

EVEREST RE GROUP LTD
Form 8-K
August 28, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

August 23, 2006

Everest Re Group, Ltd.

(Exact name of registrant as specified in its charter)

Bermuda

(State or other jurisdiction
of incorporation)

1-15731

(Commission
File Number)

98-0365432

(IRS Employer
Identification No.)

Wessex House 2nd Floor

45 Reid Street

PO Box HM 845

Hamilton HM DX, Bermuda

(Address of principal executive offices)

Not Applicable

(Zip Code)

Registrant's telephone number, including area code 441-295-0006

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Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On August 23, 2006, (the Effective Date), a direct subsidiary of the registrant, Everest Reinsurance Holdings, Inc. (Holdings), entered into a five year unsecured senior revolving credit facility (the Facility) with Citibank, N.A., as Administrative Agent, and a syndicate of lenders including Citibank, N.A., Deutsche Bank AG, HSBC Bank USA, N.A., The Bank of New York, JPMorgan Chase Bank, N.A., and Wachovia Bank, N.A. (collectively, the Lenders). This Facility provides for the borrowing of up to \$150,000,000 in revolving loans and standby letters of credit for general corporate purposes. This Facility replaces an existing \$150,000,000 credit facility.

Amounts borrowed under the Facility and issued unsecured letters of credit will bear interest at a rate selected by Holdings equal to the Base Rate or the Eurodollar Rate plus a margin. Base Rate Advances will bear interest at Citibank's base rate or the Federal Funds Rate plus 1/2 of one percent, whichever is higher. Eurodollar Rate Advances will bear interest at the London interbank offered rate plus a margin, which varies based on Holdings' senior unsecured debt rating. Issued letters of credit are subject to an annual fee of 0.30%. Customary administrative fees are also applicable. The Facility contains representations, warranties and covenants customary for bank loan facilities of this nature. Among other covenants, the Facility requires Holdings to maintain a consolidated debt to capital ratio of not greater than 0.35 to 1.0 and to cause Everest Reinsurance Company, a direct subsidiary of Holdings, to maintain statutory surplus of at least \$1.5 billion plus 25% of future aggregate net income and 25% of future aggregate capital contributions. There are no prepayment restrictions.

If an Event of Default occurs, then, to the extent permitted in the Facility, the Lenders may terminate the commitments under the Facility and accelerate the repayment of any outstanding loans under the Facility plus interest thereon under the Facility.

Certain of the Lenders have in the past performed, and may in the future, perform investment banking, financial advisory, lending and/or commercial banking services, or other services to the registrant and its subsidiaries, for which they have received, and may in the future receive, customary compensation and expense reimbursement.

A copy of the Credit Agreement providing the Facility is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

Item 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

The information included pursuant to Item 1.01 is incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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10.1	Credit Agreement dated as of August 23, 2006 among Everest Reinsurance Holdings, Inc., certain Lenders party thereto and Citibank, N.A. as Admin
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SIGNATURES

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

EVEREST RE GROUP, LTD.

By: /s/ STEPHEN L. LIMAURO
Stephen L. Limauro

Executive Vice President and

Chief Financial Officer

Dated: August 25, 2006

EXHIBIT INDEX

Exhibit

Number

Description of Document

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