the

timing of releases to some extent is within your gift. And so, how should we think about particularly on this, sort of,

on this short-tail question, how should we think about the future emergence? I mean, if we look at what's

effectively been held back on the short-tail lines, I mean, could we expect – I don't know – could we expect $100

million a quarter of reserve release in an ordinary period? I don't know. Wonder if you could just sort of help me

think about future reserve releases.

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

No happy. Our philosophy is we want to book our loss picks conservatively and allow the lines to mature and

position us in a position where we're more likely to be releasing reserves that needing to strengthen it. In the short

term, we are going to continue to be prudent and maintain conservatism on our balance sheet. So, not sure if

there'll be net favorable reserve releases in the immediate future, but our philosophy is, is to maintain a strong

balance sheet, conservative loss picks, and as they mature, we'll release reserves.

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Operator: Thank you. The next question comes from Michael Zaremski with BMO Capital Markets. Please go

ahead.

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Michael Zaremski

Analyst, BMO Capital Markets Corp. Q

Hey, thanks. Good morning. Maybe you can shed light on kind of the rating agencies. And I know, you've talked in

the past about the importance of the rating agencies, and there's a, I believe, a negative outlook. So just, does

today's actions have any influence on the thought process there or the rating over time? Thanks.

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes, happy to, Mike. What I would say is, like, if you look at the three rating agencies and why they have us a

negative outlook, it has nothing to do with the strength of the balance sheet or the solvency of the company. We

have a very strong balance sheet from there. They see the franchise value in the company. Historically, what put

us on negative outlook, it has been the volatility around reserves. As I said, we think the actions we've done this

quarter contributes to more stable reserves and lower reserve volatility going forward. That should be a positive.

We, as normal operating procedures, we briefed the rating agencies in advance of this earnings call and our

earnings results excluding the reserve. I'm not going to speak for them but we think we've – the actions we've

done has positioned us in a position to address some of the concerns they've had.

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.....

Michael Zaremski

Analyst, BMO Capital Markets Corp. Q

Got it. That's helpful, Elias. And I guess just switching gears to the CAT load, you know, loud and clear about

what you said about PMLs going forward. But just kind of want to make sure, looking at the CAT load this quarter

versus consensus a good bit higher. So, is there – should we be penciling in a bit more CATs in 3Q on a goforward

basis, just maybe you've shifted appetite to kind of less non-hurricane areas, geographies. Thanks.

.....
.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Yes, Mike, as I've said on maybe some past calls, you've got to be careful about any one quarter's CAT activity

because it's obviously purely driven by events. And it's been interesting to hear people [ph] describe 2Q as a

(48:34) light CAT quarter. There was a lot of stuff happening in the world and it's tagging a lot of global insurance

and reinsurance companies. So, I wouldn't draw any conclusions from this quarter in terms of the future load.

What I would say is, given my earlier comments, I would expect PMLs, all things equal, to decrease marginally as

we get into next year. That tends to reduce your CAT load. Having said that, remember, the CAT load is the

expected CAT loss, but you got to divide by total earned premium and that's all earned premium, including

casualty. So, the denominator could get smaller as we manage the cycle. And so, we'll see where the actual

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percentage load comes out. But I don't expect any material shifts. I mean, we manage within a pretty reasonable

range around the total amount of volatility we want in the group.

And I would also take you back to a slide we put in our investor presentation every quarter on our earnings and

capital at risk. And you see, we've managed that within a pretty confined box and have been able to take

advantage of the market within that box. I don't see us doing anything dramatically different next year.

.....

Michael Zaremski

Analyst, BMO Capital Markets Corp. Q

Thank you.

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Operator: Thank you. The next question comes from Yaron Kinar with Mizuho. Please go ahead.

.....

Yaron Kinar

Analyst, Mizuho Securities USA LLC Q

Thank you. Good morning. Just going back to the commentary that the accident year 2026 loss picks are showing

to be prudent and you don't need additional strengthening even as prior years, including the more recent years

did. Would you say that the prior year reserves have now reset at the prudence level and margins that you built

into 2026?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

What I would say Yaron is across all years. Right now we have our loss picks in a prudent position. We did

strengthen all the prior years within casualty and when we – but for 2026, it was already set at the more

conservative level where we started the year, and part of our redundancy of the over $850 million is coming, a

small piece, is coming from underwriting year 2026. So, we didn't feel there's a need to do more on 2026.

.....

Yaron Kinar

Analyst, Mizuho Securities USA LLC Q

Okay. And then, I think, you'd said that there's some additional reserve review to come in the fourth quarter.

Would that include the financial lines reserves?

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.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

No, the financial lines was largely done this quarter. Fourth quarter would be parts of the international insurance

business as well as like cyber and a couple smaller lines.

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Yaron Kinar

Analyst, Mizuho Securities USA LLC Q

Okay. And the reserve strengthening in casualty. Was there anything also in financial lines?

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.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

There was. In total, on casualty, that lumps professional lines. That's how we reported externally. So, there were

some elements of professional lines that we did strengthen in the [ph] 577. You know, if you unpack the 577

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(51:36) Yaron, about two-thirds of it is coming from North America casualty and it's heavy to your kind of

traditional Casualty Pro-Rata some elements and casualty XOL and the rest was kind of more mixed globally.

.....

Yaron Kinar

Analyst, Mizuho Securities USA LLC Q

Thank you very much.

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Operator: Thank you. The next question comes from Brian Meredith with UBS. Please go ahead.

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Brian Meredith

Analyst, UBS Securities LLC Q

Yes. Thanks. Jim, and Elias, I'm just curious, during the whole reserving process, was there any consideration of

an ADC cover on the casualty re book? And is that something you may consider in the future? Just to give maybe

the investors a little more confidence?

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Sure. I mean, look, Brian, it's – you know, and I think I've made this comment in the past. We look at all options

for managing both capital and our reserves. And we certainly feel that the ADC we put in place for our insurance

business was prudent and gives us a lot of flexibility. Freedom, obviously, is going to free up capital. So, would we

consider it? Would we look at it? We could, I think, if conditions were right.

What I would reiterate, though, is given everything Elias has described about what he and Katy and their teams

did with our reinsurance reserves, I feel exceptionally confident in where we've landed. And so, if I were to think

about my decision tree on any potential transactions, it would have to deliver meaningful capital relief benefits, for

us to be, I think, really interested. But we do, from time to time, evaluate these things.

.....

Brian Meredith

Analyst, UBS Securities LLC Q

Great. That's really helpful. And then, second question. I'm just curious, we're hearing more and more about

business moving from the wholesale E&S markets to the retail markets. I'm wondering if you're observing that in

your global wholesale business and what impact that potentially has on your business.

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Sure. I mean, look, I think the industry data would suggest there's a little bit of movement. But one of the things

that I think it's important to understand is there's been a structural shift of business from admitted markets to E&S.

And while there may be some oscillation around that new, much higher level, no part of me expects there to be

the traditional, you know, 15 years, 20 years ago where it would wash from one bucket to the next based on a

market cycle. That is just not happening. There is no way the admitted market could re-consume the risk that's

been relocated into E&S.

I would say for our own business, for evolution in the U.S. where we write our U.S. E&S book, we are – we have

relatively tiny market share. We've got great products. We've got fantastic leadership. For us, it's about getting our

fair share. And so, even if the overall pie shrinks marginally, it's not going to change our opportunity one iota.

There's plenty of good business for us to be writing in that space.

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Brian Meredith

Analyst, UBS Securities LLC Q

Thank you.

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

I'm going to jump in, guys, one minute to clarify something. On the TSA payment with AIG, I may have said $30

million a month. It's really $30 million a quarter.

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Operator: Thank you. The next question comes from David Motemaden with Evercore. Please go ahead.

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David Motemaden

Analyst, Evercore ISI Q

Hey, thanks. Good morning. Just had another question for Elias on the casualty reserves. Could you just unpack

how much of that $850 million risk margin is on the casualty reinsurance business, and how we should think

about that going forward? Is that a buffer that we should think about that can absorb additional adverse

development or increases above the central estimate?

.....

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Hey, David, it's Elias. So, if I unpack the $850 million, the majority of it sits on the reinsurance balance sheet and

the smaller piece of it sits within our GW&S business. But the vast majority of it ties to the reinsurance. Within

reinsurance, that covers both the long-tail lines as well as the short-tail lines. The short-tail lines are a bigger

proportion. But on the casualty side itself, we are booked above the central estimate, and that's part of the

conservatism we brought to our decision-making this quarter.

.....

David Motemaden

Analyst, Evercore ISI Q

Got it. Okay. So that in – I guess – yes, I guess I – you know, I'm just sort of thinking in the past, I think in, at the

end of 2024, you guys had talked about $180 million, I think it was $180 million of the risk margin that was

embedded in the casualty re reserves. So, I guess this number is all in. You had said some of the short-tail. So, I

guess could you just clarify maybe just more like specifically with casualty re, how much of a margin is there as a

percentage of the reserve base?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes, well, let me take a step back. So first, our actuarial central estimate has moved up and it's more conservative

than where we were before. So, within that actuarial central estimate, there's more conservatism. We didn't give

credit to underwriting action. We didn't see in the data. We didn't give credit to the potential for case reserve

strengthening. We know it's happening in our book. We've made investments on claims handling and as a result

that accelerates the setting up case reserves and improve the adequacy of case reserves. We see some of that

data also coming through from some of our cedants, but we did not make any adjustment for that. As well as we

built conservatism by building conservatism in the older accident years and rolling it forward.

So you got to start, David, with thinking the actuarial central estimate is more conservative than where we've

been. So, to me, there's some margin inherent, as a result, within our actuarial central estimate. And then, on top

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of that, we booked in excess of that. So, you've got implicit margins in the central estimate as well as on top of it.

And that's what gets us to be more comfortable with where we are and comfortable that we've reduced the

potential for future reserve volatility.

.....

David Motemaden

Analyst, Evercore ISI Q

Okay. And maybe just quickly on that. The actuarial central estimate, I guess, how much has that moved up now

versus the end of 2025 and the end of 2024?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

So, I can't speak to the end of 2024, but the central estimate moved up in the few hundred millions this quarter.

And top of it, if you look, since I've been here, the margin on top of the central estimate moved up by few hundred

million.

.....

David Motemaden

Analyst, Evercore ISI Q

Thank you.

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Operator: Thank you. The next question comes from Matthew Heimermann with Citi. Please go ahead.

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Matthew Heimermann

Analyst, Citigroup Global Markets, Inc. Q

Oh, thanks for sneaking me in. I guess just one quick one, I'll follow up on my others, but just on the Legacy

segment, if my math is right, it looks like that's paying down like $500 million per quarter. I just was curious

whether or not that was representative of the numbers you have internally. And just to kind of tie that back to

capital, freeing up on that book of business.

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes. What you're seeing is – it is coming down and what you're seeing, what's paying down is the short-tail lines

within that book, more than the long-tail lines, which is what you would expect. It's paying down in line with our

expectations within that book. We haven't seen anything different than what our expectations is.

.....
.....

Matthew Heimermann

Analyst, Citigroup Global Markets, Inc. Q

Okay. Is that – should we expect that if that's mostly short-tail, that long-tail will pick up and kind of keep that level

of paid losses similar? Or will that degrade over time as the short-tail pays out.

.....
.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

We expect both to pay down over time. You're just seeing, it's faster on the short-tail lines than the long-tail line.

Yes, duration on the overall book today is about 3 years to 4 years.

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Matthew Heimermann

Analyst, Citigroup Global Markets, Inc. Q

Okay, thank you.

Operator: Thank you. The next question comes from Elyse Greenspan with Wells Fargo. Please go ahead.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC Q

Hi, thanks. My first question is on the reinsurance segment. So, you guys have been trending from an underlying

combined ratio basis, right, just around 85 so far this year. Right? It sounds like your commentary on the

reinsurance market is right, both property and casualty will be more competitive next year. So, do you expect that

underlying combined ratio, right, that's kind of been within range of 85, would you expect that to trend up in 2027

based on how you guys see the market today?

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Sure, Elyse. I would think about it in terms of a couple of countervailing trends. One, as you point out, things are

getting a little more competitive, and so, all things equal, that tends to put upward pressure on your underlying

combined. And as you've heard, I think abundantly today, we're not playing any games with the loss picks. We

intend to keep them in a conservative spot. And so, that would certainly support that trend.

The countervailing pieces though, that we'll have to keep an eye on is, as I said earlier, a lot of really interesting

places to deploy capacity, particularly in our specialty businesses. Those tend to be very high-performing

businesses. I think that will be quite favorable. And then there's just an earned premium mix reality with the ramp

up of the Annapurna vehicle that will reduce the amount of casualty earned premium, which obviously sits at a

higher attritional combined. So, those things will mix together and come up with a result. I'm not going to predict

what that will be. But just give you some sense of how to think about it.

.....

Elyse Greenspan

Analyst, Wells Fargo Securities LLC Q

Thanks. And then my second question, going back to the actuarial estimate rate versus the risk margin, right. So,

you said you're $850 million above, right, that actuarial estimate, and I think you said the actuarial estimate went

up by like a few hundred million. What was the $850 million manage the best estimate, what was that before this

reserve charge?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Yes. So, if I look at it where we were at the end of June, we've moved in like probably like $300 million up since

June.

.....

Elyse Greenspan

Analyst, Wells Fargo Securities LLC Q

So, both moved up about $300 million?

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

No, the margin over to ACE moved up $300 million, and we moved the ACE up by a few hundred million.

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Elyse Greenspan

Analyst, Wells Fargo Securities LLC Q

Okay, got it. Thank you.

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Operator: Thank You.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

You know, Elyse, if I could just...

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Operator: Well go ahead.

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Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

...just come over the top on that, just, what I take away from that? I think what's important to understand is,

notwithstanding, what we've observed in the back book, we are building reserve strength continuously. That's

been a reality now for a number of quarters. And so, I think that's a very favorable trend line given where we're at.

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Elyse Greenspan

Analyst, Wells Fargo Securities LLC Q

Thank you.

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Operator: Thank you. The next question comes from Tracy Benguigui with Wolfe Research. Please go ahead.

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Tracy Benguigui

Analyst, Wolfe Research LLC Q

Thank you. Just going back to the recent discussion. Elias, you said that you took the ACE baseline up and then

added a risk margin on top. I always assumed that that [ph] MBE (63:47) was where you had subjectivity and

ACE was from an external actuarial perspective. So, to be sure who's moving up the ACE, is that Everest or a

third-party actuary?

.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

So, the actuarial central estimate is the indications we get from our reserving actuaries. So, that's based on their

judgment from that. And so, it was the work that Katy and I with our reserving actuarial team and kind of getting

feedback from underwriting and claims, that kind of went into our judgments, and what moved up our ACE is the

stuff I referenced before about refreshing tail factors, [ph] loss development patterns (64:32), expected loss ratio

selections. So, all that increased that. And then, over and above that, we made the judgment, from a

management perspective, where we want to be booked. And part of it is we decided not to release the short-tail

development that we could have released, as well as booking our casualty over and above our actuarial central

estimate.

Everest Group Ltd. (EG)

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23

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Tracy Benguigui

Analyst, Wolfe Research LLC Q

Okay. So, it sounds like your ACE was internal. Would that risk margin been different compared to a third-party

actuarial ACE?

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

So listen, you bring three actuaries in a room, you get three very different opinions. I think the work our internal

reserving actuaries did this quarter was pretty robust. And we have our auditors, they do their own work

independently. And from what I understand, they found our work to be reasonable.

.....

Tracy Benguigui

Analyst, Wolfe Research LLC Q

Okay. Heads up, my next question is pretty technical, so please bear with me. You have $2.4 billion of debt that's

about to lose its BMA and S&P capital treatment. I recognize that you sound optimistic on exceeding your $300

million buyback floor. And it's also quite remarkable that S&P, we still think you have substantial AA capital

despite losing this credit. So my question is, given how low the coupons are on that legacy debt, is it fair to

assume that you wouldn't refinance it? And is it also practical to just amend the indenture language to make them

explicitly contractually subordinate to operating companies, so you could keep the capital credit without having to

recap at higher rates? Do you think the BMA would be on board with that?

.....
.....

Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

So, let me address that. So one, from an S&P perspective, as they said in their notice, even by not giving us

capital credit for the debt, we had this excess over what their threshold is and that speaks to the strength of our

balance sheet.

The second, we are having constructive discussions with our regulators. There's multiple options around how we

get that debt to be compliant, and most of these options don't involve us having to reset the coupons that we

could protect where we are pretty much. So, I'm not worried about it. We will get this sorted out, and I don't think

there's going to be a punitive outcome coming out of it. But the thing I'll take you back to Tracy is we have a

strong balance sheet and where we land on the debt does not change that.

.....

Tracy Benguigui

Analyst, Wolfe Research LLC Q

Thank you.

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Operator: Thank you. The last question today will come from Ryan Tunis with Cantor. Please go ahead.

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Ryan Tunis

Analyst, Cantor Fitzgerald & Co. Q

Thanks. I guess first question, ignoring the $850 million margin, how much movement was there from these

actions on the actuarial central estimate?

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Elias Farid Habayeb

Chief Financial Officer & Executive Vice President, Everest Group Ltd. A

Hey, Ryan, as I mentioned earlier, our actuarial central estimate moved by a few hundred million dollars. That's

reflecting the extra prudence we baked into it. So, if I unpack, you know, if I go back to my commentary on the

approximately $600 million and reserve strengthening on casualty, the biggest driver behind it is we wanted to be

in a more conservative position, to reduce reserve risk volatility going forward, and provide more stability around

that reserve. So, we were more conservative with how we set our actuarial assumptions around casualty, and we

went through a pretty robust process. At the same time, we decided – and we had the ability to offset it, we

decided not to fully offset it, and we held back most of the favorable loss emergence on short-tail lines.

.....

Ryan Tunis

Analyst, Cantor Fitzgerald & Co. Q

I'm just thinking about, when I look at the premium reduction in casualty that's still happening on the reinsurance

side. I guess, what I'm struggling with is presumably that's premium that you're – that you could have gotten rid of

a year ago and you're just choosing to get rid of it now. So, it feels like you might be seeing something. So, I'm

just curious like how you square that with the comments about prudence in the 2026 loss picks? Yes.

.....

Jim Williamson

President, Chief Executive Officer & Director, Everest Group Ltd. A

Sure. Yes, Ryan, look, I think one thing to keep in mind is when you see written premium – even written premium

flowing through our financials in the third quarter, that is premium we got rid of in the past, last year, and certainly

at 01/01. And what I would really indicate is, this is an evolving environment. I mean, if anybody is sitting out

there, thinking that social inflation was a thing that happened and stopped happening, you're thinking about it the

wrong way. So, we reevaluate ground up every quota share, every casualty quota share transaction that we do

every year. It's an actuarial and an underwriting exercise, lot of the analytics and our perspective on any given

deal could change. It could change because we see some movement in the underlying results from the cedant. It

could change because they've changed their mix in a way that we don't like. We have extremely robust analytics

around the underlying portfolio composition and how it reflects in our results. And so, the team responds to those

factors, the ceding commission could be going on and we respond to that.

So, it's really a combination of things that results in our underwriting decisions. And, again, I think all of those

things are inuring to the benefit of the loss pick not putting pressure on the loss pick. I think those are underwriting

actions that as Elias has indicated a few times, we're not taking credit for. But I do think those will prove to be

good guys for us over time.

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Ryan Tunis

Analyst, Cantor Fitzgerald & Co. Q

Excellent.

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Operator: Thank you. This concludes our question-and-answer session and the Everest Group Limited Third

Quarter 2026 Earnings Conference Call. Thank you for attending today's presentation. You may now disconnect.

Everest Group Ltd. *(*EG)

Q3 2026 Earnings Call

Corrected Transcript

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