

EVEREST RE GROUP LTD
Form 10-Q
August 09, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED: Commission file number:
June 30, 2016 1-15731

EVEREST RE GROUP, LTD.

(Exact name of registrant as specified in its charter)

Bermuda 98-0365432

(State or other jurisdiction of
incorporation or organization) (I.R.S. Employer
Identification No.)

Seon Place – 4th Floor
141 Front Street
PO Box HM 845
Hamilton HM 19, Bermuda
441-295-0006

(Address, including zip code, and telephone number, including area code,
of registrant's principal executive office)

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

YESX NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YESX NO

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

Large accelerated filer X Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if smaller
reporting company)

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

YES NOX

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

<u>Class</u>	<u>Number of Shares Outstanding</u> <u>At August 1, 2016</u>
Common Shares, \$0.01 par value	41,888,224

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EVEREST RE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

(Dollars and share amounts in thousands, except par value per share)	June 30, 2016 (unaudited)	December 31, 2015
ASSETS:		
Fixed maturities - available for sale, at market value (amortized cost: 2016, \$13,631,263; 2015, \$13,276,206)	\$14,058,965	\$13,357,294
Fixed maturities - available for sale, at fair value	-	2,102
Equity securities - available for sale, at market value (cost: 2016, \$124,699; 2015, \$122,271)	118,740	108,940
Equity securities - available for sale, at fair value	1,104,430	1,337,733
Short-term investments	531,511	799,684
Other invested assets (cost: 2016, \$1,216,171; 2015, \$786,994)	1,216,171	786,994
Cash	429,287	283,658
Total investments and cash	17,459,104	16,676,405
Accrued investment income	96,772	100,942
Premiums receivable	1,461,563	1,483,090
Reinsurance receivables	950,323	894,037
Funds held by reinsureds	242,033	278,673
Deferred acquisition costs	319,781	372,351
Prepaid reinsurance premiums	219,050	164,971
Income taxes	195,094	258,541
Other assets	338,455	316,408
TOTAL ASSETS	\$21,282,175	\$20,545,418
LIABILITIES:		
Reserve for losses and loss adjustment expenses	\$10,263,267	\$9,951,798
Future policy benefit reserve	57,827	58,910
Unearned premium reserve	1,495,838	1,613,390
Funds held under reinsurance treaties	23,373	13,544
Commission reserves	85,670	60,098
Other net payable to reinsurers	224,380	173,087
Losses in course of payment	124,703	112,170
4.868% Senior notes due 6/1/2044	396,654	396,594
6.6% Long term notes due 5/1/2067	236,413	236,364
Accrued interest on debt and borrowings	3,537	3,537
Equity index put option liability	41,729	40,705
Unsettled securities payable	86,003	15,314
Other liabilities	257,313	261,322
Total liabilities	13,296,707	12,936,833
Commitments and contingencies (Note 7)		
SHAREHOLDERS' EQUITY:		
Preferred shares, par value: \$0.01; 50,000 shares authorized; no shares issued and outstanding	-	-
Common shares, par value: \$0.01; 200,000 shares authorized; (2016) 68,805		

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and (2015) 68,606 outstanding before treasury shares	688	686
Additional paid-in capital	2,120,581	2,103,638
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of \$57,700 at 2016 and (\$15,863) at 2015	84,000	(231,755)
Treasury shares, at cost; 26,921 shares (2016) and 25,912 shares (2015)	(3,072,313)	(2,885,956)
Retained earnings	8,852,512	8,621,972
Total shareholders' equity	7,985,468	7,608,585
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$21,282,175	\$20,545,418

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

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

(Dollars in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016 (unaudited)	2015	2016 (unaudited)	2015
REVENUES:				
Premiums earned	\$1,288,860	\$1,285,255	\$2,507,727	\$2,557,743
Net investment income	132,737	124,990	235,261	247,556
Net realized capital gains (losses):				
Other-than-temporary impairments on fixed maturity securities	(1,470)	(16,238)	(30,263)	(42,256)
Other-than-temporary impairments on fixed maturity securities transferred to other comprehensive income (loss)	-	-	-	-
Other net realized capital gains (losses)	34,128	(7,940)	(11,338)	7,573
Total net realized capital gains (losses)	32,658	(24,178)	(41,601)	(34,683)
Net derivative gain (loss)	1,996	6,445	(1,024)	6,203