

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2024

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission file number 1-15731

**EVEREST GROUP, LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**

**98-0365432**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**Seon Place – 4th Floor  
141 Front Street  
PO Box HM 845  
Hamilton Bermuda**

**HM 19**

(Address of principal executive offices)

(Zip Code)

**441 - 295-0006**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Class	Trading Symbol	Name of Exchange where Registered
<b>Common Shares, \$0.01 par value</b>	<b>EG</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (S232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding at July 26, 2024
<b>Common Shares, \$0.01 par value</b>	<b>43,273,547</b>



**EVEREST GROUP, LTD.**

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**Safe Harbor Disclosure.**

This report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other 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 federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may", "will", "should", "could", "anticipate", "estimate", "expect", "plan", "believe", "predict", "potential" and "intend". Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from our expectations. Important factors that could cause actual events or results to be materially different from our expectations are discussed in our filings with the U.S. Securities and Exchange Commission (the "SEC") including, but not limited to, those described under the caption "Item 1A - Risk Factors" in our most recent Annual Report on Form 10-K (the "Form 10-K filing"). These include:

- the effects of catastrophic events on our financial statements;
- losses from catastrophe exposure that exceed our projections;
- information regarding our reserves for losses and loss adjustment expenses ("LAE");
- our failure to accurately assess underwriting risk and establish adequate premium rates;
- decreases in pricing for property and casualty reinsurance and insurance;
- our inability or failure to purchase reinsurance;
- our ability to maintain our financial strength ratings;
- the failure of our insured, intermediaries and reinsurers to satisfy their obligations to us;
- decline in our investment values and investment income due to exposure to financial markets conditions;
- the failure to maintain enough cash to meet near-term financial obligations;
- our ability to pay dividends, interest and principal, which is dependent on our ability to receive dividends, loan payments and other funds from subsidiaries in our holding company structure;
- reduced net income and capital levels due to foreign currency exchange losses;
- our sensitivity to unanticipated levels of inflation;
- the effects of measures taken by domestic or foreign governments on our business;
- our ability to retain our key executive officers and to attract or retain the executives and employees necessary to manage our business;
- the effect of cybersecurity risks, including technology breaches or failure, and regulatory and legislative developments related to cybersecurity on our business;
- our dependence on brokers and agents for business developments;
- material variation of analytical models used in decision making from actual results;
- the effects of business continuation risk on our operations;
- the effect on our business of the highly competitive nature of our industry, including the effects of new entrants to, competing products for and consolidation in the (re)insurance industry;
- an anti-takeover effect caused by insurance laws and provisions in the bye-laws of Group (as defined in Part I below);
- the difficulty investors in Group may have in protecting their interests compared to investors in a U.S. corporation;
- our failure to comply with insurance laws and regulations and other regulatory challenges;
- the ability of Bermuda Re (as defined in Part I below) to obtain licenses or admittance in additional jurisdictions to develop its business;
- the ability of Bermuda Re to arrange for security to back its reinsurance impacting its ability to write reinsurance;
- changes in international and U.S. tax laws;
- the effect on Group and/or Bermuda Re should it/they become subject to taxes in jurisdictions where not currently subject to taxation; and
- the ability of Everest Re, Holdings, and Holdings Ireland (each, as defined in Part I below), Everest Dublin Insurance Holdings Limited (Ireland), Bermuda Re and Everest International Reinsurance, Ltd. to pay dividends.

We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

EVEREST GROUP, LTD.

CONSOLIDATED BALANCE SHEETS

	June 30, 2024	December 31, 2023		
	(unaudited)			
(In millions of U.S. dollars, except par value per share)				
<b>ASSETS:</b>				
Fixed maturities - available for sale, at fair value	\$ 29,031	\$ 27,740		
(amortized cost: 2024, \$ 30,134 ; 2023, \$ 28,568 , credit allowances: 2024, \$( 42 ); 2023, \$( 48 ))				
Fixed maturities - held to maturity, at amortized cost				
(fair value: 2024, \$ 788 ; 2023, \$ 854 , net of credit allowances: 2024, \$( 8 ); 2023, \$( 8 ))	787	855		
Equity securities, at fair value	219	188		
Other invested assets	4,994	4,794		
Short-term investments	2,464	2,127		
Cash	1,570	1,437		
Total investments and cash	39,065	37,142		
Accrued investment income	360	324		
Premiums receivable (net of credit allowances: 2024, \$( 45 ); 2023, \$( 41 ))	5,403	4,768		
Reinsurance paid loss recoverables (net of credit allowances: 2024, \$( 29 ); 2023, \$( 26 ))	254	164		
Reinsurance unpaid loss recoverables	2,151	2,098		
Funds held by reinsureds	1,189	1,135		
Deferred acquisition costs	1,422	1,247		
Prepaid reinsurance premiums	806	713		
Income tax asset, net	927	868		
Other assets (net of credit allowances: 2024, \$( 9 ); 2023, \$( 9 ))	983	941		
<b>TOTAL ASSETS</b>	<b>\$ 52,560</b>	<b>\$ 49,399</b>		
<b>LIABILITIES:</b>				
Reserve for losses and loss adjustment expenses	\$ 25,853	\$ 24,604		
Unearned premium reserve	7,313	6,622		
Funds held under reinsurance treaties	13	24		
Amounts due to reinsurers	869	650		
Losses in course of payment	289	171		
Senior notes	2,349	2,349		
Long-term notes	218	218		
Borrowings from FHLB	819	819		
Accrued interest on debt and borrowings	22	22		
Unsettled securities payable	175	137		
Other liabilities	458	582		
Total liabilities	38,378	36,197		
Commitments and contingencies (Note 11)				
<b>SHAREHOLDERS' EQUITY:</b>				
Preferred shares, par value: \$ 0.01 ; 50.0 shares authorized; no shares issued and outstanding	—	—		
Common shares, par value: \$ 0.01 ; 200.0 shares authorized; (2024) 74.3 and (2023) 74.2				
outstanding before treasury shares	1	1		
Additional paid-in capital	3,785	3,773		
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit)				
of \$( 162 ) at 2024 and \$( 99 ) at 2023	( 1,160 )	( 934 )		
Treasury shares, at cost; 31.0 shares (2024) and 30.8 shares (2023)	( 4,008 )	( 3,908 )		
Retained earnings	15,565	14,270		
Total shareholders' equity	14,182	13,202		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 52,560</b>	<b>\$ 49,399</b>		

The accompanying notes are an integral part of the consolidated financial statements.

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EVEREST GROUP, LTD.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME (LOSS)

(in millions of U.S. dollars, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
(unaudited)				
<b>REVENUES:</b>				
Premiums earned	\$ 3,693	\$ 3,251	\$ 7,345	\$ 6,352
Net investment income	528	357	985	617
Net gains (losses) on investments	( 17 )	5	( 24 )	10
Other income (expense)	23	38	54	( 42 )
<b>Total revenues</b>	<b>4,227</b>	<b>3,650</b>	<b>8,360</b>	<b>6,936</b>
<b>CLAIMS AND EXPENSES:</b>				
Incurred losses and loss adjustment expenses	2,311	1,960	4,548	3,927
Commission, brokerage, taxes and fees	790	686	1,571	1,347
Other underwriting expenses	234	205	458	405
Corporate expenses	22	17	44	36
Interest, fees and bond issue cost amortization expense	37	33	75	65
<b>Total claims and expenses</b>	<b>3,395</b>	<b>2,901</b>	<b>6,696</b>	<b>5,779</b>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>832</b>	<b>750</b>	<b>1,664</b>	<b>1,157</b>
Income tax expense (benefit)	108	80	207	122
<b>NET INCOME (LOSS)</b>	<b>\$ 724</b>	<b>\$ 670</b>	<b>\$ 1,457</b>	<b>\$ 1,035</b>
<b>Other comprehensive income (loss), net of tax:</b>				
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	( 70 )	( 169 )	( 227 )	77
Reclassification adjustment for realized losses (gains) included in net income (loss)	9	2	14	5
<b>Total URA(D) on securities arising during the period</b>	<b>( 60 )</b>	<b>( 167 )</b>	<b>( 213 )</b>	<b>82</b>
Foreign currency translation adjustments	—	( 1 )	( 38 )	30
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	24	—	25	1
<b>Total benefit plan net gain (loss) for the period</b>	<b>24</b>	<b>—</b>	<b>25</b>	<b>1</b>
<b>Total other comprehensive income (loss), net of tax</b>	<b>( 36 )</b>	<b>( 168 )</b>	<b>( 227 )</b>	<b>113</b>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ 688</b>	<b>\$ 502</b>	<b>\$ 1,230</b>	<b>\$ 1,148</b>
<b>EARNINGS PER COMMON SHARE:</b>				
Basic	\$ 16.70	\$ 16.26	\$ 33.57	\$ 25.74
Diluted	16.70	16.26	33.57	25.74

The accompanying notes are an integral part of the consolidated financial statements.

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EVEREST GROUP, LTD.  
CONSOLIDATED STATEMENTS OF  
CHANGES IN SHAREHOLDERS' EQUITY

(In millions of U.S. dollars, except dividends per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(unaudited)	(unaudited)		
<b>COMMON SHARES (shares outstanding):</b>				
Balance beginning of period	43.5	39.3	43.4	39.2
Issued (redeemed) during the period, net	—	4.1	0.2	4.2
Treasury shares acquired	( 0.2 )	—	( 0.3 )	—
Balance end of period	<u>43.3</u>	<u>43.4</u>	<u>43.3</u>	<u>43.4</u>
<b>COMMON SHARES (par value):</b>				
Balance beginning of period	\$ 1	\$ 1	\$ 1	\$ 1
Issued during the period, net	—	—	—	—
Balance end of period	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>ADDITIONAL PAID-IN CAPITAL:</b>				
Balance beginning of period	3,768	2,295	3,773	2,302
Public offering of shares	—	1,445	—	1,445
Share-based compensation plans	17	12	12	5
Balance end of period	<u>3,785</u>	<u>3,753</u>	<u>3,785</u>	<u>3,753</u>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), NET OF DEFERRED INCOME TAXES:</b>				
Balance beginning of period	( 1,125 )	( 1,716 )	( 934 )	( 1,996 )
Net increase (decrease) during the period	( 36 )	( 168 )	( 227 )	113
Balance end of period	<u>( 1,160 )</u>	<u>( 1,883 )</u>	<u>( 1,160 )</u>	<u>( 1,883 )</u>
<b>RETAINED EARNINGS:</b>				
Balance beginning of period	14,927	12,342	14,270	12,042
Net income (loss)	724	670	1,457	1,035
Dividends declared (\$ 2.00 per share in 2Q 2024 and \$ 3.75 per share YTD in 2024; \$ 1.65 per share in 2Q 2023 and \$ 3.30 per share YTD in 2023)	( 86 )	( 72 )	( 163 )	( 136 )
Balance, end of period	<u>15,565</u>	<u>12,940</u>	<u>15,565</u>	<u>12,940</u>
<b>TREASURY SHARES AT COST:</b>				
Balance beginning of period	( 3,943 )	( 3,908 )	( 3,908 )	( 3,908 )
Purchase of treasury shares	( 65 )	—	( 100 )	—
Balance end of period	<u>( 4,008 )</u>	<u>( 3,908 )</u>	<u>( 4,008 )</u>	<u>( 3,908 )</u>
<b>TOTAL SHAREHOLDERS' EQUITY, END OF PERIOD</b>				
	\$ 14,182	\$ 10,902	\$ 14,182	\$ 10,902

The accompanying notes are an integral part of the consolidated financial statements.

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EVEREST GROUP, LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
(in millions of U.S. dollars)	2024	2023
	(unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 1,457	\$ 1,035
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	( 685 )	( 584 )
Decrease (increase) in funds held by reinsureds, net	( 66 )	( 5 )
Decrease (increase) in reinsurance recoverables	( 236 )	( 21 )
Decrease (increase) in income taxes	4	56
Decrease (increase) in prepaid reinsurance premiums	( 130 )	( 40 )
Increase (decrease) in reserve for losses and loss adjustment expenses	1,388	1,142
Increase (decrease) in unearned premiums	744	732
Increase (decrease) in amounts due to reinsurers	258	63
Increase (decrease) in losses in course of payment	122	75
Change in equity adjustments in limited partnerships	( 177 )	( 56 )
Distribution of limited partnership income	60	49
Change in other assets and liabilities, net	( 292 )	( 293 )
Non-cash compensation expense	33	25
Amortization of bond premium (accrual of bond discount)	( 65 )	( 11 )
Net (gains) losses on investments	24	( 10 )
Net cash provided by (used in) operating activities	2,439	2,158
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from fixed maturities matured/called/repaid - available for sale	1,707	1,137
Proceeds from fixed maturities sold - available for sale	1,085	168
Proceeds from fixed maturities matured/called/repaid - held to maturity	109	61
Proceeds from equity securities sold	15	46
Distributions from other invested assets	209	133
Cost of fixed maturities acquired - available for sale	( 4,475 )	( 3,396 )
Cost of fixed maturities acquired - held to maturity	( 36 )	( 15 )
Cost of equity securities acquired	( 35 )	( 3 )
Cost of other invested assets acquired	( 314 )	( 298 )
Net change in short-term investments	( 299 )	( 625 )
Net change in unsettled securities transactions	18	41
Net cash provided by (used in) investing activities	( 2,016 )	( 2,752 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Common shares issued (redeemed) during the period for share-based compensation, net of expense	( 21 )	( 19 )
Proceeds from public offering of common shares	—	1,445
Purchase of treasury shares	( 100 )	—
Dividends paid to shareholders	( 163 )	( 136 )
Cost of shares withheld on settlements of share-based compensation awards	( 21 )	( 20 )
Net cash provided by (used in) financing activities	( 305 )	1,269
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>		
Net increase (decrease) in cash	133	668
Cash, beginning of period	1,437	1,398
Cash, end of period	\$ 1,570	\$ 2,067
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Income taxes paid (recovered)	\$ 203	\$ 73
Interest paid	74	64
<b>NON-CASH TRANSACTIONS:</b>		
Non-cash limited partnership distribution	\$ 23	\$ —

The accompanying notes are an integral part of the consolidated financial statements.



**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**For the Three and Six Months Ended June 30, 2024 and 2023**

**1. GENERAL**

Everest Group, Ltd. ("Group"), a Bermuda company, through its subsidiaries, principally provides reinsurance and insurance in the U.S., Bermuda and other international markets. As used in this document, "Company" and "Everest" mean Group and its subsidiaries.

Unless noted otherwise, all tabular dollar amounts are in millions of United States ("U.S.") dollars ("U.S. dollars" or "\$"). Some amounts may not reconcile due to rounding.

**2. BASIS OF PRESENTATION**

The unaudited consolidated financial statements of the Company as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023 include all adjustments, consisting of normal recurring accruals, which, in the opinion of management, are necessary for a fair statement of the results on an interim basis. Certain financial information, which is normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), has been omitted since it is not required for interim reporting purposes. The December 31, 2023 consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by GAAP. The results for the three and six months ended June 30, 2024 and 2023 are not necessarily indicative of the results for a full year. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2023, 2022 and 2021, included in the Company's most recent Form 10-K filing.

The Company consolidates the results of operations and financial position of all voting interest entities ("VOE") in which the Company has a controlling financial interest and all variable interest entities ("VIE") in which the Company is considered to be the primary beneficiary. The consolidation assessment, including the determination as to whether an entity qualifies as a VIE or VOE, depends on the facts and circumstances surrounding each entity.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate actual results could differ, possibly materially, from those estimates.

All intercompany accounts and transactions have been eliminated.

**Adoption of New Accounting Standards**

The Company did not adopt any new accounting standards that had a material impact during the three and six months ended June 30, 2024.

**Future Adoption of Recently Issued Accounting Standards**

The Company assessed the adoption impacts of recently issued accounting standards that are effective after 2024 by the Financial Accounting Standards Board on the Company's consolidated financial statements. Additionally, the Company assessed whether there have been material updates to previously issued accounting standards that are effective after 2024. There were no accounting standards identified, other than those directly referenced below, that are expected to have a material impact to Group.

*Improvements to Income Tax Disclosures.* In December 2023, the Financial Accounting Standards Board issued Accounting Standard Update No. 2023-09, which requires expanded income tax disclosures, including the disaggregation of existing disclosures related to the tax rate reconciliation and income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024. Prospective application is required, with retrospective application permitted. The Company is currently evaluating the effect the updated guidance will have on the Company's financial statement disclosures.

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### 3. INVESTMENTS

The tables below present the amortized cost, allowance for credit losses, gross unrealized appreciation/(depreciation) ("URA(D)") and fair value of fixed maturity securities - available for sale for the periods indicated:

(Dollars in millions)	At June 30, 2024				
	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
<b>Fixed maturity securities - available for sale</b>					
U.S. Treasury securities and obligations of					
U.S. government agencies and corporations	\$ 1,070	\$ —	\$ 3	\$ (49)	\$ 1,024
Obligations of U.S. states and political subdivisions	114	—	1	(9)	105
Corporate Securities	8,297	(42)	70	(347)	7,979
Asset-backed Securities	5,317	—	27	(27)	5,317
Mortgage-backed securities					
Commercial	1,016	—	1	(83)	934
Agency Residential	5,025	—	22	(302)	4,745
Non-agency Residential	940	—	8	(5)	943
Foreign government securities	2,370	—	11	(140)	2,240
Foreign corporate securities	5,985	—	46	(287)	5,744
<b>Total fixed maturity securities - available for sale</b>	<b>\$ 30,134</b>	<b>\$ (42)</b>	<b>\$ 188</b>	<b>\$ (1,249)</b>	<b>\$ 29,031</b>

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	At December 31, 2023				
	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
<b>Fixed maturity securities - available for sale</b>					
U.S. Treasury securities and obligations of					
U.S. government agencies and corporations	\$ 1,045	\$ —	\$ 3	\$ (52)	\$ 996
Obligations of U.S. states and political subdivisions	138	—	1	(11)	128
Corporate securities	7,587	(47)	135	(322)	7,353
Asset-backed securities	5,644	—	25	(51)	5,618
Mortgage-backed securities					
Commercial	1,091	—	1	(92)	1,000
Agency residential	4,869	—	55	(229)	4,695
Non-agency residential	431	—	14	(2)	443
Foreign government securities	2,042	—	33	(108)	1,967
Foreign corporate securities	5,720	(1)	92	(271)	5,540
<b>Total fixed maturity securities - available for sale</b>	<b>\$ 28,568</b>	<b>\$ (48)</b>	<b>\$ 358</b>	<b>\$ (1,137)</b>	<b>\$ 27,740</b>

(Some amounts may not reconcile due to rounding.)

The following tables show amortized cost, allowance for credit losses, gross URA(D) and fair value of fixed maturity securities - held to maturity for the periods indicated:

(Dollars in millions)	At June 30, 2024				
	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
<b>Fixed maturity securities - held to maturity</b>					
Corporate Securities					
Corporate Securities	\$ 173	\$ (2)	\$ 5	\$ (5)	\$ 171
Asset-backed Securities	517	(5)	5	(8)	509
Mortgage-backed securities					
Commercial	21	—	—	—	21
Foreign corporate securities	84	(1)	4	—	87
<b>Total fixed maturity securities - held to maturity</b>	<b>\$ 796</b>	<b>\$ (8)</b>	<b>\$ 14</b>	<b>\$ (13)</b>	<b>\$ 788</b>

(Some amounts may not reconcile due to rounding.)



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(Dollars in millions)	At December 31, 2023				
	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
<b>Fixed maturity securities - held to maturity</b>					
Corporate Securities	\$ 150	\$ (2)	1	\$ (3)	\$ 146
Asset-backed Securities	609	(5)	4	(10)	597
<b>Mortgage-backed securities</b>					
Commercial	21	—	—	—	21
Foreign corporate securities	84	(1)	7	—	90
<b>Total fixed maturity securities - held to maturity</b>	<b>\$ 864</b>	<b>\$ (8)</b>	<b>12</b>	<b>\$ (13)</b>	<b>\$ 854</b>

(Some amounts may not reconcile due to rounding.)

The amortized cost and fair value of fixed maturity securities - available for sale are shown in the following table by contractual maturity. As the stated maturity of such securities may not be indicative of actual maturities, the totals for mortgage-backed and asset-backed securities are shown separately.

(Dollars in millions)	At June 30, 2024		At December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<b>Fixed maturity securities – available for sale</b>				
Due in one year or less	\$ 1,472	\$ 1,439	\$ 1,289	\$ 1,261
Due after one year through five years	7,560	7,264	7,094	6,858
Due after five years through ten years	6,350	6,050	5,613	5,405
Due after ten years	2,454	2,339	2,537	2,460
Asset-backed securities	5,317	5,317	5,644	5,618
<b>Mortgage-backed securities</b>				
Commercial	1,016	934	1,091	1,000
Agency residential	5,025	4,745	4,869	4,695
Non-agency residential	940	943	431	443
<b>Total fixed maturity securities - available for sale</b>	<b>\$ 30,134</b>	<b>\$ 29,031</b>	<b>\$ 28,568</b>	<b>\$ 27,740</b>

(Some amounts may not reconcile due to rounding.)

The amortized cost and fair value of fixed maturity securities - held to maturity are shown in the following table by contractual maturity. As the stated maturity of such securities may not be indicative of actual maturities, the totals for mortgage-backed and asset-backed securities are shown separately.

(Dollars in millions)	At June 30, 2024		At December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<b>Fixed maturity securities – held to maturity</b>				
Due in one year or less	\$ 12	\$ 12	\$ 5	\$ 5
Due after one year through five years	53	52	59	58
Due after five years through ten years	42	41	43	42
Due after ten years	151	154	127	131
Asset-backed securities	517	509	609	597
<b>Mortgage-backed securities</b>				
Commercial	21	21	21	21
<b>Total fixed maturity securities - held to maturity</b>	<b>\$ 796</b>	<b>\$ 788</b>	<b>\$ 864</b>	<b>\$ 854</b>

(Some amounts may not reconcile due to rounding.)

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The changes in net URA(D) for the Company's investments are as follows:

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30, 2024	2023	June 30, 2024	2023
Increase (decrease) during the period between the fair value and cost of investments carried at fair value, and deferred taxes thereon:				
Fixed maturity securities - available for sale and short-term investments	\$ (90)	\$ (195)	\$ (276)	\$ 84
Change in URA(D), pre-tax	(90)	(195)	(276)	84
Deferred tax benefit (expense)	30	28	63	(2)
Change in URA(D), net of deferred taxes, included in shareholders' equity	\$ (60)	\$ (167)	\$ (213)	\$ 82

(Some amounts may not reconcile due to rounding.)

The tables below display the aggregate fair value and gross unrealized depreciation of fixed maturity securities - available for sale by security type and contractual maturity, in each case subdivided according to length of time that the individual securities had been in a continuous unrealized loss position for the periods indicated:

(Dollars in millions)	Duration of Unrealized Loss at June 30, 2024 by Security Type					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of						
U.S. government agencies and corporations	\$ 187	\$ (4)	\$ 734	\$ (44)	\$ 922	\$ (49)
Obligations of U.S. states and political subdivisions	5	—	64	(9)	69	(9)
Corporate securities	2,331	(60)	2,868	(286)	5,199	(346)
Asset-backed securities	341	(3)	607	(24)	948	(27)
Mortgage-backed securities						
Commercial	194	(18)	694	(65)	888	(83)
Agency residential	1,853	(100)	1,567	(203)	3,420	(302)
Non-agency residential	384	(3)	60	(2)	444	(5)
Foreign government securities	713	(24)	927	(116)	1,639	(140)
Foreign corporate securities	1,406	(21)	2,457	(266)	3,864	(287)
Total	\$ 7,414	\$ (233)	\$ 9,978	\$ (1,016)	\$ 17,392	\$ (1,248)
Securities where an allowance for credit loss was recorded	15	(1)	2	—	16	(1)
Total fixed maturity securities - available for sale	\$ 7,428	\$ (234)	\$ 9,980	\$ (1,016)	\$ 17,408	\$ (1,249)

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Duration of Unrealized Loss at June 30, 2024 by Maturity					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
Due in one year or less	\$ 256	\$ (7)	\$ 763	\$ (31)	\$ 1,019	\$ (39)
Due in one year through five years	1,602	(28)	3,727	(299)	5,328	(326)
Due in five years through ten years	1,955	(49)	1,971	(303)	3,927	(352)
Due after ten years	829	(26)	589	(88)	1,418	(114)
Asset-backed securities	341	(3)	607	(24)	948	(27)
Mortgage-backed securities	2,431	(120)	2,321	(270)	4,752	(390)
Total	\$ 7,414	\$ (233)	\$ 9,978	\$ (1,016)	\$ 17,392	\$ (1,248)
Securities where an allowance for credit loss was recorded	15	(1)	2	—	16	(1)
Total fixed maturity securities - available for sale	\$ 7,428	\$ (234)	\$ 9,980	\$ (1,016)	\$ 17,408	\$ (1,249)

(Some amounts may not reconcile due to rounding.)



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The aggregate fair value and gross unrealized losses related to fixed maturity securities - available for sale in an unrealized loss position at June 30, 2024 were \$ 17.4 billion and \$ 1.2 billion, respectively. The fair value of securities for the single issuer (the United States government), whose securities comprised the largest unrealized loss position at June 30, 2024, amounted to less than 3.0 % of the overall fair value of the Company's fixed maturity securities - available for sale. The fair value of the securities for the issuer with the second largest unrealized loss position at June 30, 2024 comprised less than 0.8 % of the Company's fixed maturity securities available for sale. In addition, as indicated on the above table, there was no significant concentration of unrealized losses in any one market sector. The \$ 234 million of unrealized losses related to fixed maturity securities - available for sale that have been in an unrealized loss position for less than one year were generally comprised of domestic and foreign corporate securities, agency residential and commercial mortgage-backed securities and foreign government securities. Of these unrealized losses, \$ 227 million were related to securities that were rated investment grade by at least one nationally recognized rating agency. The \$ 1.0 billion of unrealized losses related to fixed maturity securities - available for sale in an unrealized loss position for more than one year related primarily to domestic and foreign corporate securities, agency residential mortgage-backed securities, foreign government securities and commercial mortgage-backed securities. Of these unrealized losses, \$ 1.0 billion were related to securities that were rated investment grade by at least one nationally recognized rating agency. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments. Based upon the Company's current evaluation of securities in an unrealized loss position as of June 30, 2024, the unrealized losses are due to changes in interest rates and non-issuer-specific credit spreads and are not credit-related. In addition, the contractual terms of these securities do not permit these securities to be settled at a price less than their amortized cost.

The tables below display the aggregate fair value and gross unrealized depreciation of fixed maturity securities - available for sale by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated:

(Dollars in millions)	Duration of Unrealized Loss at December 31, 2023 by Security Type						
	Less than 12 months		Greater than 12 months		Total		
	Gross		Gross		Gross		Unrealized
	Fair Value	Unrealized Depreciation	Fair Value	Unrealized Depreciation	Fair Value	Unrealized Depreciation	
<b>Fixed maturity securities - available for sale</b>							
U.S. Treasury securities and obligations of							
U.S. government agencies and corporations	\$ 122	\$ (3)	\$ 772	\$ (49)	\$ 893	\$ (52)	
Obligations of U.S. states and political subdivisions	3	—	74	(11)	77	(11)	
Corporate securities	1,019	(58)	2,780	(263)	3,799	(321)	
Asset-backed securities	196	(2)	2,014	(49)	2,210	(51)	
Mortgage-backed securities							
Commercial	181	(19)	742	(73)	923	(92)	
Agency residential	423	(4)	2,126	(225)	2,549	(229)	
Non-agency residential	126	(1)	4	—	130	—	
Foreign government securities	172	(7)	985	(101)	1,156	(108)	
Foreign corporate securities	324	(6)	2,726	(265)	3,050	(271)	
<b>Total</b>	<b>\$ 2,564</b>	<b>\$ (101)</b>	<b>\$ 12,222</b>	<b>\$ (1,035)</b>	<b>\$ 14,787</b>	<b>\$ (1,136)</b>	
Securities where an allowance for credit loss was recorded	2	(1)	—	—	2	(1)	
<b>Total fixed maturity securities - available for sale</b>	<b>\$ 2,566</b>	<b>\$ (102)</b>	<b>\$ 12,222</b>	<b>\$ (1,035)</b>	<b>\$ 14,789</b>	<b>\$ (1,137)</b>	

(Some amounts may not reconcile due to rounding.)

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(Dollars in millions)	Duration of Unrealized Loss at December 31, 2023 by Maturity							
	Less than 12 months		Greater than 12 months		Total			
	Gross		Gross		Gross		Gross	
	Fair Value	Unrealized Depreciation	Fair Value	Unrealized Depreciation	Fair Value	Unrealized Depreciation	Fair Value	Unrealized Depreciation
Fixed maturity securities - available for sale								
Due in one year or less	\$ 184	\$ (3)	\$ 773	\$ (30)	\$ 958	\$ (33)		
Due in one year through five years	699	(18)	3,841	(271)	4,540	(289)		
Due in five years through ten years	328	(15)	2,306	(310)	2,633	(325)		
Due after ten years	429	(39)	417	(77)	845	(116)		
Asset-backed securities	196	(2)	2,014	(49)	2,210	(51)		
Mortgage-backed securities	729	(24)	2,872	(298)	3,601	(323)		
Total	\$ 2,564	\$ (101)	\$ 12,222	\$ (1,035)	\$ 14,787	\$ (1,136)		
Securities where an allowance for credit loss was recorded	2	(1)	—	—	2	(1)		
Total fixed maturity securities - available for sale	\$ 2,566	\$ (102)	\$ 12,222	\$ (1,035)	\$ 14,789	\$ (1,137)		

(Some amounts may not reconcile due to rounding.)

The aggregate fair value and gross unrealized losses related to fixed maturity - available for sale investments in an unrealized loss position at December 31, 2023 were \$ 14.8 billion and \$ 1.1 billion, respectively. The fair value of securities for the single issuer (the United States government), whose securities comprised the largest unrealized loss position at December 31, 2023, amounted to less than 3.0 % of the overall fair value of the Company's fixed maturity securities - available for sale. The fair value of the securities for the issuer with the second largest unrealized loss comprised less than 0.7 % of the Company's fixed maturity securities - available for sale. In addition, as indicated on the above table, there was no significant concentration of unrealized losses in any one market sector. The \$ 102 million of unrealized losses related to fixed maturity securities - available for sale that have been in an unrealized loss position for less than one year were generally comprised of domestic and foreign corporate securities, asset-backed securities, agency residential mortgage-backed securities and foreign government securities. Of these unrealized losses, \$ 86 million were related to securities that were rated investment grade by at least one nationally recognized rating agency. The \$ 1.0 billion of unrealized losses related to fixed maturity securities - available for sale in an unrealized loss position for more than one year related primarily to domestic and foreign corporate securities, agency residential mortgage-backed securities and foreign government securities. Of these unrealized losses, \$ 1.0 billion were related to securities that were rated investment grade by at least one nationally recognized rating agency. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments.

The components of net investment income are presented in the table below for the periods indicated:

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Fixed maturities	\$ 369	\$ 276	\$ 721	\$ 523
Equity securities	1	1	2	2
Short-term investments and cash	43	34	81	51
Other invested assets				
Limited partnerships	94	53	148	38
Other	30	6	50	27
Gross investment income before adjustments	537	369	1,001	641
Funds held interest income (expense)	9	2	15	2
Future policy benefit reserve income (expense)	—	—	—	—
Gross investment income	545	371	1,016	643
Investment expenses	18	14	31	26
Net investment income	\$ 528	\$ 357	\$ 985	\$ 617

(Some amounts may not reconcile due to rounding.)

The Company records results from limited partnership investments on the equity method of accounting with changes in value reported through net investment income. The net investment income from limited partnerships is dependent upon the Company's share of the net asset values ("NAVs") of interests underlying each limited partnership. Due to the timing

of receiving financial information from these partnerships, the results are generally reported on a one month or quarter lag. If the Company determines there has been a significant decline in value of a limited partnership during this lag period, a loss will be recorded in the period in which the Company identifies the decline.

The Company had contractual commitments to invest up to an additional \$ 2.8 billion in limited partnerships and private placement loan securities at June 30, 2024. These commitments will be funded when called in accordance with the partnership and loan agreements, which have investment periods that expire, unless extended, through 2034.

In 2022, the Company entered into corporate-owned life insurance ("COLI") policies, which are invested in debt and equity securities. The COLI policies are carried within other invested assets at policy cash surrender value of \$ 1.4 billion and \$ 1.3 billion as of June 30, 2024 and December 31, 2023, respectively.

#### **Variable Interest Entities**

The Company is engaged with various special purpose entities and other entities that are deemed to be VIEs primarily as an investor through normal investment activities but also as an investment manager. A VIE is an entity that either has investors that lack certain essential characteristics of a controlling financial interest, such as simple majority kick-out rights, or lacks sufficient funds to finance its own activities without financial support provided by other entities. The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and therefore is the primary beneficiary. The Company is deemed to have a controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. Based on the Company's assessment, if it determines it is the primary beneficiary, the Company consolidates the VIE in the Company's Consolidated Financial Statements. As of June 30, 2024 and December 31, 2023, the Company did not hold any securities for which it is the primary beneficiary.

The Company, through normal investment activities, makes passive investments in general and limited partnerships and other alternative investments. For these non-consolidated VIEs, the Company has determined it is not the primary beneficiary as it has no ability to direct activities that could significantly affect the economic performance of the investments. The Company's maximum exposure to loss as of June 30, 2024 and December 31, 2023 is limited to the total carrying value of \$ 5.0 billion and \$ 4.8 billion, respectively, which are included in general and limited partnerships, COLI policies and other alternative investments in other invested assets in the Company's Consolidated Balance Sheets. Exposure relating specifically to general and limited partnerships as of June 30, 2024 and December 31, 2023 is limited to the total carrying value of \$ 3.6 billion and \$ 3.4 billion. As of June 30, 2024, the Company has outstanding commitments totaling \$ 2.2 billion whereby the Company is committed to fund these investments and may be called by the partnership during the commitment period to fund the purchase of new investments and partnership expenses. These investments are generally of a passive nature in that the Company does not take an active role in management.

In addition, the Company makes passive investments in structured securities issued by VIEs for which the Company is not the manager. These investments are included in asset-backed securities, which includes collateralized loan obligations and are classified as fixed maturities, available for sale. The Company has not provided financial or other support with respect to these investments other than its original investment. For these investments, the Company determined it is not the primary beneficiary due to the relative size of the Company's investment in comparison to the principal amount of the structured securities issued by the VIEs, credit subordination that reduces the Company's obligation to absorb losses or right to receive benefits or the Company's inability to direct the activities that most significantly impact the economic performance of the VIEs. The Company's maximum exposure to loss on these investments is limited to the amount of the Company's investment.

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The components of net gains (losses) on investments are presented in the table below for the periods indicated:

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
<b>Fixed maturity securities</b>				
Allowance for credit losses	\$ 4	\$ —	\$ 6	\$ (8)
Net realized gains (losses) from dispositions	(15)	(3)	(22)	(1)
<b>Equity securities, fair value</b>				
Net realized gains (losses) from dispositions	—	—	1	7
Gains (losses) from fair value adjustments	(5)	8	(8)	12
Other invested assets	(1)	—	(1)	—
<b>Total net gains (losses) on investments</b>	<b>\$ (17)</b>	<b>\$ 5</b>	<b>\$ (24)</b>	<b>\$ 10</b>

(Some amounts may not reconcile due to rounding.)

The following tables provide a roll forward of the Company's beginning and ending balance of allowance for credit losses for the periods indicated:

(Dollars in millions)	Roll Forward of Allowance for Credit Losses - Fixed Maturities - Available for Sale					
	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Corporate Securities	Corporate Securities	Total	Corporate Securities	Corporate Securities	Total
<b>Beginning balance</b>	<b>\$ (45)</b>	<b>\$ —</b>	<b>\$ (46)</b>	<b>\$ (47)</b>	<b>\$ (1)</b>	<b>\$ (48)</b>
Credit losses on securities where credit losses were not previously recorded	—	—	—	—	—	—
Increases in allowance on previously impaired securities	—	—	—	—	—	—
Decreases in allowance on previously impaired securities	—	—	—	—	—	—
Reduction in allowance due to disposals	3	—	4	5	1	6
<b>Balance, end of period</b>	<b>\$ (42)</b>	<b>\$ —</b>	<b>\$ (42)</b>	<b>\$ (42)</b>	<b>\$ —</b>	<b>\$ (42)</b>

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Roll Forward of Allowance for Credit Losses - Fixed Maturities - Available for Sale					
	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Corporate Securities	Corporate Securities	Total	Corporate Securities	Corporate Securities	Total
<b>Beginning balance</b>	<b>\$ (55)</b>	<b>\$ (7)</b>	<b>\$ (62)</b>	<b>\$ (45)</b>	<b>\$ (10)</b>	<b>\$ (54)</b>
Credit losses on securities where credit losses were not previously recorded	(2)	—	(2)	(14)	—	(14)
Increases in allowance on previously impaired securities	—	—	—	—	—	—
Decreases in allowance on previously impaired securities	—	—	—	—	—	—
Reduction in allowance due to disposals	1	—	1	4	3	6
<b>Balance, end of period</b>	<b>\$ (56)</b>	<b>\$ (7)</b>	<b>\$ (63)</b>	<b>\$ (56)</b>	<b>\$ (7)</b>	<b>\$ (63)</b>

(Some amounts may not reconcile due to rounding.)

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Roll Forward of Allowance for Credit Losses - Fixed Maturities - Held to Maturity

(Dollars in millions)	Three Months Ended June 30, 2024						Six Months Ended June 30, 2024					
	Corporate Securities			Asset-Backed Securities			Foreign Corporate Securities			Corporate Securities		
	Corporate Securities	Asset-Backed Securities	Corporate Securities	Corporate Securities	Total	Corporate Securities	Asset-Backed Securities	Corporate Securities	Total	Corporate Securities	Asset-Backed Securities	Corporate Securities
Beginning balance	\$ (2)	\$ (5)	\$ (1)	\$ (9)		\$ (2)	\$ (5)	\$ (1)	\$ (8)			\$ (8)
Credit losses on securities where credit losses were not previously recorded	—	—	—	—	—	—	—	—	—	(1)	(1)	(1)
Increases in allowance on previously impaired securities	—	—	—	—	—	—	—	—	—	—	—	—
Decreases in allowance on previously impaired securities	—	—	—	—	—	—	—	—	—	—	—	—
Reduction in allowance due to disposals	—	—	—	—	—	—	—	1	—	—	—	1
Balance, end of period	\$ (2)	\$ (5)	\$ (1)	\$ (8)		\$ (2)	\$ (5)	\$ (1)	\$ (8)			\$ (8)

(Some amounts may not reconcile due to rounding.)

Roll Forward of Allowance for Credit Losses - Fixed Maturities - Held to Maturity

(Dollars in millions)	Three Months Ended June 30, 2023						Six Months Ended June 30, 2023					
	Corporate Securities			Asset-Backed Securities			Foreign Corporate Securities			Corporate Securities		
	Corporate Securities	Asset-Backed Securities	Corporate Securities	Corporate Securities	Total	Corporate Securities	Asset-Backed Securities	Corporate Securities	Total	Corporate Securities	Asset-Backed Securities	Corporate Securities
Beginning balance	\$ (2)	\$ (6)	\$ (1)	\$ (9)		\$ (2)	\$ (6)	\$ (1)	\$ (9)			\$ (9)
Credit losses on securities where credit losses were not previously recorded	—	—	—	—	—	—	—	—	—	—	—	—
Increases in allowance on previously impaired securities	—	—	—	—	—	—	—	—	—	—	—	—
Decreases in allowance on previously impaired securities	—	—	—	—	—	—	—	—	—	—	—	—
Reduction in allowance due to disposals	—	—	—	—	—	—	—	—	—	—	—	—
Balance, end of period	(2)	(5)	\$ (1)	\$ (8)		\$ (2)	\$ (5)	\$ (1)	\$ (8)			\$ (8)

(Some amounts may not reconcile due to rounding.)

The proceeds and split between gross gains and losses from dispositions of fixed maturity and equity securities are presented in the table below for the periods indicated:

(Dollars in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	\$	678	\$	96	\$	1,085	\$	168
Proceeds from sales of fixed maturity securities - available for sale								
Gross gains from dispositions		16		7		26		17
Gross losses from dispositions		(30)		(10)		(48)		(19)
Proceeds from sales of equity securities	\$	15	\$	—	\$	15	\$	46
Gross gains from dispositions		1		—		2		7
Gross losses from dispositions		—		—		—		—

(Some amounts may not reconcile due to rounding.)

#### 4. FAIR VALUE

GAAP guidance regarding fair value measurements addresses how companies should measure fair value when they are required to use fair value measures for recognition or disclosure purposes under GAAP and provides a common definition of fair value to be used throughout GAAP. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. In addition, it establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability. The level in the hierarchy within which a given fair value measurement falls is determined based on the lowest level input that is significant to the measurement, with Level 1 being the highest priority and Level 3 being the lowest priority.



The levels in the hierarchy are defined as follows:

Level 1: Inputs to the valuation methodology are observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in an active market;

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument;

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's fixed maturity and equity securities are managed both internally and on an external basis by independent, professional investment managers using portfolio guidelines approved by the Company. The Company obtains prices from nationally recognized pricing services. These services seek to utilize market data and observations in their evaluation process. These services use pricing applications that vary by asset class and incorporate available market information, and when fixed maturity securities do not trade on a daily basis, the services will apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. In addition, they use model processes, such as the Option Adjusted Spread model to develop prepayment and interest rate scenarios for securities that have prepayment features.

The Company does not make any changes to prices received from the pricing services. In addition, the Company has procedures in place to review the reasonableness of the prices from the service providers and may request verification of the prices. The Company also continually performs quantitative and qualitative analysis of prices, including but not limited to initial and ongoing review of pricing methodologies, review of prices obtained from pricing services and third party investment asset managers, review of pricing statistics and trends, and comparison of prices for certain securities with a secondary price source for reasonableness. No material variances were noted during these price validation procedures. In limited situations, where financial markets are inactive or illiquid, the Company may use its own assumptions about future cash flows and risk-adjusted discount rates to determine fair value.

At June 30, 2024, \$ 2.0 billion of fixed maturities were fair valued using unobservable inputs. The majority of these fixed maturities were valued by investment managers' valuation committees and many of these fair values were substantiated by valuations from independent third parties. The Company has procedures in place to evaluate these independent third-party valuations. At December 31, 2023, \$ 2.0 billion of fixed maturities were fair valued using unobservable inputs.

Equity securities denominated in U.S. currency with quoted prices in active markets for identical assets are categorized as Level 1, since the quoted prices are directly observable. Equity securities traded on foreign exchanges are categorized as Level 2 due to the added input of a foreign exchange conversion rate to determine fair value. The Company uses foreign currency exchange rates published by nationally recognized sources.

Fixed maturity securities listed in the tables have been categorized as Level 2, since a particular security may not have traded but the pricing services are able to use valuation models with observable market inputs such as interest rate yield curves and prices for similar fixed maturity securities in terms of issuer, maturity and seniority. For foreign government securities and foreign corporate securities, the fair values provided by the third party pricing services in local currencies, and where applicable, are converted to U.S. dollars using currency exchange rates from nationally recognized sources.

In addition, some of the fixed maturities with fair values categorized as Level 3 result when prices are not available from the nationally recognized pricing services and are obtained from investment managers and are derived using unobservable inputs. The Company will value the securities with unobservable inputs using comparable market information or receive fair values from investment managers. The investment managers may obtain non-binding price quotes for the securities from brokers. The single broker quotes are provided by market makers or broker-dealers who are recognized as market participants in the markets in which they are providing the quotes. The prices received from brokers are reviewed for reasonableness by the third party asset managers and the Company. If the broker quotes are for foreign denominated securities, the quotes are converted to U.S. dollars using currency exchange rates from nationally recognized sources.

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The composition and valuation inputs for the presented fixed maturities categories Level 1 and Level 2 are as follows:

- U.S. Treasury securities and obligations of U.S. government agencies and corporations are primarily comprised of U.S. Treasury bonds, and the fair value is based on observable market inputs such as quoted prices, reported trades, quoted prices for similar issuances or benchmark yields;
- Obligations of U.S. states and political subdivisions are comprised of state and municipal bond issuances, and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities, benchmark yields and credit spreads;
- Corporate securities are primarily comprised of U.S. corporate and public utility bond issuances, and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities, benchmark yields and credit spreads;
- Asset-backed and mortgage-backed securities fair values are based on observable inputs such as quoted prices, reported trades, quoted prices for similar issuances or benchmark yields and cash flow models using observable inputs such as prepayment speeds, collateral performance and default spreads;
- Foreign government securities are comprised of global non-U.S. sovereign bond issuances, and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities and models with observable inputs such as benchmark yields and credit spreads and then, where applicable, converted to U.S. dollars using an exchange rate from a nationally recognized source; and
- Foreign corporate securities are comprised of global non-U.S. corporate bond issuances, and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities and models with observable inputs such as benchmark yields and credit spreads and then, where applicable, converted to U.S. dollars using an exchange rate from a nationally recognized source.

The following tables present the fair value measurement levels for all assets and liabilities, which the Company has recorded at fair value as of the periods indicated:

	Fair Value Measurement Using					
	Quoted Prices		Significant		Significant	
	in Active	Markets for	Other	Observable	Unobservable	
	Identical	Assets	Inputs	Inputs	Inputs	
		June 30, 2024	(Level 1)	(Level 2)	(Level 3)	
(Dollars in millions)						
Assets:						
Fixed maturities - available for sale						
U.S. Treasury securities and obligations of U.S. government						
agencies and corporations	\$ 1,024	\$ —	\$ 1,024	\$ —		
Obligations of U.S. States and political subdivisions	105	—	105	—		
Corporate securities	7,979	—	7,390	589		
Asset-backed securities	5,317	—	3,875	1,442		
Mortgage-backed securities						
Commercial	934	—	934	—		
Agency residential	4,745	—	4,745	—		
Non-agency residential	943	—	943	—		
Foreign government securities	2,240	—	2,240	—		
Foreign corporate securities	5,744	—	5,730	14		
Total fixed maturities - available for sale	29,031	—	26,987	2,045		
Equity securities, fair value	219	70	144	5		

(Some amounts may not reconcile due to rounding.)

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(Dollars in millions)	Fair Value Measurement Using							
	December 31, 2023		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
<b>Assets:</b>								
Fixed maturities - available for sale								
U.S. Treasury securities and obligations of U.S. government								
agencies and corporations	\$ 996	\$ —	\$ 996	\$ —	\$ —	\$ —		
Obligations of U.S. States and political subdivisions	128	—	—	128	—	—		
Corporate securities	7,353	—	—	6,681	672	—		
Asset-backed securities	5,618	—	—	4,313	1,305	—		
Mortgage-backed securities	—	—	—	—	—	—		
Commercial	1,000	—	—	1,000	—	—		
Agency residential	4,695	—	—	4,695	—	—		
Non-agency residential	443	—	—	443	—	—		
Foreign government securities	1,967	—	—	1,967	—	—		
Foreign corporate securities	5,540	—	—	5,524	16	—		
Total fixed maturities - available for sale	27,740	—	—	25,747	1,993	—		
Equity securities, fair value	188	70	118	—	—	—		

(Some amounts may not reconcile due to rounding.)

The following tables present the activity under Level 3, fair value measurements using significant unobservable inputs for fixed maturities - available for sale, for the periods indicated:

(Dollars in millions)	Total Fixed Maturities - Available for Sale							
	Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	Corporate Securities	Asset-Backed Securities	Foreign Corporate	Total	Corporate Securities	Asset-Backed Securities	Foreign Corporate	Total
Beginning balance of fixed maturities	\$ 620	\$ 1,340	\$ 16	\$ 1,976	\$ 672	\$ 1,305	\$ 16	\$ 1,993
Total gains or (losses) (realized/unrealized)	—	—	—	—	—	—	—	—
Included in earnings	5	—	—	5	6	—	—	6
Included in other comprehensive income (loss)	(1)	3	—	2	(1)	10	—	9
Purchases, issuances and settlements	(35)	99	(2)	62	(88)	126	(2)	37
Transfers in/(out) of Level 3 and reclassification of securities in/(out) of investment categories	—	—	—	—	—	—	—	—
Ending balance of fixed maturities	\$ 589	\$ 1,442	\$ 14	\$ 2,045	\$ 589	\$ 1,442	\$ 14	\$ 2,045
The amount of total gains or losses for the period								
included in earnings (or changes in net assets)	—	—	—	—	—	—	—	—
attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	\$ 3	\$ —	\$ —	\$ 3	\$ 4	\$ —	\$ —	\$ 4

(Some amounts may not reconcile due to rounding.)

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(Dollars in millions)	Total Fixed Maturities - Available for Sale									
	Three Months Ended June 30, 2023					Six Months Ended June 30, 2023				
	Corporate Securities	Asset-Backed Securities	Foreign Corporate	Total	Corporate Securities	Asset-Backed Securities	Foreign Corporate	Total		
Beginning balance of fixed maturities	\$ 709	\$ 1,020	\$ 16	\$ 1,745	\$ 715	\$ 994	\$ 16	\$ 1,725		
Total gains or (losses) (realized/unrealized)										
Included in earnings	1	—	—	1	2	—	—	2		
Included in other comprehensive income (loss)	(2)	(8)	—	(9)	(6)	10	—	4		
Purchases, issuances and settlements	3	103	—	105	—	111	—	111		
Transfers in/(out) of Level 3 and reclassification of securities in/(out) of investment categories	—	—	—	—	—	—	—	—		
Ending balance of fixed maturities	\$ 711	\$ 1,115	\$ 16	\$ 1,842	\$ 711	\$ 1,115	\$ 16	\$ 1,842		

The amount of total gains or losses for the period

  included in earnings (or changes in net assets)

  attributable to the change in unrealized gains

  or losses relating to assets still held at

  the reporting date      \$ —      \$ —      \$ —      \$ —      \$ —      \$ —      \$ —      \$ —      \$ —

(Some amounts may not reconcile due to rounding.)

There were no transfers of assets in/(out) of Level 3 for the three and six months ended June 30, 2024.

**Financial Instruments Disclosed, But Not Reported, at Fair Value**

Certain financial instruments disclosed, but not reported, at fair value are excluded from the fair value hierarchy tables above. Fair values and valuation hierarchy of fixed maturity securities – held to maturity, senior notes and long-term subordinated notes can be found within Notes 3, 8 and 9, respectively. Short-term investments are stated at cost, which approximates fair value.

**Exempt from Fair Value Disclosure Requirements**

Certain financial instruments are exempt from the requirements for fair value disclosure, such as limited partnerships accounted for under the equity method and pension and other postretirement obligations. The Company's investments in COLI policies are recorded at their cash surrender value and are therefore not required to be included in the tables above. See Note 3 of the Notes to these Consolidated Financial Statements for details of investments in COLI policies.

In addition, \$ 260 million and \$ 274 million of investments within other invested assets on the consolidated balance sheets as of June 30, 2024 and December 31, 2023, respectively, are not included within the fair value hierarchy tables, as the assets are measured at NAV as a practical expedient to determine fair value.

## 5. RESERVE FOR LOSSES AND LAE

Activity in the reserve for losses and loss adjustment expenses ("LAE") is summarized for the periods indicated:

	Six Months Ended June 30,	
	2024	2023
(Dollars in millions)		
Gross reserves beginning of period	\$ 24,604	\$ 22,065
Less reinsurance recoverables on unpaid losses	( 2,098 )	( 2,105 )
Net reserves beginning of period	22,506	19,960
Incurred related to:		
Current year	4,548	3,927
Prior years	—	—
Total incurred losses and LAE	4,548	3,927
Paid related to:		
Current year	1,068	1,307
Prior years	2,145	1,515
Total paid losses and LAE	3,213	2,822
Foreign exchange/translation adjustment	( 139 )	165
Net reserves end of period	23,702	21,229
Plus reinsurance recoverables on unpaid losses	2,151	2,175
Gross reserves end of period	\$ 25,853	\$ 23,405

(Some amounts may not reconcile due to rounding.)

Current year incurred losses were \$ 4.5 billion and \$ 3.9 billion for the six months ended June 30, 2024 and 2023, respectively. Gross and net reserves increased for the six months ended June 30, 2024, reflecting an increase in underlying exposure due to earned premium growth, year over year, amounting to approximately \$ 528 million of current year attritional losses in 2024 compared to 2023, as well as an increase of \$ 94 million in 2024 current year catastrophe losses.

## 6. SEGMENT REPORTING

The Company operates through two operating segments. The Reinsurance operation writes worldwide property and casualty reinsurance and specialty lines of business, on both a treaty and facultative basis, through reinsurance brokers, as well as directly with ceding companies. Business is written in the U.S., Bermuda and Ireland offices, as well as, through branches in Canada, Singapore, the United Kingdom ("UK") and Switzerland. The Insurance operation writes property and casualty insurance directly and through brokers, including for surplus lines, and general agents within the U.S., Bermuda, Canada, Europe, Singapore and South America through its offices in the U.S., Australia, Bermuda, Canada, Chile, Colombia, Mexico, Singapore, the UK, Ireland, and branches located in the UK, the Netherlands, France, Germany and Spain. The two segments are managed independently, but conform with corporate guidelines with respect to pricing, risk management, control of aggregate catastrophe exposures, capital, investments and support operations.

Our two operating segments each have executive leadership who are responsible for the overall performance of their respective segments and who are directly accountable to our chief operating decision maker ("CODM"), the Chief Executive Officer of Everest Group, Ltd., who is ultimately responsible for reviewing the business to assess performance, make operating decisions and allocate resources. We report the results of our operations consistent with the manner in which our CODM reviews the business.

During the fourth quarter of 2023, the Company revised the classification and presentation of certain products related to its accident and health business within the segment groupings. These products have been realigned from within the Reinsurance segment to the Insurance segment to appropriately reflect how the business segments are managed. These changes have been reflected retrospectively.

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The Company does not review and evaluate the financial results of its operating segments based upon balance sheet data. Management generally monitors and evaluates the financial performance of these operating segments based upon their underwriting results. Underwriting results include earned premium less losses and LAE incurred, commission and brokerage expenses and other underwriting expenses. The Company measures its underwriting results using ratios, in particular, loss, commission and brokerage and other underwriting expense ratios, which, respectively, divide incurred losses, commissions and brokerage and other underwriting expenses by premiums earned. Management has determined that these measures are appropriate and align with how the business is managed. We continue to evaluate our segments as our business evolves and may further refine our segments and financial performance measures.

The following tables present the underwriting results for the operating segments for the periods indicated:

(Dollars in millions)	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
Gross written premiums	\$ 3,209	\$ 1,515	\$ 4,725	\$ 6,385	\$ 2,752	\$ 9,136
Net written premiums	3,033	1,051	4,084	5,975	2,009	7,984
Premiums earned	\$ 2,731	\$ 962	\$ 3,693	\$ 5,459	\$ 1,885	\$ 7,345
Incurred losses and LAE	1,684	628	2,311	3,325	1,223	4,548
Commission and brokerage	672	117	790	1,343	228	1,571
Other underwriting expenses	72	162	234	142	316	458
Underwriting gain (loss)	\$ 303	\$ 54	\$ 358	\$ 649	\$ 118	\$ 767
Net investment income			528			985
Net gains (losses) on investments			( 17 )			( 24 )
Corporate expenses			( 22 )			( 44 )
Interest, fee and bond issue cost amortization expense			( 37 )			( 75 )
Other income (expense)			23			54
Income (loss) before taxes			\$ 832			\$ 1,664

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
Gross written premiums	\$ 2,747	\$ 1,433	\$ 4,180	\$ 5,368	\$ 2,555	\$ 7,923
Net written premiums	2,621	1,053	3,674	5,059	1,944	7,003
Premiums earned	\$ 2,364	\$ 888	\$ 3,251	\$ 4,590	\$ 1,762	\$ 6,352
Incurred losses and LAE	1,389	572	1,960	2,790	1,137	3,927
Commission and brokerage	579	107	686	1,135	212	1,347
Other underwriting expenses	61	143	205	124	280	405
Underwriting gain (loss)	\$ 335	\$ 66	\$ 401	\$ 540	\$ 133	\$ 673
Net investment income			357			617
Net gains (losses) on investments			5			10
Corporate expenses			( 17 )			( 36 )
Interest, fee and bond issue cost amortization expense			( 33 )			( 65 )
Other income (expense)			38			( 42 )
Income (loss) before taxes			\$ 750			\$ 1,157

(Some amounts may not reconcile due to rounding.)

Further classifications of revenues by geographic location are impracticable to disclose and, therefore, are not provided. Additionally, such information is not utilized by the Company's CODM when reviewing the business to assess performance, make operating decisions or allocate resources.

## 7. CREDIT FACILITIES

The Company has multiple active committed letter of credit facilities with a total commitment of up to \$ 1.7 billion as of June 30, 2024. The Company also has additional uncommitted letter of credit facilities of up to \$ 240 million which may be accessible via written request and corresponding authorization from the applicable lender. There is no guarantee the uncommitted capacity will be available to us on a future date.

The terms and outstanding amounts for each facility are discussed below. See Note 10 for collateral posted related to secured letters of credit.

### Bermuda Re Wells Fargo Bilateral Letter of Credit Facility

Effective February 23, 2021, Everest Reinsurance (Bermuda) Ltd. ("Bermuda Re") entered into a letter of credit issuance facility with Wells Fargo, referred to as the "Bermuda Re Wells Fargo Bilateral Letter of Credit Facility." The Bermuda Re Wells Fargo Bilateral Letter of Credit Facility originally provided for the issuance of up to \$ 50 million of secured letters of credit. Effective May 5, 2021, the agreement was amended to provide for the issuance of up to \$ 500 million of secured letters of credit. Effective June 10, 2024, the agreement was amended to extend the availability of committed issuance for one year.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Wells Fargo Bank Bilateral LOC Facility	\$ 500	\$ 477	12/31/2024	\$ 500	\$ 97	6/24/2024
	—	—	—	—	71	6/28/2024
	—	—	—	—	318	12/31/2024
	—	—	—	—	—	—
	\$ 500	\$ 477		\$ 500	\$ 486	

(Some amounts may not reconcile due to rounding.)

### Bermuda Re Citibank Letter of Credit Facility

Effective August 9, 2021, Bermuda Re entered into a letter of credit issuance facility with Citibank N.A., referred to as the "Bermuda Re Citibank Letter of Credit Facility". The Bermuda Re Citibank Letter of Credit Facility provides for the committed issuance of up to \$ 230 million of secured letters of credit. In addition, the facility provided for the uncommitted issuance of up to \$ 140 million, which may be accessible via written request by the Company and corresponding authorization from Citibank N.A. Effective December 13, 2023, the agreement was amended to extend the availability of committed issuance for an additional two years .

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The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Citibank LOC Facility- Committed	\$ 230	\$ 197	12/31/2024	\$ 230	\$ —	1/21/2024
	—	1/21/2025		4	4	2/29/2024
	4	2/28/2025		1	1	3/1/2024
	2	3/1/2025		3	3	9/23/2024
	1	3/15/2025		1	1	12/1/2024
	1	8/15/2025		—	—	12/16/2024
	3	9/23/2025		—	—	12/20/2024
	1	12/1/2025		217	217	12/31/2024
	—	12/16/2025		1	1	8/15/2025
	—	12/20/2025				
	4	12/31/2025				
Bermuda Re Citibank LOC Facility - Uncommitted	140	106	12/31/2024	140	105	12/31/2024
	—	3/30/2028		7	7	12/30/2027
	7	6/30/2028				
Total Citibank Bilateral Agreement	\$ 370	\$ 326		\$ 370	\$ 340	

(Some amounts may not reconcile due to rounding.)

Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility

Effective August 27, 2021, Bermuda Re entered into a letter of credit issuance facility with Bayerische Landesbank, an agreement referred to as the "Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility". The Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility provides for the committed issuance of up to \$ 200 million of secured letters of credit.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Bayerische Landesbank Bilateral Secured Credit Facility - Committed	\$ 200	\$ 188	12/31/2024	\$ 200	\$ 192	12/31/2024

(Some amounts may not reconcile due to rounding.)

Bermuda Re Bayerische Landesbank Bilateral Unsecured Letter of Credit Facility

Effective December 30, 2022, Bermuda Re entered into a new additional letter of credit issuance facility with Bayerische Landesbank, New York Branch, referred to as the "Bermuda Re Bayerische Landesbank Bilateral Unsecured Letter of Credit Facility". The Bermuda Re Bayerische Landesbank Bilateral Unsecured Letter of Credit Facility provides for the committed issuance of up to \$ 150 million of unsecured letters of credit and is fully and unconditionally guaranteed by Group, as Parent Guarantor.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Bayerische Landesbank Bilateral Unsecured Credit Facility - Committed	\$ 150	\$ 150	12/31/2024	\$ 150	\$ 150	12/31/2024

(Some amounts may not reconcile due to rounding.)

Bermuda Re Lloyd's Bank Letter of Credit Facility

Effective December 27, 2023, Bermuda Re entered into an amended and restated letter of credit issuance facility with Lloyd's Bank Corporate Markets PLC, to add Everest Insurance (Ireland), dac ("Ireland Insurance") as an account party with access to a \$ 15 million sub-limit for the issuance of letters of credit, an agreement referred to as the "Bermuda Re

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Lloyd's Bank Letter of Credit Facility", which superseded the previous letter of credit issuance facility with Lloyd's Bank that was effective August 18, 2023. The Bermuda Re Lloyd's Bank Letter of Credit Facility provides for the committed issuance of up to \$ 250 million of unsecured letters of credit and is fully and unconditionally guaranteed by Group, as Parent Guarantor.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Lloyd's Bank Credit Facility-Committed	\$ 250	\$ 216	12/31/2024	\$ 250	\$ 235	12/31/2024

(Some amounts may not reconcile due to rounding.)

**Bermuda Re Barclays Bank Credit Facility**

Effective November 3, 2021, Bermuda Re entered into a letter of credit issuance facility with Barclays Bank PLC, an agreement referred to as the "Bermuda Re Barclays Credit Facility". The Bermuda Re Barclays Credit Facility provides for the committed issuance of up to \$ 200 million of secured letters of credit.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Bermuda Re Barclays Bilateral Letter of Credit Facility	\$ 200	\$ 150	12/30/2024	\$ 200	\$ 168	12/30/2024
		14	12/31/2024		14	12/31/2024
Total Bermuda Re Barclays Bilateral Letter of Credit Facility	\$ 200	\$ 164		\$ 200	\$ 182	

**Bermuda Re Nordea Bank Letter of Credit Facility**

Effective November 21, 2022, Bermuda Re entered into a letter of credit issuance facility with Nordea Bank ABP, New York Branch, referred to as the "Nordea Bank Letter of Credit Facility". The Bermuda Re Nordea Bank Letter of Credit Facility provides for the committed issuance of up to \$ 200 million of unsecured letters of credit, and subject to credit approval, uncommitted issuance of \$ 100 million for a maximum total facility amount of \$ 300 million.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in millions)	At June 30, 2024			At December 31, 2023		
	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Nordea Bank Letter of Credit Facility - Committed	\$ 200	\$ 200	12/31/2024	\$ 200	\$ 200	12/31/2024
Nordea Bank Letter of Credit Facility - Uncommitted	100	100	12/31/2024	100	100	12/31/2024
Total Nordea Bank ABP, NY LOC Facility	\$ 300	\$ 300		\$ 300	\$ 300	

(Some amounts may not reconcile due to rounding.)

**Federal Home Loan Bank Membership**

Everest Reinsurance Company ("Everest Re") is a member of the Federal Home Loan Bank of New York ("FHLBNY"), which allows Everest Re to borrow up to 10 % of its statutory admitted assets. As of June 30, 2024, Everest Re had statutory admitted assets of approximately \$ 28.0 billion which provides borrowing capacity of up to approximately \$ 2.8 billion. As of June 30, 2024, Everest Re had \$ 819 million of borrowings outstanding, all of which expire in 2024. Everest Re incurred interest expense of \$ 11 million and \$ 7 million for the three months ended June 30, 2024 and 2023, respectively. Everest Re incurred interest expense of \$ 22 million and \$ 13 million for the six months ended June 30, 2024 and 2023, respectively. The FHLBNY membership agreement requires that 4.5 % of borrowed funds be used to acquire additional membership stock. Additionally, the FHLBNY membership agreement requires that members must have sufficient qualifying collateral pledged. As of June 30, 2024, Everest Re had \$ 1.1 billion of collateral pledged.

## 8. SENIOR NOTES

The table below displays Everest Reinsurance Holdings' ("Holdings") outstanding senior notes (the "Senior Notes"). Fair value is based on quoted market prices, but due to limited trading activity, the Senior Notes are considered Level 2 in the fair value hierarchy.

(Dollars in millions)	Date Issued	Date Due	Principal Amounts	June 30, 2024		December 31, 2023	
				Consolidated Balance		Consolidated Balance	
				Sheet Amount	Fair Value	Sheet Amount	Fair Value
4.868 % Senior notes	6/5/2014	6/1/2044	\$ 400	\$ 398	\$ 352	\$ 398	\$ 369
3.5 % Senior notes	10/7/2020	10/15/2050	1,000	981	674	981	742
3.125 % Senior notes	10/4/2021	10/15/2052	1,000	970	620	970	688
			\$ 2,400	\$ 2,349	\$ 1,646	\$ 2,349	\$ 1,799

(Some amounts may not reconcile due to rounding.)

Interest expense incurred in connection with the Senior Notes is as follows for the periods indicated:

(Dollars in millions)	Interest Paid	Payable Dates	Three Months Ended June 30,		Six Months Ended June 30,	
			2024	2023	2024	2023
			\$ 5	\$ 5	\$ 10	\$ 10
4.868 % Senior notes	semi-annually	June 1/December 1	\$ 5	\$ 5	\$ 10	\$ 10
3.5 % Senior notes	semi-annually	April 15/October 15	9	9	18	18
3.125 % Senior notes	semi-annually	April 15/October 15	8	8	16	16
			\$ 22	\$ 22	\$ 43	\$ 43

(Some amounts may not reconcile due to rounding.)

## 9. LONG-TERM SUBORDINATED NOTES

The table below displays Holdings' outstanding fixed to floating rate long-term subordinated notes ("Subordinated Notes Issued 2007"). Fair value is based on quoted market prices, but due to limited trading activity, these subordinated notes are considered Level 2 in the fair value hierarchy.

(Dollars in millions)	Date Issued	Original Principal Amount	Maturity Date		June 30, 2024		December 31, 2023	
			Scheduled	Final	Consolidated Balance Sheet Amount	Consolidated Balance Fair Value	Consolidated Balance Sheet Amount	Consolidated Balance Fair Value
			5/15/2037	5/1/2067	\$ 218	\$ 214	\$ 218	\$ 187
Subordinated Notes Issued 2007	4/26/2007	\$ 400						

During the fixed rate interest period from May 3, 2007 through May 14, 2017, interest was at the annual rate of 6.6 %, payable semi-annually in arrears on November 15 and May 15 of each year, commencing on November 15, 2007. During the floating rate interest period from May 15, 2017 through maturity, interest will be based on the 3 month LIBOR plus 238.5 basis points, reset quarterly, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, subject to Holdings' right to defer interest on one or more occasions for up to ten consecutive years. Deferred interest will accumulate interest at the applicable rate compounded quarterly for periods from and including May 15, 2017. The reset quarterly interest rate for May 15, 2024 to August 14, 2024 is 7.97 %. Following the cessation of LIBOR, for periods from and including August 15, 2023, interest will be based on 3-month Chicago Mercantile Exchange ("CME") Term Secured Overnight Financing Rate ("SOFR") plus a spread.

Holdings may redeem the Subordinated Notes Issued 2007 on or after May 15, 2017, in whole or in part at 100 % of the principal amount plus accrued and unpaid interest; however, redemption on or after the scheduled maturity date and prior to May 1, 2047 is subject to a replacement capital covenant. This covenant is for the benefit of the Senior Note holders and it mandates that Holdings receive proceeds from the sale of another subordinated debt issue, of at least similar size, before it may redeem the Subordinated Notes Issued 2007. The Company's Senior Notes are the Company's long-term indebtedness that rank senior to the Subordinated Notes Issued 2007.

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Interest expense incurred in connection with these long-term subordinated notes is as follows for the periods indicated:

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Interest expense incurred	\$ 4	\$ 4	\$ 9	\$ 8

**10. COLLATERALIZED REINSURANCE, TRUST AGREEMENTS AND OTHER RESTRICTED ASSETS**

The Company maintains certain restricted assets as security for potential future obligations, primarily to support its underwriting operations. The following table summarizes the Company's restricted assets:

(Dollars in millions)	At June 30,		At December 31,	
	2024	2023	2024	2023
Collateral in trust for non-affiliated agreements <sup>(1)</sup>	\$ 3,202	\$ 3,208		
Collateral for secured letter of credit facilities	1,370	1,438		
Collateral for FHLB borrowings	1,051	1,077		
Securities on deposit with or regulated by government authorities	1,397	1,447		
Funds at Lloyd's	460	538		
Funds held by reinsureds	1,189	1,135		
Total restricted assets	8,669	8,843		

(1) At June 30, 2024 and December 31, 2023, the total amount on deposit in trust accounts includes \$ 199 million and \$ 243 million of restricted cash respectively.

The Company reinsures some of its catastrophe exposures with the segregated accounts of subsidiary Mt. Logan Re, Ltd. ("Mt. Logan Re"). Mt. Logan Re is a collateralized insurer registered in Bermuda and 100 % of the voting common shares are owned by Group. Each segregated account invests predominantly in a diversified set of catastrophe exposures, diversified by risk/peril and across different geographic regions globally.

The following table summarizes the premiums and losses that are ceded by the Company to Mt. Logan Re segregated accounts and assumed by the Company from Mt. Logan Re segregated accounts.

Mt. Logan Re Segregated Accounts	Three Months Ended		Six Months Ended	
	June 30,	2024	June 30,	2024
(Dollars in millions)				
Ceded written premiums	\$ 82	\$ 46	\$ 169	\$ 99
Ceded earned premiums	94	52	180	98
Ceded losses and LAE	26	16	64	53
Assumed written premiums	1	1	3	1
Assumed earned premiums	1	1	3	1
Assumed losses and LAE	—	—	—	—

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The Company entered into various collateralized reinsurance agreements with Kilimanjaro Re Limited ("Kilimanjaro"), a Bermuda-based special purpose reinsurer, to provide the Company with catastrophe reinsurance coverage. These agreements are multi-year reinsurance contracts which cover named storm and earthquake events. The table below summarizes the various agreements.

(Dollars in millions)

Class	Description	Effective Date	Expiration Date	Limit	Coverage Basis
Series 2019-1 Class A-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	12/12/2019	12/19/2024	150	Occurrence
Series 2019-1 Class B-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	12/12/2019	12/19/2024	275	Aggregate
Series 2021-1 Class A-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/21/2025	150	Occurrence
Series 2021-1 Class B-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/21/2025	85	Aggregate
Series 2021-1 Class C-1	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/21/2025	85	Aggregate
Series 2021-1 Class A-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/20/2026	150	Occurrence
Series 2021-1 Class B-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/20/2026	90	Aggregate
Series 2021-1 Class C-2	US, Canada, Puerto Rico – Named Storm and Earthquake Events	4/8/2021	4/20/2026	90	Aggregate
Series 2022-1 Class A	US, Canada, Puerto Rico – Named Storm and Earthquake Events	6/22/2022	6/25/2025	300	Aggregate
Series 2024-1 Class A	US, Canada, Puerto Rico – Named Storm and Earthquake Events	6/27/2024	6/30/2028	75	Occurrence
Series 2024-1 Class B	US, Canada, Puerto Rico – Named Storm and Earthquake Events	6/27/2024	6/30/2028	125	Occurrence
Total available limit as of June 30, 2024					\$ 1,575

Recoveries under these collateralized reinsurance agreements with Kilimanjaro are primarily dependent on estimated industry-level insured losses from covered events, as well as the geographic location of the events. The estimated industry-level of insured losses is obtained from published estimates by an independent recognized authority on insured property losses.

As of June 30, 2024, the Company has up to \$ 350 million of catastrophe bond protection ("CAT Bond") that attaches at a \$48.1 billion Property Claims Services ("PCS") Industry loss threshold. This recovery would be recognized on a pro-rata basis up to a \$63.8 billion PCS Industry loss level. As a result of Hurricane Ian, PCS's current industry estimate of \$48.3 billion issued in June 2024 exceeds the attachment point. The current estimated recovery under the CAT Bond is not material.

Kilimanjaro has financed the various property catastrophe reinsurance coverages by issuing catastrophe bonds to unrelated, external investors. The proceeds from the issuance of the catastrophe bonds are held in reinsurance trusts throughout the duration of the applicable reinsurance agreements and invested solely in U.S. government money market funds with a rating of at least "AAAm" by Standard & Poor's. The catastrophe bonds' issue dates, maturity dates and amounts correspond to the reinsurance agreements listed above.

## **11. COMMITMENTS AND CONTINGENCIES**

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and LAE.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

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**12. OTHER COMPREHENSIVE INCOME (LOSS)**

The following tables present the components of comprehensive income (loss) in the consolidated statements of operations for the periods indicated:

(Dollars in millions)	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
URA(D) on securities - non-credit related	\$ (101)	\$ 32	\$ (70)	\$ (293)	\$ 66	\$ (227)
Reclassification of net realized losses (gains) included						
in net income (loss)	11	(2)	9	17	(3)	14
Foreign currency translation adjustments	(2)	2	—	(45)	7	(38)
Reclassification of benefit plan liability amortization included						
in net income (loss)	31	(6)	24	31	(7)	25
Total other comprehensive income (loss)	<u>\$ (61)</u>	<u>\$ 25</u>	<u>\$ (36)</u>	<u>\$ (290)</u>	<u>\$ 63</u>	<u>\$ (227)</u>

(Some amounts may not reconcile due to rounding)

(Dollars in millions)	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
URA(D) on securities - non-credit related	\$ (199)	\$ 30	\$ (169)	\$ 75	\$ 2	\$ 77
Reclassification of net realized losses (gains) included						
in net income (loss)	4	(2)	2	10	(4)	5
Foreign currency translation adjustments	(2)	1	(1)	31	(1)	30
Reclassification of benefit plan liability amortization included						
in net income (loss)	1	—	—	1	—	1
Total other comprehensive income (loss)	<u>\$ (196)</u>	<u>\$ 29</u>	<u>\$ (168)</u>	<u>\$ 116</u>	<u>\$ (3)</u>	<u>\$ 113</u>

(Some amounts may not reconcile due to rounding)

The following table presents details of the amounts reclassified from AOCI for the periods indicated:

AOCI component	Three Months Ended				Affected line item within the statements of operations and comprehensive income (loss)
	June 30, 2024	2023	2024	2023	
(Dollars in millions)					
URA(D) on securities	\$ 11	\$ 4	\$ 17	\$ 10	Other net realized capital gains (losses)
	(2)	(2)	(3)	(4)	Income tax expense (benefit)
	\$ 9	\$ 2	\$ 14	\$ 5	Net income (loss)
Benefit plan net gain (loss)	\$ 31	\$ 1	\$ 31	\$ 1	Other underwriting expenses
	(6)	—	(7)	—	Income tax expense (benefit)
	\$ 24	\$ 1	\$ 25	\$ 1	Net income (loss)

(Some amounts may not reconcile due to rounding)

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The following table presents the components of accumulated other comprehensive income (loss), net of tax, in the consolidated balance sheets for the periods indicated:

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30, 2024	2023	June 30, 2024	2023
Beginning balance of URA(D) on securities	\$ (876)	\$ (1,460)	\$ (723)	\$ (1,709)
Current period change in URA(D) of investments - non-credit related	(60)	(167)	(213)	82
Ending balance of URA(D) on securities	(936)	(1,627)	(936)	(1,627)
Beginning balance of foreign currency translation adjustments	(233)	(223)	(195)	(254)
Current period change in foreign currency translation adjustments	—	(1)	(38)	30
Ending balance of foreign currency translation adjustments	(233)	(224)	(233)	(224)
Beginning balance of benefit plan net gain (loss)	(16)	(33)	(16)	(33)
Current period change in benefit plan net gain (loss)	24	—	25	1
Ending balance of benefit plan net gain (loss)	8	(32)	8	(32)
Ending balance of accumulated other comprehensive income (loss)	\$ (1,160)	\$ (1,883)	\$ (1,160)	\$ (1,883)

(Some amounts may not reconcile due to rounding.)

### 13. SHARE-BASED COMPENSATION PLANS

During the three months ended June 30, 2024, a total of 4,016 shares of restricted stock were granted on May 15, 2024, with a fair value of \$ 377.80 per share. During the three months ended June 30, 2023, a total of 925 shares of restricted stock were granted on May 18, 2023, with a fair value of \$ 372.91 per share.

For the six months ended June 30, 2024, a total of 218,959 shares of restricted stock were granted as follows: 207,839 , 7,104 and 4,016 of shares of restricted stock were granted on February 28, 2024, February 29, 2024 and May 15, 2024, respectively. The fair value per share of each restricted stock award was \$ 369.52 , \$ 367.04 and \$ 377.80 , respectively. Additionally, 18,713 performance share unit awards were granted on February 28, 2024, with a fair value of \$ 369.52 per unit.

For the six months ended June 30, 2023, a total of shares of 175,096 restricted stock were granted: 174,171 and 925 shares of restricted stock were granted on February 23, 2023 and May 18, 2023, respectively. The fair value per share of each of the awards was \$ 382.39 per share and \$ 372.91 per share, respectively. Additionally, 14,975 performance share unit awards were granted on February 23, 2023, with a fair value of \$ 382.39 per unit.

### 14. EARNINGS PER COMMON SHARE

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that would occur if options granted under various share-based compensation plans were exercised resulting in the issuance of common shares that would participate in the earnings of the entity.

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Net income (loss) per common share has been computed as shown below, based upon weighted average common basic and dilutive shares outstanding.

	Three Months Ended		Six Months Ended		
	June 30,	2024	June 30,	2024	2023
(Dollars in millions, except per share amounts)					
Net income (loss) per share:					
Numerator					
Net income (loss)	\$ 724	\$ 670	\$ 1,457	\$ 1,035	
Less: dividends declared - common shares and unvested common shares	( 87 )	( 72 )	( 163 )	( 136 )	
Undistributed earnings	637	599	1,294	899	
Percentage allocated to common shareholders <sup>(1)</sup>	98.8 %	98.8 %	98.8 %	98.8 %	
	630	591	1,279	888	
Add: dividends declared - common shareholders	86	71	161	135	
Numerator for basic and diluted earnings per common share	\$ 715	\$ 662	\$ 1,440	\$ 1,022	
Denominator					
Denominator for basic earnings per weighted-average common shares	42.8	40.7	42.9	39.7	
Effect of dilutive securities:					
Options	—	—	—	—	
Denominator for diluted earnings per adjusted weighted-average common shares	42.8	40.7	42.9	39.7	
Per common share net income (loss)					
Basic	\$ 16.70	\$ 16.26	\$ 33.57	\$ 25.74	
Diluted	\$ 16.70	\$ 16.26	\$ 33.57	\$ 25.74	
<sup>(1)</sup> Basic weighted - average common shares outstanding	42.8	40.7	42.9	39.7	
Basic weighted - average common shares outstanding and unvested common shares expected to vest	43.4	41.2	43.4	40.2	
Percentage allocated to common shareholders	98.8 %	98.8 %	98.8 %	98.8 %	

(Some amounts may not reconcile due to rounding.)

There were no options outstanding as of June 30, 2024 and 2023, respectively.

## 15. INCOME TAXES

With the assent of the governor on December 27, 2023, the Bermuda Corporate Income Tax Act of 2023 ("The 2023 Act") became law. Beginning in 2025, a 15% corporate income tax will be applicable to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750 million or more. Group's Bermuda entities will be subject to the new corporate income tax. The Company has evaluated The 2023 Act and has recorded \$ 578 million of net deferred income tax benefits as of December 31, 2023. The net deferred income tax benefits relate primarily to a default provision in the law which allows for what is called an "Economic Transition Adjustment" ("ETA"). The ETA allowed companies to establish deferred tax assets or liabilities related to the revaluation of intangible assets, excluding goodwill and their other assets and liabilities, based on fair value as of September 30, 2023.

All of the income of Group's non-Bermuda subsidiaries is subject to the applicable federal, foreign, state and local taxes on corporations. Additionally, the income of the foreign branches of the Company's insurance operating companies is subject to various rates of income tax. Group's U.S. subsidiaries conduct business in and are subject to taxation in the U.S. Should the U.S. subsidiaries distribute current or accumulated earnings and profits in the form of dividends or otherwise, the Company would be subject to an accrual of 5% U.S. withholding tax. Currently, however, no withholding tax has been accrued with respect to such un-remitted earnings, as management has no intention of remitting them. The cumulative amount that would be subject to withholding tax, if distributed, is not practicable to compute. The provision for income taxes in the consolidated statement of operations and comprehensive income (loss) has been determined in accordance with the individual income of each entity and the respective applicable tax laws. The provision reflects the permanent differences between financial and taxable income relevant to each entity.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted. We have evaluated the tax provisions of the IRA, the most significant of which are the corporate alternative minimum tax and the share repurchase excise tax and do not expect the legislation to have a material impact on our results of operations.

**16. SUBSEQUENT EVENTS**

The Company has evaluated known recognized and non-recognized subsequent events. In July 2024, Hurricane Beryl impacted the southern half of the Caribbean and southern Texas. Due to the recency of this event, the Company is unable to estimate the magnitude of losses at this time. However, the Company does not expect loss exposure to be significant. No other material subsequent events or transactions have occurred that require recognition or disclosure in the financial statements.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Industry Conditions.**

The worldwide insurance and reinsurance businesses are highly competitive, as well as cyclical by product and market. As a result, financial results tend to fluctuate with periods of constrained availability, higher rates and stronger profits, followed by periods of abundant capacity, lower rates and constrained profitability. Competition in the types of insurance and reinsurance business that we underwrite is based on many factors, including the perceived overall financial strength of the reinsurer or insurer, ratings of the reinsurer or insurer by A.M. Best and/or Standard & Poor's, underwriting expertise, the jurisdictions where the reinsurer or insurer is licensed or otherwise authorized, capacity and coverages offered, premiums charged, other terms and conditions of the insurance and reinsurance business offered, services offered, speed of claims payment, and reputation and experience in lines written. Furthermore, the market impact from these competitive factors related to insurance and reinsurance is generally not consistent across lines of business, domestic and international geographical areas and distribution channels.

Financial instruments, such as side cars, catastrophe bonds and collateralized reinsurance funds, provide capital markets with access to insurance and reinsurance risk exposure. The capital markets demand for these products is primarily driven by the desire to achieve greater risk diversification and potentially higher returns on their investments. This competition generally has a negative impact on rates and terms and conditions; however, the impact varies widely by market and coverage. Based on recent competitive behaviors in the insurance and reinsurance industry, natural catastrophe events and the macroeconomic backdrop, there has been dislocation in the market which has had a positive impact on rates and terms and conditions, generally, though specifics in local markets can vary.

Specifically, recent market conditions in property, particularly catastrophe excess of loss, have resulted in rate increases. As a result of the rate increases, most of the lines within property have been affected. Other casualty lines have been experiencing rate increases, while some lines such as workers' compensation and directors and officers liability have been experiencing softer market conditions. The impact on pricing conditions is likely to change depending on the line of business and geography.

Our capital position remains a source of strength, with high quality invested assets, significant liquidity and a low operating expense ratio. Our diversified global platform with its broad mix of products, distribution and geography is resilient.

The ongoing Middle East war and the war in Ukraine continue to evolve. Economic and legal sanctions have been levied against Russia, specific named individuals and entities connected to the Russian government, as well as businesses located in the Russian Federation and/or owned by Russian nationals in numerous countries, including the United States. The significant political and economic uncertainty surrounding these wars and associated sanctions have impacted economic and investment markets both within Russia, Ukraine, the Middle East region, and around the world.

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**Financial Summary.**

We monitor and evaluate our overall performance based upon financial results. The following table displays a summary of the consolidated net income (loss), ratios and shareholders' equity for the periods indicated:

(Dollars in millions)	Three Months Ended June 30,		Percentage Increase/ (Decrease)	Six Months Ended June 30,		Percentage Increase/ (Decrease)
	2024	2023		2024	2023	
Gross written premiums	\$ 4,725	\$ 4,180	13.0 %	\$ 9,136	\$ 7,923	15.3 %
Net written premiums	4,084	3,674	11.2 %	7,984	7,003	14.0 %
<b>REVENUES:</b>						
Premiums earned	\$ 3,693	\$ 3,251	13.6 %	\$ 7,345	\$ 6,352	15.6 %
Net investment income	528	357	47.9 %	985	617	59.7 %
Net gains (losses) on investments	(17)	5	NM	(24)	10	NM
Other income (expense)	23	38	(38.4) %	54	(42)	NM
Total revenues	<u>4,227</u>	<u>3,650</u>	15.8 %	<u>8,360</u>	<u>6,936</u>	20.5 %
<b>CLAIMS AND EXPENSES:</b>						
Incurred losses and loss adjustment expenses	2,311	1,960	17.9 %	4,548	3,927	15.8 %
Commission, brokerage, taxes and fees	790	686	15.2 %	1,571	1,347	16.7 %
Other underwriting expenses	234	205	14.1 %	458	405	13.2 %
Corporate expenses	22	17	32.5 %	44	36	23.4 %
Interest, fees and bond issue cost amortization expense	<u>37</u>	<u>33</u>	13.4 %	<u>75</u>	<u>65</u>	14.9 %
Total claims and expenses	<u>3,395</u>	<u>2,901</u>	17.0 %	<u>6,696</u>	<u>5,779</u>	15.9 %
<b>INCOME (LOSS) BEFORE TAXES</b>						
Income tax expense (benefit)	<u>108</u>	<u>80</u>	35.8 %	<u>207</u>	<u>122</u>	69.6 %
<b>NET INCOME (LOSS)</b>	<b>\$ 724</b>	<b>\$ 670</b>	<b>8.0 %</b>	<b>\$ 1,457</b>	<b>\$ 1,035</b>	<b>40.7 %</b>
<b>RATIOS:</b>						
			Point Change			Point Change
Loss ratio	62.6 %	60.3 %	2.3	61.9 %	61.8 %	0.1
Commission and brokerage ratio	21.4 %	21.1 %	0.3	21.4 %	21.2 %	0.2
Other underwriting expense ratio	6.3 %	6.3 %	—	6.2 %	6.4 %	(0.1)
Combined ratio	<u>90.3 %</u>	<u>87.7 %</u>	<u>2.6</u>	<u>89.6 %</u>	<u>89.4 %</u>	<u>0.2</u>
 (Dollars in millions, except per share amounts)						
<b>Balance sheet data:</b>						
			At June 30,	At December 31,		Percentage Increase/ (Decrease)
			2024	2023		
Total investments and cash	\$ 39,065	\$ 37,142				5.2 %
Total assets	52,560	49,399				6.4 %
Reserve for losses and loss adjustment expenses	25,853	24,604				5.1 %
Total debt	3,386	3,385				— %
Total liabilities	38,378	36,197				6.0 %
Shareholders' equity	14,182	13,202				7.4 %
Book value per share	327.68	304.29				7.7 %

(NM, not meaningful)

(Some amounts may not reconcile due to rounding.)

**Revenues.**

Premiums. Gross written premiums increased by 13.0% to \$4.7 billion for the three months ended June 30, 2024, compared to \$4.2 billion for the three months ended June 30, 2023, reflecting a \$462 million, or 16.8%, increase in our reinsurance business and a \$82 million, or 5.7%, increase in our insurance business. The increase in reinsurance premiums was primarily due to property pro rata, property catastrophe excess of loss and casualty pro rata lines of business. The increase in insurance premiums compared to the prior year period was primarily due to other specialty business, property/short tail business and professional liability business partially offset by reduction in accident and health and workers' compensation lines. Gross written premiums increased by 15.3% to \$9.1 billion for the six months



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ended June 30, 2024, compared to \$7.9 billion for the six months ended June 30, 2023, reflecting a \$1.0 billion, or 18.9%, increase in our reinsurance business and a \$196 million, or 7.7%, increase in our insurance business. The increase in reinsurance premiums was primarily driven by property pro rata, property catastrophe excess of loss and casualty pro rata lines of business. The increase in insurance premiums was primarily due to other specialty business, property/short tail business and professional liability business. These increases were partially offset by reductions in accident and health and workers' compensation lines.

Net written premiums increased by 11.2% to \$4.1 billion for the three months ended June 30, 2024, compared to \$3.7 billion for the three months ended June 30, 2023. Net written premiums increased by 14.0% to \$8.0 billion for the six months ended June 30, 2024, compared to \$7.0 billion for the six months ended June 30, 2023. These increases were consistent with the percentage changes in gross written premiums. Premiums earned increased by 13.6% to \$3.7 billion during the three months ended June 30, 2024, compared to \$3.3 billion during the three months ended June 30, 2023. Premiums earned increased by 15.6% to \$7.3 billion for the six months ended June 30, 2024, compared to \$6.4 billion for the six months ended June 30, 2023. Premiums earned generally reflect the portion of net premiums written that was recognized as revenue for the period as the exposure period expires. The change in premiums earned relative to net written premiums was primarily the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Other Income (Expense). We recorded other income of \$23 million and \$38 million for the three months ended June 30, 2024 and 2023, respectively. We recorded other income of \$54 million and other expense of \$42 million for the six months ended June 30, 2024 and 2023, respectively. The period over period changes were primarily the result of a \$9 million gain on pension curtailment as well as fluctuations in foreign currency exchange rates. During the three months ended June 30, 2024, the Company amended its defined benefit pension plan (the "Plan") to freeze all benefits accruals and terminate the Plan effective June 30, 2024, which resulted in a pension curtailment gain. We recognized foreign currency exchange income of \$9 million and \$36 million for the three months ended June 30, 2024 and 2023, respectively. We recognized foreign currency exchange income of \$41 million and foreign currency exchange expense of \$49 million for the six months ended June 30, 2024 and 2023, respectively.

Net Investment Income. Refer to Consolidated Investments Results Section below.

Net Gains (Losses) on Investments. Refer to Consolidated Investments Results Section below.

**Claims and Expenses.**

Incurred Losses and Loss Adjustment Expenses. The following tables present our incurred losses and LAE for the periods indicated.

(Dollars in millions)	Three Months Ended June 30,					
	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
<b>2024</b>						
Attritional	\$ 2,160	58.5 %	\$ —	— %	\$ 2,160	58.5 %
Catastrophes	151	4.1 %	—	— %	151	4.1 %
<b>Total</b>	<b>\$ 2,311</b>	<b>62.6 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 2,311</b>	<b>62.6 %</b>
<b>2023</b>						
Attritional	\$ 1,933	59.5 %	\$ —	— %	\$ 1,933	59.5 %
Catastrophes	27	0.8 %	—	— %	27	0.8 %
<b>Total</b>	<b>\$ 1,960</b>	<b>60.3 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 1,960</b>	<b>60.3 %</b>
<b>Variance 2024/2023</b>						
Attritional	\$ 227	(1.0) pts	\$ —	— pts	\$ 227	(1.0) pts
Catastrophes	124	3.3 pts	—	— pts	124	3.3 pts
<b>Total</b>	<b>\$ 351</b>	<b>2.3 pts</b>	<b>\$ —</b>	<b>— pts</b>	<b>\$ 351</b>	<b>2.3 pts</b>

(Some amounts may not reconcile due to rounding.)

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(Dollars in millions)	Six Months Ended June 30,					
	Current		Prior		Total	
	Year	Ratio %/ Pt Change	Years	Ratio %/ Pt Change	Incurred	Ratio %/ Pt Change
<b>2024</b>						
Attritional	\$ 4,312	58.7 %	\$ —	— %	\$ 4,312	58.7 %
Catastrophes	236	3.2 %	—	— %	236	3.2 %
<b>Total</b>	<b>\$ 4,548</b>	<b>61.9 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 4,548</b>	<b>61.9 %</b>
<b>2023</b>						
Attritional	\$ 3,784	59.6 %	\$ —	— %	\$ 3,784	59.6 %
Catastrophes	142	2.2 %	—	— %	142	2.2 %
<b>Total</b>	<b>\$ 3,927</b>	<b>61.8 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 3,927</b>	<b>61.8 %</b>
<b>Variance 2024/2023</b>						
Attritional	\$ 528	(0.9) pts	\$ —	— pts	\$ 528	(0.9) pts
Catastrophes	94	1.0 pts	—	— pts	94	1.0 pts
<b>Total</b>	<b>\$ 622</b>	<b>0.1 pts</b>	<b>\$ —</b>	<b>— pts</b>	<b>\$ 622</b>	<b>0.1 pts</b>

(Some amounts may not reconcile due to rounding.)

Incurred losses and LAE increased by 17.9% to \$2.3 billion for the three months ended June 30, 2024, compared to \$2.0 billion for the three months ended June 30, 2023, primarily due to an increase of \$227 million in current year attritional losses and an increase of \$124 million in current year catastrophe losses. The increase in current year attritional losses was mainly due to the impact of the increase in underlying exposures due to increased premiums earned. The current year catastrophe losses of \$151 million for the three months ended June 30, 2024 related primarily to the 2024 Dubai floods (\$40 million), the 2024 Germany floods (\$40 million), the 2024 Brazil Floods (\$35 million), and the 2024 Taiwan earthquake (\$23 million). The \$27 million of current year catastrophe losses for the three months ended June 30, 2023 related primarily to the 2023 Turkey earthquakes (\$20 million), Typhoon Mawar (\$12 million), the 2023 Italian floods (\$10 million), and the 2023 second quarter U.S. storms (\$10 million), partially offset by \$30 million of reinsurance recoveries related to Hurricane Ian.

Incurred losses and LAE increased by 15.8% to \$4.5 billion for the six months ended June 30, 2024, compared to \$3.9 billion for the six months ended June 30, 2023, primarily due to an increase of \$528 million in current year attritional losses and an increase of \$94 million in current year catastrophe losses. The increase in current year attritional losses was mainly due to the impact of the increase in underlying exposures due to increased premiums earned. The current year catastrophe losses of \$236 million for the six months ended June 30, 2024 related primarily to the 2024 Baltimore bridge collapse (\$70 million), the 2024 Dubai floods (\$40 million), the 2024 Germany floods (\$40 million), the 2024 Brazil Floods (\$35 million), and the 2024 Taiwan earthquake (\$23 million). The \$142 million of current year catastrophe losses for the six months ended June 30, 2023 related primarily to the 2023 Turkey earthquakes (\$95 million) the 2023 New Zealand storms (\$45 million), Typhoon Mawar (\$12 million), the 2023 Italian floods (\$10 million) and the 2023 second quarter U.S. storms (\$10 million), partially offset by \$30 million of reinsurance recoveries related to Hurricane Ian.

Catastrophe losses and loss expenses typically have a material effect on our incurred losses and LAE results and can vary significantly from period to period. Losses from natural catastrophes contributed 4.1 percentage points to the combined ratio for the three months ended June 30, 2024, compared with 0.8 percentage points in the corresponding period of 2023, and 3.2 percentage points to the combined ratio for the six months ended June 30, 2024, compared with 2.2 percentage points in the corresponding period of 2023. The Company has up to \$350 million of catastrophe bond protection ("CAT Bond") that attaches at a \$48.1 billion Property Claims Services ("PCS") Industry loss threshold. This recovery would be recognized on a pro-rata basis up to a \$63.8 billion PCS Industry loss level. As a result of Hurricane Ian, PCS's current industry estimate of \$48.3 billion issued in June 2024 exceeds the attachment point. The current estimated recovery under the CAT Bond is not material.

Refer to Ratios section for loss ratio analysis discussion.

**Commission, Brokerage, Taxes and Fees.** Commission, brokerage, taxes and fees increased by 15.2% to \$790 million for the three months ended June 30, 2024 compared to \$686 million for the three months ended June 30, 2023. Commission, brokerage, taxes and fees increased by 16.7% to \$1.6 billion for the six months ended June 30, 2024, compared to \$1.3 billion for the six months ended June 30, 2023. The increases were primarily due to the impact of the

increase in premiums earned and changes in the mix of business. Refer to Ratios section for commission and brokerage ratio analysis discussion.

**Other Underwriting Expenses.** Other underwriting expenses were \$234 million and \$205 million for the three months ended June 30, 2024 and June 30, 2023, respectively. Other underwriting expenses were \$458 million and \$405 million for the six months ended June 30, 2024 and 2023, respectively. The increases in other underwriting expenses remained relative consistent with the growth in premium earned. Refer to Ratio section for other underwriting expense ratio analysis discussion.

**Corporate Expenses.** Corporate expenses, which are general operating expenses that are not allocated to segments, were \$22 million and \$17 million for the three months ended June 30, 2024 and 2023, respectively, and \$44 million and \$36 million for the six months ended June 30, 2024 and 2023, respectively. The increase in Corporate expenses for the three and six month periods ended June 30, 2024 are primarily due to information management related costs.

**Interest, Fees and Bond Issue Cost Amortization Expense.** Interest, fees and other bond amortization expense was \$37 million and \$33 million for the three months ended June 30, 2024 and 2023, respectively. Interest, fees and other bond amortization expense was \$75 million and \$65 million for the six months ended June 30, 2024 and 2023, respectively. The increases were mainly due to higher interest costs on the FHLBNY borrowing as a result of the rising interest rate environment. Interest expense was also impacted by the movements in the floating interest rate related to the Company's long-term Subordinated Notes Issued 2007, which is reset quarterly per the note agreement. The floating rate was 7.97% as of June 30, 2024.

**Income Tax Expense (Benefit).** We had income tax expense of \$108 million and \$80 million for the three months ended June 30, 2024, and 2023, respectively. We had income tax expense of \$207 million and \$122 million for the six months ended June 30, 2024, and 2023, respectively. The period over period increase in income tax expense is primarily a function of the geographic location of the Company's pre-tax income and the statutory tax rates in those jurisdictions. The effective tax rate ("ETR") is primarily affected by tax-exempt investment income, foreign tax credits and dividends. Variations in the ETR generally result from changes in the relative levels of pre-tax income, including the impact of catastrophe losses and net capital gains (losses), among jurisdictions with different tax rates.

With the assent of the governor on December 27, 2023, the Bermuda Corporate Income Tax Act of 2023 (the "2023 Act") became law. Under the 2023 Act, beginning in 2025, a 15% corporate income tax will be applicable to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750 million or more. Group's Bermuda entities will be subject to the new corporate income tax. The Company has evaluated The 2023 Act and has recorded \$578 million of net deferred income tax benefits as of December 31, 2023. The net deferred income tax benefits relate primarily to a default provision in the law that allows for an Economic Transition Adjustment ("ETA"). The ETA allowed companies to establish deferred tax assets or liabilities related to the revaluation of intangible assets, excluding goodwill, and their other assets and liabilities, based on fair value as of September 30, 2023.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted. We have evaluated the tax provisions of the IRA, the most significant of which are the corporate alternative minimum tax and the share repurchase excise tax and do not expect the legislation to have a material impact on our results of operations.

#### **Net Income (Loss).**

Our net income was \$724 million and \$670 million for the three months ended June 30, 2024 and 2023, respectively. Our net income was \$1.5 billion and \$1.0 billion for the six months ended June 30, 2024 and 2023, respectively. The period over period changes in net income were primarily driven by the financial component fluctuations explained above.

#### **Ratios.**

Our combined ratio increased by 2.6 points to 90.3% for the three months ended June 30, 2024, compared to 87.7% for the three months ended June 30, 2023 and increased by 0.2 points to 89.6% for the six months ended June 30, 2024, compared to 89.4% for the six months ended June 30, 2023. The current year increase is primarily due to increased commission and brokerage expenses and higher catastrophe losses. Refer to analysis of combined ratio components below.

The loss ratio component increased by 2.3 points to 62.6% for the three months ended June 30, 2024, compared to 60.3% for the three months ended June 30, 2023 mainly due to a \$124 million increase in catastrophe losses partially offset by the impact of changes in the mix of business. The loss ratio component increased by 0.1 points to 61.9% for the six

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months ended June 30, 2024 compared to 61.8% six months ended June 30, 2023 primarily due to an increase of \$94 million in current year catastrophe losses partially offset by the impact of changes in the mix of business.

The commission and brokerage ratio components increased to 21.4% for the three months ended June 30, 2024 compared to 21.1% for the three months ended June 30, 2023 and increased to 21.4% for the six months ended June 30, 2024 compared to 21.2% for the six months ended June 30, 2023. These changes were mainly due to changes in the mix of business.

The other underwriting expense ratios remained consistent at 6.3% for the three months ended June 30, 2024 and the three months ended June 30, 2023 and decreased to 6.2% for the six months ended June 30, 2024 compared to 6.4% for the six months ended June 30, 2023. The decrease for the six months comparative period was mainly due to higher earned premium base.

### **Shareholders' Equity.**

Shareholders' equity increased by \$1.0 billion to \$14.2 billion at June 30, 2024 from \$13.2 billion at December 31, 2023, principally as a result of \$1.5 billion of net income, partially offset by \$213 million of unrealized depreciation on the available for sale fixed maturity portfolio, net of tax, \$163 million of shareholder dividends, \$100 million of treasury share purchases and \$38 million of net foreign currency translation adjustments.

### **Consolidated Investment Results**

#### **Net Investment Income.**

Net investment income increased by 47.9% to \$528 million for the three months ended June 30, 2024 compared with net investment income of \$357 million for the three months ended June 30, 2023. The increase for the three months ended June 30, 2024 was primarily the result of an increase of \$93 million in income from fixed maturity investments, an increase of \$40 million in limited partnership income, an increase of \$24 million in income from other alternative investments and an increase of \$10 million in income from short-term investments. Net investment income increased by 59.7% to approximately \$1.0 billion for the six months ended June 30, 2024, compared with investment income of \$617 million for the six months ended June 30, 2023. The increase for the six months ended June 30, 2024 was primarily the result of an increase of \$198 million of income from fixed maturity investments, an increase of \$110 million in limited partnership income, an increase of \$30 million from short-term investments and an increase of \$22 million in income from other alternative investments. The limited partnership income primarily reflects changes in reported net asset values. As such, until these asset values are monetized and the resultant income is distributed, they are subject to volatile results of future increases or decreases in the asset value.

The following table shows the components of net investment income for the periods indicated.

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30,	2024	June 30,	2024
Fixed maturities	\$	369	\$	276
Equity securities		1		1
Short-term investments and cash		43		34
Other invested assets				
Limited partnerships		94		53
Other		30		6
Gross investment income before adjustments		537		369
Funds held interest income (expense)		9		2
Gross investment income		545		371
Investment expenses		18		14
Net investment income	\$	528	\$	357
				\$
				985
				\$
				617

(Some amounts may not reconcile due to rounding.)

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The following table shows a comparison of various investment yields for the periods indicated.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Annualized pre-tax yield on average cash and invested assets	5.3 %	4.2 %	5.1 %	3.7 %
Annualized after-tax yield on average cash and invested assets	4.6 %	3.6 %	4.4 %	3.2 %
Annualized return on invested assets	5.2 %	4.2 %	4.9 %	3.7 %

**Net Gains (Losses) on Investments.**

The following table presents the composition of our net gains (losses) on investments for the periods indicated.

(Dollars in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Variance	2024	2023	Variance
<u>Realized gains (losses) from dispositions:</u>						
Fixed maturity securities - available for sale						
Gains	\$ 16	\$ 7	\$ 9	\$ 26	\$ 17	\$ 9
Losses	— (30)	— (10)	— (21)	— (48)	— (19)	— (30)
Total	(15)	(3)	(11)	(22)	(2)	(20)
Equity securities						
Gains	1	—	1	2	7	(5)
Losses	—	—	—	—	—	—
Total	—	—	—	1	7	(6)
Other Invested Assets						
Gains	—	—	—	—	—	—
Losses	— (1)	—	— (1)	— (1)	—	(1)
Total	(1)	—	(1)	(1)	—	(1)
Short-Term Investments						
Gains	—	1	(1)	—	1	(1)
Losses	—	—	—	—	—	—
Total	—	—	(1)	—	1	(1)
<u>Total net realized gains (losses) from dispositions</u>						
Gains	16	7	9	28	24	3
Losses	— (32)	— (10)	— (22)	— (50)	— (19)	— (31)
Total	(15)	(3)	(13)	(22)	5	(27)
<u>Allowance for credit losses</u>	4	—	4	6	(8)	14
<u>Gains (losses) from fair value adjustments</u>						
Equity securities	— (5)	8	(13)	— (8)	12	(20)
Total	(5)	8	(13)	(8)	12	(20)
<u>Total net gains (losses) on investments</u>	\$ (17)	\$ 5	\$ (22)	\$ (24)	\$ 10	\$ (33)

(Some amounts may not reconcile due to rounding.)

Net gains (losses) on investments during the three months ended June 30, 2024 primarily relate to \$15 million of losses due to the disposition of investments, \$5 million of losses from fair value adjustments on equity securities, partially offset by a decrease to the allowance for credit losses of \$4 million. The realized losses from dispositions of investments mainly related to the execution of a Company strategy to sell lower yielding investments in order to reinvest the proceeds at higher interest rates.

Net gains (losses) on investments during the six months ended June 30, 2024 primarily relate to \$22 million of net losses due to the disposition of investments in fixed maturity securities, \$8 million of losses from fair value adjustments on equity securities as a result of equity market deterioration, partially offset by a decrease to the allowance for credit losses of \$6 million.

**Segment Results.**

The Company operates through two operating segments. The Reinsurance operation writes worldwide property and casualty reinsurance and specialty lines of business, on both a treaty and facultative basis, through reinsurance brokers, as well as directly with ceding companies. Business is written in the U.S., Bermuda, and Ireland offices, as well as, through branches in Canada, Singapore, the United Kingdom ("UK") and Switzerland. The Insurance operation writes property and casualty insurance directly and through brokers, including for surplus lines, and general agents within the U.S., Bermuda, Canada, Europe, Singapore and South America through its offices in the U.S., Australia, Bermuda, Canada, Chile, Colombia, Mexico, Singapore, the UK, Ireland, and branches located in the UK, the Netherlands, France, Germany and Spain. The two segments are managed independently, but conform with corporate guidelines with respect to pricing, risk management, control of aggregate catastrophe exposures, capital, investments and support operations.

Our two operating segments each have executive leadership who are responsible for the overall performance of their respective segments and who are directly accountable to our chief operating decision maker ("CODM"), the Chief Executive Officer of Everest Group, Ltd., who is ultimately responsible for reviewing the business to assess performance, make operating decisions and allocate resources. We report the results of our operations consistent with the manner in which our CODM reviews the business.

During the fourth quarter of 2023, the Company revised the classification and presentation of certain products related to its accident and health business within the segment groupings. These products have been realigned from within the Reinsurance segment to the Insurance segment to appropriately reflect how the business segments are managed. These changes have been reflected retrospectively.

The Company does not review and evaluate the financial results of its operating segments based upon balance sheet data. Management generally monitors and evaluates the financial performance of these operating segments based upon their underwriting results. Underwriting results include earned premium less losses and loss adjustment expenses ("LAE") incurred, commission and brokerage expenses and other underwriting expenses. The Company measures its underwriting results using ratios, in particular, loss, commission and brokerage and other underwriting expense ratios, which, respectively, divide incurred losses, commissions and brokerage and other underwriting expenses by premiums earned. Management has determined that these measures are appropriate and align with how the business is managed. We continue to evaluate our segments as our business evolves and may further refine our segments and financial performance measures.

The following discusses the underwriting results for each of our segments for the periods indicated.

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**Reinsurance.**

The following table presents the underwriting results and ratios for the Reinsurance segment for the periods indicated:

(Dollars in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Gross written premiums	\$ 3,209	\$ 2,747	\$ 462	16.8 %	\$ 6,385	\$ 5,368	\$ 1,017	18.9 %
Net written premiums	3,033	2,621	412	15.7 %	5,975	5,059	916	18.1 %
Premiums earned	\$ 2,731	\$ 2,364	\$ 367	15.5 %	\$ 5,459	\$ 4,590	\$ 870	19.0 %
Incurred losses and LAE	1,684	1,389	295	21.2 %	3,325	2,790	535	19.2 %
Commission and brokerage	672	579	93	16.2 %	1,343	1,135	208	18.4 %
Other underwriting expenses	72	61	10	16.5 %	142	124	18	14.3 %
Underwriting gain (loss)	\$ 303	\$ 335	\$ (31)	(9.4) %	\$ 649	\$ 540	\$ 109	20.1 %
Point Chg								
Loss ratio	61.7 %	58.8 %		2.9	60.9 %	60.8 %		0.1
Commission and brokerage ratio	24.6 %	24.5 %		0.1	24.6 %	24.7 %		(0.1)
Other underwriting expense ratio	2.6 %	2.6 %		—	2.6 %	2.7 %		(0.1)
Combined ratio	88.9 %	85.8 %		3.1	88.1 %	88.2 %		(0.1)

(NM, Not Meaningful)

(Some amounts may not reconcile due to rounding.)

**Premiums.** Gross written premiums increased by 16.8% to \$3.2 billion for the three months ended June 30, 2024 from \$2.7 billion for the three months ended June 30, 2023, primarily driven by property pro rata, property catastrophe excess of loss and casualty pro rata lines of business. Net written premiums increased by 15.7% to \$3.0 billion for the three months ended June 30, 2024 compared to \$2.6 billion for the three months ended June 30, 2023. The increase was consistent with the percentage increase in gross written premiums. Premiums earned generally reflect the portion of net premiums written that was recorded as revenues for the period as the exposure periods expire. Premiums earned increased by 15.5% to \$2.7 billion for the three months ended June 30, 2024, compared to \$2.4 billion for the three months ended June 30, 2023.

Gross written premiums increased by 18.9% to \$6.4 billion for the six months ended June 30, 2024 from \$5.4 billion for the six months ended June 30, 2023, primarily due to property pro rata, property catastrophe excess of loss and casualty pro rata lines of business. Net written premiums increased by 18.1% to \$6.0 billion for the six months ended June 30, 2024 compared to \$5.1 billion for the six months ended June 30, 2023. The increase was consistent with the percentage increase in gross written premiums. Premiums earned generally reflect the portion of net premiums written that was recorded as revenues for the period as the exposure periods expire. Premiums earned increased by 19.0% to \$5.5 billion for the six months ended June 30, 2024, compared to \$4.6 billion for the six months ended June 30, 2023.

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Incurred Losses and LAE. The following tables present the incurred losses and LAE for the Reinsurance segment for the periods indicated:

(Dollars in millions)	Three Months Ended June 30,					
	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
<b>2024</b>						
Attritional	\$ 1,547	56.7 %	\$ —	— %	1,547	56.7 %
Catastrophes	137	5.0 %	—	— %	137	5.0 %
<b>Total Segment</b>	<b>\$ 1,684</b>	<b>61.7 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 1,684</b>	<b>61.7 %</b>
<b>2023</b>						
Attritional	\$ 1,362	57.6 %	\$ —	— %	1,362	57.6 %
Catastrophes	27	1.2 %	—	— %	27	1.2 %
<b>Total Segment</b>	<b>\$ 1,389</b>	<b>58.8 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 1,389</b>	<b>58.8 %</b>
<b>Variance 2024/2023</b>						
Attritional	\$ 185	(1.0) pts	\$ —	— pts	\$ 185	(1.0) pts
Catastrophes	109	3.9 pts	—	— pts	109	3.9 pts
<b>Total Segment</b>	<b>\$ 295</b>	<b>2.9 pts</b>	<b>\$ —</b>	<b>— pts</b>	<b>\$ 295</b>	<b>2.9 pts</b>

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	Six Months Ended June 30,					
	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
<b>2024</b>						
Attritional	\$ 3,108	56.9 %	\$ —	— %	3,108	56.9 %
Catastrophes	217	4.0 %	—	— %	217	4.0 %
<b>Total Segment</b>	<b>\$ 3,325</b>	<b>60.9 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 3,325</b>	<b>60.9 %</b>
<b>2023</b>						
Attritional	\$ 2,650	57.7 %	\$ —	— %	2,650	57.7 %
Catastrophes	140	3.1 %	—	— %	140	3.1 %
<b>Total Segment</b>	<b>\$ 2,790</b>	<b>60.8 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 2,790</b>	<b>60.8 %</b>
<b>Variance 2024/2023</b>						
Attritional	\$ 459	(0.8) pts	\$ —	— pts	\$ 459	(0.8) pts
Catastrophes	76	0.9 pts	—	— pts	76	0.9 pts
<b>Total Segment</b>	<b>\$ 535</b>	<b>0.1 pts</b>	<b>\$ —</b>	<b>— pts</b>	<b>\$ 535</b>	<b>0.2 pts</b>

(Some amounts may not reconcile due to rounding.)

Incurred losses increased by 21.2% to \$1.7 billion for the three months ended June 30, 2024, compared to \$1.4 billion for the three months ended June 30, 2023. The increase was primarily due to an increase of \$185 million in current year attritional losses and an increase of \$109 million in current year catastrophe losses. The increase in current year attritional losses was mainly related to the impact of the increase in premiums earned. The current year catastrophe losses of \$137 million for the three months ended June 30, 2024 related primarily to the 2024 Dubai floods (\$40 million), the 2024 Germany floods (\$39 million), the 2024 Brazil Floods (\$35 million), and the 2024 Taiwan earthquake (\$21 million). The \$27 million of current year catastrophe losses for the three months ended June 30, 2023 related primarily to the 2023 Turkey earthquakes (\$20 million), Typhoon Mawar (\$12 million), the 2023 Italian floods (\$10 million), the 2023 second quarter U.S. storms (\$10 million) and the 2023 New Zealand storms (\$5 million), partially offset by \$30 million of reinsurance recoveries related to Hurricane Ian.

Incurred losses increased by 19.2% to \$3.3 billion for the six months ended June 30, 2024, compared to \$2.8 billion for the six months ended June 30, 2023. The increase was primarily due to an increase of \$459 million in current year attritional losses and an increase of \$76 million in current year catastrophe losses. The increase in current year attritional losses was mainly related to the impact of the increase in premiums earned. The current year catastrophe losses of \$217 million for the six months ended June 30, 2024 related primarily to the 2024 Baltimore bridge collapse (\$65 million), the

2024 Dubai floods (\$40 million), the 2024 Germany floods (\$39 million), the 2024 Brazil Floods (\$35 million), and the 2024 Taiwan earthquake (\$21 million). The \$140 million of current year catastrophe losses for the six months ended June 30, 2023 related primarily to the 2023 Turkey earthquakes (\$95 million) the 2023 New Zealand storms (\$43 million), Typhoon Mawar (\$12 million), the 2023 Italian floods (\$10 million) and the 2023 second quarter U.S. storms (\$10 million), partially offset by \$30 million of reinsurance recoveries related to Hurricane Ian.

**Segment Expenses.** Commission and brokerage expense increased by 16.2% to \$672 million for the three months ended June 30, 2024, compared to \$579 million for the three months ended June 30, 2023. Commission and brokerage expense increased by 18.4% to \$1.3 billion for the six months ended June 30, 2024, compared to \$1.1 billion for the six months ended June 30, 2023. The increases were mainly due to the impact of the increase in premiums earned and changes in the mix of business reflecting higher growth towards the Pro Rata lines of business.

Segment other underwriting expenses increased to \$72 million for the three months ended June 30, 2024 from \$61 million for the three months ended June 30, 2023. Segment other underwriting expenses increased to \$142 million for the six months ended June 30, 2024, compared to \$124 million for the six months ended June 30, 2023. The increases were mainly due to increased expenditures supporting the increased premium volume of the segment.

**Insurance.**

The following table presents the underwriting results and ratios for the Insurance segment for the periods indicated:

(Dollars in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Variance	% Change	2024	2023	Variance	% Change
Gross written premiums	\$ 1,515	\$ 1,433	\$ 82	5.7 %	\$ 2,752	\$ 2,555	\$ 196	7.7 %
Net written premiums	1,051	1,053	(2)	(0.2)%	2,009	1,944	65	3.3 %
Premiums earned	\$ 962	\$ 888	\$ 74	8.4 %	\$ 1,885	\$ 1,762	\$ 123	7.0 %
Incurred losses and LAE	628	572	56	9.8 %	1,223	1,137	87	7.6 %
Commission and brokerage	117	107	10	9.8 %	228	212	16	7.5 %
Other underwriting expenses	162	143	19	13.2 %	316	280	35	12.6 %
Underwriting gain (loss)	\$ 54	\$ 66	\$ (11)	(17.3)%	\$ 118	\$ 133	\$ (15)	(11.1)%
Point Chg								
Loss ratio	65.3 %	64.4 %		0.9	64.9 %	64.5 %		0.4
Commission and brokerage ratio	12.2 %	12.1 %		0.1	12.1 %	12.0 %		0.1
Other underwriting expense ratio	16.9 %	16.2 %		0.7	16.7 %	15.9 %		0.8
Combined ratio	94.4 %	92.6 %		1.8	93.7 %	92.4 %		1.3

(NM not meaningful)

(Some amounts may not reconcile due to rounding.)

**Premiums.** Gross written premiums increased by 5.7% to \$1.5 billion for the three months ended June 30, 2024 compared to \$1.4 billion for the three months ended June 30, 2023. The increase in insurance premiums was primarily due to increases in property/short tail business, professional liability business and other specialty lines of business partially offset by reductions in accident and health and workers' compensation lines of business. Net written premiums decreased by 0.2% to \$1.1 billion for the three months ended June 30, 2024, compared to \$1.1 billion for the three months ended June 30, 2023. The lower percentage change in net written premiums compared to gross written premiums is due to lower net retention resulting from changes in the mix of business and strategic portfolio actions executed on the accident and health and workers' compensation lines of business. Premiums earned increased by 8.4% to \$962 million for the three months ended June 30, 2024, compared to \$888 million for the three months ended June 30, 2023. The increase in premiums earned was driven by the expansion of international business offset by strategic portfolio actions executed on the accident and health line of business.

Gross written premiums increased by 7.7% to \$2.8 billion for the six months ended June 30, 2024, compared to \$2.6 billion for the six months ended June 30, 2023. The increase in insurance premiums was primarily due to increases in property/short tail business, professional liability business and other specialty lines of business partially offset by reductions in accident and health and workers' compensation lines of business. Net written premiums increased by 3.3% to \$2.0 billion for the six months ended June 30, 2024, compared to \$1.9 billion for the six months ended June 30, 2023. The lower percentage change in net written premiums compared to gross written premiums was mainly due to lower net

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retention resulting from changes in the mix of business and strategic portfolio actions on the accident and health and workers' compensation lines of business. Premiums earned increased by 7.0% to \$1.9 billion for the six months ended June 30, 2024, compared to \$1.8 billion for the six months ended June 30, 2023. The change in premiums earned relative to net written premiums is the result of timing; premiums are earned ratably over the coverage period, whereas written premiums are recorded at the initiation of the coverage period.

**Incurred Losses and LAE.** The following tables present the incurred losses and LAE for the Insurance segment for the periods indicated:

(Dollars in millions)	Three Months Ended June 30,					
	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
<b>2024</b>						
Attritional	\$ 613	63.7 %	\$ —	— %	613	63.7 %
Catastrophes	15	1.5 %	—	— %	15	1.5 %
<b>Total Segment</b>	<b>\$ 628</b>	<b>65.3 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 628</b>	<b>65.3 %</b>
<b>2023</b>						
Attritional	\$ 572	64.4 %	\$ —	— %	572	64.4 %
Catastrophes	—	— %	—	— %	—	— %
<b>Total Segment</b>	<b>\$ 572</b>	<b>64.4 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 572</b>	<b>64.4 %</b>
<b>Variance 2024/2023</b>						
Attritional	\$ 41	(0.7) pts	\$ —	— pts	\$ 41	(0.7) pts
Catastrophes	15	1.5 pts	—	— pts	15	1.5 pts
<b>Total Segment</b>	<b>\$ 56</b>	<b>0.9 pts</b>	<b>\$ —</b>	<b>— pts</b>	<b>\$ 56</b>	<b>0.9 pts</b>
<b>Six Months Ended June 30,</b>						
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
	Year	Pt Change	Years	Pt Change	Incurred	Pt Change
<b>2024</b>						
Attritional	\$ 1,204	63.8 %	\$ —	— %	1,204	63.8 %
Catastrophes	20	1.0 %	—	— %	20	1.0 %
<b>Total Segment</b>	<b>\$ 1,223</b>	<b>64.9 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 1,223</b>	<b>64.9 %</b>
<b>2023</b>						
Attritional	\$ 1,135	64.4 %	\$ —	— %	1,135	64.4 %
Catastrophes	2	0.1 %	—	— %	2	0.1 %
<b>Total Segment</b>	<b>\$ 1,137</b>	<b>64.5 %</b>	<b>\$ —</b>	<b>— %</b>	<b>\$ 1,137</b>	<b>64.5 %</b>
<b>Variance 2024/2023</b>						
Attritional	\$ 69	(0.6) pts	\$ —	— pts	69	(0.6) pts
Catastrophes	18	0.9 pts	—	— pts	18	0.9 pts
<b>Total Segment</b>	<b>\$ 87</b>	<b>0.4 pts</b>	<b>\$ —</b>	<b>— pts</b>	<b>\$ 87</b>	<b>0.4 pts</b>

(Some amounts may not reconcile due to rounding.)

Incurred losses and LAE increased by 9.8% to \$628 million for the three months ended June 30, 2024, compared to \$572 million for the three months ended June 30, 2023. The increase was mainly due to an increase of \$41 million in current year attritional losses and an increase of \$15 million in current year catastrophe losses. The increase in current year attritional losses was primarily due to the impact of the increase in premiums earned and changes in mix of business. The \$15 million of current year catastrophe losses for the three months ended June 30, 2024 related primarily to the 2024 second quarter U.S. convective storms (\$12 million), the 2024 Taiwan earthquake (\$2 million) and the 2024 Germany floods (\$1 million). There were no current year catastrophe losses for the three months ended June 30, 2023.

Incurred losses and LAE increased by 7.6% to \$1.2 billion for the six months ended June 30, 2024, compared to \$1.1 billion for the six months ended June 30, 2023. The increase was mainly due to an increase of \$69 million in current year attritional losses, partially offset by an increase in current year catastrophe losses of \$18 million. The increase in current

year attritional losses was primarily due to the impact of the increase in premiums earned and changes in mix of business. The current year catastrophe losses of \$20 million for the six months ended June 30, 2024 related primarily to the 2024 second quarter U.S. convective storms (\$12 million), the 2024 Baltimore bridge collapse (\$4 million), the 2024 Taiwan earthquake (\$2 million) and the 2024 Germany floods (\$1 million). The \$2 million of current year catastrophe losses for the six months ended June 30, 2023 related to the 2023 New Zealand storms.

**Segment Expenses.** Commission and brokerage expenses increased by 9.8% to \$117 million for the three months ended June 30, 2024 compared to \$107 million for the three months ended June 30, 2023. Commission and brokerage expenses increased by 7.5% to \$228 million for the six months ended June 30, 2024 compared to \$212 million for the six months ended June 30, 2023. The increases were mainly due to the impact of the increase in premiums earned.

Segment other underwriting expenses increased to \$162 million for the three months ended June 30, 2024, compared to \$143 million for the three months ended June 30, 2023. Segment other underwriting expenses increased to \$316 million for the six months ended June 30, 2024, compared to \$280 million for the six months ended June 30, 2023. These increases were mainly due to the impact of the increase in premiums earned and increased expenses related to the continued build out of the insurance business, including an expansion of the international insurance platform.

#### FINANCIAL CONDITION

**Investments.** Total investments were \$37.5 billion at June 30, 2024, an increase of \$1.8 billion compared to \$35.7 billion at December 31, 2023. The rise in investments was primarily related to an increase in fixed maturities - available for sale due to an overall net purchase of \$1.7 billion of fixed maturities - available for sale during the six months ended June 30, 2024.

The Company's limited partnership investments are comprised of limited partnerships that invest in private equity, private credit and private real estate. Generally, the limited partnerships are reported on a month or quarter lag. We receive annual audited financial statements for all the limited partnerships, which are prepared using fair value accounting in accordance with FASB guidance. For the quarterly reports, the Company reviews the financial reports for any unusual changes in carrying value. If the Company becomes aware of a significant decline in value during the lag reporting period, the loss will be recorded in the period in which the Company identifies the decline.

The table below summarizes the composition and characteristics of our investment portfolio for the periods indicated.

	At June 30, 2024	At December 31, 2023
Fixed income portfolio duration (years)	3.4	3.3
Fixed income composite credit quality	AA-	AA-

#### Reinsurance Recoverables.

Reinsurance recoverables for both paid and unpaid losses totaled \$2.4 billion and \$2.3 billion at June 30, 2024 and December 31, 2023, respectively. At June 30, 2024, \$384 million, or 16.0%, was receivable from Mt. Logan Re collateralized segregated accounts; \$267 million, or 11.1%, was receivable from Munich Reinsurance America, Inc. and \$175 million, or 7.3% was receivable from Endurance Specialty Holdings, Ltd. No other retrocessionaire accounted for more than 5% of our recoverables.

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**Loss and LAE Reserves.** Gross loss and LAE reserves totaled \$25.9 billion and \$24.6 billion at June 30, 2024 and December 31, 2023, respectively.

The following tables summarize gross outstanding loss and LAE reserves by segment, classified by case reserves and IBNR reserves, for the periods indicated.

(Dollars in millions)	At June 30, 2024				% of Total
	Case Reserves	IBNR Reserves	Total Reserves		
Reinsurance	\$ 6,349	\$ 12,027	\$ 18,375		71.1 %
Insurance	2,107	5,145	7,252		28.1 %
Total excluding A&E	8,456	17,172	25,628		99.1 %
A&E	155	71	226		0.9 %
Total including A&E	\$ 8,611	\$ 17,243	\$ 25,853		100.0 %

(Some amounts may not reconcile due to rounding.)

(Dollars in millions)	At December 31, 2023				% of Total
	Case Reserves	IBNR Reserves	Total Reserves		
Reinsurance	\$ 6,355	\$ 11,051	\$ 17,406		70.7 %
Insurance	2,027	4,924	6,952		28.3 %
Total excluding A&E	8,383	15,975	24,357		99.0 %
A&E	159	88	246		1.0 %
Total including A&E	\$ 8,541	\$ 16,063	\$ 24,604		100.0 %

(Some amounts may not reconcile due to rounding.)

Changes in premiums earned and business mix, reserve re-estimations, catastrophe losses and changes in catastrophe loss reserves and claim settlement activity all impact loss and LAE reserves by segment and in total.

Our carried loss and LAE reserves represent management's best estimate of our ultimate liability for unpaid claims. We continuously re-evaluate our reserves, including re-estimates of prior period reserves, taking into consideration all available information and, in particular, newly reported loss and claim experience. Changes in reserves resulting from such re-evaluations are reflected in incurred losses in the period when the re-evaluation is made. Our analytical methods and processes operate at multiple levels, including individual contracts, groupings of like contracts, classes and lines of business, internal business units, segments, accident years, legal entities, and in the aggregate. In order to set appropriate reserves, we make qualitative and quantitative analyses and judgments at these various levels. We utilize actuarial science, business expertise and management judgment in a manner intended to ensure the accuracy and consistency of our reserving practices. Management's best estimate is developed through collaboration with actuarial, underwriting, claims, legal and finance departments and culminates with the input of reserve committees. Each segment reserve committee includes the participation of the relevant parties from actuarial, finance, claims and segment senior management and has the responsibility for recommending and approving management's best estimate. Reserves are further reviewed by Everest's Chief Reserving Actuary and senior management. The objective of this process is to determine a single best estimate viewed by management to be the best estimate of its ultimate loss liability. Nevertheless, our reserves are estimates and are subject to variation, which may be significant.

There can be no assurance that reserves for, and losses from, claim obligations will not increase in the future, possibly by a material amount. However, we believe that our existing reserves and reserving methodologies lessen the probability that any such increase would have a material adverse effect on our financial condition, results of operations or cash flows.

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Asbestos and Environmental Exposures. Asbestos and Environmental ("A&E") exposures represent a separate exposure group for monitoring and evaluating reserve adequacy. The following table summarizes the outstanding loss reserves with respect to A&E reserves on both a gross and net of retrocessions basis for the periods indicated.

	At		At	
	June 30,	2024	December 31,	2023
(Dollars in millions)				
Gross reserves	\$	226	\$	247
Ceded reserves		(10)		(15)
Net reserves	\$	215	\$	232

(Some amounts may not reconcile due to rounding.)

With respect to asbestos only, at June 30, 2024, we had net asbestos loss reserves of \$196 million, or 90.8%, of total net A&E reserves, all of which was for assumed business.

Ultimate loss projections for A&E liabilities cannot be accomplished using standard actuarial techniques. We believe that our A&E reserves represent management's best estimate of the ultimate liability; however, there can be no assurance that ultimate loss payments will not exceed such reserves, perhaps by a significant amount.

Industry analysts use the "survival ratio" to compare the A&E reserves among companies with such liabilities. The survival ratio is typically calculated by dividing a company's current net reserves by the three-year average of annual paid losses. Hence, the survival ratio equals the number of years that it would take to exhaust the current reserves if future loss payments were to continue at historical levels. Using this measurement, our net three-year asbestos survival ratio was 6.5 years at June 30, 2024. These metrics can be skewed by individual large settlements occurring in the prior three years and therefore may not be indicative of the timing of future payments.

#### LIQUIDITY AND CAPITAL RESOURCES

Capital. Shareholders' equity at June 30, 2024 and December 31, 2023 was \$14.2 billion and \$13.2 billion, respectively. Management's objective in managing capital is to ensure that the Company's overall capital level, as well as the capital levels of its operating subsidiaries, exceed the amounts required by regulators, the amount needed to support our current financial strength ratings from rating agencies and our own economic capital models. The Company's capital has historically exceeded these benchmark levels.

Our two main operating companies, Bermuda Re and Everest Re, are regulated by the Bermuda Monetary Authority and the State of Delaware's Department of Insurance, respectively. Both regulatory bodies have their own capital adequacy models based on statutory capital as opposed to GAAP basis equity. Failure to meet the required statutory capital levels could result in various regulatory restrictions, including restrictions on business activity and the payment of dividends to their parent companies.

The regulatory targeted capital and the actual statutory capital for Bermuda Re and Everest Re were as follows:

	Bermuda Re <sup>(1)</sup>		Everest Re <sup>(2)</sup>	
	At December 31,		At December 31,	
	2023	2022	2023	2022
(Dollars in millions)				
Regulatory targeted capital	\$ 2,669	\$ 2,217	\$ 4,242	\$ 3,353
Actual capital	\$ 3,711	\$ 2,759	\$ 6,963	\$ 5,553

<sup>(1)</sup> Regulatory targeted capital represents the target capital level from the applicable year's Bermuda Solvency Capital Requirement calculation.

<sup>(2)</sup> Regulatory targeted capital represents 200% of the Risk Based Capital authorized control level calculation for the applicable year.

Our financial strength ratings as determined by A.M. Best, Standard & Poor's and Moody's are important as they provide our customers and investors with an independent assessment of our financial strength using a rating scale that provides for relative comparisons. We continue to possess significant financial flexibility and access to debt and equity markets as a result of our financial strength, as evidenced by the financial strength ratings as assigned by independent rating agencies.

We maintain our own economic capital models to monitor and project our overall capital, as well as the capital at our operating subsidiaries. A key input to the economic models is projected income, and this input is continually compared to actual results, which may require a change in the capital strategy.

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As part of our capital strategy, we model our potential exposure to catastrophe losses arising from a single event. Projected catastrophe losses are generally summarized in terms of probable maximum loss ("PML"). A full discussion on PMLs is included in our December 31, 2023 Form 10-K filing in Part 2, Item 7 (MD&A) in Liquidity and Capital Resources. We focus on the projected net economic loss from a catastrophe in a given zone as compared to our shareholders' equity. Economic loss is the PML exposure, net of third party reinsurance, reduced by estimated reinstatement premiums to renew coverage and estimated income taxes. In our December 31, 2023 Form 10-K, we reported that our projected net economic loss from our largest projected 100-year event represented approximately 7.8% of our December 31, 2023 shareholders' equity. During the first half of 2024, our net exposure to catastrophes has changed due to the market conditions and business decisions. As a result, our projected net economic loss from our largest 100-year event in a given zone represents approximately 9.0% of our June 30, 2024 shareholders' equity.

The table below reflects the Company's PML exposure, net of third party reinsurance at various return periods for its top zones/perils (as ranked by largest 1 in 100 year economic loss) based on projection data as of July 1, 2024.

Return Periods (in years)	1 in 20	1 in 50	1 in 100	1 in 250	1 in 500
Exceeding Probability	5.0%	2.0%	1.0%	0.4%	0.2%
(Dollars in millions)					
Zone/ Peril					
Southeast U.S., Wind	\$ 866	\$ 1,338	\$ 1,865	\$ 2,398	\$ 2,628
California, Earthquake	203	957	1,494	2,216	2,553
Texas Wind	196	491	858	1,575	2,208

The projected economic losses, defined as PML exposures, net of third party reinsurance, reinstatement premiums and estimated income taxes, for the top zones/perils scheduled are as follows:

Return Periods (in years)	1 in 20	1 in 50	1 in 100	1 in 250	1 in 500
Exceeding Probability	5.0%	2.0%	1.0%	0.4%	0.2%
(Dollars in millions)					
Zone/ Peril					
Southeast U.S., Wind	\$ 593	\$ 918	\$ 1,270	\$ 1,646	\$ 1,817
California, Earthquake	161	691	1,066	1,596	1,852
Texas Wind	146	354	608	1,096	1,524

For the six months ended June 30, 2024, we repurchased 264,009 of our shares at a cost of \$100 million in the open market. We paid \$163 million in dividends to adjust our capital position and enhance long-term expected returns to our shareholders. As of December 31, 2023, we repurchased no shares in the open market and paid \$288 million in dividends. On May 22, 2020, our existing Board authorization to purchase up to 30 million of our shares was amended to authorize the purchase of up to 32 million shares. As of June 30, 2024, we had repurchased 31.0 million shares under this authorization. During the second quarter of 2024, the Company's Board of Directors declared an increase in the quarterly common stock dividend from \$1.75 to \$2.00 per share. The increase applied to the common stock dividend paid on June 14, 2024 for holders of record as of May 29, 2024. We paid \$86 million in dividends during the second quarter 2024.

We may continue, from time to time, to seek to retire portions of our outstanding debt securities through cash repurchases, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be subject to and depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved in any such transactions, individually or in the aggregate, may be material.

On May 19, 2023, the Company completed the public offering of 4,140,000 common shares, which includes full exercise of the underwriters' option to purchase an additional 540,000 common shares, at a public offering price of \$360.00 per share. Total net proceeds from the public offering were \$1,445 million, after underwriting discount and expenses. The Company intends to use the net proceeds from this offering for long-term reinsurance opportunity and continuing build out of the global insurance business.

**Liquidity.** Our liquidity requirements are generally met from positive cash flow from operations. Positive cash flow results from reinsurance and insurance premiums being collected prior to disbursements for claims, which disbursements generally take place over an extended period after the collection of premiums, sometimes a period of many years. Collected premiums are generally invested, prior to their use in such disbursements, and investment income provides

additional funding for loss payments. Our net cash flows from operating activities were \$2.4 billion and \$2.2 billion for the six months ended June 30, 2024 and 2023, respectively. Additionally, these cash flows reflected net catastrophe loss payments of \$365 million and \$458 million for the six months ended June 30, 2024 and 2023, respectively, and net tax payments of \$203 million and \$73 million for the six months ended June 30, 2024 and 2023, respectively.

If disbursements for losses and LAE, policy acquisition costs and other operating expenses were to exceed premium inflows, cash flow from reinsurance and insurance operations would be negative. The effect on cash flow from insurance operations would be partially offset by cash flow from investment income. Additionally, cash inflows from investment maturities of both short-term investments and longer term maturities are available to supplement other operating cash flows. We do not expect to supplement negative insurance operations cash flows with investment dispositions.

As the timing of payments for losses and LAE cannot be predicted with certainty, we maintain portfolios of long-term invested assets with varying maturities, along with short-term investments that provide additional liquidity for payment of claims. At June 30, 2024 and December 31, 2023, we held cash and short-term investments of \$4.0 billion and \$3.6 billion, respectively. Our short-term investments are generally readily marketable and can be converted to cash. In addition to these cash and short-term investments, at June 30, 2024, we had \$1.4 billion of available for sale fixed maturity securities maturing within one year or less, \$7.3 billion maturing within one to five years and \$8.4 billion maturing after five years. We believe that these fixed maturity securities, in conjunction with the short-term investments and positive cash flow from operations, provide ample sources of liquidity for the expected payment of losses and LAE in the near future. We do not anticipate selling a significant amount of securities to pay losses and LAE. At June 30, 2024, we had \$1.1 billion of net pre-tax unrealized depreciation related to fixed maturity - available for sale securities, comprised of \$1.2 billion of pre-tax unrealized depreciation and \$188 million of pre-tax unrealized appreciation.

Management generally expects annual positive cash flow from operations, which reflects the strength of overall pricing. However, given catastrophic events observed in recent periods, cash flow from operations may decline and could become negative in the near term as significant claim payments are made related to the catastrophes. However, as indicated above, the Company has access to ample liquidity to settle its catastrophe claims and also may receive payments under the catastrophe bond program and the Mt. Logan Re collateralized reinsurance arrangement.

In addition to our cash flows from operations and liquid investments, we also have multiple active credit facilities that provide commitments of up to \$1.7 billion of collateralized standby letters of credit to support business written by our Bermuda operating subsidiaries. In addition, the Company has the ability to request access to an additional \$240 million of uncommitted credit facilities, which would require approval from the applicable lender. There is no guarantee the uncommitted capacity will be available to us on a future date. See Note 7 – Credit Facilities for further details.

#### **Market Sensitive Instruments.**

The SEC's Financial Reporting Release #48 requires registrants to clarify and expand upon the existing financial statement disclosure requirements for derivative financial instruments, derivative commodity instruments and other financial instruments (collectively, "market sensitive instruments"). We do not generally enter into market sensitive instruments for trading purposes.

Our current investment strategy seeks to maximize after-tax income through a high quality, diversified, fixed maturity portfolio, while maintaining an adequate level of liquidity. Our mix of investments is adjusted periodically, consistent with our current and projected operating results and market conditions. The fixed maturity securities in the investment portfolio are comprised of available for sale and held to maturity securities. Additionally, we have invested in equity securities.

The overall investment strategy considers the scope of present and anticipated Company operations. In particular, estimates of the financial impact resulting from non-investment asset and liability transactions, together with our capital structure and other factors, are used to develop a net liability analysis. This analysis includes estimated payout characteristics for which our investments provide liquidity. This analysis is considered in the development of specific investment strategies for asset allocation, duration and credit quality. The change in overall market sensitive risk exposure principally reflects the asset changes that took place during the period.

**Interest Rate Risk.** Our \$39.1 billion investment portfolio at June 30, 2024 is principally comprised of fixed maturity securities, which are generally subject to interest rate risk and some foreign currency exchange rate risk, and some equity securities, which are subject to price fluctuations and some foreign exchange rate risk. The overall economic impact of the foreign exchange risks on the investment portfolio is partially mitigated by changes in the dollar value of foreign currency denominated liabilities and their associated income statement impact.

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Interest rate risk is the potential change in value of the fixed maturity securities portfolio, including short-term investments, from a change in market interest rates. In a declining interest rate environment, interest rate risk includes prepayment risk on the \$6.6 billion of mortgage-backed securities in the \$29.8 billion fixed maturity portfolio. Prepayment risk results from potential accelerated principal payments that shorten the average life and thus the expected yield of the security.

The table below displays the potential impact of market value fluctuations and after-tax unrealized appreciation on our fixed maturity portfolio (including \$2.5 billion of short-term investments) for the period indicated based on upward and downward parallel and immediate 100 and 200 basis point shifts in interest rates. For legal entities with a U.S. dollar functional currency, this modeling was performed on each security individually. To generate appropriate price estimates on mortgage-backed securities, changes in prepayment expectations under different interest rate environments were taken into account. For legal entities with a non-U.S. dollar functional currency, the effective duration of the involved portfolio of securities was used as a proxy for the market value change under the various interest rate change scenarios.

	Impact of Interest Rate Shift in Basis Points				
	At June 30, 2024				
	-200	-100	0	100	200
(Dollars in millions)					
Total Fair Value	\$ 34,490	\$ 33,386	\$ 32,283	\$ 31,179	\$ 30,075
Fair Value Change from Base (%)	6.8 %	3.4 %	— %	(3.4)%	(6.8)%
Change in Unrealized Appreciation					
After-tax from Base (\$)	\$ 1,899	\$ 950	\$ —	\$ (950)	\$ (1,899)

We had \$25.9 billion and \$24.6 billion of gross reserves for losses and LAE as of June 30, 2024 and December 31, 2023, respectively. These amounts are recorded at their nominal value, as opposed to present value, which would reflect a discount adjustment to reflect the time value of money. Since losses are paid out over a period of time, the present value of the reserves is less than the nominal value. As interest rates rise, the present value of the reserves decreases and, conversely, as interest rates decline, the present value increases. These movements are the opposite of the interest rate impacts on the fair value of investments. While the difference between present value and nominal value is not reflected in our financial statements, our financial results will include investment income over time from the investment portfolio until the claims are paid. Our loss and loss reserve obligations have an expected duration of approximately 3.9 years, which is reasonably consistent with our fixed income portfolio. If we were to discount our loss and LAE reserves, net of ceded reserves, the discount would be approximately \$4.6 billion resulting in a discounted reserve balance of approximately \$19.2 billion, representing approximately 59.3% of the value of the fixed maturity investment portfolio funds.

**Foreign Currency Risk.** Foreign currency risk is the potential change in value, income and cash flow arising from adverse changes in foreign currency exchange rates. Each of our non-U.S./Bermuda operations maintains capital in the currency of the country of its geographic location consistent with local regulatory guidelines. Each non-U.S. operation may conduct business in its local currency, as well as the currency of other countries in which it operates. The primary foreign currency exposures for these non-U.S. operations are the Canadian Dollar, the Singapore Dollar, the British Pound Sterling and the Euro. We mitigate foreign exchange exposure by generally matching the currency and duration of our assets to our corresponding operating liabilities. In accordance with FASB guidance, the impact on the fair value of available for sale fixed maturities due to changes in foreign currency exchange rates, in relation to functional currency, is reflected as part of other comprehensive income. Conversely, the impact of changes in foreign currency exchange rates, in relation to functional currency, on other assets and liabilities is reflected through net income as a component of other income (expense). In addition, we translate the assets, liabilities and income of non-U.S. dollar functional currency legal entities to the U.S. dollar. This translation amount is reported as a component of other comprehensive income.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**Market Risk Instruments.** See "Liquidity and Capital Resources - Market Sensitive Instruments" in PART I – ITEM 2.

### **ITEM 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures

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are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of our internal control over financial reporting to determine whether any changes occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there has been no such change during the quarter covered by this report.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and LAE.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

### **ITEM 1A. RISK FACTORS**

No material changes.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

#### **Issuer Purchases of Equity Securities.**

Issuer Purchases of Equity Securities				
Period	(a) Total Number of Shares (or Units) Purchased <sup>(2)</sup>	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
April 1 - 30, 2024	40	\$ 356.44	—	1,138,617
May 1 - 31, 2024	174,202	\$ 374.19	173,718	964,899
June 1 - 30, 2024	42	\$ 380.42	—	964,899
Total	174,284	\$ —	173,718	964,899

(1) On May 22, 2020, the Company's executive committee of the Board of Directors approved an amendment to the share repurchase program authorizing the Company and/or its subsidiary Holdings, to purchase up to a current aggregate of 32.0 million of the Company's shares (recognizing that the number of shares authorized for repurchase has been reduced by those shares that have already been purchased) in open market transactions, privately negotiated transactions or both. Currently, the Company and/or its subsidiary Holdings have repurchased 31.0 million of the Company's shares.

(2) Shares that have not been repurchased through a publicly announced plan or program consist of shares repurchased by the Company from employees in order to satisfy tax withholding obligations on vestings and/or settlements of share-based compensation awards.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

#### **ITEM 5. OTHER INFORMATION**

During the fiscal quarter ended June 30, 2024, none of our directors or officers (as defined in Exchange Act Rule 16a-1(f)) adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

#### **ITEM 6. EXHIBITS**

##### Exhibit Index

Exhibit No.	Description
10.1*	<a href="#">Amendment to Employment Agreement between Everest Global Services, Inc., Everest Group, Ltd., Everest Reinsurance Holdings Inc. and Juan C. Andrade dated April 22, 2024 incorporated herein by reference to Exhibit 10.1 to Everest Group, Ltd. Form 10-Q filed on May 3, 2024</a>
10.2*	<a href="#">Amended and Restated Employment Agreement between Everest Global Services, Inc. and Mark Kociancic dated April 25, 2024 incorporated herein by reference to Exhibit 10.2 to Everest Group, Ltd. Form 10-Q filed on May 3, 2024</a>
10.3*	<a href="#">Amended and Restated Employment Agreement between Everest Global Services, Inc. and James Williamson dated April 26, 2024 incorporated herein by reference to Exhibit 10.3 to Everest Group, Ltd. Form 10-Q filed on May 3, 2024</a>
10.4*	<a href="#">Amended and Restated Employment Agreement between Everest Global Services, Inc. and Ricardo Anzaldua dated April 22, 2024 incorporated herein by reference to Exhibit 10.5 to Everest Group, Ltd. Form 10-Q filed on May 3, 2024</a>
10.5	<a href="#">Amendment of Bilateral Letter of Credit Facility Agreement, dated June 2024, between Everest Reinsurance (Bermuda), Ltd. and Wells Fargo Bank N.A., filed herewith</a>
31.1	<a href="#">Section 302 Certification of Juan C. Andrade</a>
31.2	<a href="#">Section 302 Certification of Mark Kociancic</a>
32.1	<a href="#">Section 906 Certification of Juan C. Andrade and Mark Kociancic</a>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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\* Management contract or compensatory plan or arrangement.

Everest Group, Ltd.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Everest Group, Ltd.

(Registrant)

/S/ MARK KOCIANCIC

Mark Kociancic

Executive Vice President and  
Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

Dated: August 2, 2024

Certain information in the marked exhibit below has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential. Omissions are designated as "[\*\*\*\*\*].

**Second Amended and Restated Standby Letter of Credit Agreement  
(Committed/Secured)**

**June 10, 2024**

SECOND AMENDED AND RESTATED STANDBY LETTER OF CREDIT AGREEMENT (the "Agreement"), dated as of June 10, 2024, by and among EVEREST REINSURANCE (BERMUDA), LTD., a company incorporated and existing under the laws of Bermuda (the "Account Party"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Bank").

**1. DEFINED TERMS.**

(a) **Definitions.** For purposes of this Agreement, in addition to the terms defined elsewhere herein, the following terms have the meanings set forth below (such meanings to be equally applicable to the singular and plural forms thereof):

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**A.M. Best**" means A.M. Best Company, Inc.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Account Party or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, including, to the extent applicable, the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

"**Anti-Money Laundering Laws**" means any and all laws, rules and regulations applicable to the Account Party or any of its Subsidiaries from time to time concerning or relating to terrorism financing or money laundering, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act," 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

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[*****]	[*****]	[*****]
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]

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"**Application**" has the meaning set forth in **Section 2(a)**.

**"Annual Statement"** means, with respect to the Account Party for any fiscal year, the annual financial statements of the Account Party as required to be filed with the Insurance Regulatory Authority of its jurisdiction of domicile and in accordance with the laws of such jurisdiction, together with all exhibits, schedules, certificates and actuarial opinions required to be filed or delivered therewith.

**"Bankruptcy Law"** means the United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*), as amended, modified, succeeded or replaced from time to time, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or any state thereof, Bermuda or any other foreign or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

**"Beneficial Ownership Certification"** means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

**"Beneficial Ownership Regulation"** means 31 CFR § 1010.230.

**"Business Day"** means (i) any day other than a Saturday, Sunday or legal holiday on which banks in Charlotte, North Carolina, Hamilton, Bermuda and New York City, New York, are open for the conduct of their commercial banking business and (ii) when used in connection with a Letter of Credit denominated in Canadian dollars, such day is also a day on which banks are open for dealings in deposits in Canadian dollars in both Toronto and Montreal.

**"Capital Stock"** means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock (whether voting or nonvoting, and whether common or preferred) of such corporation, and (ii) with respect to any Person that is not a corporation, any and all partnership, membership, limited liability company or other equity interests of such Person; and in each case, any and all warrants, rights or options to purchase any of the foregoing.

**"Change in Law"** means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. federal or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

**"Closing Date"** means June 10, 2024.

**“Code”** means the Internal Revenue Code of 1986, and the rules and regulations promulgated thereunder.

**“Collateral”** means all the assets, property and interests in property that shall from time to time be pledged or be purported to be pledged as direct or indirect security for the Obligations pursuant to any one or more of the Security Documents.

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**“Commitment”** means the obligation of Bank to Issue Letters of Credit for the account of the Account Party hereunder in an aggregate principal amount at any time outstanding not to exceed [\*\*\*\*\*], as such amount may be reduced from time to time pursuant to the terms hereof.

**“Commitment Fee”** has the meaning specified in **Section** hereto.

**“Commitment Termination Date”** means the earliest to occur of (a) June 10, 2025, (b) the date of termination of the entire Commitment by the Account Party pursuant to **Section 2(h)**, and (c) the date of termination of the Commitment pursuant to **Section 11(a)**.

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

**“Control Agreement”** means the control agreement among Custodian, Bank and the Account Party, as amended, supplemented or restated from time to time, pursuant to which a lien on one or more Custodial Accounts and the contents thereof and all security entitlements related thereto securing the Obligations is perfected in favor of Bank.

**“Covenant Compliance Worksheet”** means a fully completed worksheet in the form of Annex A to [\*\*\*\*\*].

**“Credit Documents”** means, collectively, this Agreement, the Letter of Credit Documents and each Security Document.

**“Custodial Account”** means each custodial, brokerage or similar account of the Account Party maintained by the Custodian as a “securities account” within the meaning of Section 8-501(a) of the UCC for the Account Party as the “entitlement holder” within the meaning of Section 8-102(7) of the UCC pursuant to a custodial agreement, on which (and on the contents of which) a lien has been granted as security for the Obligations.

**“Custodian”** means The Bank of New York Mellon (in its capacity as custodian of the Custodial Accounts).

**"Default"** means any of the events specified in **Section 10** which with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

**"Disqualified Capital Stock"** means, with respect to any Person, any Capital Stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event or otherwise, (i) matures or is mandatorily redeemable or subject to any mandatory repurchase requirement, pursuant to a sinking fund obligation or otherwise, (ii) is redeemable or subject to any mandatory repurchase requirement at the sole option of the holder thereof, or (iii) is convertible into or exchangeable for (whether at the option of the issuer or the holder thereof) (A) debt securities or (B) any Capital Stock referred to in clause (i) or (ii) above, in each case under clause (i), (ii) or (iii) above at any time on or prior to the Final Maturity Date; provided, however, that only the portion of Capital Stock that so matures or is mandatorily redeemable, is so redeemable at the option of the holder thereof, or is so convertible or exchangeable on or prior to such date shall be deemed to be Disqualified Capital Stock.

**"Dollar Amount"** means, subject to **Section 1(b)**, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount and (b) if such amount is expressed in a Foreign Currency, the equivalent of such amount in Dollars as determined by Bank at such time in its sole discretion by reference to the most recent Spot Rate for such Foreign Currency (as determined as of the most recent Revaluation Date) for the purchase of Dollars with such Foreign Currency.

**"Dollars"** or **"\$"** means dollars of the United States of America.

**"Draw Date"** has the meaning specified in **Section 2(b)(i)**.

**"Due Date"** has the meaning specified in **Section 2(b)(i)**.

**"ERISA"** means the Employee Retirement Income Security Act of 1974, and the rules and regulations thereunder.

**"Event of Default"** has the meaning specified in **Section 10**.

**"Exchange Act"** means the Securities Exchange Act of 1934.

**"Existing Agreement"** means that certain Amended and Restated Standby Letter of Credit Agreement, dated as of May 2, 2023, between the Account Party and the Bank, as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time prior to the Closing Date.

**"Existing Letter of Credit"** means those letters of credit existing on the Closing Date and identified on [\*\*\*\*\*]**"FATCA"** means (a) Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into

pursuant to Section 1471(b)(1) of the Code, (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction with the purpose (in either case) of facilitating the implementation of (a) above, or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the IRS, the United States government or any governmental or taxation authority in the United States.

**“Final Expiry Date”** means the date when the Final Maturity Date has occurred, all Letters of Credit have expired or terminated and all Obligations owing hereunder and in the other Credit Documents have been paid in full.

**“Final Maturity Date”** means the first anniversary of the Commitment Termination Date.

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**“Fiscal Year”** means the fiscal year of the Account Party and its Subsidiaries.

**“Foreign Currency”** means Canadian dollars.

**“Foreign Currency Equivalent”** means, subject to **Section 1(b)**, for any amount, at the time of determination thereof, with respect to any amount expressed in Dollars, the equivalent of such amount thereof in the applicable Foreign Currency as determined by the Bank at such time on the basis of the Spot Rate (determined as of the most recent Revaluation Date) for the purchase of such Foreign Currency with Dollars.

**“Foreign Currency Sublimit”** means the Foreign Currency Equivalent of [\*\*\*\*\*]

**“GAAP”** means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

**“Governmental Authority”** means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government (including any supra-national bodies such as the European Union or the European Central Bank).

**“Hedge Agreement”** means any interest or foreign currency rate swap, cap, collar, option, hedge, forward rate or other similar agreement or arrangement designed to protect against fluctuations in interest rates or currency exchange rates, including any swap agreement (as defined in 11 U.S.C. § 101).

**"Hedge Termination Value"** means, in respect of any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedge Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedge Agreements (which may include Bank or any affiliate of Bank).

**"Indebtedness"** means, with respect to any Person (without duplication), (i) all indebtedness of such Person for borrowed money or in respect of loans or advances, (ii) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments, (iii) all reimbursement obligations of such Person with respect to surety bonds, letters of credit and bankers' acceptances (in each case, whether or not drawn or matured and in the stated amount thereof), (iv) all obligations of such Person to pay the deferred purchase price of property or services, (v) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (vi) all obligations of such Person as lessee under leases that are or are required to be, in accordance with GAAP, recorded as capital or finance leases, to the extent such obligations are required to be so recorded, (vii) all obligations and liabilities of such Person incurred in connection with any transaction or series of transactions providing for the financing of assets through one or more securitizations or in connection with, or pursuant to, any synthetic lease or similar off-balance sheet financing, (viii) all Disqualified Capital Stock issued by such Person, with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any (for purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the fair market value of such Disqualified Capital Stock, such fair market value shall be determined reasonably and in good faith by the board of directors or other governing body of the issuer of such Disqualified Capital Stock), (ix) the Hedge Termination Value of such Person under any Hedge Agreements, calculated as of any date as if such agreement or arrangement were terminated as of such date, (x) all Contingent Obligations of such Person in respect of Indebtedness of other Persons and (xi) all indebtedness referred to in clauses (i) through (x) above secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by such Person or is nonrecourse to the credit of such Person.

**"Instructions"** has the meaning set forth in **Section 2(a)**.

**"Insurance Regulatory Authority"** means, with respect to the Account Party, the insurance department or similar Governmental Authority charged with regulating insurance companies or insurance holding companies, in its jurisdiction of domicile and, to the extent that it has regulatory authority over the Account Party, in each other jurisdiction in which the Account Party conducts business or is licensed to conduct business.

**"Investment Company Act"** means the Investment Company Act of 1940 (15 U.S.C. § 80(a)(1),*et seq.*).

**"IRS"** means the United States Internal Revenue Service.

**"Issue"** means, with respect to any Letter of Credit, to issue, to amend or to extend the expiry of, or to renew or increase the stated amount of, such Letter of Credit. The terms **"Issued"**, **"Issuing"** and **"Issuance"** have corresponding meanings.

**"Letters of Credit"** means the collective reference to standby letters of credit Issued pursuant to **Section 2**.

**"Letter of Credit Documents"** means, with respect to any Letter of Credit, collectively, any Applications, agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit.

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**"Lien"** means any mortgage, pledge, hypothecation, assignment, security interest, lien (statutory or otherwise), preference, priority, charge or other encumbrance of any nature, whether voluntary or involuntary, including the interest of any vendor or lessor under any conditional sale agreement, title retention agreement, capital lease or any other lease or arrangement having substantially the same effect as any of the foregoing.

**"Material Adverse Effect"** means a material adverse effect upon (i) the financial condition, operations, business, properties or assets of the Account Party and its Subsidiaries, taken as a whole, (ii) the ability of the Account Party to perform its respective payment or other material obligations under this Agreement or any of the other Credit Documents or (iii) the legality, validity or enforceability of this Agreement or any of the other Credit Documents or the rights and remedies of Bank hereunder and thereunder.

**"Non-Extension Notice Date"** has the meaning given to such term in **Section 2(g)**.

**"Notice of Non-Extension"** has the meaning given to such term in **Section 2(g)**.

**"Obligations"** means all obligations and liabilities (including any interest and fees accruing after the filing of a petition or commencement of a case by or with respect to the

Account Party seeking relief under any applicable Bankruptcy Laws, whether or not the claim for such interest or fees is allowed in such proceeding), including without limitation, reimbursement and other payment obligations and liabilities, of the Account Party to Bank arising under, or in connection with, the applicable Credit Document, including, without limitation, **Section 5** below, any Application or any Letter of Credit, in each case whether matured or unmatured, absolute or contingent, now existing or hereafter incurred.

**“OFAC”** means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

**“Officer’s Compliance Certificate”** means a certificate of the chief executive officer, the chief financial officer, vice president—finance, principal accounting officer, treasurer or assistant treasurer of the Account Party substantially in the form attached as [\*\*\*\*\*], together with a Covenant Compliance Worksheet.

**“Other Taxes”** has the meaning specified in **Section 2(c)**.

**“Outstanding Letters of Credit”** means, as of any date, the sum of (a) the Stated Amount of all outstanding Letters of Credit at such time and, without duplication, (b) all reimbursement obligations in respect of Letters of Credit at such time.

**“PATRIOT Act”** means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

**“Payment Date”** has the meaning specified in **Section 2(b)(i)**.

**“Person”** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

**“Pledge Agreement”** means the Second Amended and Restated Pledge and Security Agreement, dated as of the date hereof, made by the Account Party in favor of Bank, as amended, supplemented or restated from time to time.

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**“Responsible Officer”** means, as to any Person, the chief executive officer, president, chief financial officer, controller, treasurer or assistant treasurer of such Person or any other officer of such Person designated in writing by the Account Party and reasonably acceptable to Bank; provided that, to the extent requested thereby, Bank shall have received a certificate of such Person certifying as to the incumbency and genuineness of the signature of each such officer. Any document delivered hereunder or under any other Credit Document that is signed by a Responsible Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, partnership and/or other action on the part of such Person and such

Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

**"Revaluation Date"** means, subject to **Section 1(b)**, with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in a Foreign Currency, but only as to the stated amount of the Letter of Credit so issued on such date, (ii) in the case of all Existing Letters of Credit denominated in a Foreign Currency the Closing Date, but only as to such Existing Letters of Credit, and (iii) each such additional date as the Bank shall determine or require.

**"Sanctioned Country"** means at any time, a country, region or territory or region which is itself (or whose government is) the subject or target of any comprehensive Sanctions.

**"Sanctioned Person"** means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including, without limitation, OFAC's Specially Designated Nationals and Blocked Persons List and OFAC's Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, , any European member state, His Majesty's Treasury, or other relevant sanctions authority, (b) any Person located, operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

**"Sanctions"** means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European member state, His Majesty's Treasury, or other relevant sanctions authority in any jurisdiction (a) in which the Account Party or any of its Subsidiaries is located or conducts business, (b) in which any of the proceeds of any Letter of Credit will be used, or (c) from which repayment of the Obligations will be derived.

**"Security Documents"** means, collectively, (a) the Pledge Agreement and (b) the Control Agreement and (c) each other document, agreement, certificate and/or financing statement, executed, delivered, made or filed pursuant to the terms of the documents specified in foregoing clauses (a) and (b).

**"Spot Rate"** means, subject to **Section 1(b)**, for any Foreign Currency, the rate provided (either by publication or otherwise provided or made available to Bank) by Thompson Reuters Corp. (or equivalent service chosen by Bank in its reasonable discretion) as the spot rate for the purchase of such Foreign Currency with another currency at the time

selected by Bank in accordance with the procedures generally used by Bank for letter of credit facilities.

**"Standard Letter of Credit Practice"** means, for Bank, any U.S. federal or state or foreign law or letter of credit practices applicable in the city in which Bank Issued the applicable Letter of Credit or for its branch or correspondent banks, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Letter of Credit, as the case may be. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city, and (ii) required or permitted under the ISP (as defined below) or UCP (as defined below), as chosen in the applicable Letter of Credit. **"ISP"** means, International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued. **"UCP"** means, Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

**"Stated Amount"** means, with respect to any Letter of Credit at any time, the aggregate Dollar Amount available to be drawn thereunder at such time (regardless of whether any conditions for drawing could then be met).

**"Subsidiary"** means as to any Person, any corporation, partnership, limited liability company or other entity of which more than [\*\*\*\*\*] of the outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) such Person (irrespective of whether, at the time, Capital Stock of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to "Subsidiary" or "Subsidiaries" herein shall refer to those of the Account Party.

**"Taxes"** has the meaning specified in **Section 2(c)**.

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**"UCC"** means the Uniform Commercial Code as in effect from time to time in the State of New York.

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**"U.S."** means United States of America.

**(b) Exchange Rates; Currency Equivalents.**

(i) The Bank shall determine the Dollar Amount of each Letter of Credit denominated in a Foreign Currency as of each Revaluation Date. Such Dollar Amount shall become

effective as of such Revaluation Date and shall be the Dollar Amount of such amounts until the next Revaluation Date to occur. Except for purposes of financial statements delivered by the Account Party hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any Foreign Currency for purposes of the Credit Documents shall be such Dollar Amount as so determined by Bank.

(ii) Wherever in this Agreement in connection with the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Letter of Credit is denominated in a Foreign Currency, such amount shall be the relevant Foreign Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Foreign Currency, with 0.5 of a unit being rounded upward), as determined by the Bank.

(iii) Notwithstanding the foregoing provisions of this **Section 1(b)** or any other provision of this Agreement, (i) Bank may compute the Dollar Amount of the maximum amount of each applicable Letter of Credit by reference to exchange rates determined using any reasonable method customarily employed by Bank for such purpose, and (ii) the Dollar Amount of all Existing Letters of Credit denominated in a Foreign Currency shall as of the Closing Date be as set forth on Schedule II.

## **2. LETTER OF CREDIT FACILITY.**

- (a) **General.** At the request of the Account Party, Bank agrees, on and subject to the terms and conditions of this Agreement, to issue standby Letters of Credit for the account of the Account Party in U.S. dollars or a Foreign Currency from time to time during the period from the Closing Date to but not including the Commitment Termination Date; provided, that no Letter of Credit shall be issued if (i) the Stated Amount thereof upon issuance, when added to the Outstanding Letters of Credit, would exceed the Commitment at such time or (ii) if such Letter of Credit is denominated in a Foreign Currency, the Stated Amount thereof upon issuance, when added to the Outstanding Letters of Credit denominated in a Foreign Currency, would exceed the Foreign Currency Sublimit at such time. Letters of Credit may only be issued on Business Days. The request to issue a Letter of Credit (an "**Application**") shall be in such form as Bank shall from time to time require or agree to accept (including any type of electronic form or means of communication acceptable to Bank). Upon the receipt of any Application, Bank shall process such Application in accordance with its customary procedures and shall, subject to **Section 4**, promptly issue the Letter of Credit requested thereby (but in no event shall Bank be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by Bank and the Account Party. Inquiries, communications and instructions (whether written, facsimile or in other electronic form approved by Bank) regarding a Letter of Credit, an Application and this Agreement are each referred to herein as "**Instructions**". Bank's records of the content of any Instruction will be conclusive, absent manifest error.
- (b) **General Payment Obligations.** For each Letter of Credit, the Account Party shall, as to clause **(i)** below, reimburse Bank, and as to all other clauses below, pay Bank, in each case in U.S. dollars or a Foreign Currency:

- (i) with respect to a drawing under any Letter of Credit, the amount of each drawing paid by Bank thereunder (such date of payment hereinafter referred to as the “**Draw Date**”) no later than the first succeeding Business Day after the Account Party’s receipt of notice of such payment by Bank (the “**Due Date**”), with interest as provided below on the amount so paid by Bank (to the extent not reimbursed prior to 2:00 p.m. Eastern Time on the Draw Date) for the period from the Draw Date to the date the reimbursement obligation created thereby is satisfied in full (the “**Payment Date**”). If the Payment Date is on or prior to the Due Date, such interest shall be payable at the [\*\*\*\*\*] as in effect from time to time during the period from the Draw Date to the Payment Date. If the Payment Date is after the Due Date, such interest shall be payable (x) as provided in the preceding sentence during the period from and including the Draw Date to and not including the Due Date, and (y) at the [\*\*\*\*\*] as in effect from time to time plus 2% from and including the Due Date to and not including the Payment Date;
- (ii) the fees payable by the Account Party at such times and in such amounts as are set forth in **Section 2(i)**.
- (iii) except as otherwise provided in clause (i) above and clause (iv) below, interest on each amount payable by the Account Party under the applicable Credit Documents for each day from and including the date such payment is due to and not including the date of payment, on demand, at a rate per annum equal to the [\*\*\*\*\*] as in effect from time to time plus 2%;
- (iv) within ten (10) days of demand, Bank’s documented out-of-pocket costs and expenses (including the reasonable and documented legal fees, charges and disbursements of outside counsel to Bank incurred in connection with the protection or enforcement of Bank’s rights against the Account Party under this Agreement and the other applicable Credit Documents and any correspondent bank’s documented charges related thereto), with interest from the date of demand by Bank to and not including the date of payment by the Account Party, at a rate per annum equal to [\*\*\*\*\*] as in effect from time to time plus 2%;
- (v) if as a result of any Change in Law, Bank determines that the cost to Bank of Issuing or maintaining any Letter of Credit is increased (excluding, for purposes of this clause (b)(v), any such increased costs resulting from (A) income taxes, franchise taxes and similar taxes imposed on Bank by any taxing authority, any U.S. federal withholding taxes imposed under FATCA and Other Taxes (in each case as to which **Section 2(c)** shall govern) and (B) changes in the basis of taxation of overall net income or overall gross income by the U.S. or by the foreign jurisdiction or state under the laws of which Bank is organized or has its lending office or any political subdivision thereof), then the Account Party will pay to Bank, from time to time, within ten (10) days after demand by Bank, which demand shall include a statement of the basis for such demand and a calculation in reasonable detail of the amount demanded, additional amounts sufficient to compensate Bank for such increased cost. A certificate as to the

amount of such increased cost, submitted to the Account Party by Bank, shall be conclusive and binding for all purposes, absent manifest error; and

(vi) if Bank determines that any Change in Law affecting Bank or any lending office of Bank or Bank's holding company regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on Bank's capital or on the capital of Bank's holding company as a consequence of this Agreement or the Letters of Credit issued by Bank to a level below that which Bank or Bank's holding company could have achieved but for such Change in Law (taking into consideration Bank's or its holding company's policies with respect to capital adequacy), then from time to time the Account Party will pay to Bank within ten (10) days after demand by Bank, which demand shall include a statement of the basis for such demand and a calculation in reasonable detail of the amount demanded, such additional amount or amounts as will compensate Bank or Bank's holding company for any such reduction suffered. A certificate as to such amounts submitted to the Account Party by Bank shall be conclusive and binding for all purposes, absent manifest error.

Bank shall use reasonable efforts to designate a different lending office if such designation will avoid (or reduce the cost to the Account Party of) any event described in the preceding sentence and such designation will not, in Bank's good faith judgment, subject Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to Bank.

Notwithstanding the provisions of clause (v) or (vi) or above or **Section 2(c)** below (and without limiting the immediately preceding paragraph), Bank shall not be entitled to compensation from the Account Party for any amount arising prior to the date which is 180 days before the date on which Bank notifies the Account Party of such event or circumstance (except that if such event or circumstance is retroactive, then such 180-day period shall be extended to include the period of retroactive effect thereof).

Any payments received by Bank pursuant to the Credit Documents after 1:00 p.m. Eastern shall be deemed to have been made on the next succeeding Business Day for all purposes under the Credit Documents.

(c) **Immediately Available Funds; No Withholding.** All reimbursements and payments by or on behalf of the Account Party shall be made in immediately available funds, free and clear of and without deduction for any present or future Taxes, set-off or other liabilities, to such location as Bank may reasonably designate from time to time. The Account Party shall pay all withholding taxes and Other Taxes imposed by any taxing authority on reimbursement or payment under any Letter of Credit and any Credit Document, and shall indemnify Bank against all liabilities, costs, claims and expenses resulting from Bank having to pay or from any omission to pay or delay in paying any such taxes, except to the extent that such taxes are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful

misconduct of Bank. Any such indemnification payment shall be made within ten (10) days from the date Bank makes written demand therefor. **"Taxes"** means all taxes, fees, duties, levies, imposts, deductions, charges or withholdings of any kind (other than income taxes, franchise taxes and similar taxes imposed on Bank by any taxing authority and any U.S. federal withholding taxes imposed under FATCA). **"Other Taxes"** means all present or future stamp, documentary, excise, property or similar taxes, charges or levies that arise from any payment made hereunder or from the execution, delivery or registration of, performance under, or otherwise with respect to, this Agreement or any other Credit Document.

(d) **Automatic Debit and Set-Off.** Upon the occurrence and during the continuance of any Event of Default with respect to the Account Party, Bank may (but shall not be required to), without demand for reimbursement or payment or notice to the Account Party, and in addition to any other right of set-off that Bank may have, debit any account or accounts maintained by the Account Party with any office of Bank (now or in the future) and set-off and apply (i) any balance or deposits (general, special, time, demand, provisional, final, matured or absolute) in the account(s) and (ii) any sums due or payable from Bank, to the payment of any and all Obligations owed by the Account Party to Bank, irrespective of whether Bank shall have made any demand under this Agreement and although such Obligations may be contingent or unmatured. Bank agrees promptly to notify the Account Party after any such set-off and application; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

(e) **Obligations Absolute.** The Account Party's reimbursement and payment obligations under this **Section 2** are absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including, without limitation:

- (i) any lack of validity, enforceability or legal effect of any Letter of Credit or any Credit Document or any term or provision therein;
- (ii) payment against presentation of any draft, demand or claim for payment under any Letter of Credit or other document presented for purposes of drawing under any Letter of Credit (individually, a **"Drawing Document"** and collectively, the **"Drawing Documents"**) that does not comply in whole or in part with the terms of the applicable Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein proving to be untrue or inaccurate in any respect, or which is signed, issued or presented by a Person or a transferee of such Person purporting to be a successor or transferee of the beneficiary of such Letter of Credit;
- (iii) Bank or any of its branches or affiliates being the beneficiary of any Letter of Credit;
- (iv) Bank or any correspondent bank honoring a drawing against a Drawing Document up to the amount available under any Letter of Credit even if such

Drawing Document claims an amount in excess of the amount available under such Letter of Credit;

- (v) the existence of any claim, set-off, defense or other right that Account Party or any other Person may have at any time against any beneficiary or any assignee of proceeds, Bank or any other Person; or
- (vi) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing that might, but for this **Section 2(e)**, constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, the Obligations, whether against Bank, the beneficiary or any other Person;

provided, however, that subject to **Section 5(b)** below, the foregoing shall not release Bank from such liability to the Account Party as may be determined by a court of competent jurisdiction by a final and nonappealable judgment against Bank following reimbursement and/or payment of the Obligations.

- (f) **Computation of Interest and Fees; Maximum Rate.** All computations of interest and fees to be made hereunder and under any other Credit Document shall be made on the basis of a year consisting of (i) in the case of interest determined with reference to the [\*\*\*\*\*], 365/366 days, as the case may be, or (ii) in all other instances, 360 days; and in each case under (i) and (ii), for the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which such interest or fee is payable. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any applicable law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that Bank has charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by applicable law and Bank shall at its option (i) promptly refund to the Account Party any interest received by Bank in excess of the maximum lawful rate or (ii) apply such excess to any outstanding Obligations. It is the intent hereof that the Account Party not pay or contract to pay, and that Bank not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Account Party under applicable law.
- (g) **Expiry Date of Letters of Credit.** Each Letter of Credit shall expire at or prior to the earlier of (a) the close of business on the date one year after the date of the Issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension), or (b) the Final Maturity Date; provided, however, if the Account Party so requests in any applicable Application, Bank agrees to issue a Letter of Credit that provides for the automatic renewal for successive periods of one year or less until Bank shall have delivered prior written notice of nonrenewal to the beneficiary of such Letter of Credit (a "**Notice of Non-Extension**") no later than 60 days prior to the stated maturity date specified in such Letter of Credit (such time, the "**Non-Extension Notice Date**"). The Account Party acknowledges that Bank shall not be required to

extend any Letter of Credit if Bank has determined that it would have no obligation at such time to issue such Letter of Credit (as extended) under the terms hereof.

(h) **Permanent Reduction of Commitment.** The Account Party shall have the right at any time and from time to time, upon at least three Business Days' prior irrevocable written notice to Bank, to permanently reduce, without premium or penalty, (i) the entire Commitment at any time or (ii) portions of the Commitment, from time to time, in an aggregate principal amount not less than [\*\*\*\*\*] or any whole multiple of [\*\*\*\*\*] in excess thereof. All Commitment Fees accrued until the effective date of any termination of the Commitment shall be paid on the effective date of such termination.

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**3. ACCOUNT PARTY'S RESPONSIBILITY.** The Account Party is responsible for approving the final text of any Letter of Credit Issued by Bank for its account, irrespective of any assistance Bank may provide such as drafting or recommending text or by Bank's use or refusal to use text submitted by the Account Party. The Account Party is solely responsible for the suitability of the Letter of Credit for the Account Party's purposes. The Account Party will examine the copy of each Letter of Credit Issued for its account and any other documents sent by Bank in connection with such Letter of Credit and shall promptly notify Bank of any non-compliance with the Account Party's Instructions and of any discrepancy in any document under any presentment or other irregularity. The Account Party understands that the final form of any Letter of Credit may be subject to such revisions and changes as are deemed necessary or appropriate by Bank in accordance with standard industry practice and the Account Party hereby consents to such revisions and changes.

#### **4. CONDITIONS OF CLOSING AND ISSUANCE**

(a) **Conditions Precedent to Closing.** The obligation of Bank to close this Agreement and to Issue any Letters of Credit on the Closing Date is subject to the satisfaction of each of the following conditions:

(i) **Executed Credit Documents.** This Agreement, together with any other applicable Credit Documents, shall have been duly authorized, executed and delivered to Bank by the parties thereto, shall be in full force and effect and no Default or Event of Default shall exist hereunder or thereunder.

(ii) **Closing Certificates; Etc.** Bank shall have received each of the following in form and substance reasonably satisfactory to Bank:

(A) **Officer's Certificate.** A certificate from a Responsible Officer of the Account Party to the effect that (A) all representations and warranties of the Account Party contained in this Agreement and the other Credit Documents are true, correct and complete in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true, correct and complete in all

respects); and (B) as of the Closing Date, no Default or Event of Default has occurred and is continuing.

- (B) **Certificate of Secretary of the Account Party.** A certificate of a Responsible Officer of the Account Party certifying as to the incumbency and genuineness of the signature of each officer of the Account Party executing Credit Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the memorandum of association (or equivalent), as applicable, of the Account Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B) the bye-laws or other governing document of the Account Party as in effect on the Closing Date, (C) resolutions duly adopted by the board of directors (or other governing body) of the Account Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party, and (D) each certificate required to be delivered pursuant to **Section 4(a)(ii)(C).**
- (C) **Certificates of Good Standing.** Certificates as of a recent date of the good standing of the Account Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and, to the extent requested by Bank, each other jurisdiction where the Account Party is qualified to do business.
- (D) **Opinions of Counsel.** Opinions of counsel to the Account Party addressed to Bank with respect to the Account Party, the Credit Documents and such other matters as Bank shall request (which such opinions shall expressly permit reliance by permitted successors and assigns of Bank).
- (E) **Collateral Value Certificate.** A completed Collateral Value Certificate setting forth the calculation of Collateral Value and the Outstanding Letters of Credit as of the Closing Date.

(iii) **Lien Search.** Bank shall have received the results of a Lien search, in form and substance reasonably satisfactory to Bank, indicating among other things that the Collateral is free and clear of any Lien.

(iv) **Consents; Defaults.**

- (A) **Governmental and Third Party Approvals.** The Account Party shall have received all material governmental, shareholder and third party consents and approvals necessary (or any other material consents as determined in the reasonable discretion of Bank) in connection with the transactions contemplated by this Agreement and the other Credit

Documents and all applicable waiting periods shall have expired without any action being taken by any Person that would reasonably be expected to restrain, prevent or impose any material adverse conditions on the Account Party or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation shall be applicable which in the reasonable judgment of Bank would reasonably be expected to have such effect.

(B) **No Injunction, Etc.** No action, proceeding or investigation shall have been instituted, threatened in writing or proposed in writing before any Governmental Authority to enjoin, restrain, or prohibit, or to obtain substantial damages in respect of, or which is related to or arises out of this Agreement or the other Credit Documents or the consummation of the transactions contemplated hereby or thereby, or which, in Bank's sole discretion, would make it inadvisable to consummate the transactions contemplated by this Agreement or the other Credit Documents or the consummation of the transactions contemplated hereby or thereby.

(v) **Payments at Closing.** The Account Party shall have paid to Bank [\*\*\*\*] all other fees and reasonable and documented expenses of Bank required hereunder or under any other Credit Document to be paid on or prior to the Closing Date (including reasonable fees and expenses of counsel) in connection with this Agreement, the other Credit Documents and the transactions contemplated hereby.

(vi) **Miscellaneous.**

(A) **PATRIOT Act, etc.** The Account Party shall have provided to Bank the documentation and other information requested by Bank in order to comply with requirements of any Anti-Money Laundering Laws, including, without limitation, the PATRIOT Act and any applicable "know your customer" rules and regulations.

(B) **Beneficial Ownership Certification.** The Account Party shall have delivered to Bank a Beneficial Ownership Certification in relation to it (or a certification that the Account Party qualifies for an express exclusion from the "legal entity customer" definition under the Beneficial Ownership Regulations), in each case at least five (5) Business Days prior to the Closing Date.

(C) **Other Documents.** All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Bank. Bank shall have received copies of all other documents, certificates and instruments reasonably requested thereby, with respect to the transactions contemplated by this Agreement.

(b) **Conditions Precedent to Issuance of Letters of Credit** The obligation of Bank to Issue Letters of Credit (including any Letters of Credit Issued on the Closing Date) is subject to the satisfaction of each of the following conditions:

(i) **Continuation of Representations and Warranties.** The representations and warranties contained in this Agreement and the other Credit Documents shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects, on and as of such issuance with the same effect as if made on and as of such date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date).

(ii) **No Existing Default.** No Default or Event of Default shall have occurred and be continuing on the Issuance date with respect to such Letter of Credit or after giving effect to the issuance of such Letter of Credit on such date.

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(iii) **Miscellaneous.** In addition to the foregoing, Bank shall be under no obligation to Issue any Letter of Credit if:

- (A) any order, judgment or decree of any Governmental Authority or arbitrator having jurisdiction over Bank shall by its terms enjoin or restrain the Issuance of such Letter of Credit or any law applicable to Bank, Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over it shall prohibit, or request that it refrain from, the Issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon it with respect to such Letter of Credit any restriction or reserve or capital requirement (for which Bank is not otherwise compensated) not in effect on the Closing Date, or any unreimbursed loss, cost or expense which was not applicable or in effect as of the Closing Date and which Bank in good faith deems material to it;
- (B) Bank shall have delivered a Notice of Non-Extension with respect to such Letter of Credit;
- (C) the expiry date of such Letter of Credit would occur more than twelve months after the date of issuance or last extension unless Bank has approved such expiry date in writing;
- (D) the expiry date of such Letter of Credit occurs after the Final Maturity Date, unless Bank has approved such expiry date in writing;

(E) such Letter of Credit is not substantially in form and substance reasonably acceptable to Bank; or  
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**5. INDEMNIFICATION; LIMITATION OF LIABILITY.**

(a) **Indemnification.** The Account Party agrees to indemnify and hold harmless Bank (including its branches and affiliates), its correspondent banks and each of their respective directors, officers, employees, attorneys and agents (each, including Bank, an "**Indemnified Person**") from and against any and all claims, suits, judgments, liabilities, losses, fines, damages, penalties, interest, costs and expenses (including expert witness fees and reasonable out-of-pocket legal fees, charges and disbursements of any counsel (including outside counsel fees and expenses), and all expenses of arbitration or litigation and in preparation thereof), in each case, which are documented and may be incurred by or awarded against any Indemnified Person (collectively, the "**Costs**"), and which arise out of or in connection with or by reason of this Agreement, the other Credit Documents, the actual or proposed use of the proceeds of the Letters of Credit or any of the transactions contemplated thereby, including, without limitation, any Costs which arise out of or in connection with, or as a result of:

(i) any Letter of Credit or any pre-advice of its issuance;

(ii) any transfer, sale, delivery, surrender or endorsement of any Drawing Document at any time(s) held by any Indemnified Person in connection with any Letter of Credit;

(iii) any actual or prospective action or proceeding arising out of, or in connection with, any Letter of Credit or any Credit Document (whether administrative, judicial or in connection with arbitration, whether based on contract, tort or any other theory, and whether brought by a third party or by the Account Party or any Subsidiary thereof, and regardless of whether any Indemnified Person is a party thereto), including any action or proceeding to compel or restrain any presentation or payment under any Letter of Credit, or for the wrongful dishonor of, or honoring a presentation under, any Letter of Credit;

(iv) any independent undertakings issued by the beneficiary of any Letter of Credit;

(v) any unauthorized instruction or error in computer or electronic transmission in connection with any Letter of Credit issued hereunder;

(vi) an adviser, confirmor or other nominated person seeking to be reimbursed, indemnified or compensated in connection with any Letter of Credit issued hereunder;

(vii) any third party seeking to enforce the rights of the Account Party, beneficiary, nominated person, transferee, assignee of Letter of Credit proceeds or holder of an instrument or document in connection with any Letter of Credit issued hereunder;

(viii) the fraud, forgery or illegal action of parties other than any Indemnified Person in connection with any Letter of Credit Issued hereunder;

(ix) Bank's performance of the obligations of a confirming institution or entity that wrongfully dishonors a confirmation in connection with any Letter of Credit Issued hereunder; or

(x) the acts or omissions, whether rightful or wrongful, of any present or future *de jure* or *de facto* Governmental Authority or cause or event beyond the control of such Indemnified Person in connection with any Letter of Credit Issued hereunder;

in each case, including that resulting from Bank's own negligence; provided, however, that such indemnity shall not be available to any Person claiming indemnification under this **Section 5(a)** to the extent that such Costs (A) are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Person, (B) are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from a claim by the Account Party against an Indemnified Person for breach in bad faith of the obligations of such Indemnified Person hereunder or under any other Credit Document, or (C) result from any dispute solely between or among Indemnified Persons. The Account Party hereby agrees to pay Bank within fifteen (15) days after demand from time to time all amounts owing under this **Section 5(a)**. This indemnity provision shall survive termination of this Agreement and all Letters of Credit.

(b) **Direct Damages; No Punitive Damages.** The liability of Bank (including its branches and affiliates), its correspondent banks and each of their respective directors, officers, employees, attorneys and agents (each, including Bank, a "**Released Person**") under, in connection with and/or arising out of any Credit Document or any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by the Account Party that are determined by a court of competent jurisdiction by a final and nonappealable judgment to have been caused directly by Bank's gross negligence, willful misconduct or breach in bad faith in (i) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (ii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit or (iii) retaining Drawing Documents presented under a Letter of Credit. Bank shall be deemed to have acted with due diligence and reasonable care if Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with any Credit Document. No Released Person shall be liable for any damages arising from any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) in connection with this Agreement or the other Credit Documents, except to the extent that any losses, claims, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Released Person in making any such transmission as determined by a final nonappealable judgment of a court of competent jurisdiction.

(c) Notwithstanding anything to the contrary in this Agreement or in any other Credit Document, no Released Person shall be liable in contract, tort or otherwise for any punitive, exemplary, consequential, indirect or special damages or losses regardless of whether or not such party or Released Person shall have been advised of the possibility thereof or the form of action in which such damages or losses may be claimed. The Account Party shall take commercially reasonable action to avoid and mitigate the amount of any damages claimed against Bank or any other Released Person, including by enforcing its rights in appropriate proceedings diligently pursued in the underlying transaction.

(d) **No Responsibility or Liability.** Without limiting any other provision of this Agreement or any other Credit Document, Bank and each other Released Person (if applicable) shall not be responsible to the Account Party for, and/or Bank's rights and remedies against the Account Party and the Obligations shall not be impaired by:

- (i) honor of a presentation under any Letter of Credit that on its face substantially complies with the terms and conditions of such Letter of Credit, even if the Letter of Credit requires strict compliance by the beneficiary;
- (ii) acceptance as a draft of any written or electronic demand or request for payment under a Letter of Credit, even if nonnegotiable or not in the form of a draft;
- (iii) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness or legal effect of any Drawing Document (other than Bank's determination that such Drawing Document appears on its face to substantially comply with the terms and conditions of the Letter of Credit);
- (iv) acting upon any instruction that it in good faith believes to have been given by a Person authorized to give such instructions;
- (v) any errors in interpretation of technical terms or in translation;
- (vi) any acts, omissions or fraud by, or the solvency of, any beneficiary, any nominated person or entity or any other Person, other than a Released Person;
- (vii) any breach of contract between the beneficiary and the Account Party or any of the parties to the underlying transaction;
- (viii) payment to any paying or negotiating bank (designated or permitted by the terms of the applicable Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice applicable to it;
- (ix) acting as required or permitted, or failing to act as permitted, in each case under Standard Letter of Credit Practice applicable to where it has issued, confirmed, advised or negotiated such Letter of Credit, as the case may be;

(x) honor of a presentation after the expiration date of any Letter of Credit notwithstanding that a presentation was made prior to such expiration date and dishonored by Bank if subsequently Bank or any court or other finder of fact determines such presentation should have been honored;

(xi) dishonor of any presentation that does not strictly comply or that is fraudulent, forged or otherwise not entitled to honor; or

(xii) honor of a presentation that is subsequently determined by Bank to have been made in violation of international, federal, state or local restrictions on the transaction of business with certain prohibited Persons.

**6. REPRESENTATIONS AND WARRANTIES.** The Account Party hereby represents and warrants to Bank (all of which representations and warranties will be repeated as of the date of each new Application submitted by the Account Party to Bank and as of the date of Issuance of any Letter of Credit requested in each such Application) as follows:

- (a) **Organization, etc.** The Account Party is duly organized or formed, validly existing and (to the extent applicable under the laws of the relevant jurisdiction) in good standing under the laws of the jurisdiction of its organization or formation, and is duly qualified or licensed to do business (and in good standing as a foreign corporation or entity, if applicable) in all jurisdictions in which such qualification or licensing is required or in which the failure to so qualify or to be so licensed would have a Material Adverse Effect.
- (b) **Power and Authority.** The Account Party has the requisite power and authority to execute and deliver this Agreement and each other Credit Document to which it is a party and to perform and observe the terms and conditions stated herein and therein, and the Account Party has taken all necessary corporate or other action to authorize its execution, delivery and performance of each such Credit Document.
- (c) **Valid and Binding Obligation.** This Agreement constitutes, and each other Credit Document when signed and delivered by the Account Party to Bank will constitute, its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights against the Account Party generally, by general equitable principles or by principles of good faith and fair dealing, and assuming that this Agreement and each such other Credit Document have been validly executed and delivered by each party thereto other than the Account Party.
- (d) **No Violation or Breach.** The Account Party's execution, delivery and performance of each Credit Document to which it is a party and the payment of all sums payable by it under each such Credit Document do not and will not: (i) violate or contravene its memorandum of association, bye-laws or other organizational documents; (ii) violate or contravene any order, writ, law, treaty, rule, regulation or determination of any Governmental Authority, in each case applicable to or binding upon it or any of its property, the violation or contravention of which would have a Material Adverse Effect;

or (iii) result in the breach of any provision of, or in the imposition of any lien or encumbrance (except for liens or encumbrances created under the Credit Documents) under, or constitute a default or event of default under, any agreement or arrangement to which it is a party or by which it or any of its property is bound, the contravention of which agreement or arrangement would have a Material Adverse Effect.

- (e) **Approvals.** No authorization, approval or consent of, or notice to or filing with, any Governmental Authority is required to be made by the Account Party in connection with the execution and delivery by the Account Party of any Credit Document to which it is a party or the Issuance by Bank of any Letter of Credit for the account of the Account Party pursuant to this Agreement and the related Application, except for those which have been duly obtained, taken, given or made and are in full force and effect; and except where failure to obtain the foregoing could not reasonably be expected to have a Material Adverse Effect.
- (f) **Compliance with Laws.** The Account Party is in compliance with all applicable laws and regulations, except where the noncompliance with which would not have a Material Adverse Effect, and no Application, Letter of Credit or transaction of the Account Party under any Credit Document to which it is a party will contravene any laws, treaties, rules or regulations of any Governmental Authority, including, without limitation, any foreign exchange control laws or regulations, U.S. foreign assets control laws or regulations or currency reporting laws and regulations, now or hereafter applicable to it, except where the noncompliance with which would not have a Material Adverse Effect.
- (g) **No Default Under Other Agreements.** The Account Party is not in default under any agreement, obligation or duty to which it is a party or by which it or any of its property is bound, which would have a Material Adverse Effect.
- (h) **No Arbitration Proceeding or Litigation.** There is no pending or, to the knowledge of the Account Party, threatened arbitration proceeding, litigation or action against it which (i) is reasonably likely to have a Material Adverse Effect or (ii) may affect the legality, validity or enforceability of this Agreement or the other Credit Documents.
- (i) **Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions.**

(i) None of (i) the Account Party or any of its Subsidiaries, or, to the knowledge of the Account Party and its Subsidiaries, any of their respective directors, officers or employees, or (ii) to the reasonable knowledge of the Account Party any agent or representative of the Account Party or any of its Subsidiaries that will act in any capacity in connection with this Agreement, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) has its assets located in a Sanctioned Country, (C) is under the administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (D) directly or indirectly derives revenues from investment in, or transactions with, Sanctioned Persons in violation of Sanctions.

(ii) The Account Party and its Subsidiaries have implemented and maintain in effect policies and procedures designed to ensure compliance by the Account Party and its Subsidiaries and their respective directors, officers and employees with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(iii) The Account Party and its Subsidiaries, and, to the knowledge of the Account Party and its Subsidiaries, each director, officer, employee, agent and Affiliate of the Account Party and each such Subsidiary, is in compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws in all material respects and applicable Sanctions.

(iv) No proceeds of any Letter of Credit have been used, directly or indirectly, by the Account Party or any of its Subsidiaries or, to the knowledge of the Account Party and its Subsidiaries, any of its or their respective directors, officers, employees and agents in violation of **Section 7(i)**.

- (j) **Filed All Tax Returns and Paid All Taxes.** The Account Party has filed all required tax returns, and all Taxes, assessments and other governmental charges due from it have been fully paid, except for Taxes which are being contested in good faith or those which the failure to file or pay would not have a Material Adverse Effect. The Account Party has established on its books reserves adequate for the payment of all federal, state and other income tax liabilities, including those being contested in good faith.
- (k) **Financial Statements.** The financial statements most recently furnished to Bank by the Account Party, if any, fairly present in all material respects the financial condition of the Account Party as at the date of such financial statements and for the periods then ended in accordance with GAAP (except as disclosed therein and, in the case of interim financial statements for any fiscal quarter, subject to normal year-end adjustments and except that footnote and schedule disclosure may be abbreviated), and there has been no material adverse change in the Account Party's business or financial condition or results of operations since the date of the Account Party's most recent annual financial statements.
- (l) **Collateral.** On the date of Issuance of any Letter of Credit for the account of the Account Party, both immediately before and after giving effect to such Issuance, the amount of Outstanding Letters of Credit does not exceed the Collateral Value of the Collateral.
- (m) **Margin Stock.** Neither the Account Party nor any Subsidiary thereof is engaged principally or as one of its activities in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each such term is defined or used, directly or indirectly, in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any Letters of Credit will be used for purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of such Board of Governors.
- (n) **No Material Adverse Effect.** There has been no Material Adverse Effect since December 31, 2023, and there exists no event, condition or state of facts that could reasonably be expected to result in a Material Adverse Effect.

- (o) **Investment Company.** The Account Party is not an "investment company" or a company "controlled" by an "investment company" (as each such term is defined or used in the Investment Company Act).
- (p) **Beneficial Ownership Certification.** As of the Closing Date, all of the information included in the Beneficial Ownership Certification is true and correct.

**7. AFFIRMATIVE COVENANTS.** Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash, all Letters of Credit have been terminated or expired and the Commitment terminated, the Account Party shall:

(a) [\*\*\*\*\*]

(i) promptly upon receipt thereof, copies of all reports, if any, submitted to the Account Party, or any of its respective boards of directors by its respective independent public accountants in connection with their auditing function, including, without limitation, any management report and any management responses thereto;

(ii) promptly upon the request thereof, such other information and documentation required by bank regulatory authorities under applicable Anti-Money Laundering Laws (including, without limitation, any applicable "know your customer" rules and regulations and the PATRIOT Act), as from time to time reasonably requested by Bank; and

(iii) such other information regarding the operations, business affairs and financial condition of the Account Party or any Subsidiary thereof as Bank may reasonably request.

(b) **Notice of Litigation and Other Matters.** Promptly (but in no event later than ten (10) days after any Responsible Officer of the Account Party becoming aware thereof) notify Bank in writing of:

(i) the occurrence of any Default or Event of Default;

(ii) the commencement of all proceedings and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against or involving the Account Party or any of its respective properties, assets or businesses in each case that if adversely determined would reasonably be expected to result in a Material Adverse Effect;

(iii) any attachment, judgment, lien, levy or [\*\*\*\*\*] that has been assessed against the Account Party or any Subsidiary thereof; and

(iv) any announcement by A.M. Best of any change in the Financial Strength Rating of the Account Party.

Each notice pursuant to **Section 7(c)** shall be accompanied by a statement of a Responsible Officer of the Account Party setting forth details of the occurrence referred to therein and stating what action the Account Party has taken and proposes to take with

respect thereto and shall describe with particularity any and all provisions of this Agreement and any other Credit Document that have been breached.

(c) **Collateral.** Comply with the following:

(i) Pursuant to the Security Documents and as collateral security for the payment and performance of its Obligations, the Account Party shall grant and convey to Bank a security interest in the Collateral charged and pledged by it, prior and superior to all other liens, except for liens in favor of the Custodian securing payment of amounts advanced to settle authorized transactions or pay income or distributions in respect of Collateral. The Account Party shall cause the Collateral charged and pledged by it to be made subject to the Security Documents (in form and substance reasonably acceptable to Bank) necessary for the perfection of the security interest in the Collateral and for the exercise by Bank of its rights and remedies with respect thereto. The Account Party shall promptly after the date hereof file a charge against the Collateral with the Bermuda Registrar of Companies and deliver evidence of such filing to Bank no later than thirty (30) days after the date hereof.

(ii) The Account Party shall at all times cause the Collateral Value of the Collateral pledged by the Account Party to equal or exceed the amount of Outstanding Letters of Credit at such time. If on any date the Outstanding Letters of Credit shall exceed the Collateral Value of the Collateral pledged by the Account Party, the Account Party agrees to pay or deliver within five (5) Business Days to the Custodian Collateral having an aggregate Collateral Value of not less than the amount of such excess, with any such Collateral to be held in the Account Party's Custodial Account as security for all Obligations hereunder, accompanied by a delivery to Bank of a Collateral Value Certificate setting forth the calculation of Collateral after giving effect to such payment or delivery.

(iii) The Account Party shall deliver to Bank a Collateral Value Certificate, setting forth the Outstanding Letters of Credit, the fair market value of the Collateral by category and in the aggregate, the calculation of each Collateral Value and such other information as Bank may reasonably request (A) not later than 11:00 a.m. on the Business Day immediately preceding the date on which any Letter of Credit is to be Issued, (B) within ten (10) Business Days after the end of each calendar month, (C) at such times specified in the preceding **Section 7(d)(ii)**, (D) at and as of such other times as Bank may reasonably request and (E) at such other times as the Account Party may desire.

(iv) The Account Party shall cause the Custodian to provide to Bank, in a manner and at times consistent with the terms of the Control Agreement, information with respect to each of its Custodial Accounts, in a format to be agreed by Bank (acting reasonably), which information shall provide, without limitation, a detailed list of the assets in each such Custodial Account (including the amount of cash and a detailed description of the Collateral (including a breakdown listing the name of each issuer, and the fair market value of the assets held of such issuer)), the fair market value of those assets and the pricing source of such valuation.

(d) **Payment of Taxes and Other Obligations.** Except where the failure to pay or perform such items described in this Section would not reasonably be expected to have a Material Adverse Effect or impact the Collateral, the Account Party will pay and perform all taxes, assessments and other governmental charges that may be levied or assessed upon it or any of its property; provided, that the Account Party may contest any item described in

this Section in good faith so long as adequate reserves are maintained with respect thereto in accordance with GAAP.

- (e) **Compliance with Laws and Approvals.** Observe and remain in compliance in all material respects with all applicable laws and maintain in full force and effect all Governmental Approvals, in each case applicable to the conduct of its business except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (f) **Maintenance of Books and Records; Inspection.** (i) maintain adequate books, accounts and records, in which full, true and correct entries in all material respects shall be made of all financial transactions in relation to its business and properties, and prepare all financial statements required under this Agreement, in each case in accordance with GAAP and in compliance with the requirements of any Governmental Authority having jurisdiction over it, and (ii) permit employees or agents of Bank, and after the occurrence and during the continuance of an Event of Default, Bank, to visit and inspect its properties and examine or audit its books, records, working papers and accounts and make copies and memoranda of them, and at its own cost and expense (other than after the occurrence of an Event of Default), and to discuss its affairs, finances and accounts with its officers and employees and, upon notice to the Account Party, the independent public accountants of the Account Party (and by this provision the Account Party authorizes such accountants to discuss the finances and affairs of the Account Party), all at such times that will not materially interrupt or interfere with the operation of the Account Party's business and from time to time, upon reasonable notice and during business hours, as may be reasonably requested; provided that except during the continuance of an Event of Default Bank shall not exercise such rights described in clause (ii) of this Section more than once per calendar year.
- (g) **Use of Proceeds.** Comply with the following:
  - (i) The Account Party shall use the Letters of Credit to support insurance obligations, obligations under reinsurance agreements and retrocession agreements and similar risk obligations and for general corporate purposes.
  - (ii) The Account Party shall not request or use, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, any Issued Letter of Credit, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.
- (h) **Compliance with Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions.** (i) Maintain in effect and enforce policies and procedures designed to ensure compliance by the Account Party, its Subsidiaries and their respective directors, officers, employees and agents with all Anti-Corruption Laws, Anti-Money Laundering Laws and

applicable Sanctions, (ii) notify Bank of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein (or, if applicable, the Account Party ceasing to fall within an express exclusion to the definition of "legal entity customer" under the Beneficial Ownership Regulation) and (iii) promptly upon the reasonable request of Bank, provide Bank any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

(i) **Further Assurances.** At the Account Party's cost and expense, the Account Party will execute and deliver to Bank such additional certificates, instruments and/or documents and take such additional action as may be reasonably requested by Bank to enable Bank to issue any Letter of Credit pursuant to this Agreement and the related Application, to perfect and maintain the validity and priority of the liens granted pursuant to the Security Documents, to protect, exercise and/or enforce Bank's rights and interests under any Credit Document and/or to give effect to the terms and provisions of any Credit Document.

**8. FINANCIAL COVENANTS.** Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash, all Letters of Credit have been terminated or expired and the Commitment terminated, the Account Party covenants and agrees to the following:

[\*\*\*\*\*] .

**9. NEGATIVE COVENANTS.**

(a) [Reserved].

**10. EVENTS OF DEFAULT.** Each of the following shall be an "Event of Default" under this Agreement:

(a) **Failure to Reimburse Draws.** The failure by the Account Party to reimburse or pay any drawing under any Letter of Credit or accrued interest thereon on the Due Date therefor.

(b) **Failure to Pay Certain Other Amounts.** The failure by the Account Party to pay any fee or other amount when due under or in connection with any Credit Document or any Letter of Credit within three (3) Business Days after the same shall become due and payable.

(c) **Breach of Representation and Warranty.** Any representation, warranty, certification or statement made or furnished by the Account Party under or in connection with any Credit Document or as an inducement to Bank to issue a Letter of Credit shall be false, incorrect or misleading in any material respect when made.

(d) **Failure to Maintain Collateral Value.** The Account Party shall fail to maintain at any time Collateral in which Bank shall have a perfected first priority security interest and

having a Collateral Value of not less than the Outstanding Letters of Credit and such failure shall continue or remain unremedied for more than the five (5) Business Day period provided for in **Section 7(d)(ii)**.

(e) **Failure to Perform or Observe Covenants.**

(i) The Account Party's failure to perform or observe any term, covenant or agreement contained in **Sections 7(c) (i), 7(h) or 8**; or

(ii) The Account Party's failure to perform or observe any term, covenant or agreement contained in any Credit Document (other than those referred to in subsections (a), (b), (c), (d) and (e)(i) of this **Section 10**), and with respect to any such failure or breach that by its nature can be cured, such failure or breach shall continue or remain unremedied for thirty (30) calendar days after the earlier of (1) Bank's delivery of written notice thereof to the Account Party and (2) the Account Party having actual knowledge that such failure or breach has occurred.

(f) **Insolvency Proceedings, Etc.** The Account Party institutes or consents to the institution of any proceeding under any Bankruptcy Law; or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of the Account Party, as the case may be, and the appointment continues undischarged, undismissed or unstayed for sixty (60) calendar days; or any proceeding under any Bankruptcy Law relating to the Account Party or to all or any material part of its property is instituted without the consent of the Account Party, as the case may be, and continues undischarged, undismissed or unstayed for sixty (60) calendar days; or an order for relief is entered in any such proceeding; or the Account Party becomes unable or admits in writing its inability or fails generally to pay its debts as they become due.

(g) **Sale of Assets; Merger; Dissolution.** There shall occur in one or a series of transactions: (i) the sale, assignment or transfer of all or substantially all of the assets of the Account Party; (ii) a merger, amalgamation or consolidation of the Account Party without the prior written consent of Bank, except that (A) the Account Party may merge, amalgamate or consolidate with a Subsidiary of the Account Party so long as the Account Party is the surviving entity in any such transaction and (B) the Account Party may merge, amalgamate or consolidate with any Person so long as the Account Party is the surviving entity; or (iii) the dissolution of the Account Party.

(h) **Credit Documents.** Any provision of any Credit Document to which the Account Party is a party shall for any reason cease to be valid and binding or enforceable; or the Account Party shall deny or disaffirm in writing the enforceability of any provision of any Credit Document to which it is a party.

(i) **Security Documents.** Any Security Document to which the Account Party is a party shall for any reason (other than pursuant to the terms thereof) cease to create in favor of Bank a valid and perfected first priority security interest in the Collateral of the Account

Party purported to be covered thereby; or Bank shall cease for any reason to hold a perfected first priority security interest in the Collateral of the Account Party; or the Account Party or any Person acting on its behalf shall deny or disaffirm in writing the enforceability of any Security Document.

(j) **Indebtedness Cross-Default.** The Account Party shall (i) default in the payment of any Indebtedness (other than the Obligations) the aggregate principal amount (including undrawn committed or available amounts), or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (other than the Obligations) the aggregate principal amount (including undrawn committed or available amounts), or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause with the giving of notice and/or lapse of time, if required, any such Indebtedness to (A) become due, or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity (any applicable grace period having expired) or (B) be cash collateralized (it being understood that a pledge of cash collateral by the Account Party to secure a Hedge Agreement as initial or variation margin does not trigger a violation of this clause (B)).

(k) **Judgment.** One or more judgments, orders or decrees (excluding those entered against the Account Party in any arbitration or litigation related to (re)insurance coverage disputes arising in the ordinary course of business involving any reinsurance agreement (treaty or facultative), or direct insurance policy) shall be entered or filed against the Account Party by any court and continues without having been dismissed, discharged, vacated or stayed within sixty (60) days after the entry thereof or is not otherwise being appropriately contested in good faith and such judgments, orders or decrees are either (i) for the payment of money, individually or in the aggregate (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage), equal to or in excess of the Threshold Amount or (ii) for injunctive relief and could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(l) **Employee Benefit Matters.** Any Lien shall be imposed on the assets of the Account Party or its Subsidiaries under ERISA or any foreign laws similar to ERISA governing foreign pension plans.

**11. REMEDIES.** Upon the occurrence and during the continuance of any Event of Default:

(a) Bank may terminate the Commitment and declare all amounts owed to Bank under this Agreement or any of the other Credit Documents and all other Obligations, to be forthwith due and payable, whereupon the same shall promptly become due and payable

without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Account Party, anything in this Agreement or the other Credit Documents to the contrary notwithstanding; provided, that upon the occurrence of an Event of Default specified in **Section 10(f)**, the Commitment shall be automatically terminated and all Obligations shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Account Party, anything in this Agreement or in any other Credit Document to the contrary notwithstanding.

- (b) Solely with respect to the occurrence of an Event of Default under **Sections 10(a), (b), (d), or (f)**, Bank may (i) demand that the Account Party deposit in the Custodial Account an amount of cash equal to [\*\*\*\*\*] of the aggregate Outstanding Letters of Credit to be held and applied to the Obligations and/or (ii) terminate any or all of the Letters of Credit or give Notices of Non-Extension in respect thereof, in each case if permitted in accordance with their terms; provided that upon the occurrence of an Event of Default specified in **Section 10(f)**, the requirement to deliver cash collateralize pursuant to the foregoing clause (i) in respect of all Outstanding Letters of Credit shall automatically become due without demand or other notice of any kind, all of which are expressly waived by the Account Party, anything in this Agreement or in any other Credit Document to the contrary notwithstanding. Such cash collateral shall be applied by Bank to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Obligations. After all such Letters of Credit shall have expired or been fully drawn upon and all Obligations shall have been paid in full, the balance, if any, in such Custodial Account shall be returned to the Account Party.
- (c) Bank may exercise from time to time any of the rights, powers and remedies available to Bank under any Credit Document to which the Account Party is a party, under any other documents now or in the future evidencing or securing the Obligations or under applicable law, and all such remedies shall be cumulative and not exclusive.

**12. SUBROGATION.** Without limiting any rights or remedies of Bank under applicable law, if an Event of Default is continuing regarding the Account Party's obligation to reimburse or pay any drawing under any Letter of Credit as required under this Agreement, Bank, at its option, shall be subrogated to the Account Party's rights against any Person who may be liable to the Account Party on any obligation underlying any Letter of Credit.

**13. TERM OF AGREEMENT.** This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations (other than contingent indemnification obligations not then due) arising hereunder or under any other Credit Document shall have been indefeasibly and irrevocably paid and satisfied in full, all Letters of Credit have been terminated or expired and the Commitment has been terminated. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

**14. USA PATRIOT ACT; ANTI-MONEY LAUNDERING LAWS**. Bank hereby notifies the Account Party that pursuant to the requirements of the PATRIOT Act or any other Anti-Money Laundering Laws, it is required to obtain, verify and record information that identifies the Account Party, which information includes the name and address of the Account Party and other information that will allow Bank to identify the Account Party in accordance with the PATRIOT Act or such Anti-Money Laundering Laws.

**15. GOVERNING LAW; UCP; ISP; STANDARD LETTER OF CREDIT PRACTICE**. Each Credit Document and each Letter of Credit shall be governed by and construed in accordance with (a) in the case of each Credit Document (other than the Letters of Credit), the substantive laws of New York and (b) in the case of each Letter of Credit, the governing law specified in the applicable Letter of Credit as determined by Bank and the Account Party (which may include the laws of a particular jurisdiction and the ISP or UCP, if applicable), which is, as applicable, incorporated herein by reference into this Agreement and which shall control (to the extent not prohibited by the laws of New York) in the event of any inconsistent provisions of such law. Unless the Account Party specifies otherwise in its Application for a Letter of Credit, the Account Party agrees that Bank may issue a Letter of Credit subject to the ISP or UCP. Bank's privileges, rights and remedies under the ISP and UCP, as applicable, shall be in addition to, and not in limitation of, its privileges, rights, and remedies expressly provided for herein. The ISP or UCP, as applicable, shall serve, in the absence of proof to the contrary, as evidence of Standard Letter of Credit Practice with respect to matters covered therein. To the extent permitted by applicable law, as between the Account Party and Bank, (i) this Agreement shall prevail in case of conflict between this Agreement, the UCC and/or Standard Letter of Credit Practice, (ii) the ISP shall prevail in case of conflict between the ISP and the UCC or other Standard Letter of Credit Practice if the Letter of Credit is governed by the ISP, and (iii) the UCP shall prevail in case of a conflict between the UCP and the UCC or other Standard Letter of Credit Practice if the Letter of Credit is governed by the UCP.

**16. CONSENT TO JURISDICTION AND VENUE**. THE ACCOUNT PARTY HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE COURT WITHIN NEW YORK COUNTY, NEW YORK OR ANY FEDERAL COURT LOCATED WITHIN THE SOUTHERN DISTRICT OF THE STATE OF NEW YORK OR ANY APPELLATE COURT THEREOF FOR ANY PROCEEDING INSTITUTED HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS, OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS, OR ANY PROCEEDING TO WHICH BANK OR THE ACCOUNT PARTY IS A PARTY, INCLUDING ANY ACTIONS BASED UPON, ARISING OUT OF, OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF BANK OR PROCEEDING TO WHICH BANK OR THE ACCOUNT PARTY IS A PARTY. BANK AND THE ACCOUNT PARTY IRREVOCABLY AGREE TO BE BOUND (SUBJECT TO ANY AVAILABLE RIGHT OF APPEAL) BY ANY JUDGMENT RENDERED OR RELIEF GRANTED THEREBY AND FURTHER WAIVES ANY OBJECTION THAT IT MAY HAVE BASED ON LACK OF JURISDICTION OR IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY SUCH PROCEEDING. BANK AND THE ACCOUNT PARTY IRREVOCABLY AGREE THAT SERVICE OF PROCESS

MAY BE DULY EFFECTED UPON IT BY MAILING A COPY THEREOF, BY CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT ITS ADDRESS SET FORTH IN **SECTION 19** BELOW. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR THE RIGHT OF BANK TO BRING ANY ACTION OR PROCEEDING AGAINST THE ACCOUNT PARTY OR ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

**17. WAIVER OF JURY TRIAL.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE ACCOUNT PARTY AND BANK KNOWINGLY AND VOLUNTARILY WAIVE ALL RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON, ARISING OUT OF, OR RELATING TO ANY CREDIT DOCUMENT OR LETTER OF CREDIT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (ORAL OR WRITTEN) OR ACTIONS OF THE ACCOUNT PARTY OR BANK WITH RESPECT THERETO. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BANK TO ISSUE LETTERS OF CREDIT.

**18. BANKRUPTCY AND FORFEITURE REINSTATEMENT.** If any consideration transferred to Bank in payment of, or as collateral for, or in satisfaction of the Obligations, shall be voided in whole or in part as a result of (a) a subsequent bankruptcy or insolvency proceeding; (b) any forfeiture or seizure action or remedy; (c) any fraudulent transfer or preference action or remedy; or (d) any other civil, criminal or equitable proceeding or remedy, then Bank's claim to recover the voided consideration shall be a new and independent claim arising under the applicable Credit Document and shall be due and payable immediately by the Account Party that is obligated therefor under the terms of the Credit Documents.

**19. NOTICES.** Unless otherwise expressly provided herein, all notices, Instructions, approvals, requests, demands, consents and other communications provided for hereunder (collectively, "notices") shall be in writing (including by facsimile or other electronic transmission approved by Bank). All notices shall be sent by regular U.S. mail or certified mail prepaid, by facsimile or other electronic transmission approved by Bank, by hand delivery, by *Federal Express* (or other comparable domestic or international delivery service) prepaid to the applicable address, facsimile number or electronic mail address set forth on the signature page hereof in the case of the Account Party. All notices to Bank shall be directed to (i) the office of Bank issuing the Letter of Credit and (ii) if Bank approves of receiving notices by email, to the email address of Bank provided from time to time by Bank to the Account Party, in each case with a copy to: Wells Fargo Corporate Banking, 550 South Tryon Street, MAC D1086-330, Charlotte, NC 28202, Attn: William R. Goley, email: will.goley@wellsfargo.com. Bank may, but shall not be obligated to, require authentication of any electronic transmission. Notices sent by hand, *Federal Express* (or other comparable domestic or international delivery service) or certified mail shall be deemed to have been given when received; notices sent by regular U.S. mail shall be deemed to have been received five (5) days after deposit into the U.S. mail; notices sent by facsimile or other electronic transmission shall be deemed to have been given when sent and receipt has been confirmed. The Account Party or Bank may change its address for notices by notifying the other of the new address in any manner permitted by this Section. Unless otherwise agreed by Bank, Bank in its discretion may accept an

Application or seek or receive Instruction from, or give or send notice to, the Account Party regarding a Letter of Credit issued for its account, including, without limitation, any amendment thereto or waiver of any discrepancy thereunder, and the Account Party shall be bound by and hereby affirms the Instructions of the other. The Account Party irrevocably consents that service of process may be made by registered or certified mail directed to it at the address of its agent for service of process, Seon Place, 4th floor, 141 Front Street, Hamilton HM19 Bermuda.

**20. WAIVER AND AMENDMENTS.** No modification, amendment or waiver of, or consent to any departure by Bank or the Account Party from, any provision of any Credit Document will be effective unless made in a writing signed by the Account Party (in the case of Bank) or Bank (in the case of the Account Party), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No party's consent to any amendment, waiver or modification shall mean that such party will consent or has consented to any other or subsequent request to amend, modify or waive a term of any Credit Document. No delay by any party in exercising any of its rights or remedies shall operate as a waiver, nor shall any single or partial waiver of any right or remedy preclude any other further exercise of that right or remedy, or the exercise of any other right or remedy.

**21. SUCCESSORS AND ASSIGNS.** Each Credit Document to which the Account Party is a party will be binding on the Account Party's successors and permitted assigns, and shall inure to the benefit of the respective successors and permitted assigns of the Account Party and Bank. Except as provided in the last sentence of this **Section 21**, Bank may assign its rights and obligations under each Credit Document, including its rights to reimbursement regarding any Letter of Credit, in whole or in part, with the Account Party's consent; provided that the Account Party shall be deemed to have consented to any such assignment unless it objects by written notice to Bank within ten (10) Business Days after having received notice thereof; and, provided further, that the Account Party's consent to an assignment to any Person shall not be required if (i) the assignment is to an affiliate of Bank or (ii) an Event of Default has occurred and is continuing. Bank may sell to one or more Persons participations in or to all or a portion of its rights and obligations under the Credit Documents without the Account Party's consent. Any assignment in violation of this **Section 21** shall be void. The Account Party shall not assign or transfer any of its interests, rights or remedies related to any Credit Document, in whole or in part, without the prior written consent of Bank. Any Person to whom Bank delegates its obligation to issue a Letter of Credit must be a bank that is on the List of Qualified U.S. Financial Institutions maintained by the Securities Valuation Office of the National Association of Insurance Commissioners.

**22. SEVERABILITY.** Whenever possible, each provision of each Credit Document shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision of any Credit Document shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of such Credit Document.

**23. ENTIRE AGREEMENT.** This Agreement, together with the other Credit Documents and any other agreement, document or instrument referred to herein, constitute the final, exclusive and entire agreement and understanding of, and supersede all prior or contemporaneous, oral or written, agreements,

understandings, representations and negotiations between, the parties relating to the subject matter of the Credit Documents, provided that this Agreement shall not supersede any reimbursement agreement (however titled) that has been entered into specifically with respect to any "direct pay" standby letter of credit or other similar standby letter of credit where the terms of such reimbursement agreement have been drafted to specifically address the particular attributes of, or the particular circumstances of the underlying transaction supported by, such standby letter of credit.

**24. AMENDMENT AND RESTATEMENT; NO NOVATION.** This Agreement constitutes an amendment and restatement of the Existing Agreement, effective from and after the Closing Date. The execution and delivery of this Agreement shall not constitute a novation of any indebtedness or other obligations owing to the Bank under the Existing Agreement based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Closing Date, the letter of credit facility described in the Existing Agreement shall be amended, supplemented, modified and restated in its entirety by the letter of credit facility described herein, without any further action by any Person, and all obligations of the Account Party outstanding as of such date under the Existing Agreement shall be deemed to be obligations outstanding under the letter of credit facility described herein. Each Existing Letter of Credit issued for the account of the Account Party and outstanding on the Closing Date will continue and be deemed Issued under this Agreement for the account of the Account Party.

**ACCOUNT PARTY:**

EVEREST REINSURANCE (BERMUDA), LTD.

By: \_\_\_\_\_

Name:

Title:

Address for Notices:

Seon Place, 4th floor  
141 Front Street  
Hamilton HM19 Bermuda

Signature Page to Second Amended and Restated Letter of Credit Agreement

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WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: William R. Goley  
Title: Managing Director

Signature Page to Amended and Restated Letter of Credit Agreement

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**SCHEDULE II**

Existing Letters of Credit

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**Outstanding Letters of Credit**

<b>Beneficiary</b>	<b>Issue Date</b>	<b>Undrawn Amount</b>	<b>Unreimbursed Drawings</b>
		\$ _____	\$ _____
<b>Total Outstanding Letters of Credit</b>		\$ _____	\$ _____

CERTIFICATIONS

I, Juan C. Andrade, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Everest Group, Ltd;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2024

/S/ JUAN C. ANDRADE

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Juan C. Andrade

President and

Chief Executive Officer

CERTIFICATIONS

I, Mark Kociancic, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Everest Group, Ltd;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2024

/S/ MARK KOCIANCIC

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Mark Kociancic

Executive Vice President and

Chief Financial Officer

CERTIFICATIONS PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of Everest Group, Ltd., a company organized under the laws of Bermuda (the "Company"), filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. ss. 1350, as enacted by section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2024

/S/ JUAN C. ANDRADE

Juan C. Andrade  
President and  
Chief Executive Officer

/S/ MARK KOCIANCIC

Mark Kociancic  
Executive Vice President and  
Chief Financial Officer