# Everest Provides Preliminary Information on Fourth Quarter and Full Year 2020 Results

January 25, 2021

HAMILTON, Bermuda--(BUSINESS WIRE)--Jan. 25, 2021-- Everest Re Group, Ltd. (“Everest” or the “Company”) announced today preliminary financial results in advance of its full quarterly and full year earnings to be released on February 8, 2021.

Inclusive of the items noted below, Everest expects to report full year 2020 net income of $475-$525 million and operating income of $275-$325 million.

Everest is estimating pre-tax net catastrophe losses for the fourth quarter 2020 of $70 million, net of reinsurance and reinstatement premiums. The estimate includes the impact of Hurricanes Delta, Zeta, Eta, Iota, and the Queensland Australia Hailstorm. These catastrophe losses include $60 million in the Company’s Reinsurance segment and $10 million in the Insurance segment.

Everest is also estimating pre-tax net Covid-19 Pandemic (“Pandemic”) losses for the fourth quarter 2020 of $76 million primarily for third-party lines. This amount includes $56 million in the Company’s Reinsurance segment and $20 million in the Insurance segment and is in addition to the $435 million of Pandemic losses estimated in the first nine months of 2020. For full year 2020, the total Pandemic loss provision is $511 million -- over 80% is IBNR.

After a comprehensive annual review of all reinsurance and insurance reserves, Everest is increasing prior year loss reserves by $400 million. The amount is equal to 3.0% of net loss reserves as of September 30, 2020. This reserve strengthening is all in the Company’s Reinsurance segment and primarily in long-tail classes for the 2015-2018 accident years notably general liability, professional lines, and auto liability. The reserve charge also includes actions on non-CAT property lines, primarily for the 2017-2019 accident years and driven by a few large losses to aggregate programs.

Everest Re Group President & CEO Juan C. Andrade commented:

“We remain focused on the relentless execution of our strategies to create a diversified portfolio that achieves superior risk adjusted returns and value to our shareholders and customers. The decisive reserving actions we are announcing today recognize the social inflation trends affecting the overall U.S. Casualty market and enhance our already strong balance sheet. We have proactively acted on the affected portfolios and we have confidence in our in-force book. We are bullish about our future and the earnings generating power of our franchise.

“Everest continues to benefit from excellent financial strength and strong enterprise risk management. The fundamentals of our business are strong. Our Company is well positioned to succeed in any market conditions, as evidenced by our growth and our improved underlying results despite the many global challenges in 2020. Our strong management team, employees, global platform, and excellent capabilities continue to provide superior solutions to our business partners and customers.”

*This news release 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 and investment income fluctuations, trends in insured and paid losses, catastrophes, pandemic, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. 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.*

About Everest Re Group, Ltd.

Everest Re Group, Ltd. (“Everest”) is a leading global provider of reinsurance and insurance, operating for close to 50 years through subsidiaries in the U.S., Europe, Singapore, Canada, Bermuda, and other territories.

Everest offers property, casualty, and specialty products through its various operating affiliates located in key markets around the world.

Everest common stock (NYSE:RE) is a component of the S&P 500 index.

Additional information about Everest, our people, and our products can be found on our website at www.everestre.com. All issuing companies may not do business in all jurisdictions.

View source version on businesswire.com: https://www.businesswire.com/news/home/20210125005839/en/

Media: Dane Lopes
Chief Communications Officer
Everest Global Services, Inc.

203.388.3977

Investors: Jon Levenson
Head of Investor Relations
Everest Global Services, Inc.
908.604.3169

Source: Everest Re Group, Ltd.