Everest Re Group Announces Catastrophe Loss Estimate for First Quarter 2018

April 11, 2018

HAMILTON, Bermuda--(BUSINESS WIRE)--Apr. 11, 2018-- Everest Re Group, Ltd. (NYSE:RE) today announced that it expects to incur $100 million of estimated catastrophe losses, net of reinsurance recoverables and reinstatement premiums, in the first quarter of 2018, largely arising from the California wildfires and related events.

A series of wildfires burned across many areas of California in October and December of 2017, resulting in widespread damage to homes and businesses. The Company's initial estimate of these losses in the fourth quarter of 2017 was based on the best available information at the time, including modeled data, industry loss estimates, which ranged from $8 billion to $10 billion, and preliminary client discussions. Industry loss estimates for both the Northern and Southern California events have risen dramatically since year-end and are now projected at over $13 billion. This increase in the industry loss estimate is consistent with the revised reports of escalated claims costs we have noted with several of our clients, prompting the change in the Company's estimate in the quarter.

Additionally, the Company notes a change in its reporting of operating income, a non-GAAP financial measure. Historically operating income represented net income, excluding realized capital gains and losses and the tax impact related to the enactment of the Tax Cuts and Jobs Act in 2017. Starting in first quarter 2018, the Company will further adjust operating income to exclude foreign exchange gains and losses as it believes the impact of foreign currency movements on income is not indicative of the performance of the underlying business in a particular period.

Everest Re Group, Ltd. is a Bermuda holding company that operates through the following subsidiaries: Everest Reinsurance Company provides reinsurance to property and casualty insurers in both the U.S. and international markets. Everest Reinsurance (Bermuda), Ltd., including through its branch in the United Kingdom, provides reinsurance and insurance to worldwide property and casualty markets and reinsurance to life insurers. Everest Reinsurance Company (Ireland), dac. provides reinsurance to non-life insurers in Europe. Everest Insurance® refers to the primary insurance operations of Everest Re Group, Ltd., and its affiliated companies which offer property, casualty and specialty lines insurance on both an admitted and non-admitted basis in the U.S. and internationally. The Company also operates within the Lloyd's insurance market through Syndicate 2786. In addition, through Mt. Logan Re, Ltd., the Company manages segregated accounts, capitalized by the Company and third party investors that provide reinsurance for property catastrophe risks. Additional information on Everest Re Group companies can be found at the Group's web site at www.everestregroup.com.

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