

EVEREST RE GROUP LTD
Form PRE 14A
March 28, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE PR-14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934, as amended (Amendment No. ____)

Filed by the Registrant
Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

Everest Re Group, Ltd.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

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- 1) Amount previously paid:
- 2) Form, Schedule or Registration Statement No.
- 3) Filing party:

4) Date filed:

EVEREST RE GROUP, LTD.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 18, 2011

TO THE SHAREHOLDERS OF EVEREST RE GROUP, LTD.:

The Annual General Meeting of Shareholders of Everest Re Group, Ltd. (the "Company"), a Bermuda company, will be held at Fairmont Hamilton Princess, 76 Pitts Bay Road, Hamilton, Bermuda on May 18, 2011 at 11:00 a.m., local time, for the following purposes:

1. To elect William F. Galtney, Jr. and Roger M. Singer as Class III directors of the Company, each to serve for a three-year period to expire at the 2014 Annual General Meeting of Shareholders or until such director's successor shall have been duly elected or appointed or until such director's office is otherwise vacated.
2. To appoint PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm to act as the Company's auditor for the year ending December 31, 2011 and authorize the Company's Board of Directors, acting through its Audit Committee, to set the fees for the independent registered public accounting firm acting as the Company's auditor.
3. To consider and approve an amendment to the Company's Bye-laws to allow the declassification of the Board of Directors, as described in the attached Proxy Statement.
4. To consider and approve the Everest Re Group, Ltd. Executive Performance Annual Incentive Plan, as amended, as described in the accompanying Proxy Statement.
5. To approve, by non-binding advisory vote, 2010 compensation paid to the Company's Named Executive Officers.
6. To approve, by non-binding advisory vote, the Board's recommendation that future non-binding advisory votes on executive compensation be held every year.
7. To consider and act upon such other business, if any, as may properly come before the meeting and any and all adjournments thereof.

The Company's financial statements for the year ended December 31, 2010, together with the report of the Company's independent registered public accounting firm in respect of those financial statements, as approved by the Company's Board of Directors, will be presented at this Annual General Meeting.

Only shareholders of record identified in the Company's Register of Members at the close of business on March 25, 2011 are entitled to notice of, and vote at, the Annual General Meeting.

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting in person, you are urged to sign and date the enclosed proxy and return it promptly in the postage prepaid envelope provided.

By Order of the Board of Directors
Sanjoy Mukherjee

Senior Vice President, General
Counsel and Secretary

April 15, 2011
Hamilton, Bermuda

EVEREST RE GROUP, LTD.

PROXY STATEMENT

ANNUAL GENERAL MEETING OF SHAREHOLDERS

MAY 18, 2011

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Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 18, 2011 at Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda at 11:00 a.m.

The proxy statement and annual report to shareholders are available at
<http://www.everestre.com/re-group/proxy.shtml>

EVEREST RE GROUP, LTD.

Proxy Statement

ANNUAL GENERAL MEETING OF SHAREHOLDERS

May 18, 2011

GENERAL INFORMATION

The enclosed Proxy Card is being solicited on behalf of the Board of Directors (the “Board”) for use at the 2011 Annual General Meeting of Shareholders of Everest Re Group, Ltd., a Bermuda company (the “Company”), to be held on May 18, 2011, and at any adjournment thereof. It may be revoked at any time before it is exercised by giving a later-dated proxy, notifying the Secretary of the Company in writing at the Company’s registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, or by voting in person at the Annual General Meeting. All shares represented at the meeting by properly executed proxies will be voted as specified and, unless otherwise specified, will be voted: (1) for the election of William F. Galtney, Jr. and Roger M. Singer as Class III directors of the Company; (2) for the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm to act as the Company’s auditor for 2011 and for authorizing the Company’s Board of Directors acting through its Audit Committee to set the fees for the independent registered public accounting firm serving as the Company’s auditor; (3) for the approval of an amendment to the Company’s Bye-laws to allow the declassification of the Board of Directors; (4) for the approval of the Everest Re Group, Ltd. Executive Performance Annual Incentive Plan, as amended; (5) for the approval, by non-binding advisory vote, of the 2010 compensation paid to the Named Executive Officers; and (6) for the approval, by non-binding advisory vote, of the Board’s recommendation that future non-binding advisory votes on executive compensation be held every year.

Only shareholders of record at the close of business on March 25, 2011 will be entitled to vote at the meeting. On that date, 63,944,404 Common Shares, par value \$.01 per share (“Common Shares”), were outstanding. However, this amount includes 9,719,971 Common Shares held by Everest Reinsurance Holdings, Inc. (“Everest Holdings”), the Company’s predecessor and current subsidiary. As provided in the Company’s Bye-laws, Everest Holdings may vote only 6,330,496 of its shares resulting in 60,554,929 Common Shares entitled to vote.

The election of each nominee for director and the approval of all other matters to be voted upon at the Annual General Meeting require the affirmative vote of a majority of the votes cast at the Annual General Meeting, provided there is a quorum consisting of not less than two persons present in person or by proxy holding in excess of 50% of the issued and outstanding Common Shares entitled to attend and vote at the Annual General Meeting. The Company has appointed inspectors of election to count votes cast in person or by proxy. Common Shares owned by shareholders who are present in person or by proxy at the Annual General Meeting but who elect to abstain from voting will be counted towards the presence of a quorum. However, such Common Shares and Common Shares owned by shareholders and not voted in person or by proxy at the Annual General Meeting (including “broker non-votes”) will not be counted towards the majority needed to elect a director or approve any other matter before the shareholders and,

thus, will have no effect on the outcome of those votes.

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This Proxy Statement, the attached Notice of Annual General Meeting, the Annual Report of the Company for the year ended December 31, 2010 (including financial statements) and the enclosed Proxy Card are first being mailed to the Company's shareholders on or about April 15, 2011.

All references in this document to "\$" or "dollars" are references to the currency of the United States of America.

The Company knows of no specific matter to be brought before the Annual General Meeting that is not referred to in the attached Notice of Annual General Meeting of Shareholders and this Proxy Statement. If any such matter comes before the meeting, including any shareholder proposal properly made, the proxy holders will vote proxies in accordance with their best judgment with respect to such matters. To be properly made, a shareholder proposal must comply with the Company's Bye-laws and, in order for any matter to come before the meeting, it must relate to matters referred to in the attached Notice of Annual General Meeting.

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2011 PROXY HIGHLIGHTS

This summary highlights certain matters to be voted on by shareholders this year that demonstrate the Board's continued commitment to corporate governance best practices and desire to receive shareholder input. Voting matters addressed in this year's Proxy Statement include, but are not limited to, the following:

AMENDMENT OF BYE-LAWS TO DECLASSIFY THE BOARD

The Board recommends that you vote FOR the approval of the amendment of the Company's Bye-laws to provide for annual election of directors. Currently, the Bye-laws provide for the division of the Board into three classes, with each class elected triennially. The Board believes it to be in the best interests of the Company in demonstrating it is accountable and responsive to shareholders by providing for annual election of all directors upon the expiration of a director's current term.

APPROVAL OF EVEREST RE GROUP, LTD. EXECUTIVE PERFORMANCE ANNUAL INCENTIVE PLAN

The Board recommends that you vote FOR approval of the Executive Performance Annual Incentive Plan, as amended (the "Plan") in order to provide an incentive for participants who contribute materially to the success of the Company, as well as retain and attract executives of the caliber necessary to be competitive with other industry leaders. The Plan defines and limits amounts which may be awarded to eligible executives of the Company so that the awards will qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). The Board amended the Plan to increase the maximum performance based incentive cash award from \$2.5 million to \$3.5 million.

Historically, it has been the practice of the Board to designate only the Chief Executive Officer as a participant in the Plan. Indeed, despite the fact that the maximum award has not been increased since 2005, the financial performance criteria identified in the Plan to incentivize the Chief Executive Officer's performance reflect the benefits garnered by shareholders over time. The performance criteria reflect the Company's focus on the creation of shareholder value based upon the total return to shareholders as measured by the growth in book value per share plus the dividend paid to shareholders over time. Since 1995, the Company has returned, on average, more than 13% each year to shareholders.

NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Board recommends that you vote FOR the non-binding approval of the Named Executive Officer compensation program. The Company's executive compensation program is designed to attract, reward, and retain talented executives whose abilities are critical to the success of the Company and its long term goals of profitability and strong shareholder returns.

Components of the Company's compensation program include the following:

Base Considered annually for an increase based on subjective judgment and discretion.

Salary

Bonus Considered annually based on subjective judgment and discretion; CEO bonus based upon objective Determinations goals and Company's financial performance criteria.

Equity Awards Considered annually based on subjective judgment and discretion; restricted share and share option awards vest at a rate of 20% per year while employed.

Other Includes a Company-funded pension plan, paid life insurance, partially subsidized medical and dental Compensation plan, Company paid disability insurance, participation in a Company 401(k) and supplementary

savings and retirement plans and perquisites.

ANNUAL SHAREHOLDER VOTE ON EXECUTIVE COMPENSATION

The Board recommends that you vote FOR holding the non-binding advisory vote on executive compensation EVERY YEAR. The Board has determined that having an annual advisory vote on executive compensation will allow shareholders to provide timely input on the Company's compensation philosophy, policy and practices and is consistent with the Board's desire to consider shareholders' concerns.

This highlight summary does not contain all of the information or meeting agenda items and shareholders should consider and read the entire Proxy Statement before voting.

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PROPOSAL NO. 1—ELECTION OF DIRECTORS

The Board of Directors recommends that you vote FOR the director nominees described below. Proxies will be so voted unless shareholders specify otherwise in their proxies.

The Company's Bye-laws currently provide for the division of the Board into three classes, with the directors in each class serving for a term of three years. At the 2011 Annual General Meeting, two nominees for Class III director positions are to be elected to serve until the 2014 Annual General Meeting of Shareholders or until their qualified successors are elected or until such director's office is otherwise vacated. At its regularly scheduled meeting on February 24, 2011, the Nominating and Governance Committee recommended to the Board the nominations of William F. Galtney, Jr. and Roger M. Singer as Class III directors. Mr. Galtney and Mr. Singer are currently Class III directors of the Company.

On February 24, 2011, the Board accepted the Nominating and Governance Committee recommendations, and the nominees have accepted their nominations for the Class III director positions. It is not expected that any of the nominees will become unavailable for election as a director, but if any nominee should become unavailable prior to the meeting, proxies will be voted for such persons as the Board shall recommend, unless the Board reduces the number of directors accordingly. There are no arrangements or understandings between any director, or any nominee for election as a director, and any other person pursuant to which such person was selected as a director or nominee.

If the proposed amendment to the Bye-laws is adopted, the Class I director positions will be eliminated and current Class I directors whose terms are scheduled to expire at the 2012 Annual General Meeting will be subject to one year terms of service commencing with the elections to be held during the 2012 Annual General Meeting. Likewise, the Class II and Class III director positions will be eliminated, and the respective director nominees shall be subject to election at the 2013 and 2014 Annual General Meetings, respectively, and annually thereafter.

Information Concerning Nominees

The following information has been furnished by the respective nominees for election of Class III directors for terms expiring in 2014.

William F. Galtney, Jr., 58, became a Class III director of Everest Holdings on March 12, 1996 and served as a director of Everest Reinsurance Company ("Everest Re") from March 1996 to February 2000. Thereafter he became a director of the Company upon the restructuring of Everest Holdings. Since February 1, 2006 he has been President of Galtney Enterprises, Inc. Since April 1, 2005, he has served as Chairman of Oxford Insurance Services Limited, a managing general and surplus lines agency. Prior thereto, he was President (from June 2001 until December 31, 2004) and Chairman (until March 31, 2005) of Gallagher Healthcare Insurance Services, Inc. ("GHIS"), a wholly-owned subsidiary of Arthur J. Gallagher & Co. ("Gallagher"). From 1983 until its acquisition by Gallagher in June 2001, Mr. Galtney was the Chairman and Chief Executive Officer of Healthcare Insurance Services, Inc. (predecessor to GHIS), a managing general and surplus lines agency previously indirectly owned by The Galtney Group, Inc. Mr. Galtney is also Managing Member, President and Director of Galtney Group, LLC and was a director of Mutual Risk Management Ltd. from 1988 to 2002. During 2007, Mr. Galtney assumed the directorship of Intercare Holdings, Inc. and Intercare Solutions Holdings, Inc. Mr. Galtney was selected to serve on the Board because of his experience as an insurance industry executive and director.

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Roger M. Singer, 64, was appointed a Class III director of the Company on February 24, 2010. Mr. Singer, currently retired, was the Senior Vice President, General Counsel and Secretary to OneBeacon Insurance Group LLC (formerly known as CGU Corporation) and its predecessors, CGU Corporation and Commercial Union Corporation, from August of 1989 through December 2005. He continued to serve as director and consultant to OneBeacon Insurance Group LLC and its twelve subsidiary insurance companies through December 2006. Mr. Singer served with the Commonwealth of Massachusetts as the Commissioner of Insurance from July 1987 through July 1989 and as First Deputy Commissioner of Insurance from February 1985 through July 1987. He has also held various positions in branches of the federal government including the Office of Consumer Affairs and Business Regulation, the Consumer Protection Division and the Federal Trade Commission. Mr. Singer was selected to serve on the Board because of his legal experience and experience as an insurance industry regulator and insurance executive.

Information Concerning Continuing Directors and Executive Officers

The following information has been furnished by those directors whose terms of office will continue after the Annual General Meeting and by the other executive officers. Executive officers are elected by the Board following each Annual General Meeting and serve at the pleasure of the Board.

Martin Abrahams, 78, became a Class I director of Everest Holdings on March 12, 1996 and served as a director of Everest Re from March 1996 to February 2000. Thereafter he became a director of the Company upon the restructuring of Everest Holdings. Mr. Abrahams, currently retired, served with the accounting firm of Coopers & Lybrand L.L.P., a predecessor of PricewaterhouseCoopers LLP, from 1957 to 1995. He was a partner at that firm from 1969 to 1995. Mr. Abrahams was selected to serve on the Board because of his extensive financial experience at a public accounting firm.

Kenneth J. Duffy, 81, became a Class II director of Everest Holdings on March 12, 1996 and served as a director of Everest Re from March 1996 to February 2000. Thereafter he became a director of the Company upon the restructuring of Everest Holdings. Mr. Duffy is a retired insurance executive. He served with the insurance holding company, Commercial Union Corporation, and its parent company, CGU plc, from 1948 until his retirement in 1999. He was President and Chief Executive Officer of Commercial Union Corporation from January 1985 to January 1995, Chairman and Chief Executive Officer from January 1993 to January 1995, Chairman from January 1995 to October 1998 and Senior Advisor to CGU plc from October 1998 to December 1999. Until December 1999, he was also a director of Commercial Union Canada Holdings, Ltd. and the President and a director of Curepool (Bermuda) Ltd. He is a vice president of the Insurance Institute of London and a fellow of the Institute of Risk Management. Mr. Duffy was selected to serve on the Board because of his experience as a public company insurance industry executive and director.

John R. Dunne, 81, became a Class I director of Everest Holdings on June 10, 1996 and served as a director of Everest Re from June 1996 to February 2000. Thereafter he became a director of the Company upon the restructuring of Everest Holdings. Mr. Dunne is an attorney and member of the bars of New York and the District of Columbia. Since 1994 he has been counsel to the law firm of Whiteman Osterman & Hanna LLP in Albany, New York. From 1995 to 2007, Mr. Dunne served as a director of Aviva Life Insurance Company of New York. Mr. Dunne was a director of CGU Corporation, an insurance holding company, from 1993 until 2001. Mr. Dunne was counsel to the Washington, D.C. law firm of Bayh, Connaughton & Malone from 1993 to 1994. From 1990 to 1993, he served as an Assistant Attorney General at the United States Department of Justice. From 1966 to 1989, Mr. Dunne served as a New York State Senator while concurrently practicing law as a partner in New York law firms. Mr. Dunne was selected to serve on the Board because of his legal and governmental experience as well as his experience serving on the boards of insurance companies.

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Joseph V. Taranto, 62, a Class II director, became Chairman of the Board and Chief Executive Officer of Everest Holdings and Everest Re on October 17, 1994 and served as President of both companies from December 1994 until February 24, 1997. On February 24, 2000, he became Chairman of the Board and Chief Executive Officer of the Company upon the restructuring of Everest Holdings. Mr. Taranto also serves as Chairman and Chief Executive Officer of Everest Holdings and from March 14, 2000 until June of 2007, he served as Chairman of Everest Reinsurance (Bermuda), Ltd. (“Bermuda Re”). Between 1986 and 1994, Mr. Taranto was a director and President of Transatlantic Holdings, Inc. and a director and President of Transatlantic Reinsurance Company and Putnam Reinsurance Company (both subsidiaries of Transatlantic Holdings, Inc.). Mr. Taranto was selected to serve on the Board because of his significant knowledge of the Company’s operations and the insurance and reinsurance industries.

John A. Weber, 66, became a Class I director on May 22, 2003. Since December 2002, he has been the Managing Partner of Copley Square Capital Management, LLC, a private partnership and Securities and Exchange Commission (“SEC”) registered investment adviser, which provides investment management and strategic advisory services to institutions. From 1990 through 2002, Mr. Weber was affiliated with One Beacon Insurance Group LLC and its predecessor companies. During that affiliation, he became the Managing Director and Chief Investment Officer of One Beacon Insurance Companies and the President of One Beacon Asset Management, Inc. (formerly known as CGU Asset Management, Inc.). From 1988 through 1990, Mr. Weber was the Chief Investment Officer for Provident Life Accident Insurance Company and from 1972 through 1988 was associated with Connecticut Mutual Life Insurance Company (“Connecticut Mutual”) and its affiliate, State House Capital Management Company (“State House”), eventually serving as Senior Vice President of Connecticut Mutual and President of State House. Mr. Weber was selected to serve on the Board because of his experience as an insurance industry executive and investment adviser.

Dominic Addesso, 57, became Executive Vice President and Chief Financial Officer of the Company on May 8, 2009. In 2009, he also became a director, Executive Vice President and Chief Financial Officer of Everest Re and Everest Holdings, and a director, Chairman and Chief Executive Officer of Everest Global Services, Inc. (“Everest Global”). In 2009, he became a director of Bermuda Re and Chairman and director of Everest Re Advisors, Ltd. (“Everest Re Advisors”). In September 2009, he became a director of Everest Reinsurance Company (Ireland), Limited (“Ireland Re”) and Everest Underwriting Group (Ireland), Limited (“Ireland Underwriting”) both Irish subsidiaries of the Company. On July 1, 2009, he was appointed as a director of Everest Advisors (UK), Ltd. (“Advisors U.K.”) and effective May 15, 2009, as a director of Mt. McKinley Insurance Company (“Mt. McKinley”) as well as a director (May 13, 2009) and Chairman (June 19, 2009) of Everest International Reinsurance, Ltd. (“Everest International”), and on June 16, 2009, a director and Treasurer of Everest Insurance Company of Canada (“EVCAN”). On May 15, 2009, Mr. Addesso became a director of Everest National Insurance Company (“Everest National”), Everest Indemnity Insurance Company (“Everest Indemnity”) and Everest Security Insurance Company (f/k/a Southeastern Security Insurance Company) (“Everest Security”). Mr. Addesso serves as director, Chairman and President (May 15, 2009) of Mt. Whitney Securities, Inc., a subsidiary of Everest Re (“Mt. Whitney”).

From 2008 until he joined the Company in May 2009, Mr. Addesso was President of Regional Clients of Munich Re America. From 2001 to 2009, he served as President of Direct Treaty, Munich Re America with profit and loss responsibility for direct treaty business covering all lines including surety, political risk and marine. From 1999 through 2001, he served in various underwriting and financial operations roles. From 1982 to 1995, he served as Executive Vice President and Chief Financial Officer of Selective Insurance Group, Inc. Prior to that, Mr. Addesso worked in public accounting for KPMG.

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Mark S. de Saram, 55, became Executive Vice President of the Company on September 17, 2008, having served as Senior Vice President since October 13, 2004. He serves as a director, Deputy Chairman, Managing Director and Chief Executive Officer of Bermuda Re and as a director and Deputy Chairman of Everest Re Advisors and Everest International. He serves as a director, and non-executive Chairman of the Board of Advisors U.K. and as a director of Ireland Underwriting and of Ireland Re. Mr. de Saram joined Everest Re in 1995 as Vice President responsible for United Kingdom and European Operations. Prior to his joining Everest Re, Mr. de Saram accumulated 21 years of reinsurance industry experience working in various underwriting capacities in the United Kingdom and Canada.

Sanjoy Mukherjee, 44, became the Secretary and General Counsel of the Company on November 16, 2005, serving in that position as Vice President until 2006 when he became Senior Vice President. Since 2006, he has served as Senior Vice President, Secretary, General Counsel and Compliance Officer of Everest Holdings, Everest Global and Everest Re where he is also a director. Since 2009, he has served as Secretary of Ireland Re and Ireland Underwriting, where he also serves as director. Beginning in 2011, Mr. Mukherjee serves as a director, Secretary and General Counsel of Heartland Crop Insurance, Inc., a subsidiary of Everest Holdings. Since 2005, he has served as General Counsel of Everest National and Mt. McKinley Managers, L.L.C. (“Mt. McKinley Managers”) and as Secretary of EVCAN, a director of Everest National, Everest Indemnity, and as Compliance Officer and Assistant Secretary of Everest Security. Since 2006, he has served as director and General Counsel of WorkCare Southeast and WorkCare Southeast of Georgia. Since 2008, he has been Secretary and a director of Mt. Whitney. He became a Vice President of Mt. McKinley in 2002 where he also serves as Secretary and Compliance Officer since 2005. From 2005 through 2007, he served as a director of Bermuda Re. He joined the Company in 2000 as an Associate General Counsel of Mt. McKinley.

Before joining Mt. McKinley in 2000, Mr. Mukherjee was engaged in the private practice of law as a litigator specializing in insurance and reinsurance coverage disputes and commercial litigation. Prior to that, Mr. Mukherjee was a Senior Consultant with Andersen Consulting specializing in the manufacturing and the financial services industries.

Keith T. Shoemaker, 55, became Comptroller of the Company on November 6, 2001 and became the Principal Accounting Officer on July 30, 2002. He also serves as Vice President and Comptroller of Everest Holdings, Everest Re, Everest Global, Mt. Whitney and Mt. McKinley as well as Assistant Comptroller of Everest National, Everest Indemnity, Everest Security, WorkCare Southeast, Inc., WorkCare Southeast of Georgia, Inc. and Mt. McKinley Managers and Assistant Controller of EVCAN and Premiere Insurance Underwriting Services. He also serves as a trustee of Everest Re Capital Trust II, which is a Delaware statutory trust. Mr. Shoemaker was Vice President and Controller of Selective Insurance Company from 1999 to 2001 and served as Vice President of the National Council on Compensation Insurance from 1992 to 1999.

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THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board conducts its business through its meetings and meetings of its committees. Four formal meetings of the Board were held in 2010. No director, either in person or through an alternate director appointment as permitted under Bermuda law, attended fewer than 75% of the total number of meetings of the Board and meetings of all committees of the Board on which the director served. All of the directors attended last year's Annual General Meeting of Shareholders. The directors are expected to attend the Annual General Meeting pursuant to the Company's Corporate Governance Guidelines.

The Board has affirmatively determined that the following directors, who constitute a majority of the Board and who serve as members of the Audit, Compensation and Nominating and Governance Committees, are independent: Mr. Abrahams, Mr. Duffy, Mr. Dunne, Mr. Singer and Mr. Weber. To determine independence, the Board applied the categorical standards contained in the Company's Corporate Governance Guidelines. A copy of those standards, which are stricter than the corporate governance listing standards of the New York Stock Exchange (the "NYSE"), is set forth as Appendix A to this Proxy Statement. The Board also considered whether these five directors had any other material relationships with the Company, its affiliates or the Company's external auditor and concluded that none of them had a relationship that impaired his independence. The Board based its determination on personal discussions with the directors and a review of each director's responses on the annual questionnaire regarding employment, compensation history, affiliations and family and other relationships. The questionnaire responses form the basis for reviewing a director's financial transactions involving the Company and preparing a report on every relationship that is disclosed by a director, regardless of the amount in question. This annual review is performed in compliance with the Company's Bye-laws and the Bermuda Companies Act 1981 and the resulting report is approved by resolution of the Board of Directors. The report's findings are disclosed in the section entitled "Certain Transactions with Directors" that appears in this Proxy Statement. Directors are also subject to the Company's Ethics Guidelines which require full and timely disclosure to the Company of any situation that may result in a conflict or appearance of a conflict.

Additionally, in accordance with the Corporate Governance Guidelines and the disclosure requirement set forth in Bye-law 21(b) of the Company's Bye-laws (which in turn requires compliance with the Bermuda Companies Act 1981), each director must disclose to the other directors any potential conflicts of interest he may have with respect to any matter under discussion. If a director is disqualified by the Chairman because of a conflict, he must refrain from voting on a matter in which he may have a material interest.

Board Leadership Structure

Mr. Taranto serves as the Chief Executive Officer and as Chairman of the Board. In addition to Mr. Taranto, the Board is comprised of six outside directors, five of whom are independent. We believe that having a single leader for both the Company and the Board of Directors who is intimately familiar with the Company's history as well as its operations eliminates the potential for confusion or duplication of efforts and provides clear leadership for the Company.

The Board currently maintains Audit, Nominating and Governance and Compensation Committees, all of whose members are independent directors and each of which has a separate Chairperson. The Charters for each of these committees, the Corporate Governance Guidelines and the Company's Ethics Guidelines and Index to Compliance Policies are posted on the Company's website at <http://www.everestre.com>. The Board also maintains an Executive Committee, the purpose of which is to take any emergent actions until the Board can meet. The members of the Executive Committee are Mr. Taranto, Mr. Galtney and Mr. Weber. The Executive Committee met one time in 2010.

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Prior to each scheduled meeting of the Board of Directors, the directors who are not officers of the Company meet in executive session outside the presence of management. The executive sessions are chaired by alternating directors on an alphabetically based rotation. In addition, the independent directors meet in executive session outside the presence of management on a regular basis. We believe that having a combined CEO/Chairman and independent chairs for our Audit, Nominating and Governance and Compensation Committees provides the appropriate balance between management and independent, non-management leadership. The Board retains the flexibility to consider other leadership structures in the future.

Board Role in Risk Oversight

In accordance with NYSE requirements, the Company's Audit Committee Charter provides that the Audit Committee has the responsibility to discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control its risk profile, including the Company's risk assessment and risk management guidelines. Prudent risk management is embodied throughout our Company as part of our culture. To foster a better understanding of our risk profile, the head of our enterprise risk management team presents a comprehensive report, on a quarterly basis, to the Audit Committee with respect to our risk management procedures and our exposure to various types of risk on an aggregate and per risk basis, including exposure from our worldwide property and casualty insurance and reinsurance businesses and our investment portfolio. Upon the Audit Committee's recommendation, the Board adopts a formal Risk Appetite Statement that establishes upper boundaries on risk taking in certain areas of the Company including assets, investments, property and casualty business, including catastrophe business.

Audit Committee

The principal purposes of the Company's Audit Committee are to oversee the integrity of the Company's financial statements and the Company's compliance with legal and regulatory requirements, to oversee the independent registered public accounting firm, to evaluate the independent registered public accounting firm's qualifications and independence and to oversee the performance of the Company's internal audit function. The Audit Committee meets with the Company's management, Chief Internal Audit Officer and the independent registered public accounting firm, both separately and together, to review the Company's internal controls and financial statements, audit findings and significant accounting and reporting issues. The Board has adopted a Charter for the Audit Committee which is revised as necessary to comply with all applicable laws, rules and regulations. The Charter is available on the Company's website at <http://www.everestre.com>.

The members of the Audit Committee are Mr. Abrahams, Mr. Duffy, Mr. Dunne, Mr. Singer and Mr. Weber. Mr. Dunne serves as Chairman of the Audit Committee. The Board has determined that all members of the Committee are financially literate and that all are independent under the NYSE listing standards and the rules of the SEC governing the qualifications of audit committee members. The Board has also determined that Mr. Abrahams qualifies as an "audit committee financial expert" as defined by SEC rules and has accounting or related financial management expertise as required by NYSE listing standards. No member of the Audit Committee may serve on the Audit Committee of more than two other public companies unless the Board has determined that such service will not affect the ability of the Committee member to serve on the Company's Audit Committee. The Audit Committee held four meetings in 2010.

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Compensation Committee

The Compensation Committee exercises authority with respect to all compensation and benefits afforded all officers at the Senior Vice President level and above, the Named Executive Officers (as defined herein) and the Company's Chief Financial Officer, Comptroller, Treasurer, Chief Internal Audit Officer and Secretary. The Compensation Committee also has oversight responsibilities for all of the Company's broad-based compensation and benefit programs, including administration of the Company's Annual Incentive Plan, the 1995 Stock Incentive Plan, the 2002 Stock Incentive Plan, which has been replaced by the 2010 Stock Incentive Plan, and the Executive Performance Annual Incentive Plan (which is being submitted, as amended, to the shareholders for approval at the Annual General Meeting). The Compensation Committee did not employ a consultant during 2010. The Compensation Committee adopted a Charter on November 21, 2002, which is available on the Company's website at <http://www.everestre.com>. The Charter provides that the Compensation Committee may form and delegate authority to subcommittees or to committees of the Company's subsidiaries when appropriate. This delegation authority was not exercised by the Compensation Committee during 2010. Additional information on the Compensation Committee's processes and procedures for consideration of executive compensation are addressed in this Proxy Statement under the heading "Compensation Discussion and Analysis".

The Compensation Committee is comprised of Mr. Abrahams, Mr. Duffy, Mr. Dunne, Mr. Singer and Mr. Weber, none of whom is a current or former employee or officer of the Company and all of whom meet the independence standards of the NYSE. Mr. Duffy serves as Chairman of the Compensation Committee. The Compensation Committee held three meetings in 2010.

Nominating and Governance Committee

The Nominating and Governance Committee was established by the Board on November 21, 2002, with authority and responsibility to identify and recommend qualified individuals to be nominated as directors of the Company and to develop and recommend to the Board the Corporate Governance Guidelines applicable to the Company. The current members of the Nominating and Governance Committee are Mr. Abrahams, Mr. Duffy, Mr. Dunne, Mr. Singer and Mr. Weber. Mr. Abrahams currently serves as Chairman of the Nominating and Governance Committee.

The Nominating and Governance Committee will consider a shareholder's nominee for director who is proposed in accordance with the procedures set forth in Bye-law 12 of the Company's Bye-laws, which is available on the Company's website or by mail from the Corporate Secretary's office. This Bye-law requires written notice of a shareholder's intent to make such a nomination at the 2012 Annual General Meeting of Shareholders to be received by the Secretary of the Company at the address listed below under Shareholder and Interested Party Communications with Directors, between November 17, 2011 and December 17, 2011. Such notice shall set forth the name and address, as it appears on the Register of Members, of the shareholder who intends to make the nomination; a representation that the shareholder is a holder of record of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make such nomination; the class and number of shares of the Company which are held by the shareholder; the name and address of each individual to be nominated; a description of all arrangements or understandings between the shareholder and any such nominee and any other person or persons (naming such person or persons) pursuant to which such nomination is to be made by the shareholder; such other information regarding any such nominee required to be included in a proxy statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934; and the consent of any such nominee to serve as a director, if so elected.

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Shareholder candidates nominated in accordance with the procedures of Bye-law 12 will, like any other candidate for director, be considered based solely on their character, judgment, education, training, business experience and expertise. In addition to complying with independence standards of the NYSE, the SEC and the Company, candidates for director must possess the highest levels of personal and professional ethics, integrity and values and be willing to devote sufficient time to perform their Board and Committee duties. It is in the Company's best interests that the Board be comprised of individuals whose skills, experience, diversity and expertise complement those of the other Board members. The objective is to have a Board which, taken as a whole, is knowledgeable in the areas of insurance/reinsurance, accounting (using generally accepted accounting practices and/or statutory accounting practices for insurance companies), financial management and investment, legal/regulatory and any other areas which the Board and Committee deem appropriate in light of the continuing operations of the Company and its subsidiaries. Financial services-related experience, other relevant prior service, a familiarity with national and international issues affecting the Company's operations and a diversity of background and experience are also among the relevant criteria to be considered. Following interviews, meetings and such inquiries and investigations determined to be appropriate under the circumstances, the Committee makes its director recommendations to the Board. The foregoing criteria are as specified in the Company's Corporate Governance Guidelines. As a part of the annual self evaluation process, the Nominating and Governance Committee assesses its adherence to the Corporate Governance Guidelines.

The Nominating and Governance Committee held one meeting in 2010. The Committee's Charter, which was adopted by the Board on February 25, 2004, and the Corporate Governance Guidelines, which contain the director qualifications, are available on the Company's website at <http://www.everestre.com>.

Audit Committee Report

The Audit Committee has reviewed and discussed with management, which has primary responsibility for the financial statements, and with PricewaterhouseCoopers LLP, the Company's independent auditors, the audited financial statements for the year ended December 31, 2010 (the "Audited Financial Statements"). In addition, the Audit Committee has discussed with PricewaterhouseCoopers LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP's communications with the Audit Committee concerning independence, and has discussed with that firm its independence. The Audit Committee also has discussed with Company management and PricewaterhouseCoopers LLP such other matters and received such assurances from them as the Committee deemed appropriate. Based on the foregoing review and discussions and relying thereon, the Audit Committee recommended to the Company's Board of Directors the inclusion of the Audited Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

The Audit Committee devoted substantial time in 2010 to discussing with the Company's independent auditors and internal auditors the status and operating effectiveness of the Company's internal controls over financial reporting. The Audit Committee's oversight involved several meetings, both with management and with the auditors outside the presence of management, to monitor the preparation of management's report on the effectiveness of the Company's internal controls. The meetings reviewed in detail the standards that were established, the content of management's assessment, and the auditors' testing and evaluation of the design and operating effectiveness of the internal controls. As reported in the Company's Annual Report on Form 10-K filed March 1, 2011, the independent auditors concluded that, as of December 31, 2010, the Company maintained, in all material respects, effective internal controls over financial reporting based upon the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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Under its Charter and the “Audit and Non-Audit Services Pre-Approval Policy” (the “Policy”), the Audit Committee is required to pre-approve the audit and non-audit services to be performed by the independent auditors. The Policy mandates specific approval by the Audit Committee for any service that has not received a general pre-approval or that exceeds pre-approved cost levels or budgeted amounts. For both specific and general pre-approval, the Audit Committee considers whether such services are consistent with the SEC’s rules on auditor independence. The Audit Committee also considers whether the independent auditors are best positioned to provide the most effective and efficient service and whether the service might enhance the Company’s ability to manage or control risk or improve audit quality. The Audit Committee is also mindful of the relationship between fees for audit and non-audit services in deciding whether to pre-approve any such services. It may determine, for each fiscal year, the appropriate ratio between the total amount of audit, audit-related and tax fees and a total amount of fees for certain permissible non-audit services classified below as “All Other Fees”. All such factors are considered as a whole, and no one factor is determinative. The Audit Committee further considered whether the performance by PricewaterhouseCoopers LLP of the non-audit related services disclosed below is compatible with maintaining their independence. The Audit Committee approved all of the audit-related fees, tax fees and all other fees for 2010 and 2009.

The fees billed to the Company by PricewaterhouseCoopers LLP and its worldwide affiliates in 2010 and 2009 are as follows:

	2010	2009
Audit Fees (1)	\$3,720,032	\$3,586,816
Audit-Related Fees (2)	105,700	107,184
Tax Fees (3)	175,304	246,488
All Other Fees (4)	2,279	5,406

(1) Audit fees include the annual audit and quarterly financial statement reviews, internal control audit (as required by the Sarbanes Oxley Act of 2002), subsidiary audits, and procedures required to be performed by the independent auditors to be able to form an opinion on the Company’s consolidated financial statements. Audit fees also include statutory audits or financial audits of subsidiaries or affiliates of the Company and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

(2) Audit-related fees include assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements; accounting consultations related to accounting, financial reporting or disclosure matters not classified as “audit services”; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; financial audits of employee benefit plans; agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters and assistance with internal control reporting requirements.

(3) Tax fees include tax compliance, tax planning and tax advice and may be granted general pre-approval by the Audit Committee.

(4) All other fees are for accounting and research subscriptions.

John R. Dunne, Chairman
 Martin Abrahams
 Kenneth J. Duffy
 Roger M. Singer

John A. Weber

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Compensation Committee Report

Management has the primary responsibility for the Company's financial statements and reporting process, including the disclosure of executive compensation. The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement and, based on this review and discussion, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Kenneth J. Duffy, Chairman
Martin Abrahams
John R. Dunne
Roger M. Singer
John A. Weber

Code of Ethics for CEO and Senior Financial Officers

The Company's Code of Conduct includes its "Ethics Guidelines and Index to Compliance Policies" ("Ethics Guidelines") that is intended to guide all of the Company's decisions and behavior by holding all directors, officers and employees to the highest standards of integrity. A copy of the Ethics Guidelines can be found on the Company's website at <http://www.everestre.com>. In addition to being bound by the Ethics Guidelines provisions relating to ethical conduct, conflict of interest and compliance with the law, the Company has adopted a code of ethics that applies to the Chief Executive Officer, Chief Financial Officer and senior financial officers. The text of the Code of Ethics for the Chief Executive Officer and Senior Financial Officers is posted on the Corporate Governance page on the Company's website at <http://www.everestre.com>. This document is also available in print to any shareholder who requests a copy from the Corporate Secretary at the address below. In the event the Company makes any amendment to or grants any waiver from the provisions of its Code of Ethics, the Company intends to disclose such amendment or waiver on its website within five business days.

Shareholder and Interested Party Communications with Directors

Shareholders and interested parties may communicate directly with the Board of Directors or with individual directors. All communications should be directed to the Company's Secretary at the following address and in the following manner:

Everest Re Group, Ltd. Corporate Secretary
c/o Everest Global Services, Inc.
Westgate Corporate Center
477 Martinsville Road
P.O. Box 830
Liberty Corner, New Jersey 07938-0830

Any such communication should prominently indicate on the outside of the envelope that it is intended for the Board of Directors, for the Non-Management Directors or for any individual director. Each communication addressed to an individual director and received by the Company's Secretary from shareholders or interested parties, which is related to the operation of the Company and is not solely commercial in nature, will promptly be forwarded to the specified party. Communications addressed to the "Board of Directors" or to the "Non-Management Directors" will be forwarded to the Chairman of the Nominating and Governance Committee.

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COMMON SHARE OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the beneficial ownership of Common Shares as of March 25, 2011 by the directors of the Company, by the Named Executive Officers listed in the Summary Compensation Table and by all directors and Named Executive Officers of the Company as a group. Information in this table was furnished to the Company by the respective directors and Named Executive Officers. Unless otherwise indicated in a footnote, each person listed in the table possesses sole voting power and sole dispositive power with respect to the shares shown in the table as owned by that person.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class (13)
Martin Abrahams	19,541	(1)	*
Kenneth J. Duffy	46,005	(2)	*
John R. Dunne	23,629	(3)	*
William F. Galtney, Jr.	76,866	(4)	*
Roger M. Singer	4,295	(5)	*
Joseph V. Taranto	586,635	(6)	1.1
John A. Weber	14,780	(7)	*
Dominic J. Addresso	20,950	(8)	*
Mark S. de Saram	70,546	(9)	*
Sanjoy Mukherjee	30,043	(10)	*
Keith T. Shoemaker	26,060	(11)	*
All directors and executive officers as a group (11 persons)	919,350	(12)	1.7

* Less than 1%

- (1) Includes 2,500 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011 and 17,041 shares held in the Martin Abrahams Revocable Trust which includes 3,832 restricted shares issued to Mr. Abrahams under the Company's 2003 Non-Employee Director Equity Compensation Plan ("2003 Directors Plan") which may not be sold or transferred until the vesting requirements are satisfied.
- (2) Includes 3,832 restricted shares issued to Mr. Duffy under the 2003 Directors Plan which may not be sold or transferred until the vesting requirements are satisfied. Also includes 13,715 shares held in a grantor annuity trust.
- (3) Includes 12,500 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011. Also includes 3,832 restricted shares issued to Mr. Dunne under the 2003 Directors Plan which may not be sold or transferred until the vesting requirements are satisfied.
- (4) Includes 46,000 shares owned by Galtney Family Investors, Ltd., a limited partnership in which Mr. Galtney maintains a beneficial ownership and for which he serves as the General Partner. Also includes 12,500 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011 and 3,832 restricted shares issued to Mr. Galtney under the 2003 Directors Plan which may not be sold or transferred until the vesting requirements are satisfied.
- (5) Includes 295 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011. Also includes 3,332 restricted shares issued to Mr. Singer under the 2003 Directors Plan which may not be

sold or transferred until the vesting requirements are satisfied.

- (6) Includes 240,000 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011. Also includes 23,632 restricted shares issued to Mr. Taranto under the Company's 2002 Stock Incentive Plan and 76,194 restricted shares issued under the Company's 2010 Stock Incentive Plan which may not be sold or transferred until the vesting requirements have been satisfied. Excludes 9,719,971 Common Shares held by Everest Holdings (as of March 25, 2011) over which Mr. Taranto has voting and dispositive power. Mr. Taranto disclaims beneficial ownership of the Common Shares held by Everest Holdings.
- (7) Includes 3,206 shares issuable upon the exercise of stock options exercisable within 60 days of March 25, 2011. Also includes 3,832 restricted shares issued to Mr. Weber under the 2003 Directors Plan which may not be sold or transferred until the vesting requirements are satisfied.
- (8) Includes 10,360 restricted shares issued to Mr. Addesso under the Company's 2002 Stock Incentive Plan and 8,000 restricted shares issued under the Company's 2010 Stock Incentive Plan which may not be sold or transferred until the vesting requirements have been satisfied.
- (9) Includes 23,600 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011. Also includes 11,550 restricted shares issued to Mr. de Saram under the Company's 2002 Stock Incentive Plan and 6,250 restricted shares issued to Mr. de Saram under the Company's 2010 Stock Incentive Plan which may not be sold or transferred until the vesting requirements have been satisfied.
- (10) Includes 15,000 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011. Also includes 6,250 restricted shares issued to Mr. Mukherjee under the Company's 2002 Stock Incentive Plan and 4,000 restricted shares issued to Mr. Mukherjee under the Company's 2010 Stock Incentive Plan which may not be sold or transferred until the vesting requirements have been satisfied.

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- (11) Includes 26,060 shares issuable upon the exercise of share options within 60 days of March 25, 2011.
- (12) Includes 335,661 shares issuable upon the exercise of share options exercisable within 60 days of March 25, 2011.
- (13) Based on 54,224,433 total Common Shares outstanding and entitled to vote as of March 25, 2011, which excludes Common Shares held by Everest Holdings, an indirect wholly-owned subsidiary of the Company.

PRINCIPAL BENEFICIAL OWNERS OF COMMON SHARES

To the best of the Company's knowledge, the only beneficial owners of 5% or more of the outstanding Common Shares as of December 31, 2010 are set forth below. This table is based on information provided in Schedule 13G Information Statements filed with the SEC by the parties listed in the table.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned		Percent of Class (5)
Everest Reinsurance Holdings, Inc. 477 Martinsville Road Liberty Corner, New Jersey 07938	9,291,933	(1)	14.6
Southeastern Asset Management, Inc. 6410 Poplar Avenue, Suite 900 Memphis, Tennessee 38119	5,394,848	(2)	9.8
Goldman Sachs Asset Management 32 Old Slip New York, New York 10005	3,909,179	(3)	7.1
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	3,239,784	(4)	5.89

(1) Everest Holdings, an indirect wholly-owned subsidiary of the Company, purchased the Company's Common Shares through open market transactions pursuant to the Company's authorized share repurchase program. Holdings had sole power to vote and direct the disposition of 9,291,933 Common Shares as of December 31, 2010. According to Group's Bye-laws, the total voting power of any Shareholder owning more than 9.9% of the Common Shares will be reduced to 9.9% of the total voting power of the Common Shares.

(2) Southeastern Asset Management, Inc. reports in its Schedule 13G that it has sole power to vote or direct the vote of 3,031,200 Common Shares, shared power to vote 1,335,000 Common Shares, no power to vote 1,028,648 Common Shares, sole dispositive power with respect to 4,059,848 Common Shares and shared dispositive power with respect to 1,335,000 Common Shares.

(3) Goldman Sachs Asset Management reports in its Schedule 13G that it has shared power to vote or direct the vote of 3,680,722 Common Shares and shared dispositive power with respect to 3,909,179 Common Shares.

- (4) BlackRock, Inc. reports in its Schedule 13G that it has sole power to vote or direct the vote of 3,239,784 Common Shares and sole dispositive power with respect to 3,239,784 Common Shares.
- (5) The percent of class shown for Everest Holdings includes the Common Shares held by Everest Holdings as part of the total Common Shares outstanding. However, pursuant to Instruction 1, Item 403 of Regulation S-K, the percent of class shown for Southeastern Asset Management, Inc., Goldman Sachs Asset Management and BlackRock, Inc. exclude the Common Shares held by Holdings from the total Common Shares outstanding. If such shares owned by Holdings are included, the percent of class owned by Southeastern Asset Management, Inc., Goldman Sachs Asset Management and BlackRock, Inc. would be 8.4%, 6.1% and 5.0%, respectively.

DIRECTORS' COMPENSATION

Annual Retainer

Each member of the Board who is not otherwise affiliated with the Company as an employee and/or officer ("Non-Employee Director" or "Non-Management Director") was compensated in 2010 for services as a director and was also reimbursed for out-of-pocket expenses associated with each meeting attended. Each Non-Employee Director received a retainer of \$75,000, payable in the form of cash or Common Shares at the

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director's election. Giving Non-Employee Directors an opportunity to receive their compensation in the form of Common Shares is intended to align their interests with those of the Company's shareholders. The value of Common Shares issued is calculated based on the average of the highest and lowest sale prices of the Common Shares on each installment date or, if no sale is reported for that day, the preceding day for which there is a reported sale. During 2010, each of the Non-Employee Directors elected to receive their retainers in the form of cash that was paid in quarterly installments.

Equity Awards

On May 13, 2009, the shareholders approved the Company's adoption of the 2009 Non-Employee Director Stock Option and Restricted Stock Plan (the "2009 Directors Plan"), to replace the 1995 Stock Option Plan for Non-Employee Directors. Like its predecessor, the 2009 Directors Plan was designed to maintain the Company's ability to attract and retain the services of experienced and highly qualified Non-Employee Directors and to create in those directors a proprietary interest in the Company's continued success. Under the 2009 Directors Plan, at the time of their appointment to the Board, each newly appointed Non-Employee Director is awarded, either singly or in combination: (1) restricted shares, or (2) a non-qualified option to purchase an amount of Common Shares equal to \$50,000 divided by the average of the NYSE high and low price of one share on that day. As defined in the 2009 Directors Plan, the fair market value is determined by averaging the highest and lowest trading prices of the Common Shares on the date of the award. Roger M. Singer received an option to purchase 590 shares upon his appointment as a Non-Employee Director on February 24, 2010 under the 2009 Directors Plan.

On February 20, 2008, each of the then appointed Non-Employee Directors was granted 1,500 restricted shares under the 2003 Non-Employee Director Equity Compensation Plan which vest over a three year term. On September 16, 2009, each then appointed Non-Employee Director was granted 1,500 restricted shares which vest in three equal tranches on February 18, 2010, 2011 and 2012. On February 24, 2010, each Non-Employee Director was granted 2,000 restricted shares which vest over a three year term.

The table below summarizes the compensation paid by the Company to Non-Employee Directors for the fiscal year ended December 31, 2010.

2010 DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash (1)	Share Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (4)	Total
Martin Abrahams	\$ 75,000	\$169,260	\$-	\$ -	\$ -	\$ 6,720	\$250,980
Kenneth J. Duffy	75,000	169,260	-	-	-	6,720	250,980

John R. Dunne	75,000	169,260	-	-	-	6,720	250,980
William F. Galtney, Jr.	75,000	169,260	-	-	-	6,720	250,980
Roger M. Singer	56,250	169,260	13,016	-	-	3,840	242,366
John A. Weber	75,000	169,260	-	-	-	6,720	250,980

- (1) During 2010, all of the directors elected to receive their compensation in cash.
- (2) Each Non-Employee Director was awarded 1,500 restricted shares on September 16, 2009, of which 500 shares remain restricted, as of March 25, 2011. Each Non-Employee Director was also awarded 2,000 restricted shares on February 24, 2010, of which 1,332 remain restricted as of March 25, 2011. The amount shown is the aggregate grant date fair value of the 2010 grant computed in accordance with Financial Accounting Standards Board Statement Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”).
- (3) The grant to Mr. Singer of an option to purchase 590 shares vesting in two equal tranches on the first and second anniversaries of his joining the Company on February 24, 2010 was the only share option awarded to the Non-Employee Directors in 2010. The amount

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shown in Column 3 is the aggregate grant date fair value of this option computed in accordance with FASB ASC Topic 718. As of December 31, 2010, each director has exercisable outstanding options to purchase the following number of shares: Mr. Abrahams, 2,500; Mr. Dunne, 12,500; Mr. Galtney, 12,500 Mr. Singer 590 and Mr. Weber, 3,206.

(4) Dividends paid on each director's restricted shares.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of the Company's Compensation Program's Philosophy and Objectives.

The Company's executive compensation program is designed to attract, retain and motivate highly talented individuals whose abilities are critical to the success of the Company. To achieve these ends, the executive compensation program utilizes a two-prong approach. First, a short-term component consisting of a base salary and merit-based discretionary bonus is designed to attract, reward and retain executives for achieving optimal performance in the current year. Second, a long-term component consisting of discretionary equity awards in the form of share options and/or restricted shares is designed to align key executive's interests with those of the Company's shareholders and incentivize the executive to work towards achieving the Company's long-term goals of profitability and strong shareholder returns by providing a significant retention incentive. Thus, the executive compensation program is designed to reward those employees who are integral to the Company's success this year as well as into the future.

The Company's executive compensation program is implemented by the Compensation Committee. The members of the Compensation Committee are appointed annually by the Board of Directors and satisfy the independence requirements of the NYSE.

The Compensation Committee meets outside the presence of management to discuss compensation decisions. The Compensation Committee is guided by the following principles when making compensation decisions individually and collectively:

• Compensation of executive officers is based on the level of job responsibility, their individual performance and their contribution to the performance of the Company.

• Compensation awards and levels are generally intended to be reasonably competitive with compensation paid by organizations of similar stature so as to minimize the potential for disruptive turnover amongst important contributors.

• Compensation is intended to align the interests of the executive officers with those of the Company's shareholders by basing a significant part of total compensation on the long-term performance of the Common Shares.

Components of the Company's Compensation Program.

In 2010, annual compensation for the Company's executive officers consisted principally of a base salary, a cash bonus, and equity based awards. Apart from the salary, bonus and equity award components, all employees including executive officers received other forms of compensation from the Company. That compensation included a Company funded pension plan, Company paid term life insurance, partially subsidized medical and dental plan, Company paid disability insurance, and participation in a Company sponsored 401(k) employee savings plan. Executives may also participate in a supplemental savings plan and supplemental retirement plan, both of which are non-qualified with respect to current tax deductibility in the U.S. The purpose of these supplemental plans is principally to restore benefits which would otherwise have been limited by U.S. benefit plan rules.

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Base Salary and Bonus Determinations.

The base salaries for all executive officers are determined by the Compensation Committee. With the exception of Messrs. Taranto, Adesso and de Saram who have or had employment agreements, base salaries are established upon hire or assignment date and reconsidered annually or as responsibilities change. Adjustments are based on each executive officer's performance and the Company's performance and may also take into account competitive conditions in the industry. All base salary determinations are in the subjective judgment and discretion of the Compensation Committee. The Compensation Committee has not identified any specific factors or particular criteria that must be met by each executive officer and does not assign any relative weighting to any factors or criteria it considers. Rather it exercises its subjective judgment and discretion by taking into account all factors that it deems relevant.

For purposes of base salary compensation and in assessing competitive conditions in the industry, the Compensation Committee may periodically examine trade or other publications regarding executive compensation, including publicly filed financial statements of other publicly traded property/casualty insurance and reinsurance companies. However, the Compensation Committee does not engage in formal benchmarking in determining compensation for Named Executive Officers.

The Company awards annual cash bonuses to executive officers under the Annual Incentive Plan and the Executive Performance Annual Incentive Plan. The Annual Incentive Plan is applicable to all executive officers and management employees, except for Mr. Taranto who is subject to the Executive Performance Annual Incentive Plan. Under the Annual Incentive Plan, the Company may make cash payments each year to employees who hold positions of significant responsibility and/or whose performance or potential contribution, in the judgment of the Compensation Committee, will contribute materially to the success of the Company and its subsidiaries. The Annual Incentive Plan is designed to reward past accomplishments, to motivate future accomplishments, and to aid in attracting and retaining employees of the caliber necessary for the continued success of the Company. The actual cash bonus amounts recommended for individual plan participants are subjectively and judgmentally determined by executive management based on a variety of factors including individual responsibilities, experience, contributions and performance, as well as position relative to internal peers. Consideration of these factors encourages executives to strive to improve their performance. The Compensation Committee reviews management's recommendation, and has the discretion to reject or modify the recommended individual awards. All bonus determinations are in the subjective judgment and discretion of management and the Compensation Committee. Management and the Compensation Committee have not identified any specific factors or particular criteria that must be met by each executive officer and do not assign any relative weighting to any factors in criteria they consider. Rather they exercise their subjective judgment and discretion by taking into account all factors that they deem relevant. For 2010, the Company limited the aggregate amount available for bonus payments to 3% of the Company's net operating income. For purposes of determining 2010 awards, the total amount available for bonuses under the Annual Incentive Plan was \$15.540 million. The bonus payments for Messrs. Adesso, de Saram, Mukherjee and Shoemaker were based on the Company's financial performance, their individual responsibilities and the Chief Executive Officer's and the Compensation Committee's assessment of their individual performance.

Unlike the Annual Incentive Plan, the executive officers eligible to participate in the Executive Performance Annual Incentive Plan (the "Executive Incentive Plan") are selected by the Compensation Committee. Currently, only Mr. Taranto is a participant in the Executive Incentive Plan. Pursuant to this plan, the Compensation Committee establishes performance goals for each participant which, if attained, entitles the participant to specific award amounts. The Executive Incentive Plan provides that the total amount of awards granted to all participants in any one year may not exceed 10% of the Company's average annual income before taxes for the preceding five years.

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In the case of Mr. Taranto, the Compensation Committee established a personal performance grid that relates various levels of the Company's earnings per share and corresponding net operating income and return on equity, to a maximum cash incentive award based upon the given level of Company performance. For 2010, the Compensation Committee established the following objective goals and performance criteria under the Executive Performance Annual Incentive Plan:

- A maximum cash bonus of \$2.5 million if diluted earnings per share were between \$15.42 and \$21.23 (corresponding to a return on equity between between 14.8% and 19.7%).
- A maximum cash bonus of \$2.25 million if diluted earnings per share were between \$13.48 and \$15.42 (corresponding to a return on equity between between 13% and 14.8%).
- A maximum cash bonus of \$2 million if diluted earnings per share were between \$11.55 and \$13.48 (corresponding to a return on equity between between 11.3% and 13%).
- A maximum cash bonus of \$1.7 million if diluted earnings per share were between \$9.67 and \$11.55 (corresponding to a return on equity between between 9.5% and 11.33%).
- A maximum cash bonus of \$1.4 million if diluted earnings per share were between \$7.82 and \$9.67 (corresponding to a return on equity between between 7.89% and 9.5%).
- A maximum cash bonus of \$1.1 million if diluted earnings per share were between \$6.00 and \$7.82 (corresponding to a return on equity between between 6% and 7.89%).
- A maximum cash bonus of \$800,000 if diluted earnings per share were below \$6.00 (corresponding to a return on equity below 6%).

Although the above set forth the various levels of the maximum cash bonus award that could be awarded to Mr. Taranto based upon objective Company performance for the fiscal year ended December 31, 2010, the Compensation Committee could, in its discretion, choose to reduce the actual amount of the award. For 2010, based upon the Company achieving diluted earnings per share of \$9.08, Mr. Taranto's cash bonus was \$1.4 million.

Long-Term Compensation Determinations.

The second component of the Company's executive compensation plan is premised on a strategic view of compensation. This long-term compensation component is achieved through the Everest Re Group, Ltd. 2002 Stock Incentive Plan, as amended May 2006 ("2002 Stock Incentive Plan") and most recently the Everest Re Group, Ltd. 2010 Stock Incentive Plan, as adopted by the shareholders in May 2010 ("2010 Stock Incentive Plan"), which replaced the 2002 Stock Incentive Plan. Awards under the 2002 and 2010 Stock Incentive Plans are intended to reinforce management's long-term perspective on corporate performance, provide an incentive for key executives to remain with the Company for the long-term, and provide a strong incentive for employees to work to increase shareholder value by aligning employees' interests with the shareholders.

Awards under the 2002 and 2010 Stock Incentive Plans may take the form of share options, share appreciation rights, restricted shares or share awards. To date, the Company has only awarded restricted shares and non-qualified share options pursuant to the Plans. Options and restricted shares are awarded on the day that they are granted by the Compensation Committee and valued as of the grant date. Options are issued with an exercise price equal to the fair market value of the Company's stock on the grant date. The Company determines fair market value by averaging the high and low market price on the grant date. Equity grants are made in conjunction with the meeting of the

Compensation Committee, and there is no plan or practice to grant options or restricted shares in coordination with the release of material non-public information.

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Additionally, the Company's Ethics Guidelines impose a total prohibition on its officers, directors or other employees trading in options in the Company's shares. Prohibited options include options awarded under the 1995, 2002 and 2010 Stock Incentive Plans, "put" options and "call" options. The Company's officers, directors or other employees are also prohibited from engaging in transactions geared toward "shorting" the Company's stock.

In the case of equity awards, the CEO makes recommendations to the Compensation Committee for each executive officer, and the awards are discussed by the Compensation Committee and recommended for action by the Board. All award determinations are in the subjective judgment and discretion of the Compensation Committee. The Compensation Committee has not identified any specific factors or particular criteria that must be met by each executive officer and does not assign any relative weighting to any factors or criteria it considers. Rather it exercises its subjective judgment and discretion by taking into account all factors that it deems relevant. Examples of factors that the Compensation Committee has utilized include the recipient's demonstrated past and expected future performance, the recipient's level of responsibility within the Company, their ability to affect shareholder value, and past awards of share options, share appreciation rights, restricted shares, or share awards. Restricted share awards and share options encourage employee retention because such awards vest over a five year period at the rate of 20% per year and are generally forfeited if the recipient leaves the Company before vesting. Generally, upon termination of employment, the recipient loses unvested options and restricted shares and has 90 days to exercise vested options. In addition, the expiration of share options ten years after they are granted is designed to encourage recipients to work on the Company's growth over the long-term and not simply cater to short-term profits. In general, equity awards are considered and granted to eligible individuals once per year at the February meeting of the Compensation Committee. The equity awards for Messrs. Adesso, Jones, de Saram, Mukherjee and Shoemaker were based on the Company's financial performance, their individual responsibilities and the Chief Executive Officer's and the Compensation Committee's assessment of their individual performance and long-term value to the Company.

As with his short-term compensation components, the determination, award and vesting of awards for Mr. Taranto are handled separately. The Compensation Committee discusses with the CEO his performance, and meets outside of the presence of the CEO in making its award determination. Like other executive officers, the CEO's award is granted subjectively at the discretion of the Compensation Committee based upon factors similar to those considered for other executive officers as described above.

Other Forms of Compensation.

Apart from the salary, bonus and long-term compensation components discussed above, all employees including executive officers receive other forms of compensation from the Company. That compensation includes a Company funded pension plan, Company paid term life insurance, partially subsidized medical and dental plan, Company paid disability insurance, and participation in a Company sponsored 401(k) employee savings plan. Executives may also participate in a supplemental savings plan and a "Supplemental Retirement Plan," both of which are non-qualified with respect to tax deductibility in the U.S. The purpose of these plans is principally to restore benefits which would otherwise have been limited by U.S. benefit plan rules.

Perquisites and Other Benefits.

When the Compensation Committee determines it appropriate, the Company provides Named Executive Officers with perquisites and other personal benefits that are reasonable and consistent with the overall compensation plan and the philosophy of attracting and retaining key employees. The Compensation Committee periodically reviews these awards of perquisites and other benefits.

The only perquisites approved by the Compensation Committee for 2010 were Mr. de Saram's housing, family travel and golf membership fees for Tuckers Point Country Club in Bermuda. The amounts reported for Mr. de Saram are

included in the Summary Compensation Table.

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Tax and Accounting Implications.

Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, limits the ability of a publicly-held company to take a tax deduction for annual compensation in excess of \$1 million paid to its chief executive officer or to any of its four other most highly compensated officers. However, compensation is exempt from this limit if it qualifies as “performance-based compensation.” To preserve this deduction, the Company has designed its incentive plans to provide incentive compensation that qualifies as “performance-based compensation” that is not counted toward the \$1 million limit. However, the 2002 and 2010 Stock Incentive Plans allow for the Compensation Committee, in its sole discretion, to grant awards under the plans which do not constitute “performance-based compensation.” Although the Compensation Committee considers deductibility under section 162(m) with respect to the compensation arrangements for executive officers, deductibility is not a determinative factor when considering appropriate levels or methods of compensation.

It is the Compensation Committee’s objective to have its U.S. tax-paying executives not be subject to penalties under U.S. Internal Revenue Code §409A (“§409A”). Accordingly, all applicable compensation and benefit programs have been amended and are administered in accordance with §409A.

The foregoing provides a general overview of the Company’s philosophy on executive compensation. The tables contained in the subsequent sections attribute specific dollar values for the various aspects of executive compensation previously discussed.

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Compensation of Executive Officers.

The following table sets forth compensation paid or accrued for the last fiscal year with respect to the Company's Chief Executive Officer, Principal Financial Officer and the three other most highly compensated executive officers as of December 31, 2010 for services rendered by them to the Company and to its subsidiaries. Also included is Ralph E. Jones, III for whom disclosure would have been provided but for the fact that he resigned on October 7, 2010, (collectively, the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	Share Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation (4)	All Other Compensation (5)	Total
Joseph V. Taranto Chairman of the Board and Chief Executive Officer									
	2010	\$1,000,000	\$-	2,999,964	\$-	\$1,400,000	\$1,277,483	\$98,290	\$6,775,737
	2009	1,038,462 (1)	-	-	-	2,000,000	1,053,592	2,531,384	6,623,438
	2008	1,000,000	-	3,489,500	-	1,400,000	1,358,865	86,215	7,334,580
Dominic J. Addesso, Executive Vice President and Chief Financial Officer									
	2010	\$519,231	\$750,000	\$507,780	\$-	\$-	\$164,223	\$34,198	\$1,975,432
	2009	\$328,846	\$500,000	\$499,983	-	-	\$45,062	\$13,354	\$1,387,245
Mark S. de Saram, Executive Vice President of Group and Managing Director and Chief Executive Officer of Bermuda Re									
	2010	\$538,461	\$500,000	\$528,938	\$-	\$-	N/A	\$302,944	\$1,870,343
	2009	490,577	600,000	448,219	-	-	N/A	295,837	1,834,633
	2008	457,487	400,000	498,500	-	-	N/A	276,655	1,632,642
Sanjoy Mukherjee									

Senior Vice President, General Counsel and Secretary

2010	\$316,846	\$300,000	\$253,890	\$-	\$-	\$110,611	\$26,576	\$1,007,923
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Keith T. Shoemaker,
Comptroller and Principal Accounting Officer

2010	\$242,538	\$90,000	\$-	\$132,368	\$-	\$65,839	\$8,284	\$539,029
2009	244,231	75,000	-	181,354	-	46,223	8,341	555,149
2008	225,908	60,000	-	165,266	-	40,298	7,716	499,188

Ralph E. Jones III,
Former President and Chief Operating Officer

2010	\$515,385	\$-	\$846,300	\$-	\$-	\$(75,808)	\$2,172,255	\$3,458,132
2009	623,077	1,000,000	2,868,600	-	-	73,491	88,915	4,654,083

(1)Mr. Taranto's annual salary is \$1,000,000 as stated in his employment agreement; however his 2009 actual salary was higher due to an additional pay period in 2009.

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- (2) The amounts are the aggregate grant date fair value for restricted awards granted during 2010 computed in accordance with FASB ASC Topic 718. Restricted shares vest at the earliest of 20% per year over five years. Mr. Jones' restricted shares were cancelled upon his resignation pursuant to the terms of the award agreements.
- (3) The amounts reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards of share options. Options vest at the earliest of 20% per year over five years or upon the date specified in an applicable employment agreement. Assumptions used in determining valuation are contained in the Company's Annual Report Item 8, Note 17 of the Notes to Consolidated Financial Statements.
- (4) Represents the aggregate change in the present value of the officers' accumulated benefit under the qualified and supplemental pension plans from December 31, 2009 to December 31, 2010. Earnings on the Supplemental Savings Plan are not included as they are invested in the same investment offerings as the qualified savings plan and are not preferential. Mr. Jones was not vested in the qualified or supplemental pension plans at his retirement on October 7, 2010 so the amount represents the cancelled pension benefit.
- (5) The amount reported for Mr. Jones includes \$2,100,000 paid or accrued during 2010 pursuant to the terms of the Mutual Agreement and General Release and Waiver that he signed with the Company upon his resignation on October 7, 2010. At the time of his resignation, he was entitled to 40% of the Company's Matching Contribution on his behalf to the Qualified Savings Plan (\$2,940) and 100% of the Company's Matching Contribution on his behalf to the Non-Qualified Savings Plan (\$8,077).

The amount reported for 2010 for Mr. de Saram, who is a citizen of the United Kingdom, includes \$150,000 as a Bermuda residence housing allowance and \$27,541 in payment of payroll tax each under the terms of his employment agreement. The amounts for 2010 also include \$22,678 in family travel and \$7,700 in golf membership fees. The Company owns a car which is provided for Mr. de Saram's use at a cost of \$2,300. Mr. de Saram also received a contribution of \$53,846 to, or in lieu of, a pension plan.

For the Named Executive Officers, the 2010 amount includes:

	Taranto	Addesso	de Saram	Mukherjee	Shoemaker	Jones
Life insurance premiums	\$ 1,038	\$ 1,038	\$ 7,151	\$ 540	\$ 1,008	\$ 758
Employer Matching Contributions (Qualified and Non-qualified)	29,192	10,298	-	9,524	7,276	11,017
Dividends on Restricted Shares	68,060	22,862	31,728	16,512	-	60,480

Grants of Plan-Based Awards.

The following table sets forth certain information concerning equity and cash awards granted under the Company's 2002 Stock Incentive Plan and the Executive Performance Annual Incentive Plan during 2010 to the Named Executive Officers.

2010 GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Potential Payouts Under Non-Equity Incentive Plan Awards(1)			All Other Stock Awards Number of Shares (2)	All Other Securities Underlying Options (3)	Exercise or Base Price of Option Awards (4)	NYSE Closing Price on Grant Date	Fair Value of Share Awards (5)
		Threshold	Target	Maximum					
Joseph V. Taranto	2/24/2010	\$ -	\$ -	\$ 2,500,000	35,448	-	\$ -	\$ -	\$ 2,999,964
Dominic J. Adesso	2/24/2010	-	-	-	6,000	-	-	-	507,780
Mark S. de Saram	2/24/2010	-	-	-	6,250	-	-	-	528,938
Sanjoy Mukherjee	2/24/2010	-	-	-	3,000	-	-	-	253,890
Keith T. Shoemaker	2/24/2010	-	-	-	-	6,000	84.63	85.22	132,368
Ralph E. Jones III	2/24/2010	-	-	-	10,000	-	-	-	846,300

(1) Potential award made pursuant to the Executive Performance Annual Incentive Plan. The actual award is shown in the "Non-Equity Incentive Compensation Plan" column of the Summary Compensation Plan table.

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- (2) This column shows the number of restricted shares granted in 2010 to the Named Executive Officers pursuant to the 2002 Stock Incentive Plan. Restricted shares vest at the earlier of 20% per year over five years or upon the date specified in an applicable employment agreement. During the restricted period, quarterly dividends are paid to the Named Executive.
- (3) This column shows the number of stock options granted in 2010 to the Named Executive Officer pursuant to the 2002 Stock Incentive Plan. These options vest and become exercisable in five equal annual installments, beginning on February 24, 2011, one year after the grant date.
- (4) This column shows the exercise price for the stock options granted which is calculated by averaging the highest and lowest sale prices of the Common Shares on the New York Stock Exchange on the date granted in accordance with the terms of the 2002 Stock Incentive Plan, as approved by the shareholders. The NYSE closing price for grant date was \$85.22.
- (5) The grant date fair value of each equity award calculated in accordance with FASB ASC Topic 718.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2010

Name	Option Awards				Share Awards	
	Number of Securities Underlying Unexercised Options Vested	Number of Securities Underlying Unexercised Options (1)	Option Exercise Price	Option Expiration Date	Number of Restricted Shares that Have Not Vested (2)	Market Value of Restricted Shares that Have Not Vested (3)
Joseph V. Taranto	200,000	-	\$66.2300	4/20/2011	-	\$ -
	40,000	-	55.5950	9/26/2012	-	-
					35,448	3,006,699
Dominic J. Adesso	-	-	-		11,560	980,519
Mark S. de Saram	1,600	-	48.0100	9/21/2011	-	-
	10,000	-	55.5950	9/26/2012	-	-
	12,000	-	74.3300	9/21/2014	-	-
	-	-	-		15,850	1,344,397
Sanjoy Mukherjee	1,000	-	55.5950	9/26/2012	-	-
	3,000	-	73.6150	9/18/2013	-	-
	5,000	-	74.3300	9/21/2014	-	-
	6,000	-	95.4850	9/21/2015	-	-
	-	-	-		8,600	729,452
Keith T. Shoemaker	1,000	-	55.5950	9/26/2012	-	-
	2,200	-	73.6150	9/18/2013	-	-
	3,300	-	74.3300	9/21/2014	-	-
	5,500	-	95.4850	9/21/2015	-	-
	3,600	2,400	99.0150	2/21/2017	-	-
	2,600	3,900	99.7000	2/20/2018	-	-

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	2,080	8,320	71.7150	2/18/2019	-	-
	-	6,000	84.6300	2/24/2020	-	-
Ralph E. Jones III (4)	-	-	-	-	-	-

(1) Non-qualified share options become exercisable in 20% increments annually over the first five years of the ten year term commencing with the first anniversary of the grant date, as long as employment with the Company or its subsidiaries continues. These share options were granted with an exercise price which is calculated by averaging the highest and lowest sale prices of the Common Shares on the NYSE on the date granted, in accordance with the terms of the 2002 Stock Incentive Plan as approved by the shareholders.

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(2) Restricted shares vest at the rate of 20% annually over a five year period or as otherwise set forth in an applicable employment agreement. Grant dates for the restricted shares are as follows:

Grant Date	2/21/2007	2/20/2008	2/18/2009	5/13/2009	2/24/2010
Joseph V. Taranto	-	-	-	-	35,448
Dominic J. Addresso	-	-	-	5,560	6,000
Mark S. de Saram	1,600	3,000	5,000	-	6,250
Sanjoy Mukherjee	800	1,800	3,000	-	3,000

(3) Determined by multiplying the NYSE December 31, 2010 closing price of \$84.82 by the number of restricted shares.

(4) In accordance with the termination provisions of the award agreements of the 2002 Stock Incentive Plan, Mr. Jones' unvested restricted shares were cancelled upon his resignation.

Share Option Exercises and Shares Vested.

The following table sets forth certain information concerning the number and value of exercised share options and vested shares at the end of 2010 held by the Named Executive Officers.

2010 OPTION EXERCISES AND SHARES VESTED

Name	Option Awards		Share Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (1)	Number of Shares Acquired on Vesting	Value Realized on Vesting (2)
Joseph V. Taranto	-	\$ -	-	\$ -
Dominic J. Addresso	-	-	1,390	108,552
Mark S. de Saram	5,900	237,741	3,950	331,309
Sanjoy Mukherjee	-	-	1,750	146,330
Keith T. Shoemaker	-	-	-	-
Ralph E. Jones, III	-	-	8,000	664,160

1. The aggregate dollar value realized upon the exercise of options determined by computing the difference between the market price and the option exercise price on the day of exercise.

2. Amount reflects the aggregate market share value on the day that the restricted shares vest.

Retirement Plan.

All the executive officers of the Company, with the exception of Mr. de Saram, participate in the Everest Reinsurance Company Retirement Plan (the "Retirement Plan") and, except for Mr. de Saram and Mr. Shoemaker, in the Supplemental Retirement Plan (the "Supplemental Plan"), both of which are defined benefit pension plans. As an employee of Bermuda Re, Mr. de Saram is not eligible to participate in the Retirement Plan, and Bermuda Re does not maintain a defined benefit pension plan. The Retirement Plan is a tax-qualified plan that determines benefits under a formula that takes into account a participant's years of continuous service and final average earnings with Everest Re and certain affiliates, including the participant's period of affiliation with The Prudential Insurance Company of

America (“Prudential”). The Supplemental Plan is a non-qualified plan that provides benefits that would otherwise be provided under the Retirement Plan formula but for the application of certain limitations on tax-qualified benefits under the Internal Revenue Code.

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A participant's "final average earnings" under the Retirement Plan will be his or her average annual "earnings" under the plan during the 72 consecutive months of continuous service in which the participant received the greatest amount of earnings out of the final 120 months of continuous service. For this purpose, "earnings" generally include the participant's base salary, cash bonus payments under the Executive Performance Annual Incentive Plan and, for participants who held positions equivalent to or senior to that of department vice president when that position existed, cash payments under the Company's Annual Incentive Plan. "Earnings" does not include any other compensation set forth in the Summary Compensation Table.

Final average earnings and earnings will be determined under the Supplemental Plan in the same manner as under the Retirement Plan, except that a participant's earnings are not subject to the limitations under the Internal Revenue Code. "Continuous service" under the Retirement Plan and Supplemental Plan will be the number of years and months worked for Everest Re and certain affiliates, including during the period of affiliation with Prudential.

The table below shows the present value of accumulated benefits payable to each of the Named Executive Officers determined using interest rate and mortality rate assumptions consistent with those in the Company's financial statements and the number of years of service credited to each. A Participant becomes vested in the Supplemental Plan upon reaching five years of service, retirement at age 65 or upon a Change of Control. If a Participant leaves the Company prior to becoming vested in the Supplemental Plan, he receives no benefits.

2010 PENSION BENEFITS TABLE

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year
Joseph V. Taranto (2)	Retirement Plan	16.2	\$ 683,756	\$ -
	Supplemental Plan		8,362,752	-
Dominic J. Adesso	Retirement Plan	1.7	58,680	-
	Supplemental Plan		150,605	-
Mark S. de Saram	None	N/A	-	-
			-	-
Sanjoy Mukherjee	Retirement Plan	10.5	150,701	-
	Supplemental Plan		108,350	-
Keith T. Shoemaker	Retirement Plan	9.3	257,419	-
Ralph E. Jones III (3)	Retirement Plan	N/A	-	-
	Supplemental Plan		-	-

(1) The assumptions used to calculate present values are generally the same as those used in FAS 87 year end reporting. The table employs the discount rate of 5.6% at December 31, 2010, 6.1% at December 31, 2009 (SRP discount rates are 5% for both years) and the Form of Payment and the Mortality Table (the sex distinct RP2000 White Collar Combined Active/Retiree Healthy Mortality Table projected to 2006 with Scale AA) for the Retirement Plan, Table 417(e) Mortality for the Supplemental Plan post-retirement. The calculation assumes 50% Joint and Survivor Annuity for the Retirement Plan (wives assumed to be 4 years younger than their husbands, single life annuity for the Supplemental Plan).

The Assumptions that are different than FAS 87 reporting are turnover, disability, future salary increases, pre-retirement mortality and increases in Social Security Covered compensation and IRC 401(a)(17) compensation limits are ignored.

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Messrs. Taranto, Adesso, Mukherjee and Shoemaker are not eligible to retire with unreduced benefits until age 65. Where a person participates in both the Retirement Plan and the Supplemental Plan, the number of years of credited service is the same for both plans.

(2) The present value of Mr. Taranto's benefits has been reduced by the amount that he received in December 2008 to pay FICA and other associated taxes.

(3) Mr. Jones had no vested right to benefits from either retirement plan as of his resignation date of October 7, 2010.

2010 NON-QUALIFIED DEFERRED COMPENSATION TABLE

The 2010 Non-qualified Deferred Compensation Table shows information about the Supplemental Savings Plan (1).

Name	Executive Contributions in Last Fiscal Year (2)	Registrant Contributions in Last Fiscal Year(2)	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year-End (3)
Joseph V. Taranto Everest Re Supplemental Savings Plan	\$ 21,923	\$ 21,923	\$ 107,332	\$ -	\$ 1,065,412
Dominic J. Adesso Everest Re Supplemental Savings Plan	8,481	8,481	1,972	-	22,392
Mark S. de Saram Everest Re Supplemental Savings Plan	N/A	-	-	-	-
Sanjoy Mukherjee Everest Re Supplemental Savings Plan	1,904	1,904	122	-	6,906
Keith T. Shoemaker Everest Re Supplemental Savings Plan	N/A	-	-	-	-
Ralph E. Jones III Everest Re Supplemental Savings Plan	8,077	8,077	2,909	-	42,468

(1) The Supplemental Savings Plan has the same investment elections as the Company's 401(k) plan and is designed to allow each participant to contribute a percentage of his base salary and receive a company match beyond the contribution limits prescribed by the Internal Revenue Service with regard to 401(k) plans. When the annual IRS 401(a) (17) compensation maximum is reached under the qualified savings plan, eligible employees may contribute to the Supplemental Savings Plan which allows for up to a 3% employee contribution and a 3% company match. Withdrawal is permitted only upon cessation of employment.

(2) All of the amounts reported in this column are included in the 2010 Summary Compensation Table.

(3) The amounts reported in this column include the following portions of the amounts that were reported above in the 2010 Summary Compensation Table as compensation for 2008 or 2009: Mr. Taranto (\$92,308), Mr. Adesso

(\$4,616).

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EMPLOYMENT, CHANGE OF CONTROL AND OTHER AGREEMENTS

Employment agreements have been entered into with Messrs. Taranto, Adesso and de Saram. Mr. Adesso's agreement expired per its terms on May 7, 2010. Employment agreements are entered into when it is determined that an employment agreement assists in obtaining assurance as to the executive's continued employment in light of the prevailing market competition for the particular position, or where the Compensation Committee believes that an employment agreement is appropriate to attract an executive in light of market conditions and the prior experience of the executive. The terms of the agreement take into consideration the executive's prior background, experience, compensation, competitive conditions and negotiations with the executive.

Joseph V. Taranto. On July 15, 1998, Everest Holdings entered into an employment agreement with Mr. Taranto (the "Employment Agreement"). The Employment Agreement was amended on September 25, 2009 to extend Mr. Taranto's employment agreement through December 31, 2010, unless sooner terminated in accordance with its terms and provides for a base salary of \$1,000,000 per year and a cash payment in 2009 of \$2,500,000 in consideration for his agreeing to extend his employment. Mr. Taranto is also eligible to participate in the Executive Performance Annual Incentive Plan.

In connection with the restructuring of Everest Holdings in February 2000, Mr. Taranto's Employment Agreement was amended to state that he would be the Chairman and Chief Executive Officer of the Company after the restructuring, and that he would provide services to the Company after the restructuring that were comparable to those required under his Employment Agreement prior to the restructuring. As a result, the Company and Everest Holdings are both parties to the Employment Agreement and have co-extensive rights, powers, duties and obligations. The February 2000 amendment made other conforming changes to the Employment Agreement to reflect the restructuring. When the Company established Everest Global as a Delaware subsidiary to perform administrative and back-office functions for the Company and its insurance subsidiaries, Mr. Taranto became an employee of that company and Everest Global became a party to the Employment Agreement. Everest Global and Everest Holdings entered into a new employment agreement with Mr. Taranto effective January 1, 2011 and expiring December 31, 2012, unless sooner terminated in accordance with its terms.

In connection with the execution of the Employment Agreement, Everest Holdings and Mr. Taranto also entered into a Change of Control Agreement dated as of July 15, 1998, and amended as agreed with the Company on April 5, 2007 to reflect his employment by Everest Global. Mr. Taranto's Change of Control Agreement was amended and restated effective January 1, 2009 in order to make his agreement compliant with §409A. A violation of §409 may subject an executive to recognition of income with respect to nonqualified deferred compensation at the time such compensation becomes vested plus a 20 percent tax and interest.

Mr. Taranto's Change of Control Agreement provides that if, within one year after the occurrence of a material change (as defined in the agreement), Mr. Taranto terminates his employment for any reason, or if the Company terminates Mr. Taranto's employment for any reason other than for due cause (as defined in the agreement), then (a) all of Mr. Taranto's outstanding share options granted under the Company's share plans shall immediately vest and become exercisable; (b) Mr. Taranto shall receive a cash payment six months after separation equal to the lesser of (i) 2.99 multiplied by Mr. Taranto's annual compensation for the most recent taxable year ending prior to the date of the material change less the value of Mr. Taranto's gross income in the most recent taxable year ending prior to the date of a material change attributable to his exercise of share options, share appreciation rights and other share-based awards granted Mr. Taranto by the Company or (ii) 2.99 multiplied by Mr. Taranto's "annualized includible compensation for the base period" as that phrase is defined in Section 280G(d) of the Internal Revenue Code; (c) Mr. Taranto shall continue to be covered under the Company's medical and dental insurance plans for a period of three years from the date of termination; and (d) Mr. Taranto shall receive "Special Retirement Benefits" in an amount that will equal the retirement benefits he would have received had he continued in the employ of the Company for three years following

his termination under the Everest Reinsurance Retirement Plan and any supplemental, substitute or successor retirement plans adopted by the Company. All Special Retirement Benefits shall be paid six months after separation.

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In the event that the benefits Mr. Taranto receives under the Change of Control Agreement cause Mr. Taranto to receive a “Parachute Payment” within the meaning of Section 280G of the Internal Revenue Code, Mr. Taranto’s benefits will be reduced to an amount that is one dollar less than the amount that would cause a Parachute Payment. If an award made under the Change of Control Agreement nevertheless results in an assessment against Mr. Taranto of a “Parachute Tax” pursuant to Section 4999 of the Internal Revenue Code, Mr. Taranto shall be entitled to receive an additional amount of money that would put him in the same net tax position had no Parachute Tax been incurred.

Dominic J. Adesso. On May 8, 2009, the Company entered into an employment agreement with Mr. Adesso under which he was to serve as Executive Vice President and Chief Financial Officer. The agreement, which terminated on May 7, 2010, provided for an annual salary of \$500,000, a grant of restricted shares valued at approximately \$500,000, and eligibility for a March 2010 bonus of up to \$500,000. Notwithstanding the expiration of his employment agreement, Mr. Adesso’s employment continues as Executive Vice President and Chief Financial Officer.

Ralph E. Jones, III. On October 7, 2010, the Company entered into a Mutual Agreement and General Release and Waiver with Mr. Jones terminating his employment in accordance with his decision to resign his position as President and Chief Operating Officer of the Company. The agreement provided for severance payments of \$1,100,000 on each of October 31, 2010, March 31, 2011 and October 31, 2011 as well as health coverage benefits for he and his family through October 31, 2011, in consideration for non-solicitation, non-compete and non-disclosure covenants and a release of all claims.

Mark S. de Saram. On October 14, 2004, Bermuda Re entered into an employment agreement with Mr. de Saram, which was most recently amended on November 1, 2010, under which he is to serve as the Managing Director and Chief Executive Officer of Bermuda Re until November 1, 2012. As amended, the agreement provides for an annual salary of \$525,000, subject to annual increases, and \$12,500 per month as a housing allowance. Mr. de Saram is also eligible to participate in the Company’s Annual Incentive Plan, which is entirely discretionary in nature and which may be amended or terminated by the Company at any time. All payments shall be made in U.S. dollars. He is also a participant in the Senior Executive Change of Control Plan. (See “Other Change of Control Arrangements”.) Pursuant to his employment agreement, Mr. de Saram participates in the medical insurance, dental insurance and group life insurance plans currently available to other Bermuda Re employees. In lieu of participating in the Bermuda Savings Plan, he receives a monthly payment equal to 10% of his monthly salary.

If Bermuda Re terminates Mr. de Saram’s employment prior to November 1, 2012 for reasons other than misconduct or a breach of Bermuda Re’s policies, a separation payment equivalent to one year’s salary will be made and a reasonable allowance will be provided to move his personal possessions back to the United Kingdom. Bermuda Re may terminate Mr. de Saram’s employment for cause as defined in the employment agreement at any time during the term of the agreement without prior notice. If Bermuda Re does not renew Mr. de Saram’s employment agreement at the expiration of its term and does not offer him employment at the level at which he was employed prior to entering into that agreement, then Bermuda Re will pay Mr. de Saram a sum equal to six month’s base salary, plus the reasonable cost of six months of medical insurance.

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Other Change of Control Arrangements. The Company's Change of Control arrangements are principally intended to provide continuity of management by motivating executive officers to remain with the Company, despite the uncertainty that arises in the context of a change in control.

Everest Holdings established a Senior Executive Change of Control Plan effective September 28, 1998, which was amended and restated effective January 1, 2009 in order to make it compliant with §409A. The Company succeeded Everest Holdings under the Change of Control Plan upon the restructuring of Everest Holdings in February 2000. A violation of §409A may subject an executive to recognition of income with respect to nonqualified deferred compensation at the time such compensation becomes vested plus a 20 percent tax and interest. Consistent with the changes described above, the Senior Executive Change of Control Plan requires the participant to wait six months following a termination of employment to receive any payments under the plan. The Change of Control Plan is administered by the Compensation Committee, which selects participants from among the senior executives of the Company and its subsidiaries. Among others, the Compensation Committee has selected Mr. Addesso, Mr. de Saram and Mr. Mukherjee to participate in the plan.

The Senior Executive Change of Control Plan provides that if, within two years after the occurrence of a material change (as defined in the plan) a participant terminates his or her employment for good reason (as defined in the plan) or the Company terminates the participant's employment for any reason other than for due cause (as defined in the plan), then (a) all of the participant's outstanding share options granted under the Company's stock plans shall immediately vest and remain exercisable for three months following termination of employment; (b) all restrictions on the participant's restricted shares awarded under the Company's share plans shall immediately terminate and lapse; (c) the participant shall receive a cash payment six months after termination equal to the participant's average salary and annual incentive bonus for the three most recent taxable years (or such shorter period as may be applicable) multiplied by a number between 2.00 and 2.99 as determined by the Compensation Committee (for Messrs. Addesso, de Saram and Mukherjee, the number is 2.00); (d) the participant shall continue to be covered under the Company's medical and dental insurance plans for a period of two years from the date of termination; and (e) the participant shall receive "special retirement benefits" in an amount that will equal the retirement benefits he or she would have received under the Everest Reinsurance Retirement Plan and any supplemental, substitute or successor plans adopted by the Company had he or she continued in the employ of the Company for a period following termination determined by the Compensation Committee. Special Retirement benefits shall be paid six months after termination.

Potential Payments Upon Termination or Change in Control.

The tables below give a reasonable estimate of the incremental amount of compensation that might be paid to each of the Named Executive Officers in the event of termination of his employment on December 31, 2010. Mr. Jones is not reflected in the tables because he resigned on October 7, 2010.

The amounts shown assume that such termination, change in control, death or disability was effective as of December 31, 2010 and includes estimates of amounts to which the Named Executive Officer might be entitled incremental to what he earned during such time. The actual amounts to be paid out can only be determined at the time of such executive's separation from the Company and may be changed at the discretion of the Compensation Committee of the Company's Board of Directors.

Payments Made Upon Termination. Regardless of the manner in which a Named Executive Officer's employment terminates, he is entitled to receive amounts earned during his term of employment. Such amounts include: accrued salary; amounts contributed under the Employee Savings Plan and the Supplemental Savings Plan (see Non-qualified Deferred Compensation Table) and amounts accrued and vested through the Company's Retirement Plan and the Supplemental Retirement Plan. (See Pension Benefits Table.) The retirement plans offer survivor annuity, if elected by the participant.

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Payments Made Upon Retirement. In the event of retirement, in addition to the items above, all who are eligible will receive the pension benefits shown in the Pension Benefits Table with a reduction for early retirement. At his resignation effective October 7, 2010, Mr. Jones was not eligible for pension benefits which require five years of service or attainment of age 65. Generally, restricted shares and unexercisable options are cancelled and vested options remain exercisable for 90 days following retirement

Payments Made Upon Death or Disability. In the event of death or disability, in addition to the benefits listed under the headings above, the Named Executive Officer will receive benefits under the Company's disability plan or payments under the Company's life insurance program, as available to employees generally. In the event of Mr. Taranto's death, the Company will pay his base salary through the end of the month of death. In the event of Mr. Taranto's death or disability, his bonus would be paid on an annualized basis. For 2010, the bonus would have been \$1.4 million as reported in the Summary Compensation Table.

In the event of the death or disability of any of the Named Executive Officers, unvested share options become exercisable and the restrictions on restricted shares lapse. The following table lists the value of equity awards for each Named Executive Officer at the NYSE closing price of \$84.82 at 2010 year end as if all vested on December 31, 2010. It does not include the unexercised options that have already vested. The option value is the closing price less the option price for each grant and restricted shares are valued at the closing price.

Name	Options	Restricted Shares	Total
Joseph V. Taranto	\$ -	\$ 3,006,699	\$ 3,006,699
Dominic J. Addesso	-	980,519	980,519
Mark S. de Saram	-	1,344,397	1,344,397
Sanjoy Mukherjee	-	729,452	729,452
Keith T. Shoemaker	110,174	-	110,174

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Change of Control.

As described above, the Company has entered into Change of Control agreements with each of the Named Executive Officers except Mr. Shoemaker. Payments are made under each of the respective Change of Control agreements if Mr. Addesso, Mr. de Saram or Mr. Mukherjee suffers a covered termination of employment within two years following a change in control. For Mr. Taranto, the term is within one year of a change in control. The Change of Control agreements provide that payment is capped at one dollar less than the amount that would otherwise trigger a Parachute Payment under Section 280G of the Internal Revenue Code.

Name	Incremental Benefit	Termination Without Cause or Resignation for Good Reason	Termination Following Change in Control
Joseph V. Taranto	Cash Payment	\$ - (1)	\$ 14,629,149 (2)
	Equity Acceleration	-	-
	Benefits Continuation	-	35,000
	Pension Enhancement	-	15,650,000
	Benefits Cutback	N/A	-
	Total Value	\$ -	\$ 30,314,149
Dominic J. Addesso	Cash Payment	\$ -	\$ 1,519,231 (2)
	Equity Acceleration	-	980,519 (3)
	Benefits Continuation	-	24,000
	Pension Enhancement	-	- (4)
	Benefits Cutback	N/A	-
	Total Value	\$ -	\$ 2,523,750 (5)
Mark S. de Saram	Cash Payment	\$ 525,000 (6)	\$ 1,923,741 (2)
	Equity Acceleration	-	1,344,397 (3)
	Benefits Continuation	-	33,453
	Total Value	\$ 525,000	\$ 3,301,591
Sanjoy Mukherjee	Cash Payment	\$ -	\$ 914,308 (2)
	Equity Acceleration	-	729,452 (3)
	Benefits Continuation	-	34,000
	Pension Enhancement	-	262,000
	Benefits Cutback	N/A	(726,696)
	Total Value	\$ -	\$ 1,213,064 (5)
Keith T. Shoemaker	Cash Payment	\$ -	\$ -
	Equity Acceleration	-	110,215 (7)
	Benefits Continuation	-	-
	Pension Enhancement	-	-
	Total Value	\$ -	\$ 110,215

(1) If termination is for good reason or without due cause, Mr. Taranto is entitled to the aggregate amount of his base salary from the date of termination through December 31, 2010, which results in no amount due.

- (2) The Senior Executive Change of Control Agreement provides for a cash payment that equals the average of the executive's salary and bonus for the previous three years times a factor assigned by the Board. The factor is 2.0 for Messrs. Addesso, de Saram and Mukherjee. Mr. Taranto's Change of Control Agreement provides for a factor of 2.99.
- (3) The unvested equity awards for each Named Executive Officer are valued at the NYSE closing price of \$84.82 at 2010 year end as if all vested on December 31, 2010.
- (4) For Mr. Addesso, the additional years of service would not be sufficient to cause his Retirement Plan benefits to be vested.

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- (5) The terms of the Change of Control Agreement offer a cash payout, vesting of equity awards and enhanced pension and health benefits but the aggregate amount is capped at one dollar less than the amount that would otherwise trigger a Parachute Payment under Section 280G of the Internal Revenue Code. The amount shown is the lesser of the total value or one dollar less than three times the Named Executive Officer's annualized compensation for the most recent five years.
- (6) Pursuant to the terms of his Employment Agreement, Mr. de Saram would receive one year's salary plus reasonable moving expenses, if terminated without cause. There is no provision for payment if Mr. de Saram leaves for good reason.
- (7) Mr. Shoemaker does not have a Change of Control agreement but his option award agreements provide for vesting upon a change in control.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2010, the Compensation Committee was comprised of Martin Abrahams, Kenneth J. Duffy, John R. Dunne, Roger M. Singer and John A. Weber, all of whom are Non-Employee Directors of the Company and none of whom is or has been an officer of the Company. No Compensation Committee interlocks existed during 2010.

CERTAIN TRANSACTIONS WITH DIRECTORS

The Board reviewed, discussed and approved by resolution as being in the ordinary course of business, the participation of the Company and its subsidiaries in transactions with companies in which Mr. Galtney, as a non-independent director of the Company, also maintains ownership, an employment position or an officership. A detailed description of the process by which related party transactions are considered is included in the section entitled "The Board of Directors and its Committees." The following transactions during 2010 were considered by the Board.

William F. Galtney, Jr. has served as Chairman of Oxford Insurance Services Limited ("Oxford"), a company in which he holds a 99% ownership since April 1, 2005. In 2005, the Everest Companies entered into a program administrator agreement with Oxford. Until cancellation of the reinsurance treaty on February 1, 2010, policies placed by Oxford with the Everest Companies were generally reinsured under an 82% quota share treaty by Transatlantic Reinsurance Company, which then reinsured up to 100% of the assumed risk with (1) Sunrise Professional Indemnity, Ltd. ("Sunrise"), a Cayman reinsurance company owned by WFG Interests, LLC, which is owned by Mr. Galtney, or (2) with Medical Risk Indemnity, SPC, a Cayman Islands reinsurer of which WFG Interests, LLC owns 49.2%.

Under all business with Oxford in 2010, the Everest Companies recorded \$887,029 in gross written premiums and \$634,304 in related commissions and fees to Oxford and paid to Oxford \$419,839 in related commissions and fees in 2010.

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PROPOSAL NO. 2—APPOINTMENT OF INDEPENDENT AUDITORS

The Board of Directors recommends that you vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm to serve as the Company's auditor for the year ending December 31, 2011 and the authorization of the Board of Directors acting by the Audit Committee of the Board of Directors to set the fees for the independent, registered public accounting firm serving as the Company's auditor. Proxies will be so voted unless shareholders specify otherwise in their proxies.

The Company's independent registered public accounting firm has been appointed to serve as the Company's auditor each year at the Annual General Meeting of Shareholders pursuant to the Board's recommendation, which is based on the recommendation of the Audit Committee. For the 2011 Annual General Meeting, and in accordance with the Sarbanes-Oxley Act of 2002 ("Sarbanes Oxley"), the Audit Committee has evaluated the performance and independence of PricewaterhouseCoopers LLP and has recommended their appointment as the Company's independent, registered public accounting firm to serve as auditor for the year ending December 31, 2011. In making its recommendation, the Audit Committee reviews both the audit scope and estimated fees for professional services for the coming year. Representatives of PricewaterhouseCoopers LLP will be present at the 2011 Annual General Meeting, will have the opportunity to make a statement if they so desire and will be available to respond to appropriate questions from shareholders.

PROPOSAL NO. 3—AMENDMENT OF BYE-LAWS TO PERMIT DECLASSIFICATION OF THE BOARD

The Board of Directors recommends that you vote FOR the amendment of the Company's Bye-laws to provide for annual election of all directors. Proxies will be so voted unless shareholders specify otherwise in their proxies. Proxies given by beneficial holders to shareholders of record may not be so voted unless beneficial holders specify a vote for approval in their proxies.

The Company's Bye-laws provide that the Board of Directors is divided into three classes, with each class elected every three years. Observations of shareholders prompted consideration by the Board of declassification, and the Board believes that it is important to continue to retain shareholder confidence by demonstrating that it is accountable and responsive to shareholders. Accordingly, the Board has unanimously approved, and recommended that the shareholders approve, amendments to provide for the annual election of all directors. If shareholders approve the amendment of the Bye-laws, directors elected prior to the effectiveness of these amendments would stand for election for one-year terms when their current terms expire. This means that directors whose terms expire at the 2012, 2013 and 2014 annual meetings of shareholders would be elected for one-year terms, and beginning with the 2014 annual meeting, all directors would be elected for one-year terms at each annual meeting. In the case of any vacancy on the Board occurring after the 2011 annual meeting created by an increase in the number of directors, the vacancy would be filled through an interim election by the Board with the new director to serve a term ending at the next annual meeting. Vacancies created by resignation, removal or death would be filled by interim election of the Board for a term until the end of the term of the director being replaced. This proposal would not change the present number of directors or the Board's authority to change that number and to fill any vacancies.

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Bye-law 11, sections (c) and (d) contain the provisions that will be replaced if this proposal is adopted. Bye-laws 11(c) and (d) show the proposed changes as set forth below:

Bye-law 11(c) will be replaced in its entirety with the following language:

(c) The Directors elected at the annual general meeting that is held in calendar year 2011 shall be elected for a term expiring at the annual general meeting that is held in calendar year 2014 or until such Directors' successors shall have been duly elected or appointed or until such Director's office is otherwise vacated. Commencing at the annual general meeting of Shareholders that is held in calendar year 2012, and at each annual general meeting thereafter, each Director then standing for election shall be elected annually for a term expiring at the next annual general meeting or until such Directors' successors shall have been duly elected or appointed or until such Director's office is otherwise vacated. Any Director already in office at the 2012 annual general meeting whose term expires at the annual general meeting of Shareholders to be held in calendar year 2013 or 2014 shall continue to hold office until the end of the term for which such Director was elected or until such Director's successor shall have been duly elected or appointed or until such Director's office is otherwise vacated.

Bye-law 11(d) will be replaced in its entirety with the following language:

(d) Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Shares shall have the right, voting separately by class or series, to elect Directors at an annual or special general meeting, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Board resolution creating such classes or series of Preferred Shares.

The shareholders are being asked to consider and approve the adoption of the amendments to our Bye-laws described above. Under Section 13 of the Act and Section 98 of our Bye-laws, our shareholders must approve any amendments to the Bye-laws by the affirmative vote of a majority of the votes cast at the Annual General Meeting. The Board has unanimously approved the foregoing Bye-law amendments and recommends their approval and adoption by the shareholders.

PROPOSAL NO. 4—APPROVAL OF THE EVEREST RE GROUP, LTD. EXECUTIVE PERFORMANCE ANNUAL INCENTIVE PLAN, AS AMENDED

The Board of Directors recommends that you vote FOR the approval of the Everest Re Group Ltd. Executive Performance Annual Incentive Plan, as amended, the ("Plan") with such awards granted in 2011 under the Plan being conditional upon shareholder approval. Proxies given by shareholders of record will be so voted unless the shareholders specify otherwise in their proxies. Proxies given by beneficial holders to shareholders of record may not be so voted unless beneficial holders specify a vote for approval in their proxies.

Proposed Amendment

On February 24, 2011, the Board approved an amendment to the Plan that increases the maximum award that may be paid to any one participant in a year from \$2.5 million to \$3.5 million.

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Background and Reasons for Amendment

The Board recommends that shareholders approve the adoption of the Plan, as amended, in order to enhance the Plan's ability to continue to serve the purpose for which it was originally adopted. The purpose of the Plan is to provide an incentive for executives who are in a position to contribute materially to the success of the Company and its subsidiaries, reward their accomplishments, motivate future accomplishments, and aid in attracting and retaining executives of the caliber necessary for the continued success of the Company and its subsidiaries. Historically, it has been the practice of the Board to designate only the Chief Executive Officer as a participant in the Plan. The maximum award available under the Plan has not been increased since the Plan was amended by shareholders in 2005. In order to enable the Company to be competitive with other industry leaders in attracting and retaining high caliber executive talent, the Board believes that it is necessary to increase the maximum award available to reward and to motivate executives' superior performance.

The purpose of the Plan is also to define and limit amounts which may be awarded to eligible executives of the Company so that the awards will qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). By qualifying as performance-based compensation under Section 162(m), the cash bonuses could be deductible to the Company (or subsidiary, if applicable) if it were subject to U.S. taxation.

Description of the Plan

The Plan, as amended, is set forth in full in Exhibit B and the description of the Plan which appears below is qualified in its entirety by reference to that Exhibit.

Administration

The Plan is administered by a committee appointed by the Board to administer the Plan (the "Committee"), consisting of no fewer than two members of the Board. Each member of the Committee qualifies as an "outside director" within the meaning of Code Section 162(m). The Committee has all discretion and authority necessary or appropriate to administer the Plan and to interpret the provisions of the Plan consistent with qualification of the Plan as performance-based compensation under Code Section 162(m). The Board has designated the Compensation Committee to perform the functions of the Committee with respect to the Plan.

Eligibility

Within ninety (90) days after the beginning of each year, the Committee, in its sole discretion, selects corporate officers of the Company and its subsidiaries who will be eligible that year to participate in the Plan (the "Participants").

Awards and Performance Measures

The Committee establishes in writing objective performance goals for each Participant, which, if attained, shall entitle such Participant to specific award amounts that will be paid to each Participant. The Participants' performance shall be measured by any of the following performance criteria: net income before or after taxes, operating income before or after taxes, premiums earned, earnings per share, return on stockholders' equity, return on assets, appreciation in and/or maintenance of the price of the common stock or any other publicly traded securities of the Company, comparisons with various stock market indices, market share, statutory combined ratio, expense ratio, reductions in costs and expense growth, or gross or net premium growth.

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The Committee establishes an objective method by which award amounts will be calculated under the Plan. The maximum award amount any one Participant may be awarded in one year is \$3.5 million under the proposed amendment. The Committee, in its sole discretion, may eliminate or reduce but not increase, any award determination. The Plan provides that the total amount of awards granted to all Participants in any one year will not exceed 10% of the Company's average annual income before taxes for the preceding five years.

Other Terms and Conditions

The Plan provides that no award shall be assignable or transferable other than by will or by laws of descent and distribution. The Plan further provides that the Board may at any time and without notice to any corporate officer of the Company or a subsidiary suspend, discontinue, revise, amend or terminate the Plan, provided that any such revision, or amendment which requires shareholder approval in order to maintain the qualification of awards as performance-based compensation pursuant to Code Section 162(m) shall not be made without such approval. Because payments under the Plan are determined by comparing actual performance to the annual performance goals established by the Committee, it is not possible to conclusively state the amount of benefits which will be paid under the Plan. Consistent with the Committee's practice since the Plan was approved by Shareholders in 1999, the Committee has determined that only the Chairman of the Board and Chief Executive Officer, Joseph V. Taranto, will be a Participant in the Plan for 2011. A performance goal has been established for Mr. Taranto based upon the Company's earnings per share. Further, if the Plan as amended is approved by shareholders, any award cannot exceed \$3.5 million, can qualify for tax deductibility under §162(m) if subject to U.S. taxation, and the Committee retains sole discretion under the Plan to reduce or eliminate the award as it deems appropriate.

Securities Authorized for Issuance under Equity Compensation Plans.

The following table summarizes, as of December 31, 2010, information about compensation plans under which securities of the Company are authorized for issuance:

Plan Category	(a)	(b)	(c)
	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plan (excluding securities reflected in column (a))
Equity compensation plans approved by security holders			
2010 Stock Incentive Plan	-	\$ 0.0000	3,994,143
2002 Stock Incentive Plan	2,404,500	83.0313	-
1995 Stock Incentive Plan	242,000	63.0679	-
2009 Non Employee Director Stock Option and Restricted Stock Plan	590	84.6300	36,849
2003 Non-Employee Director Equity Compensation Plan	10,000	70.8200	443,000

1995 Stock Option Plan for Non-Employee			
Directors	706	70.8200	-
Equity compensation plans not approved by security holders (1)			
Board action 2001	20,000	\$ 48.0100	-
Board action 2000	-	0.0000	-
Board action 1999	-	0.0000	-

(1) On September 21, 2001, each of the Non-Employee Directors was granted a stock option award covering 10,000 Common Shares at an exercise price of \$48.01 per share, which was the fair market value of the shares on the date of grant. The options vested ratably over three years.

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On February 23, 2000, each of the Non-Employee Directors was granted a stock option award covering 7,500 Common Shares at an exercise price of \$25.3438 per share, which was the fair market value of the shares on the date of grant. The options vested ratably over three years.

On April 1, 1999, each of the Non-Employee Directors was granted a stock option award covering 6,500 Common Shares at an exercise price of \$30.625 per share, which was the fair market value of the shares on the date of grant. The options vested ratably over three years.

PROPOSAL NO. 5—NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Board of Directors recommends that you vote FOR the non-binding advisory approval of the Named Executive Officers' compensation. Proxies will be so voted unless shareholders specify otherwise in their proxies. Proxies given by beneficial holders to shareholders of record may not be so voted unless beneficial holders specify a vote for approval in their proxies.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables shareholders to vote to approve, on an advisory (nonbinding) basis, the compensation of the Company's Named Executive Officers as disclosed in this Proxy Statement in accordance with the rules of the SEC.

As described in detail under the heading "Executive Compensation – Compensation Discussion and Analysis", the Company's executive compensation program is designed to attract, reward, and retain talented executives whose abilities are critical to the success of the Company and its long term goals of profitability and strong shareholder returns. Please read the "Compensation Discussion and Analysis" discussion for additional details about our executive compensation programs, including information about the fiscal year 2010 compensation of our named executive officers.

Shareholders are being asked to indicate their support for the Company's Named Executive Officer compensation as described in this Proxy Statement, which include the "Compensation Discussion and Analysis" section and the compensation tables and related narrative disclosure. This proposal, commonly known as a "say-on-pay" proposal, gives shareholders the opportunity to express their views on our Named Executive Officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company's Named Executive Officers and the philosophy, policies and practices described in this Proxy Statement. Accordingly, the Board recommends that you vote "FOR" the following resolution at the Annual General Meeting:

"Resolved, that the shareholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and related narrative discussion."

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or the Board of Directors. However, the Board of Directors and the Compensation Committee value the opinions of the Company's shareholders, will review the voting results, and will consider shareholders' concerns.

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PROPOSAL NO. 6—NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION

For the reasons set forth below, the Board of Directors recommends a vote for a frequency of “ONE YEAR” for future non-binding shareholder votes on executive compensation. Proxies will be so voted unless shareholders specify otherwise in their proxies. Proxies given by beneficial holders to shareholders of record may not be so voted unless beneficial holders specify a vote for a frequency of “ONE YEAR” in their proxies.

The Dodd-Frank Act also enables the Company’s shareholders to indicate how frequently we should seek an advisory vote on the compensation of the Company’s Named Executive Officers, as disclosed pursuant to the SEC’s compensation disclosure rules, such as Proposal No. 5 of this Proxy Statement. By voting on this Proposal No. 6, shareholders may indicate whether they would prefer an advisory vote on Named Executive Officer compensation once every one, two, or three years.

The advisory vote by the Company’s shareholders on frequency is distinct from the advisory vote on the compensation of the Company’s Named Executive Officers. This proposal deals with the issue of how frequently an advisory vote on compensation should be presented to shareholders and, in this regard, shareholders may provide advice on the following resolution:

“Resolved that the compensation of the Company’s Named Executive Officers be submitted to shareholders for an advisory vote:

- 1) every year (annual);
- 2) every two years (biennial); or
- 3) every three years (triennial).”

You may vote for one of these three alternatives, or you may abstain from making a choice.

After careful consideration of this Proposal, the Board of Directors has determined that an advisory vote on executive compensation that occurs every year (annually) is the most appropriate alternative for the Company, and therefore the Board of Directors recommends that you vote for a one-year interval for the advisory vote on executive compensation.

In formulating its recommendation, the Board of Directors considered the fact that the Compensation Committee and the Board evaluate, adjust and approve Named Executive Officer compensation on an annual basis. The Board believes that having an annual advisory vote on executive compensation will allow shareholders to provide timely input on our compensation philosophy, policies and practices as disclosed in the Proxy Statement every year. Additionally, an annual advisory vote on executive compensation is consistent with the Board’s desire to seek input from shareholders on our executive compensation philosophy, policies and practices.

The option of one year, two years or three years that receives the highest number of votes cast by shareholders will be the frequency for the advisory vote on executive compensation that has been selected by shareholders. However, because this vote is advisory and not binding on the Board of Directors in any way, the Board may decide that it is in the best interests of our shareholders and the Company to hold an advisory vote on executive compensation more or less frequently than the option approved by shareholders.

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MISCELLANEOUS—GENERAL MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's executive officers, and directors and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Executive officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish the Company with copies of all Forms 3, 4 and 5 they file.

Based solely on the Company's review of the copies of the forms it has received and representations that no other reports were required, the Company believes that all of its executive officers and directors have filed with the SEC on a timely basis all required Forms 3, 4 and 5 with respect to transactions during fiscal year 2010 with the exception of one filing by Mr. Duffy which was delayed through clerical error.

Shareholder Proposals for the 2012 Annual General Meeting of Shareholders

To be considered for inclusion in the Company's Proxy Statement and Proxy Card relating to the 2011 Annual General Meeting of Shareholders, a shareholder proposal must be received by the Secretary of the Company in proper form at the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, no later than December 17, 2011. If the shareholder proposal relates to a nomination for director, then the proposal must be made in accordance with the procedures set forth in Bye-law 12 and discussed in the section titled "Nominating and Governance Committee." This Bye-law is available on the Company's website or by mail from the Corporate Secretary's office.

The proxy solicited by the Board relating to the 2011 Annual General Meeting of Shareholders shall confer discretionary authority to vote on a shareholder proposal if the Secretary of the Company receives notice of that proposal after March 3, 2011.

Proxy Solicitations

The expense of this proxy solicitation will be borne by the Company. In addition to solicitation by mail, proxies may be solicited in person or by telephone, facsimile or mail by directors or officers who are employees of the Company without additional compensation. Georgeson Shareholder Communications Inc. will provide solicitation services to the Company for a fee not to exceed \$6,500 plus out-of-pocket expenses. The firm will solicit proxies by personal interview, telephone, facsimile and mail. The Company will, on request, reimburse shareholders of record who are brokers, dealers, banks or voting trustees, or their nominees, for their reasonable expenses in sending proxy materials and annual reports to the beneficial owners of the shares they hold of record.

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Transfer Agent and Registrar

The Company has appointed Computershare Trust Company, N.A. (formerly known as Equiserve Trust Company, N.A.) to serve as transfer agent, registrar and dividend paying agent for the Common Shares. Correspondence relating to any share accounts or dividends should be addressed to:

Computershare Trust Company, N.A.
Shareholder Services
P.O. Box 43078
Providence, Rhode Island 02940-3078
(800) 519-3111
(781) 575-2726

All transfers of certificates for Common Shares should also be mailed to the above address.

By Order of the Board of Directors
Sanjoy Mukherjee
Senior Vice President, General
Counsel and
Secretary

April 15, 2011

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APPENDIX A

CORPORATE GOVERNANCE GUIDELINE ON DIRECTOR INDEPENDENCE

A majority of the Board shall be composed of “independent” directors, as that term is defined from time to time by the listing standards of the NYSE. As required by such listing standards, in assessing independence, the Board shall make a determination whether a director has any material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). In making this determination, absent other considerations, the Board will deem a director to be independent if either the director or a member of his immediate family:

Has not been employed by the Company, any of its affiliates or the Company’s external auditor at any time during the past three years;

Has not received more than \$100,000 per year from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

Is not, and in the past three years has not been, part of an interlocking directorate in which an executive officer of the Company serves on the compensation committee of another company that concurrently employs such director or director’s immediate family member;

Does not, and in the past three years has not, provided legal, consulting, investment banking, commercial banking, accounting or other professional services to the Company or any of its subsidiaries or affiliates, and is not a director, executive officer, general partner or significant equity holder of an entity that has provided legal, consulting, investment banking, accounting or other professional services in amounts which exceed the greater of \$1,000,000 or 2% of such other company’s consolidated gross revenues; for purposes of this and the succeeding paragraph, direct or indirect beneficial ownership of an interest representing 10% of the equity or the voting interests of an entity will generally be considered a significant equity holding;

Is not, and in the past three years has not been, a director, executive officer, general partner or significant equity holder of a company that makes payments to, or receives payments from, the Company or any of its affiliates, for property or services in an amount which, exceeds the greater of \$1 million or 2% of such other company’s consolidated gross revenues; and

Is not, and in the past three years has not been, an employee, officer or director of a foundation, university or other non-profit organization that has received grants or endowments from the Company or any of its subsidiaries or affiliates in annual amounts which exceed the greater of \$1,000,000 or 2% of the organization’s annual gross revenues.

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APPENDIX B

Everest Re Group, Ltd.
Executive Performance Annual Incentive Plan

(as amended May 25, 2005 by Shareholders, 2/24/11 by Board of Directors, ____ by Shareholders)

1. PURPOSE

The purpose of the Everest Re Group, Ltd. Executive Performance Annual Incentive Plan (the “Plan”) is to provide incentive for executives who are in a position to contribute materially to the success of the Company and its Subsidiaries; to reward their accomplishments; to motivate future accomplishments; and to aid in attracting and retaining executives of the caliber necessary for the continued success of the Company and its Subsidiaries.

2. DEFINITIONS

The following terms as used herein shall have the meaning specified:

- (a) “Award” means a performance incentive bonus paid pursuant to the Plan.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Code” means the Internal Revenue Code of 1986 as amended. Reference to a specific section of the Code shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.
- (d) “Committee” means the Committee appointed by the Board to administer the Plan. The Committee shall consist of no fewer than two members of the Board. The members of the Committee shall be appointed by, and serve at the pleasure of, the Board. Each member of the Committee shall qualify as an “outside director” under Code Section 162 (m).
- (e) “Company” means Everest Re Group, Ltd. or any successor corporation.
- (f) “Participant” means a corporate officer of the Company or a Subsidiary selected by the Committee in its sole discretion to participate in the Plan.
- (g) “Performance Criteria” means the following measures of performance:
 - net income, before or after taxes
 - operating income, before or after taxes
 - premiums earned
 - earnings per share
 - return on stockholders’ equity
 - return on assets
 - appreciation in and/or maintenance of the price of the common stock or any other publicly traded securities of the Company
 - comparisons with various stock market indices
 - market share
 - statutory combined ratio

- expense ratio
- reductions in costs and expense growth
- gross or net premium growth

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A performance criteria may be applied by the Committee as a measure of the performance of any, all, or any combination of the Company or a Subsidiary.

- (h) “Performance Goal” means the goal or goals established for a Participant by the Committee in accordance with paragraph 4 (a).
- (i) Subsidiary” means any corporation in which the Company, directly or indirectly, controls 50% or more of the total combined voting power of all classes of such corporation’s stock.
- (j) “Target Awards” means the amount of the target award established for each Participant by the Committee in accordance with paragraph 4 (a).

3. TERM

The Plan shall be effective as of January 1, 1999, subject to approval by a vote of the shareholders at the 1999 Annual Meeting of Shareholders, and such shareholder approval shall be a condition to the right of any Participant to receive any benefits hereunder. As long as the Plan remains in effect, it shall be resubmitted to shareholders as necessary to enable the Plan to continue to qualify as performance-based compensation under Section 162(m) of the Code.

4. AWARDS

- (a) Within ninety (90) days after the beginning of each year, the Committee, in its sole discretion, shall select Participants for the year and establish in writing (i) objective Performance Goal or Goals for each Participant for that year based on one or more of the Performance Criteria (ii) the specific award amounts that will be paid to each Participant if the Performance Goal or Goals are achieved (the “Target Award”) and (iii) an objective method by which such amounts will be calculated, which calculation will be based upon a comparison of actual performance to the Performance Goal or Goals. The calculation of the amount of an Award shall be objectively determinable. The maximum Award that may be paid to any Participant under the Plan for any year will be \$3.5 million. The selection of a Participant for any given year does not mean that the Participant will be selected or will be entitled to be selected as a Participant in any subsequent year.
- (b) The Committee, in its sole discretion, may eliminate or reduce, but not increase, any Award calculated under the methodology established in accordance with paragraph 4 (a).
- (c) As soon as practicable following each year while the Plan is in effect, the Committee shall determine and certify in writing the extent to which the Performance Goal or Goals applicable to each Participant for the year were achieved and the amount of the Award, if any, to be made. Awards will be paid to the Participants in cash following such certification by the Committee and no later than ninety (90) days following the close of the year with respect to which the Awards are made, unless a Participant has elected to defer all or a portion of such payment pursuant to the Company’s or a Subsidiary’s Deferred Compensation Plan, in which event, payment of the amount deferred will be made in accordance with the terms of the Deferred Compensation Plan.
- (d) No Award will be paid to any Participant who is not an employee of the Company on the last day of the year, except that if during the last eight (8) months of the year, the Participant retires, dies, or is involuntarily terminated, the Participant may be entitled to a prorated Award as and to the extent determined by the Committee in its sole discretion. If a Participant is on disability for more than four (4) months of the year, the Participant will be entitled to a prorated Award. Participants, who resign voluntarily after the end of the year, but before Award payments are actually made, will be eligible for an Award as and to the extent determined by the Committee in its sole discretion. The provisions of this subparagraph are subject to the terms of any written

agreement between a Participant and the Company.

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- (e) In no event shall the total amount of Awards granted to the Participants in any one year exceed ten percent (10%) of the Company's average annual income before taxes for the preceding five years.

5. ADMINISTRATION

- (a) The Plan shall be administered by the Committee. The Committee shall have all discretion and authority necessary or appropriate to administer the Plan and to interpret the provisions of the Plan, consistent with qualification of the Plan as performance-based compensation under Code Section 162(m). Any determination, decision or action of the Committee in connection with the construction, interpretation, administration or application of the Plan shall be final, conclusive and binding upon all persons.
- (b) No member of the Committee or the Board shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award thereunder, and the Company shall defend and indemnify Committee and Board members for any actions taken or decisions made in good faith under the Plan.

6. MISCELLANEOUS

- (a) NON-ASSIGNABILITY. No Award shall be assignable or transferable (including pursuant to a pledge or security interest) other than by will or by laws of descent and distribution.
- (b) WITHHOLDING TAXES. Whenever payments under the Plan are to be made, the Company and/or the Subsidiary shall withhold therefrom an amount sufficient to satisfy any applicable governmental withholding tax requirements related thereto.
- (c) AMENDMENT OR TERMINATION OF THE PLAN. The Board may at any time and without notice to any corporate officer of the Company or a Subsidiary suspend, discontinue, revise, amend or terminate the Plan; provided, that any such revision, or amendment which requires approval of the Company's shareholders in order to maintain the qualification of Awards as performance-based compensation pursuant to Code Section 162(m) shall not be made without such approval.
- (d) NON-UNIFORM DETERMINATIONS. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated. Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations and to establish non-uniform and selective Performance Goals.
- (e) OTHER PAYMENTS OR AWARDS. Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company, its Subsidiaries, or the Committee from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.
- (f) PAYMENTS TO OTHER PERSONS. If payments are legally required to be made to any person other than the person to whom any amount is available under the Plan, payments shall be made accordingly. Any such payment shall be a complete discharge of the liability of the Company, its Subsidiaries, and the Committee.

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- (g) UNFUNDED PLAN. A Participant shall have no interest in any fund or specified asset of the Company or a Subsidiary. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or its Subsidiaries and any Participant, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company and its Subsidiaries under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company and its Subsidiaries. All payments to be made hereunder shall be paid from the general funds of the Company and its Subsidiaries and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not intended to be an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended.
- (h) LIMITS OF LIABILITY. Neither the Company, its Subsidiaries, nor any member of the Board or of the Committee, nor any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party for any good faith action taken or not taken under the Plan.
- (i) NO RIGHT TO EMPLOYMENT. Nothing contained in this Plan shall confer upon any Participant any right to continue in the employ or other service of the Company or a Subsidiary, or constitute any contract or limit in any way the right of the Company or a Subsidiary to change such person's compensation or other benefits or to terminate the employment or other service of such person with or without cause.
- (j) INVALIDITY. If any term or provision contained herein shall to any extent be invalid or unenforceable, such term or provision shall be reformed so that it is valid and such invalidity or unenforceability shall not affect any other provision or part hereof.
- (k) APPLICABLE LAW. The Plan shall be governed by the laws of the State of Delaware as determined without regard to the conflict of law principles thereof.
- (l) CODE SECTION 162 (M). It is the intent of the Company that all Awards under the Plan qualify as performance-based compensation for purposes of Code Section 162 (m) so that the Company's tax deduction for such Awards is not disallowed in whole or in part under Code Section 162 (m). The Plan is to be applied and interpreted accordingly.
- (m) SUCCESSORS. The obligations of the Company and its Subsidiaries under this Plan shall be binding upon any organization that shall succeed to all or substantially all of the Company's or a Subsidiary's assets.

IMPORTANT ANNUAL MEETING
INFORMATION

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals — The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2, 3, 4 and 5 and 1 YEAR on Proposal 6.

1. Election of Directors: 01 - William F. Galtney, Jr. (term ends in 2014)	For Withhold	For Withhold
		02 - Roger M. Singer (Term ends in 2014)

2. To appoint PricewaterhouseCoopers LLP as the Company's registered public accounting firm for the year ending December 31, 2011 and authorize the Board of Directors acting by the Audit Committee of the Board to set the fees for the registered public accounting firm.	For Against Abstain	3. To approve an amendment to the Company's bye-laws to allow declassification of the Board.	For Against Abstain
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4. To approve the Everest Re Group, Ltd. Executive 5.

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	For	Against	Abstain	Advisory vote to approve 2010 executive compensation.	For	Against	Abstain
Performance Annual Incentive Plan, as amended.							

6. Advisory vote on the frequency of future advisory votes on executive compensation

	1Yr	2Yrs	3Yrs	Abstain
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B Non-Voting Items
Change of Address - Please print new address below.

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below
Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box.

/ /

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 18, 2011 at Fairmont Hamilton Princess, 76 Pitts Bay Road, Hamilton, Bermuda at 11:00 a.m.
The proxy statement and annual report to shareholders are available at
<http://www.everestre.com/re-group/proxy.shtml>

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy — Everest Re Group, Ltd.

Annual General Meeting of Shareholders

May 18, 2011, 11:00 a.m.
Fairmont Hamilton Princess, 76 Pitts Bay Road
Hamilton, Bermuda

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints J.V. Taranto, D. Adesso, and S. Mukherjee, and each of them, as proxies of the undersigned, each with full power to act without the others and with full power of substitution, to vote all the Common Shares of EVEREST RE GROUP, LTD. held in the name of the undersigned at the close of business on March 25, 2011, at the Annual General Meeting of Shareholders to be held on May 18, 2011, at the Fairmont Hamilton Princess, 76 Pitts Bay Road, Hamilton, Bermuda at 11:00 a.m. (local time), and at any adjournment or postponement thereof, with all the powers the undersigned would have if personally present, on the matters set forth hereon in accordance with any directions given by the undersigned and, in their discretion, on all other matters that may properly come before the Annual General Meeting, all in accordance with the accompanying Notice and Proxy Statement, receipt of which is acknowledged.

IF THIS PROXY IS PROPERLY EXECUTED AND RETURNED, THE SHARES REPRESENTED THEREBY WILL BE VOTED. IF A CHOICE IS SPECIFIED BY THE SHAREHOLDER, THE SHARES WILL BE VOTED ACCORDINGLY. IF NOT OTHERWISE SPECIFIED, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR ITEMS 1, 2, 3, 4 AND 5 AND ITEM 6 FOR "1 YEAR". THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

You are encouraged to specify your choices by marking the appropriate boxes (SEE REVERSE SIDE), but you need not mark any box if you wish to vote in accordance with the Board of Directors' recommendations. THE PROXIES CANNOT VOTE YOUR SHARES UNLESS YOU SIGN AND RETURN THIS CARD.

(Items to be voted appear on reverse side.)
