

REPORT ON EXAMINATION
OF
EVEREST REINSURANCE COMPANY
AS OF
DECEMBER 31, 2024

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
EVEREST REINSURANCE COMPANY
AS OF
DECEMBER 31, 2024

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink, which appears to read "Trinidad Navarro", is positioned above a horizontal line.

Trinidad Navarro
Insurance Commissioner

Dated this 10th day of June, 2026

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May 19, 2026

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street
Suite 101
Dover, Delaware 19904-2465

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 25.014, dated February 24, 2025, an examination has been made of the affairs, financial condition and management of

EVEREST REINSURANCE COMPANY

hereinafter referred to as the Company. The Company was incorporated under the laws of the State of Delaware as a stock company with its home office located at 251 Little Falls Drive, Wilmington, Delaware. The Company's administrative office is located at 100 Everest Way, Warren Corporate Center, Warren, New Jersey.

SCOPE OF EXAMINATION

We have conducted a full-scope risk-focused examination of the Company. The last examination was conducted by the Delaware Department of Insurance (Department) as of December 31, 2020. This examination covered the period of January 1, 2021 through December 31, 2024.

Our examination was performed on the Delaware-domiciled companies (Companies) within the Everest Group, Ltd. (EG) holding company system as of December 31, 2024. Hereinafter, collectively, the EG holding company and the Delaware insurance companies are referred to as the Group. The Company's Delaware-domiciled affiliates are Everest National Insurance Company (ENIC), Everest Indemnity Insurance Company (EIIC), Everest Premier Insurance Company (EPIC), Everest Denali Insurance Company (EDIC) and Everest Security Insurance Company (ESIC), which redomiciled from Georgia to Delaware during the current examination period.

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and conduct the examination to evaluate the Company's financial condition, assess corporate governance, identify the Company's current and prospective risks and evaluate the system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, pursuant to the General Corporation Law of the State of Delaware as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included in the examination report but are communicated separately to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, KPMG, LLP (KPMG). Certain auditor work papers of the 2024 audit of the Company have been incorporated into the work papers of the examiners and have been utilized in determining the scope, areas of emphasis in conducting the examination and in the areas of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

COMPANY HISTORY

The Company was originally incorporated as Prudential Reinsurance Company on June 13, 1973, under the laws of the State of Delaware, and began operations on June 25, 1973. At that time, the Company was a wholly owned subsidiary of PRUCO, Inc., which was a wholly owned subsidiary of The Prudential Insurance Company of America (Prudential), the ultimate parent in the holding company system.

Effective October 6, 1995, as a result of an initial public offering of Prudential Reinsurance Holdings, Inc. (Pru Re Holdings), the Company ceased to be a member of the Prudential insurance holding company system. On April 2, 1996, Pru Re Holding's name was changed to Everest Reinsurance Holdings, Inc. (Holdings) and became a member of a holding

company system in which Holdings was the ultimate controlling entity. At the same time, the Company changed its name to its current one.

EG, a Bermuda company, was established in 1999 as a wholly owned subsidiary of Holdings. On February 24, 2000, as a result of a corporate reorganization, Holdings became a subsidiary of EG, the current ultimate controlling entity in the holding company system, with Holdings as its subsidiary holding company for the United States (U.S.) based operations. At that time, shareholders of Holdings' common stock automatically became shareholders of the same number of EG common shares. Prior to the restructuring, EG had no significant assets or capitalization and had not engaged in any business activities other than those related to the restructuring. EG is a registered public company whose shares are traded under the ticker symbol EG on the New York Stock Exchange.

In December 2008, EG organized a new wholly owned subsidiary, Everest Underwriting Group (Ireland) Limited (Everest Ireland), under the laws of the Republic of Ireland, which subsequently became the direct parent of Holdings. As of December 31, 2020, the Company was a wholly owned subsidiary of Holdings, which is a wholly owned subsidiary of Everest Ireland, which is a wholly owned subsidiary of EG.

In 2016, EDIC and EPIC were organized and commenced business as Delaware-domiciled affiliate companies and wholly owned subsidiaries of the Company. Both companies are licensed to write property and casualty insurance in all fifty (50) states and the District of Columbia.

Capitalizations

The Company is authorized to issue 25,000 shares of common capital stock with a par value of \$400 per share. All 25,000 shares are issued and held by Holdings, resulting in common

capital stock of \$10,000,000. The Company's gross paid-in and contributed surplus increased \$1,835,887,887 during the examination period from \$3,400,178,517 to \$5,236,066,404 as a result of paid-in surplus each year of the examination period.

Dividends to Stockholder

The Company paid ordinary dividends to its sole shareholders during the period under examination, as reflected in the Board of Directors (Board) meeting minutes with notification to the Department as follows:

<u>Date Declared</u>	<u>Notification Date</u>	<u>Date Paid</u>	<u>Dividend Paid</u>
June 10, 2021	June 10, 2021	June 15, 2021	\$120,000,000
June 24, 2022	June 24, 2022	June 29, 2022	200,000,000
September 30, 2022	September 30, 2022	October 12, 2022	50,000,000

Dividend payments for all years above were in compliance with 18 *Del. C.* §5004(e) and 5005(b).

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Law of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers and its business property and affairs are managed by, or under the direction of its Board. The bylaws, as amended and restated February 3, 1995, provide that the Company's Board shall consist of a minimum of seven directors. The number of directors shall not be subject to any maximum and shall be fixed from time to time either by the Board or the stockholders. As of December 31, 2024, the members of the Board together with their Company titles were as follows:

James Allan Williamson	Chairman of the Board, President & Chief Executive Officer
Mark Kociancic	Executive Vice President & Chief Financial Officers
Jill Alexis Beggs	Executive Vice President & COO Reinsurance Division
Paul Christoff	Executive Vice President, Finance
Anthony Izzo	Senior Vice President & Head of Global Facultative & Distribution
Chris Downey	Senior Vice President & Chief Underwriting Officer
Juan C. Andrade	Board Member (EG President and Chief Executive Officer)
Ari Moskowitz	Board Member (EG Chief Risk Officer)

Officers

The bylaws of the Company state that the principal officers shall be a President, one or more Vice Presidents, a Treasurer, a Comptroller, a Corporate Secretary and such additional officers as may be appointed from time to time by a resolution adopted by a majority of the Board. The Board may also designate as many Executive Senior Vice Presidents as it deems appropriate. As of December 31, 2024, the Company's principal officers and their respective titles were as follows:

<u>Name</u>	<u>Title</u>
James Williamson	Chairman of the Board, President & Chief Executive Officer
Mark Kociancic	Executive Vice President & Chief Financial Officer
Sylvia Semerdjian	Senior Vice President & Secretary
Robert Freiling	Senior Vice President & Chief Accounting Officer
Brian Lee Bedner	Senior Vice President & Treasurer
David Sean Harris	Senior Vice President & Chief Reserving Actuary
Ricardo Anzaldua	Executive Vice President & General Counsel

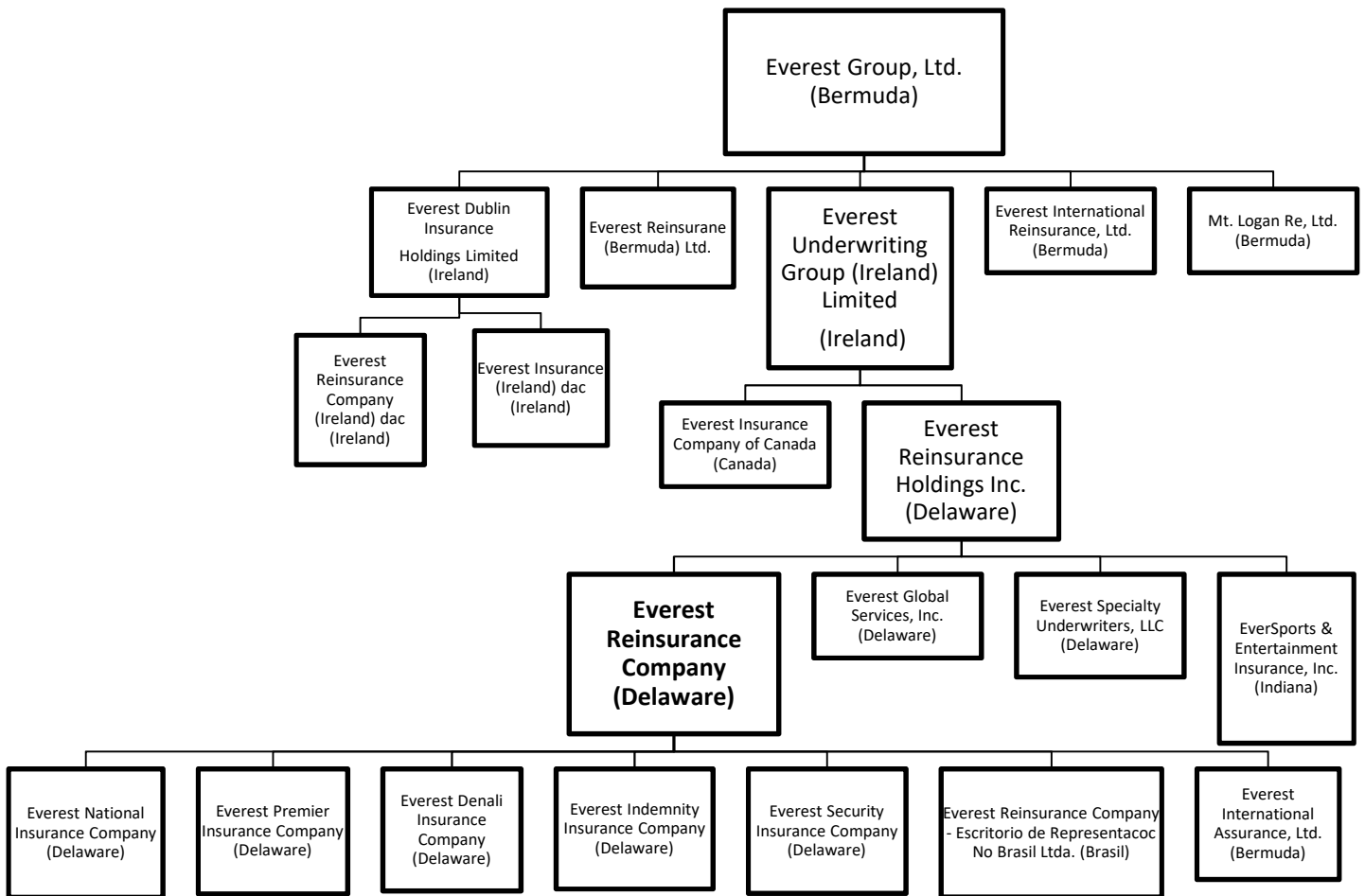
Corporate Records

Review of Company files indicated that written correspondence was submitted to the Department with regard to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* § 4919. In addition, review of the Company's Board meeting minutes over the examination period reflected accordance with the Company's bylaws.

From review of such minutes, the attendance at Board meetings, the elections of directors and officers and the approvals of investment transactions were noted.

Insurance Holding Company System

The Company is a member of an insurance holding company system as defined under 18 *Del. C.* § 5001 of the Delaware Insurance Code. The following abbreviated organization chart reflects the ownership chain of insurance and insurance-related subsidiaries within the EG holding company as of December 31, 2024 (ownership of subsidiaries is 100% unless otherwise noted):



Agreements with Affiliates

The following affiliated agreements within EG's organizational structure were identified and are in effect as of December 31, 2024:

Tax Allocation Agreement

Effective January 1, 2017, Holdings, the statutory insurance companies under review, Specialty Insurance Group and Everest International Assurance, Ltd., collectively, the Group are party to an Intercompany Tax Allocation Agreement, whereby, each company shall contribute its fair and equitable share to the taxes payable by the Group or as compensation for the reduction in the net operating loss deduction, capital loss deduction or other tax benefit of the Group. The Group files a consolidated tax return, and each year, each company calculates its respective amounts for tax payments, estimated tax, or tax refunds, which it would be liable for or entitled to as if it had filed a separate return. All payments between and among companies within the Group are to be settled within 90 days, in accordance with the terms of the agreement. Final settlement among the companies occurs annually.

Administrative Service Agreements

Effective January 1, 2019, certain affiliate companies (Affiliate) became parties to a Master Service Agreement. Under the terms of the agreement, services from an Affiliate may be provided to another Affiliate. Services provided include, but are not limited to, underwriting and claims services, agency services for admitted & excess lines, accounting, tax and auditing, legal services, information technology, etc. The receiving Affiliate shall pay the providing Affiliate the fair market value price for services. In an addendum to the agreement, the parties agree that the current fair market value for all Services is 100% of the incurred cost, as determined in accordance with generally accepted accounting practices and cost allocation procedures

implemented from time to time by the parties, whether the company is a Receiving Affiliate or a Providing Affiliate.

Other Related Party Transactions

Effective March 1, 2000, the Company, in support of ENIC, guarantees ENIC's obligations under all its insurance contracts, subject to an aggregate limit of \$75 million. As of September 2025, this guarantee was terminated.

Effective September 30, 2002, the Company, in support of EIIC, guarantees EIIC's obligations under all its insurance contracts, subject to an aggregate limit of \$50 million. As of September 2025, this guarantee was terminated.

Effective April 26, 2003, the Company, in support of ENIC, guarantees ENIC's obligations under all its insurance contracts, subject to an aggregate limit of \$75 million. As of September 2025, this guarantee was terminated.

Effective January 1, 2022, the Company entered into a Reinsurance Premiums Allocation Agreement with all five of its insurance subsidiaries and additional insurance affiliates. Per the terms of the agreement, the Company agrees to pay the total amount of Premium owed to the Reinsurers or applicable intermediary. The Company will report payments of Premium to the other Companies, and each company agrees to reimburse the Company for its Allocated Premium. The Company will calculate the allocated Premium for each participant using a method, in its sole discretion, deemed fair to allocate the total Premium between Companies that benefit from the Reinsurance Treaty. The standard method will be to calculate Allocated Premium by multiplying the Premium Rate (calculated for each Reinsurance Treaty by dividing Premium by the total subject premium across all Companies for the business covered under that Reinsurance Treaty).

Effective December 30, 2022, the Company, Everest Reinsurance (Bermuda), Ltd. (Bermuda Re) and Everest Reinsurance Company (Ireland), dac (ERC Ireland), entered into a Collateral Pooling Arrangement. The Company is to post collateral to support certain reinsurance collateral obligations owed by Bermuda Re and ERC Ireland. Under the terms of the agreement, within 30 days following the date hereof, the Company shall have the option to post collateral, on behalf of, and to support certain collateral obligations owed by, the Assuming Reinsurers (including any applicable branches) in an amount of up to \$900,000,000 in the aggregate. In return, each Assuming Reinsurer agrees to pay the Company an annualized rate of 0.25 percent of the value of the collateral posted for the account of such Assuming Reinsurer under this Agreement.

Effective November 27, 2024, the Company (Lender) and Holdings (Borrower) entered into a Loan Agreement. Subject to the terms and conditions of the Loan Agreement, the Lender may make loans to the Borrower on a revolving basis in an aggregate amount not to exceed \$750,000,000. As of December 31, 2024, the outstanding loan balance amounted to \$375,000,000.

Effective December 12, 2024, the Company and ENIC entered into an Agreement with Everest Global Services to sell certain assets. The assets, including furniture, developed software, and software in development, were sold for the total consideration of \$238,350,108.

TERRITORY AND PLAN OF OPERATION

The Company is a licensed property and casualty insurer and/or reinsurer in all fifty (50) states, the District of Columbia, Puerto Rico and Guam, and is authorized to conduct reinsurance business in Canada, Singapore and Brazil. The Company underwrites property and casualty reinsurance for insurance and reinsurance companies in the U.S. and international markets. It underwrites property and casualty facultative and treaty reinsurance, both directly and through intermediaries. Most of the Company's business is written in the U.S. on domestic risks, with

its international business written in offices in the U.S. and through branches in Canada, Singapore and Brazil.

As of December 31, 2024, the Company and its five wholly owned U.S. statutory insurance subsidiary companies operate under an intercompany reinsurance pooling arrangement described in the Reinsurance section below.

REINSURANCE

The Company reported the following distribution of premiums written for the years ended December 31, 2024, and the prior examination date of December 31, 2020:

	<u>2024</u>	<u>% GPW</u>	<u>2020</u>	<u>% GPW</u>
Direct Business	\$ 317,072,353	3%	\$ 445,643,554	5%
Reinsurance assumed from affiliates	3,713,489,388	30%	2,448,059,629	30%
Reinsurance assumed from non-affiliates	<u>8,359,257,286</u>	<u>67%</u>	<u>5,324,980,207</u>	<u>65%</u>
Gross Premiums Written	<u>\$ 12,389,819,027</u>	<u>100%</u>	<u>\$ 8,218,683,390</u>	<u>100%</u>
Reinsurance ceded to affiliates	1,222,736,148	10%	399,776,966	5%
Reinsurance ceded to non-affiliates	<u>1,788,931,669</u>	<u>14%</u>	<u>1,154,433,836</u>	<u>14%</u>
Total Ceded Premium	<u>\$ 3,011,667,817</u>	<u>24%</u>	<u>\$ 1,554,210,802</u>	<u>19%</u>
Net Premiums Written	<u><u>\$ 9,378,151,210</u></u>	<u><u>76%</u></u>	<u><u>\$ 6,664,472,588</u></u>	<u><u>81%</u></u>

Assumed Reinsurance – Affiliates

Effective January 1, 2014, amended effective January 1, 2017, and amended effective May 30, 2018, an intercompany pooling arrangement was created between the Company and its wholly owned U.S. statutory subsidiaries (Pool Companies), with the Company as the reinsurer assuming 100% of the net retained liability (net liability after deductions of all inuring reinsurance on the business) under new and renewal policies from its insurance subsidiaries. Concurrently with this assumption, the Company retrocedes 0% back to its insurance subsidiaries. Therefore, the Company's participation in the pooling transaction is 100%, and its U.S. statutory subsidiaries'

participation is 0%. The effect of this transaction increased the cessions on new and renewal business from 85% to 100%. The previous 85% Quota Share reinsurance agreements between the Company and its insurance subsidiaries were terminated on a run-off basis as of December 31, 2013. The amendment, effective January 1, 2017, added EDIC and EPIC to the pooling agreement. The amendment, effective May 30, 2018, removed the 3.5% ceding commission on net written premiums subject to the pooling. For the year ended December 31, 2024, assumed premium (rounded to thousands) from pooled affiliates is reflected below.

<u>Entity</u>	<u>Assumed Premium</u>
ENIC	\$1,763,667,000
EIIC	1,319,182,000
EPIC	304,040,000
EDIC	233,929,000
<u>ESIC</u>	<u>0</u>
Total	<u>\$3,620,818,000</u>

The Company entered into a catastrophe excess of loss reinsurance contract with Everest Insurance (Ireland), (Ireland Insurance), effective June 1, 2022 through December 31, 2022. This contract has been renewed annually since its inception. Effective December 31, 2024, the contract provides Ireland Insurance with up to €750 million of reinsurance coverage for each catastrophe occurrence above €12.5 million. Ireland Insurance paid the Company €15 million and €8 million for treaty years 2024 and 2023, respectively, for this coverage. As of December 31, 2024, the Company's reinsurance recoverable due from Ireland Insurance was not significant.

The Company entered into a catastrophe excess of loss reinsurance contract with Everest Reinsurance Company (Ireland), (Ireland Re), effective February 1, 2021, through January 31, 2022. This contract has been renewed annually since its inception. Effective December 31, 2024, the contract provides Ireland Re with up to €210 million of reinsurance coverage for each

catastrophe occurrence above €18 million. Ireland Re paid the Company €14 million and €10 million for treaty years 2024 and 2023, respectively, for this coverage. As of December 31, 2024, the Company had reinsurance recoverable of \$5 million recorded on its balance sheet due from Ireland Re.

The Company entered into a catastrophe excess of loss reinsurance contract with Ireland Re, effective March 31, 2023 through January 31, 2024. The contract provides Ireland Re with up to €61 million of reinsurance coverage for each catastrophe occurrence above €139 million. Ireland Re paid the Company €2 million for this coverage. The agreement was renewed, effective February 1, 2024 through January 31, 2025. Effective December 31, 2024, according to the contract, the Company provides coverage in excess of €18 million up to a limit of €210 million.

The Company entered into a catastrophe excess of loss reinsurance contract with Lloyd's Syndicate 2786 (the Syndicate), effective June 1, 2022 through March 31, 2023. This contract has been renewed annually since its inception. Effective December 31, 2024, the contract provides Lloyd's Syndicate 2786 with up to \$30 million of reinsurance coverage for each catastrophe occurrence above \$5 million. Lloyd's Syndicate 2786 paid the Company \$2 million each for treaty years 2024 and 2023 for this coverage.

As of December 31, 2024, the Company had a reinsurance recoverable of \$6 million recorded on its balance sheet due from the Syndicate.

The Company's Canadian Branch entered into an excess of loss reinsurance agreement with Everest Insurance Company of Canada (Everest Canada), effective January 1, 2024 through December 31, 2024. The contract provides Everest Canada with up to C\$150 million of reinsurance coverage for each catastrophe occurrence above C\$25 million. Everest Canada will

pay the Company's Canadian Branch C\$5 million for this coverage annually. As of December 31, 2024, there were no amounts outstanding from Everest Canada.

The Company entered into a whole account quota share reinsurance agreement with Everest Compañía de Seguros Generales Colombia S.A. (Everest Colombia), effective July 1, 2024 through June 30, 2025. This agreement covers property and casualty business. Quota share percentages vary based on the line of business for the premium written. As of December 31, 2024, amounts outstanding were not significant.

The Company entered into a 99.0% whole account quota share reinsurance agreement with Everest Mexico, effective June 7, 2024 through June 30, 2025. This agreement covers property and casualty business. Effective January 1, 2025, the quota share percentage was amended to 99.7% for real estate fund business and 99.0% for all remaining lines of property and casualty business. As of December 31, 2024, amounts outstanding were not significant.

Assumed Reinsurance – Non-Affiliates

The Company assumes both property and casualty reinsurance on a treaty and facultative basis through reinsurance brokers, as well as on a direct basis. All reinsured clients are evaluated on financial stability and performance. For the year ending December 31, 2024, assumed premiums written from non-affiliates totaled approximately \$8.4 billion.

Ceded Reinsurance – Affiliates

Effective December 31, 2017, the Company entered into a Loss Portfolio Transfer (LPT) agreement with Bermuda Re. The LPT agreement covers subject loss reserves in excess of \$2.3 billion for accident years 2017 and prior, subject to retention. As a result of the LPT agreement, the Company transferred \$1.0 billion in cash and fixed-maturity securities, and \$970 million in loss reserves to Bermuda Re. As part of the LPT agreement, Bermuda Re will provide an

additional \$500 million of adverse development coverage on the subject loss reserves. As of December 31, 2024, the Company had a reinsurance recovery recoverable of \$381 million recorded on its balance sheet due from Bermuda Re. These transactions were accounted for prospectively. This agreement was commuted effective December 1, 2025, and the loss recognized by the Company upon settlement was not significant.

The Company has entered into several twelve-month whole account aggregate stop loss reinsurance contracts (stop loss agreements) with Bermuda Re:

- Effective January 1, 2018, providing coverage for ultimate net losses on applicable net earned premiums above a retention level, subject to certain other coverage limits and conditions. The stop loss agreement was most recently renewed, effective January 1, 2025. The stop-loss agreements between the Company and Bermuda Re that were in effect for 2018 and 2019 were both commuted in the first quarter of 2023, effective March 31, 2023, and the agreement for the 2020 effective year was commuted during the second quarter of 2025, effective May 31, 2025. The commutations of the agreement resulted in the recognition of an incurred loss of \$37 million for the Company in the third quarter of 2023.
- Effective January 1, 2022, and effective until December 31, 2022, the providing coverage for Aggregate Losses that exceed 61.6% of the Company's Net Earned Premium (the Company's retention), subject to an excess payment not to exceed 10% of the Company's net earned premium for the term of the agreement. For business classified by the Company as Mortgage, the maximum recoverable amount shall not exceed an amount equal to 200% of the net earned premium allocated to such business. The agreement covers Losses on all of the new and renewal business, identical to that of the Company's policies.
- Effective January 1, 2023, and effective until December 31, 2023, providing coverage for Aggregate Losses that exceed 64% of the Company's Net Earned Premium are subject to an excess payment not to exceed 10% of the Company's net earned premium for the term of the agreement. For business classified by the Company as Mortgage, the maximum recoverable amount shall not exceed an amount equal to 200% of the net earned premium allocated to such business. The agreement covers losses on all of the new and renewal business, identical to that of the Company's policies.
- Effective January 1, 2024, and effective until December 31, 2024, providing coverage for Aggregate Losses which exceed 59.1% of the Company's Net Earned Premium (the Company's retention) the excess payment is not to exceed 10% of

the Company's net earned premium for the term of the agreement. For business classified by the Company as Mortgage, the maximum recoverable amount shall not exceed an amount equal to 200% of the net earned premium allocated to such business. The agreement covers losses on all of the new and renewal business, identical to that of the Company's policies.

The Company cedes property business to the segregated accounts managed by its affiliate, Mt. Logan Re, Ltd. Third-party investors primarily capitalize these accounts. In 2024, this amount was \$347 million.

The Company entered into a catastrophe excess of loss reinsurance contract with Bermuda Re (UK Branch), effective January 1, 2021 through December 31, 2021. This contract has been renewed annually since its inception. Effective 31, 2024, the contract provides Bermuda Re (UK Branch) with up to £100 million of reinsurance coverage for each catastrophe occurrence above £24 million. Bermuda Re (UK Branch) paid the Company £4.9 million and £4.4 million for treaty years 2024 and 2023, respectively, for this coverage. As of December 31, 2024, the Company had reinsurance recoverable of \$9 million recorded on its balance sheet due from Bermuda Re (UK Branch).

The Company entered into a catastrophe excess of loss reinsurance agreement with Everest Compañía de Seguros Generales Chile S.A. (Everest Chile), effective July 1, 2022 through June 30, 2023. This contract has been renewed annually since its inception. Effective December 31, 2024, the contract provides Everest Chile with up to \$140 million in reinsurance coverage for each catastrophe occurrence exceeding \$7 million. Everest Chile paid the Company \$7 million and \$8 million for treaty years 2024 and 2023, respectively, for this coverage. As of December 31, 2024, the Company had a reinsurance recoverable of \$5 million recorded on its balance sheet due from Everest Chile.

The Company entered into a 65% whole account quota share reinsurance agreement with Everest Chile, effective July 1, 2022 through June 30, 2023. The contract was not renewed and is in run-off as of December 31, 2024. As of December 31, 2024, the Company had a reinsurance recoverable of \$8 million recorded on its balance sheet due from Everest Chile.

Effective October 1, 2008, the Company entered into an LPT agreement with Bermuda Re that covers subject loss reserves related to casualty business for accident years 2002 to 2007. As a result of the LPT agreement, the Company transferred \$747 million of loss reserves to Bermuda Re. As of December 31, 2024 and 2023, the Company has a reinsurance recoverable of \$27 million and \$21 million, respectively, recorded on its balance sheet due from Bermuda Re. This agreement was commuted effective December 1, 2025.

Ceded Reinsurance – Unaffiliated

The Company purchases reinsurance to cover specific business written or the potential accumulation or aggregation of exposures across its operations. The amount of reinsurance purchased has varied over time, reflecting the Group's view of its exposures and the cost of reinsurance. In recent years, the Group has increased its use of reinsurance offered through capital market facilities.

During the review of the 2024 reinsurance program, it was noted that significant covers included:

- Property Cat Excess of Loss (XOL) Earthquake Only \$300 million excess of \$700 million
- US Property Quota Share 27.75% Placed
- Global Property XOL with a North America Cession of \$25 million excess of \$15 million 100% Placed
 - Two global layers \$175 million excess of \$40 million.
- Munich Direct Excess and Umbrella Limit \$10 million 30% Placed
- Excess Casualty Quota Share 30% Placed
- Workers Comp and Employers Liability Per Person Occurrence Program
 - Layer 1 \$7.5 million excess of \$7.5 million
 - 2nd Layer \$10 million excess of \$15 million 95% place

- Workers Comp and Employers Liability Cat XOL Program
 - Layer 1 \$75 million excess of \$25 million
 - 2nd Layer \$100 million excess of \$100 million 100% placed
- Surety XOL \$125 million excess of \$12.5 million – 100% placed

The Group has significant exposure to property risks, including catastrophic losses from natural disasters. Catastrophe loss projections are segmented by risk zones, updated quarterly and reviewed as part of a formal risk management review process. These reviews are performed by the Group's Risk Management Committee, which also determines catastrophe risk appetites, impacts on capital levels and the required catastrophe coverages needed to preserve capital at a designated level. Group exposures to losses from catastrophe events were set in 2024 at no more than 20% of capital at risk in a one-in-250 catastrophe year and no more than 45% of projected income at risk in a one-in-ten catastrophe year.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

- Statement of Assets and Liabilities as of December 31, 2024
- Statement of Income for the year ended December 31, 2024
- Capital & Surplus Account for the year ended December 31, 2024
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2020 to December 31, 2024

Statement of Assets and Liabilities
As of December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 16,820,059,808	\$ -	\$ 16,820,059,808
Preferred stocks (stocks)	466,974,388	-	466,974,388
Common stocks (stocks)	599,042,844	-	599,042,844
Cash	559,648,666	-	559,648,666
Cash equivalents	2,276,434,262	-	2,276,434,262
Short-term investments	4,961,895	-	4,961,895
Other invested assets	2,043,950,055	-	2,043,950,055
Receivables for securities	69,701	-	69,701
Subtotals, cash and invested assets	<u>\$ 22,771,141,619</u>	<u>\$ -</u>	<u>\$ 22,771,141,619</u>
Investment income due and accrued	241,229,553	-	241,229,553
Uncollected premiums and agents' balances in the course of collection	1,565,004,132	9,519,660	1,555,484,472
Deferred premiums; agents' balances and installments booked but deferred and not yet due	1,773,416,877	-	1,773,416,877
Amounts recoverable from reinsurers	480,751,656	-	480,751,656
Funds held by or deposited with reinsured companies	901,298,714	3,385,183	897,913,531
Current federal and foreign income tax recoverable and interest thereon	210,033,069	-	210,033,069
Net deferred tax asset	325,398,537	80,188,493	245,210,044
Furniture and equipment, including healthcare delivery assets	576,743	576,743	-
Receivables from parent; subsidiaries and affiliates	24,601,005	-	24,601,005
Aggregate write-ins for other than invested assets:		-	
Corporate owned life insurance	1,748,694,213	-	1,748,694,213
Intercompany note receivable	375,000,000	-	375,000,000
Deposits with claim adjusting companies	338,848,806	-	338,848,806
Summary of remaining write-ins from overflow page	172,339,609	82,213,630	90,125,979
Total	<u><u>\$ 30,928,334,533</u></u>	<u><u>\$ 175,883,709</u></u>	<u><u>\$ 30,752,450,824</u></u>

Everest Reinsurance Company

		Notes
Losses	\$ 14,080,471,557	1
Reinsurance payable on paid losses and loss adjustment expenses	697,424,947	
Loss adjustment expenses	1,872,962,406	1
Commissions payable; contingent commissions and other similar charges	(29,460,823)	
Other expenses (excluding taxes, licenses and fees)	68,472,470	
Taxes, licenses, and fees (excluding federal and foreign income tax)	2,132,514	
Borrowed money and interest	1,023,744,628	
Unearned premiums	3,622,757,537	
Ceded reinsurance premiums payable (net of ceding commissions)	791,112,845	
Funds held by company under reinsurance treaties	56,881,614	
Amounts withheld or retained by company for account of others	26,186,672	
Provision for reinsurance	2,697,506	
Net adjustments in assets and liabilities due to foreign exchange rates	164,281,471	
Payable to parent; subsidiaries and affiliates	29,312,567	
Payable for securities	84,125,588	
Aggregate write-ins for liabilities:		
Advances due under affiliated quota share agreement	71,632,716	
Retroactive reinsurance reserve	24,421,405	
Accounts payable other	21,896,995	
Summary of remaining write-ins from overflow page	15,676,649	
Total liabilities	<u>\$ 22,626,731,264</u>	
Common capital stock	\$ 10,000,000	
Gross paid in and contributed surplus	5,236,066,404	
Unassigned funds (surplus)	2,879,653,156	
Surplus as regards policyholders	<u>\$ 8,125,719,560</u>	
Totals	<u>\$ 30,752,450,824</u>	

Statement of Income
For the Year Ended December 31, 2024

Premiums earned	\$ 9,155,556,507
Losses incurred	6,403,753,498
Loss adjustment expenses incurred	989,194,480
Other underwriting expenses incurred	2,703,462,657
Total underwriting deductions	<u>\$ 10,096,410,635</u>
Net underwriting gain (loss)	<u>\$ (940,854,128)</u>
Net investment income earned	1,089,224,184
Net realized capital gains (losses)	35,854,948
Net investment gain (loss)	<u>\$ 1,125,079,132</u>
Net gain (loss) from agents' or premium balances charged off	(4,422,644)
Aggregate write-ins for miscellaneous income:	
Income on corporate owned life insurance	87,970,683
Interest income on funds held under reinsurance treaties	7,218,512
Retroactive reinsurance gain (loss)	58,525
Summary of remaining write-ins from overflow page	<u>(66,217,174)</u>
Total other income	<u>\$ 24,607,902</u>
Net income before dividends to policyholders; after capital gains	<u>\$ 208,832,906</u>
Dividends to policyholders	<u>43,581</u>
Net income; after dividends to policyholders; after capital gains tax	<u>\$ 208,789,325</u>
Federal and foreign income taxes incurred	<u>134,906,995</u>
Net Income	<u><u>\$ 73,882,330</u></u>

Capital & Surplus Account
For the Year Ended December 31, 2024

Surplus as regards policyholders; December 31, 2023	\$ 6,963,363,649
Net Income	73,882,330
Change in net unrealized capital gains (losses)	(61,334,625)
Change in net unrealized foreign exchange capital gains (losses)	(7,452,126)
Change in net deferred income tax	46,505,630
Change in nonadmitted assets	(12,409,744)
Change in provision for reinsurance	6,914,111
Surplus adjustment: Paid in	1,135,244,670
Transfer to capital (Stock Dividend)	-
Dividends to stockholders	-
Aggregate write-ins for gains and losses in surplus	(18,994,335)
Net change in capital and surplus for the year	<u>\$ 1,162,355,911</u>
Capital and surplus; December 31, 2024	<u><u>\$ 8,125,719,560</u></u>

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2020 to December 31, 2024

	Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Surplus		Total
12/31/2020	\$ 10,000,000	\$ 3,400,178,517	\$ 1,865,823,986		\$ 5,276,002,503
12/31/2021			336,057,584	(1)	336,057,584
12/31/2021			279,164,337	(2)	279,164,337
12/31/2021			18,044,604	(3)	18,044,604
12/31/2021		215,458		(4)	215,458
12/31/2021			(120,000,000)	(5)	(120,000,000)
12/31/2022			294,481,382	(1)	294,481,382
12/31/2022			(394,135,688)	(2)	(394,135,688)
12/31/2022			(87,159,409)	(3)	(87,159,409)
12/31/2022		200,216,930		(4)	200,216,930
12/31/2022			(250,000,000)	(5)	(250,000,000)
12/31/2023			876,698,227	(1)	876,698,227
12/31/2023			2,221,101	(2)	2,221,101
12/31/2023			31,345,790	(3)	31,345,790
12/31/2023		500,210,829		(4)	500,210,829
12/31/2024			73,882,330	(1)	73,882,330
12/31/2024			(27,776,753)	(2)	(27,776,753)
12/31/2024			(18,994,335)	(3)	(18,994,335)
12/31/2024		1,135,244,670		(4)	1,135,244,670
	<u>\$ 10,000,000</u>	<u>\$ 5,236,066,404</u>	<u>\$ 2,879,653,156</u>		<u>\$ 8,125,719,560</u>

(1) Represents net income

(2) Change in unrealized capital gains (losses), Change in net unrealized foreign exchange capital gain, Change in net deferred income tax, Change in nonadmitted assets, Change in provision for reinsurance

(3) Aggregate write-ins for gains and losses in surplus (includes Translation adjustments, Net adjustment in assets/liabilities due to foreign exchange, and Minimum pension adjustment)

(4) Surplus adjustment – Paid In

(5) Dividends to stockholder

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the Financial Statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Losses	\$ 14,080,471,557
Loss Adjustment Expenses	\$ 1,872,962,406

The examination liability for the captioned items of \$14,080,471,557 and \$1,872,962,406 are the same as reported by the Company as of December 31, 2024. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with Generally Accepted Actuarial Principles and Statutory Accounting Principles, including NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles No. 55 (SSAP No. 55).

SUBSEQUENT EVENTS

Effective October 1, 2025, the Company and Bermuda Re (the Ceding Companies) entered into adverse development cover (ADC) reinsurance agreements with State National Insurance Company, Inc. and MS Transverse Insurance Company (collectively the Reinsurers). The Reinsurance Agreements were supported on a retrocessional basis by Longtail Re, an affiliate of Stone Ridge Capital.

The agreements reinsure potential adverse loss development for accident years 2024 and prior arising from substantially all of the Ceding Companies' North American Insurance liabilities (Subject Business) up to a gross limit of \$1.2 billion. Certain liabilities are excluded from the Subject Business, including, among others, those related to the Asbestos and Environmental reserves. At the time the agreements were entered into, the carried reserves held for the Subject Business were \$5.4 billion.

The adverse development cover (ADC) is composed of three layers. The first layer is an in-the-money layer whereby the ADC attachment point was \$1,250 billion below the Ceding Companies' layers upon closing of the transaction, of which \$1.0 billion was attributable to the Company. The aggregated unexpired limit for the adverse development reinsurance agreements was \$597 million for State National Group Companies and \$400 million for MS Transverse Insurance Group.

The Ceding Companies have retained the risk of collection on amounts due from other third-party reinsurers and continue to be responsible for claims handling and other administrative services, subject to certain conditions.

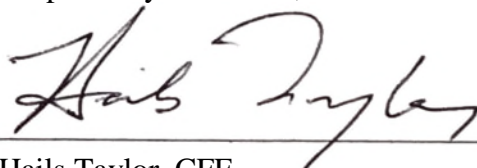
In October 2025, EG entered into definitive agreements with American International Group, Inc. (AIG) to sell the renewal rights for certain lines of commercial retail insurance business written by the Company in the U.S., U.K. and Asia Pacific, for an aggregate purchase price of \$252 million, of which \$170 million was attributable to the Company. Under the agreements, AIG agreed to pay EG a total of \$10 million per month for nine months starting January 1, 2026, for specified transition services, of which the Company will receive \$7 million per month.

SUMMARY OF RECOMMENDATIONS

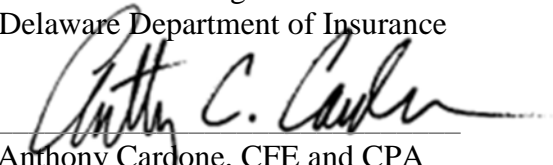
There were no recommendations as a result of this examination.

The assistance of the consulting actuarial firm, INS Consultants, Inc., the consulting information systems specialist firm, INS Services, Inc., the Company's outside audit firm, KPMG, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hails Taylor", written over a horizontal line.

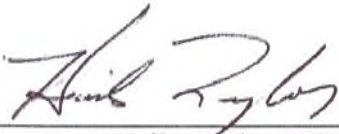
Hails Taylor, CFE
Examiner In-Charge
Delaware Department of Insurance

A handwritten signature in black ink, appearing to read "Anthony C. Cardone", written over a horizontal line.

Anthony Cardone, CFE and CPA
Supervising Examiner
Delaware Department of Insurance

Everest Reinsurance Company

I, Hails Taylor, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 25.014.



Hails Taylor, CFE