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Date 11/02/2026

Ticker EG (NYSE)
Price USD 333.42
Sector Insurance, Financials
Website <https://investors.everestglobal.com>



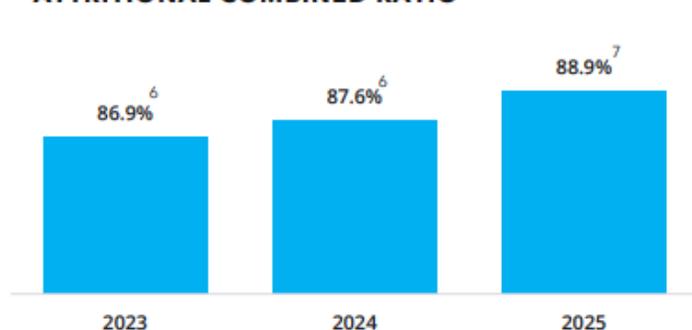
Everest Group is the 4th largest global property and casualty reinsurer, offering reinsurance and insurance to clients in over 100 countries. Gross written premium (GWP) in 2025 totaled \$17.7bn with 72% reinsurance and 27% insurance.

FY 2025 earnings

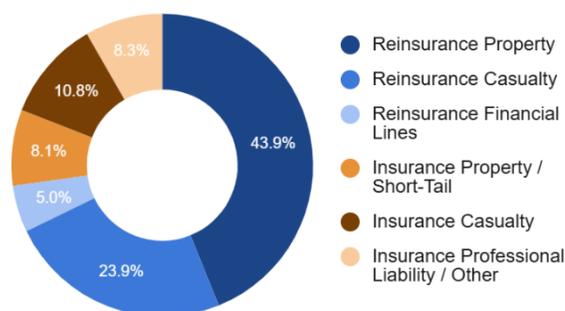
USD millions	FY 2025	FY 2024	% change
Gross written premium	17,706	18,232	-2.9%
Net premiums earned	15,560	15,187	2.5%
Investment income	2,124	1,954	8.7%
Revenue	17,496	17,281	1.2%
Underwriting income	211	-356	-%
Net income	1,591	1,373	15.9%
Comprehensive income	2,678	1,169	129.1%
EPS	37.80	31.78	18.9%
Investments / loss expenses	1.32x	1.39x	-0.07x
Combined ratio	98.6%	102.3%	-3.7%
Operating margin	9.9%	7.8%	2.1%
Equity	15,461	13,875	11.4%
RoE (annualised)	12.4%	9.0%	3.4%

Quarterly Results Trend

ATTRITIONAL COMBINED RATIO^{4,5}



Gross Written Premium 2025



Financial Highlights

- Underwriting income was \$211m, driven by reinsurance underwriting income of \$972m, offset by underwriting losses of \$541m in insurance and a \$220m underwriting loss in 'other'. Other consists of legacy and run-off businesses which include sports and leisure, some discontinued A&E business, and will reflect the sale of the renewal rights of the commercial retail insurance business in 2026. As such, we expect to see 'other' underwriting losses in 2026.
- Net income was \$1,591m, up 15.9% YoY, due to lower losses from the insurance business and higher investment income.

- Comprehensive income was up 129% at \$2.68bn. This was entirely due to positive unrealised gains (including FX adjustments) of \$1.1bn in 2025 vs unrealised losses of \$204m in 2024. Unrealised gains / losses can vary significantly from year to year, so while it's great to see positive gains in 2025, the YoY figures can look volatile and misleading. Unrealised gains are best assessed over multi-year horizons. to quarter and are best assessed over a longer-term horizon.
- Gross written premium (GWP) was down 2.9%, with reinsurance down 1.2% and insurance down 5.7%. Net written premium was down 1.9% overall.
- Combined ratio of 98.6% for the group, 91.7% for reinsurance and 114.6% for insurance. This is down 3.7% from the 102.3% combined ratio in 2024. The improvement comes from lower losses in insurance, although the combined ratio there remains poor. Steps have been taken to improve the insurance combined ratio including the purchase of adverse development cover, the sale of renewal rights to commercial retail business, and the shrinking of the casualty insurance business.
- Reinsurance growth was led by a 10.0% increase in Property Catastrophe XOL, a 4.3% increase in Property Pro-Rata, and a 11.5% increase in financial lines, partially offset by a 16.6% decrease in Casualty Pro-Rata and a 7.8% decrease in Casualty XOL.
- Insurance grew by 16.1% in Other Specialty and 24.1% in Accident and Health. Growth was offset by decreases of 21.6% in Specialty Casualty and 17.4% in Workers' Compensation.
- Cash and investment cover for loss expenses declined from 1.39x at the end of 2024 to 1.32x at the end of 2025, as loss reserves grew at 14.8%, outpacing the 9.4% growth in investments. Part of the decline is from increased distributions to shareholders via share buybacks.
- Net investment income was \$2.1bn, up 8.7%, driven entirely by the 9.4% increase in cash and investments.
- Annualized return on equity (ROE) was 12.4% vs 9.0% in 2024.
- Capital returned to shareholders was \$1.1bn, comprising share repurchases of \$797m and dividends of \$335m.

Operational Highlights

- Adverse Development Cover. Everest entered into an agreement with Longtail Re which provides \$1.2bn of gross limit on existing casualty business. The first layer is \$700 million, upon which Everest will transfer \$1.25 billion of in-the-money reserves in consideration upon closing of the transaction. The second layer is \$500 million, upon which Everest will pay approximately \$122 million of consideration upon closing of the transaction. Everest will have a co-participation of \$100 million in each layer.
- Agreement to Sell Retail Commercial Insurance Renewal Rights to AIG for \$252m. These businesses collectively total an estimated \$2 billion of gross premiums written. Everest expects to take a pre-tax non-operating charge in the range of \$250 million to \$350 million associated with the transaction, with the charge being recognized over 2025 and 2026.
- Everest continued the 1-Renewal strategy, with 45% of US casualty business not renewing in Q3 2025. However, that re-underwriting is now complete. The 1-Renewal strategy was designed to aggressively reduce insurance exposure to softer casualty business, in favour of other specialty lines. Everest has shed about \$800m of casualty business since the beginning of 2024.

Management Comments

- CEO Jim Williamson: "In 2025 we took deliberate actions to simplify the business, improve the return profile, and strengthen the Company's balance sheet. These actions have increased our financial flexibility and support our intention to return capital to shareholders, as reflected in the share repurchases executed during the quarter. Our sharpened underwriting focus positions Everest to deliver attractive margins. The Reinsurance team continued to execute with the discipline expected of a top-tier global reinsurer, delivering a well-executed January 1 renewal, appropriately navigating the market cycle. In our insurance business, focused on Global Wholesale and Specialty, we're targeting lines where Everest has expertise and competitive advantage."

- Reinsurance risk-adjusted returns remain attractive, particularly in property and specialty lines.

Ben Jones Investments Outlook

- The investment thesis is straightforward: Everest's market cap is \$13.7bn, their book value is \$15.5bn and they generate >\$2bn per year from investment income alone. In other words, Everest could make no money at all through their core reinsurance and insurance businesses every year, and still be undervalued. It's an incredibly low bar for positive returns.
- The core risks would be heavy insurance losses going forward or significant deterioration in the investment portfolio. The losses required would need to be much more serious than simply a 'bad catastrophe' year, it would require multiple years of dreadfully written business. We think this is highly unlikely, especially as Everest are moving in the correct direction (in our view) by limiting casualty business. The investment portfolio is 80% fixed income/cash with an average AA debt rating and we see it as highly unlikely that the portfolio would deteriorate sufficiently to warrant trouble.
- Everest's results have been mixed in 2025. Reinsurance performed in-line with expectations, generating \$972m of income with a combined ratio of 91.7%. However, the insurance business performed poorly again with a \$541m loss and combined ratio of 114.6%. The insurance losses follow prior poorly underwritten risk, particularly in long-tail casualty business. Given the long-term nature of the business, one year of poorly written risk can play out over many years. Everest has been tackling this by shrinking casualty insurance business and focusing more on their core reinsurance business. Everest has also purchased additional cover for their long-tail risk and sold renewal rights to their commercial retail business.
- Investors will rightly question Everest's competency in insurance underwriting. We haven't seen historic underwriting issues across reinsurance of property insurance, and so there is merit that poor underwriting is ring-fenced around casualty insurance only.
- Everest's balance sheet remains reasonably strong with cash and investments on hand to cover 1.32x unpaid claims. This is down from 1.39x last year, and we're keeping a close eye on balance sheet strength. Including net reinsurance recoverable, investment coverage of losses is 1.45x.
- As a reinsurance firm, Everest's earnings will naturally be volatile depending on catastrophe events. We think it's best to take a long-term view of earnings and not be swayed by inevitable short-term volatility either way. The core focus should be ability to grow earned premium without compromising loss rates.
- For 2026, we're expecting to see a small decline in premium written with lower combined ratios, delivering similar profitability to 2025 under the assumption of similar cat losses. Naturally, cat losses can vary significantly from year to year, but balance out over the long-run.
- Everest trades below book value and we see virtually no value placed on future cash flows from underwriting operations, ability to increase premium growth over time, income on the investment portfolio, or from growth in the investment portfolio. Despite the mistakes in the casualty business, Everest does still look cheap.