

**Analyst** Ben Jones  
**Website** <https://benjonesinvestments.com/>  
**Email** [ben@benjonesinvestments.com](mailto:ben@benjonesinvestments.com)  
**Date** 04/05/2026

**Ticker** EG (NYSE)  
**Price** USD 344.01  
**Sector** Insurance, Financials  
**Website** <https://investors.everestglobal.com>



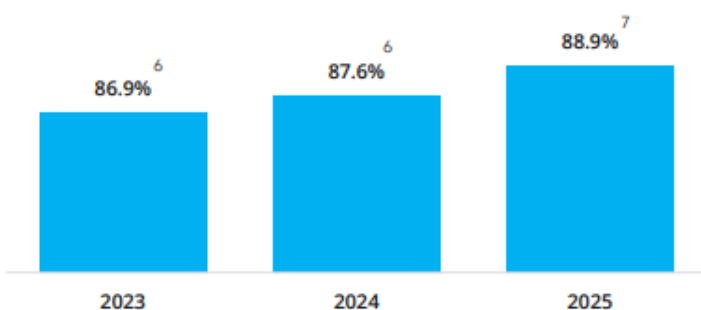
Everest Group is the 4<sup>th</sup> largest global property and casualty reinsurer, offering reinsurance and insurance to clients in over 100 countries. Gross written premium (GWP) in 2025 totaled \$17.7bn with 72% reinsurance and 28% insurance.

## Q1 2026 earnings

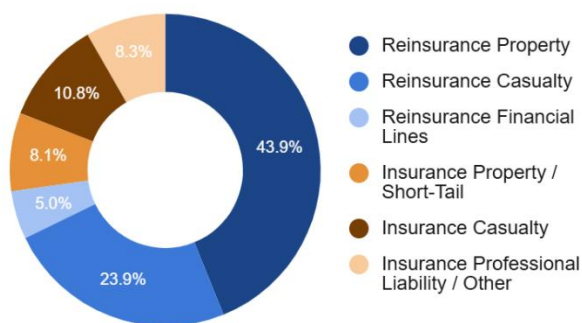
USD millions	Q1 2026	Q1 2025	% change
Gross written premium	3,602	4,391	-18.0%
Net premiums earned	3,574	3,852	-7.2%
Investment income	567	491	15.5%
Revenue	4,068	4,263	-4.6%
Underwriting income	316	-104	-%
Net income	653	210	211%
Comprehensive income	243	562	-56.8%
EPS	16.21	4.90	231%
Investments / loss expenses	1.30x	1.35x	-0.05x
Combined ratio	91.2%	102.7%	11.5%
Operating margin	18.1%	5.8%	12.3%
Equity	15,291	14,140	8.1%
RoE (annualised)	16.8%	5.7%	11.1%

## Quarterly Results Trend

ATTRITIONAL COMBINED RATIO<sup>4,5</sup>



Gross Written Premium 2025



## Financial Highlights

- Underwriting income was \$316m, driven entirely by \$315m underwriting income in the reinsurance segment. Insurance underwriting income was \$23m offset by a \$22m loss from legacy business.
- Net income was \$653m, up 211% YoY. Quarterly insurance figures can be volatile and the large jump in net income reflects high CAT losses in Q1 2025 from the California wildfires. Q1 26 also benefited from solid growth in investment income.
- Comprehensive income was down 56.8% at \$243m. The drop reflects \$410m of unrealised losses and FX moves on the investment portfolio. Again, the quarterly figures will be volatile and depend broadly on market moves. This

is generally not a concern to us. Unrealised gains are very choppy from quarter to quarter and are best assessed over a longer-term horizon.

- Gross written premium (GWP) was down 18.0%, with reinsurance down 8.9%, insurance up 2.9%, and legacy down 80.3%. The legacy segment is mostly commercial retail insurance business which Everest exited in 2025, alongside run-off casualty business. If legacy were included with insurance, the YoY drop in insurance GWP would be 36.3% as opposed to a 2.9% increase. Excluding divestitures and deliberate run-off, GWP declined 6.4%.
- Combined ratio of 91.2% for the group, 87.2% for reinsurance and 96.8% for insurance. This is down 11.5% from the 102.7% combined ratio in Q1 2025, predominantly reflecting lower cat losses, alongside improved profitability from shedding unprofitable casualty business.
- Reinsurance grew by 9.4% in Property Catastrophe XOL and a 1.0% increase in Property Pro-Rata, offset by decreases of 25.0% decrease in Property Non-Catastrophe XOL, 23.9% in Casualty Pro-Rata and 13.3% in Casualty XOL.
- Insurance grew by 32.9% in Other Specialty and 23.8% in Accident and Health. Growth was offset by decreases of 6.1% in Specialty Casualty, 26.7% in Workers' Compensation and 9.3% in Property / Short Tail.
- Property catastrophe rates dropped 13% on average across the book.
- Pre-tax underwriting income (loss) of \$316m for the Group, \$315m for Reinsurance, \$23m for Insurance, and (\$22)m for Legacy.
- Cash and investment cover for loss expenses declined from 1.35x at Q1 2025 to 1.30x in Q1 2026, as loss reserves grew at 10.0%, outpacing the 5.6% growth in investments.
- Net investment income was \$567m, up 15.5%, driven by strong alternative investments.
- Annualized return on equity (ROE) was 16.8% vs 5.7% in Q1 2025.
- Capital returned to shareholders was \$411m, comprising share repurchases of \$331m and dividends of \$80m. Management has committed to >\$1.2bn of share buybacks in 2026.

## Operational Highlights

- Everest has agreed to sell their Canadian retail insurance operations to The Wawanesa Mutual Insurance Company. This transaction marks another decisive step in Everest's strategic repositioning and advances the Company's previously announced plan to exit its Commercial Retail Insurance operations, following the 2025 sale of its global Retail Commercial Insurance renewal rights to AIG.
- Everest continued their strategy to shed business that isn't delivering sufficient returns. We see that in Q1 with declines in reinsurance GWP of 25.0% in property non-cat XOL, 23.9% in casualty pro-rata and 13.3% in casualty XOL. Insurance GWP saw a decline of 26.7% in workers' compensation.

## Management Comments

- CEO Jim Williamson: "Our new structure provides greater clarity on the earnings power across Everest. The Reinsurance Treaty team continues to operate with a relentless focus on bottom-line results, with strong and disciplined execution of the January and April first renewals. Our Global Wholesale & Specialty team continues to tactically improve the quality of the portfolio and expand in markets where we have durable competitive advantages, which we believe positions the business for increased profitability. As we look forward through 2026, we are focused on executing against our strategy, centered around underwriting discipline and accelerating capital return."
- Reinsurance risk-adjusted returns remain attractive, particularly in property and specialty lines.

## Ben Jones Investments Outlook

- Everest's results were solid in Q1, and certainly an improvement on 2025. Low cat losses of course helped profitability but cat aside, the loss ratio improved. We think Everest is taking the right approach to ditch business lines that offer poor returns and to seek a better bottom line at the expense of a better top line.
- Shedding weak insurance business should help investors gain more confidence in underwriting standards following mistakes in the casualty business over the last few years and the restating of reserves. We haven't seen historic underwriting issues across core property reinsurance, 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 1.30x unpaid claims. This is down from 1.35x at Q1 last year as management spends more on share buybacks. We think share buybacks represent good use of excess capital given the current valuation, but we'd like to see an increase in investments/loss reserve back towards 1.40x. Including net reinsurance recoverable, investment coverage of losses is 1.43x.
- 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.
- Everest trades at around 0.84x book value and we see 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.