

EVEREST RE GROUP LTD

Form DEF 14A

April 12, 2018

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 16, 2018

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 16, 2018 at 10:00 a.m., local time, for the following purposes:

To elect Dominic J. Addesso, John J. Amore, William F. Galtney, Jr., John A. Graf, Gerri Losquadro, Roger M. Singer, Joseph V. Taranto and John A. Weber as directors of the Company, each to serve for a one-year period to

1. expire at the 2019 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, an independent registered public accounting firm, as the Company's independent auditor for the year ending December 31, 2018 and authorize the Company's Board of Directors, acting through its Audit Committee, to determine the independent auditor's remuneration.

3. To approve, by non-binding advisory vote, 2017 compensation paid to the Company's Named Executive Officers.

4. 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, 2017, together with the report of the Company's auditor 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 19, 2018 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 vote by internet or telephone as directed on the enclosed proxy or by signing and dating the proxy and returning it promptly in the postage prepaid envelope provided.

By Order of the Board of Directors

Sanjoy Mukherjee
Executive Vice President,
General Counsel and Secretary

April 12, 2018

Hamilton, Bermuda

EVEREST RE GROUP, LTD.
PROXY STATEMENT

ANNUAL GENERAL MEETING OF SHAREHOLDERS
MAY 16, 2018

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Proxy Statement

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 16, 2018 at Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda at 10:00 a.m.

The proxy statement and annual report to shareholders are available at

<http://ir.everestre.com/phoenix.zhtml?c=70696&p=proxy>

Proxy Statement

ANNUAL GENERAL MEETING OF SHAREHOLDERS

May 16, 2018

GENERAL INFORMATION

The enclosed Proxy Card is being solicited on behalf of the Board of Directors (the "Board") for use at the 2018 Annual General Meeting of Shareholders of Everest Re Group, Ltd., a Bermuda company (the "Company"), to be held on May 16, 2018, 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 Dominic J. Adesso, John J. Amore, William F. Galtney, Jr., John A. Graf, Gerri Losquadro, Roger M. Singer, Joseph V. Taranto and John A. Weber as directors of the Company; (2) for the appointment of PricewaterhouseCoopers LLP, an independent registered public accounting firm, as the Company's independent auditor for 2018 and for authorizing the Company's Board of Directors acting through its Audit Committee to determine the independent auditor's remuneration; and (3) for the approval, by non-binding advisory vote, of the 2017 compensation paid to the Named Executive Officers (as defined herein).

Only shareholders of record at the close of business on March 19, 2018 will be entitled to vote at the meeting. On that date, 50,702,707 Common Shares, par value \$.01 per share ("Common Shares"), were outstanding. However, this amount includes 9,719,971 Common Shares held by Everest International Reinsurance, Ltd. ("International Re"), the Company's subsidiary. As provided in the Company's Bye-laws, International Re may vote only 5,019,567 of its shares. The outstanding share amount also excludes 27,857 shares with no voting rights. The limitation of International Re's voting shares to 5,019,567 and the exclusion of 27,857 shares with no voting rights results in 45,974,446 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

Proxy Statement 1

Proxy Statement

(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.

This Proxy Statement, the attached Notice of Annual General Meeting, the Annual Report of the Company for the year ended December 31, 2017 (including financial statements) and the enclosed Proxy Card are first being mailed to the Company's shareholders on or about April 12, 2018.

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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Executive Summary

EXECUTIVE SUMMARY

This summary highlights certain information contained in the Company's proxy statement. The summary does not contain all of the information that you should consider, and we encourage you to read the entire proxy statement carefully.

Financial Highlights

Against the backdrop of a challenging market environment and a record level of natural catastrophe losses, the Company produced a good result, with \$469 million of net income in 2017. For fiscal year 2017, the Company earned \$375.4 million of net operating income and generated a 4.6% return on adjusted shareholders' equity¹. Gross written premiums grew by 19% to \$7.2 billion. This level of performance demonstrates our ability to sustain periodic events and yet maintain an above average industry return through the cycle. Over the last five years, inclusive of the events of 2017, Everest generated an average operating return on equity of 13%, far exceeding most of our peers. Such results were directly attributable to our management's core philosophy of creating long-term value for our shareholders by focusing on disciplined underwriting standards, diversifying our product line to maintain growth and protecting our capital base by employing intelligent protection measures to minimize against downside exposure.

Returning Value to Shareholders

We returned \$257.2 million to shareholders in 2017 through dividends and share repurchases. The Company repurchased \$50.0 million of shares and paid \$207.2 million in dividends. In November 2017, the dividend was increased 4%, from \$1.25 per share to \$1.30 per share. Year over year book value per share adjusted for dividends increased 6.4%.

Corporate Governance Profile and Compensation Best Practices

We are committed to operating our business consistent with sound corporate practices and strong corporate governance that promote the long-term interests of our shareholders, strengthens the accountability of the Board and management and helps build trust in the Company. Our Board encourages and reviews management performance in the context of business practices that emphasize sustainability and best-in-class corporate governance. Our philosophy has always been to generate long-term value for our shareholders. This emphasis is reflected in our compensation philosophy, enterprise risk management, and business model. We further recognize the potential impact of such exogenous threats as climate change and natural resource depletion and strive to incorporate such risks, to the extent they can be quantified, into our risk management profile to preserve sustainability of our business. The Board adheres to the Company's Corporate Governance Guidelines and Ethics Guidelines and Index to Compliance Policies, which are available on the Company's website at <http://www.everestre.com>. The Board also aims to meet or exceed, where applicable, the corporate governance standards established by the New York Stock Exchange ("NYSE"). In addition, as set forth in more detail in this proxy statement in the section entitled "Compensation Discussion and Analysis", the Board strives to respond to shareholder concerns regarding compensation practices from a governance perspective.

The Board regularly reviews the Company's corporate governance policies and procedures to identify areas for improvement reflecting evolving best practices raised by our shareholders. In that regard, our Board appointed an Independent Lead Director in 2017 and augmented its self-evaluation process in the form of an independent third party review process. Further, based on feedback from our shareholders, the Nominating and Governance Committee's charter was revised to include oversight over environmental and social governance issues that may have a material impact on sustainability, corporate strategy, risks, opportunities or performance.

¹ Adjusted shareholders' equity excludes net after-tax unrealized (appreciation) depreciation of investments. The Company generally uses after-tax operating income (loss), a non-GAAP financial measure, to evaluate its performance. Further explanation and a reconciliation of net income (loss) to after-tax operating income (loss) can be found at the back of the 10-K insert.

Executive Summary

Corporate Responsibility and Sustainability

We believe that our future is determined by actions taken today that go beyond just business strategy, but also encompass the values important to our employees and the communities in which we operate that define our corporate responsibility and maintain sustainability. Everest's value commitments include: providing an inclusive work environment that offers employees the opportunity to further their development, supporting our communities through the donation of time and financial resources, maintaining our integrity across all aspects of the Company, and being an industry innovator to solve global complex risks.

Community Outreach

As a Company, we believe strongly in the importance of giving back to global communities and helping those in need. Our mission is to support education, health, social and environmental issues that impact our neighbors. Over the last year, our employees, with the support of the Company, volunteered thousands of hours to support a range of charitable causes including working with Habitat for Humanity to build houses; participating in United Way's literacy outreach program; donating backpacks and supplies to students in need; supporting community food, clothing, and holiday toy drives; remembering our military and their families during the holiday season; donating blood through the American Red Cross; and partnering with Rise Against Hunger to pack nutritious meals for distribution to organizations around the world. Everest also has a matching gift program for targeted charities that align with the Company's mission.

Environmental Conscience

As a global (re)insurance organization, we recognize the potential impact of such exogenous threats as climate change and extreme weather events. Through our affiliation with the Geneva Association we provide financial support to study the impact of and possible solutions for these threats to our economies and the human condition. We also strive to incorporate such risks, to the extent they can be quantified, into our risk management profile. We have a highly developed Enterprise Risk Management practice that identifies key risks to which the Company is exposed and establishes tolerance levels and mitigation strategies to preserve the sustainability of our business.

Shareholder Feedback

As part of our governance practices, we annually reach out to our top 10-20 institutional investors to gauge emerging best practices themes in governance and shareholder values. Because of the practical limitations in meeting with all of our shareholders, we augment such outreach with publications, seminars and other materials in order to continually assess our governance standards.

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Executive Summary

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Highlights of our corporate governance and compensation best practices include:

Governance Profile Best Practice	Company Practice
Size of Board	8
Number of Independent Directors	6
Board Independence Standards	The Board has adopted director independence standards stricter than the listing standards of the NYSE The Board's Audit, Compensation and Nominating and Governance Committees are composed entirely of independent directors
Director Independence on Key Committees	Yes
Separate Chairman and CEO	Yes
Independent Lead Director	Yes
Annual Election of All Directors	Yes
Majority Voting for Directors	Yes
Board Meeting Attendance	Each director or appointed alternate director attended 100% of Board meetings in 2017 Director attendance expected at Annual General Meeting per Governance Guidelines, and 100% of directors attended the 2017 Annual General Meeting
Annual General Meeting Attendance	Directors do not sit on the boards of other publicly traded companies Directors are prohibited from sitting on the boards of competitors
No Over-Boarding	Yes
Regular Executive Sessions of Non-Management Directors	No minimum share ownership or holding thresholds necessary to nominate qualified director to Board
Shareholder Access	Yes
Policy Prohibiting Insider Pledging or Hedging of Company's Stock	Yes
Annual Equity Grant to Non-Employee Directors	Yes
Annual Board and Individual Director Performance Evaluations	Yes
Clawback Policy	Yes
Code of Business Conduct and Ethics for Directors and Executive Officers	Yes
No Separate Change in Control Agreement for the CEO	CEO participates in the Senior Executive Change in Control Plan ("CIC Plan") along with the other Named Executive Officers Accelerated equity vesting provisions are not and will not be incorporated in the employment agreements of any Named Executive Officer
No Automatic Accelerated Vesting of Equity Awards	Yes
Double Trigger for Change-in-Control	Yes

Executive Summary

Governance Profile Best Practice

No Excise Tax Assistance

Say on Pay Frequency

No Re-pricing of Options and SARs

Multi-Year Vesting Period of Options and Restricted Shares

Clawback Policy

Stock Ownership Guidelines for Executive Officers

Stock Ownership Guidelines for Non-Management Directors

Use of Performance Shares as Element of Long-Term Incentive Compensation

Company Practice

No "gross-up" payments by the Company of any "golden parachute" excise taxes upon a change-in-control

Say on Pay Advisory Vote considered by Shareholders annually

The Board adheres to a strict policy of no re-pricing of Options and SARs

5-year vesting period for equity awards to executive officers except for performance shares which must meet key performance metrics over the course of 3 years prior to settlement

3-year vesting period for equity awards to Directors
Clawback Policy covering current and former employees, including Named Executive Officers, providing for forfeiture and repayment of any incentive based compensation granted or paid to an individual during the period in which he or she engaged in material willful misconduct including but not limited to fraudulent misconduct

Six times base salary for CEO; three times base salary for other Named Executive Officers

Six times annual retainer

Yes

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Executive Summary

Voting Matters and Board's Voting Recommendations

Proposal	Board's Voting Recommendations	Page
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Proposal No. 1-Election of Directors

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.

At the 2018 Annual General Meeting, the nominees for director positions are to be elected to serve until the 2019 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 21, 2018, the Nominating and Governance Committee recommended to the Board the nominations of Dominic J. Adesso, John J. Amore, William F. Galtney, Jr., John A. Graf, Gerri Losquadro, Roger M. Singer, Joseph V. Taranto and John A. Weber, all of whom are currently directors of the Company. The Board accepted the Nominating and Governance Committee recommendations, and each nominee accepted his or her nomination. 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.

Important Factors In Assessing Board Composition.

The Nominating and Governance Committee strives to maintain an engaged, independent Board with broad and diverse experience, skills, and judgment that is committed to representing the long-term interests of our shareholders. In evaluating director candidates and considering incumbent directors for nomination to the Board, the Committee considers each nominee's character, independence, leadership, financial literacy, personal and professional accomplishments, industry knowledge and experience.

For incumbent directors, the factors also include attendance and past performance on the Board and its committees. Each director nominee has a demonstrated record of accomplishment in areas relevant to the Company's business and qualifications that contribute to the Board's ability to effectively function in its oversight role.

The Nominating and Governance Committee seeks current and potential directors who will collectively bring to the Board a variety of skills, including:

Leadership: Demonstrated ability to hold significant leadership positions and effectively manage complex organizations is important to evaluating and developing key management talent.

Insurance and/or Reinsurance Industry Experience: Experience in the insurance and/or reinsurance markets is critical to strategic planning and oversight of our business operations.

Risk Management: Experience in identifying, assessing and managing risks is critical to oversight of current and emerging organizational and systemic risks in order to inform and adapt the Company's strategic planning.

Regulatory: Understanding of the laws and regulations that impact our heavily regulated industry, as well as understanding the impact of government actions and public policy. Both areas are important to oversight of insurance operations.

Finance and Accounting: Financial experience and literacy are essential for understanding and overseeing our financial reporting, investment performance and internal controls to ensure transparency and accuracy.

Corporate Governance: Understanding of corporate governance matters is essential to ensuring effective governance of the Company and protecting shareholder interests.

Business Operations: A practical understanding of developing, implementing and assessing our business operations and processes, and experience making strategic decisions, are critical to the oversight of our business, including the assessment of our operating plan, risk management and long-term sustainability strategy.

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Proposal No. 1-Election of Directors

Information Technology/Cybersecurity: A practical understanding of information systems and technology use in our business operations and processes, as well as a recognition of the risk management aspects of cyber risks and cyber security.

International: Experience and knowledge of global insurance and financial markets is especially important in understanding and reviewing our business and strategy.

In addition to evaluating a candidate's technical skills relevant to the success of a large, publicly traded company in today's business environment, our Board considers additional intangible factors including an understanding of our business and technology; education and professional background; and geographic, gender, age and ethnic diversity. Each director must demonstrate critical thinking, clear business ethics, an appreciation for diversity and commitment to sustainability. The Nominating and Governance Committee's objective is to recommend a group that can best perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment using its diversity of experience and perspectives.

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Proposal No. 1-Election of Directors

Information Concerning Director Nominees

Each nominee's biography below includes a summary of the key skills and experience of such nominee that contribute to the director's ability to effectively oversee the Company and act in the long-term best interests of shareholders.

DOMINIC J. ADDESSO, CEO & PRESIDENT

Age: 64

Director Since: September 19, 2012

Non-Independent

Committees:

- Investment Policy
- Underwriting
- Executive

Qualifications and Skills:

- Executive Leadership
- Insurance/Reinsurance Industry Experience
- Finance and Accounting
- Business Operations
- Investments
- Mergers & Acquisitions
- Corporate Governance
- International
- Risk Management
- Regulatory
- Information Technology/Cyber Security

Background:

Mr. Addesso became Chief Executive Officer of the Company, Everest Reinsurance Co. ("Everest Re") and Everest Reinsurance Holdings, Inc. ("Everest Holdings") on January 1, 2014. He became President of the Company, Everest Holdings and Everest Re on June 16, 2011 and served as Chief Financial Officer of those companies from 2009 through the second quarter of 2012. In 2009, he became a director and Executive Vice President 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 Everest Reinsurance (Bermuda), Ltd. ("Bermuda Re"), where he has also served as Chairman since 2011 and Chairman and director of Everest Re Advisors, Ltd. ("Everest Re Advisors"). From 2009 through 2014, he held various director and management roles at the Company's subsidiaries, including Everest Reinsurance Company (Ireland), Limited ("Ireland Re"), Everest Underwriting Group (Ireland), Limited ("Ireland Underwriting"), Everest Advisors (UK), Ltd. ("Advisors UK"), Mt. McKinley Insurance Company, Everest Insurance Company of Canada ("Everest Canada"), Everest National Insurance Company ("Everest National"), Everest Indemnity Insurance Company ("Everest Indemnity"), and Everest Security Insurance Company ("Everest Security") as well as a director and Chairman of Everest International Reinsurance, Ltd. ("International Re"), and a director, Chairman and President of Mt. Whitney Securities, LLC (formerly known as Mt. Whitney Securities, Inc.), a subsidiary of Everest Re ("Mt. Whitney"). Mr. Addesso serves as a voting representative of Mt. Whitney in relation to Mt. Whitney's investment in Security First Insurance Holdings, LLC.

From 2008 until he joined the Company in May 2009, Mr. Addesso was President of Regional Clients of Munich Reinsurance America, Inc. From 2001 to 2008, he served as President of Direct Treaty, Munich Reinsurance America, Inc. 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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Proposal No. 1-Election of Directors

JOHN J. AMORE

Age: 69

Director Since: September 19, 2012

Independent

Committees:

- Audit
- Compensation (Chair)
- Nominating and Governance
- Underwriting

Qualifications and Skills:

- Executive Leadership
- Insurance/Reinsurance Industry Experience
- Finance and Accounting
- Corporate Governance
- Business Operations
- International
- Risk Management

Background:

Mr. Amore retired as a member of the Group Executive Committee of Zurich Financial Services Group, now known as Zurich Insurance Group, Ltd., in 2010, for which he continued to act as a consultant through 2012. From 2004 through 2010, he served as CEO of the Global General Insurance business segment after having served as CEO of the Zurich North America Corporate business division from 2001 through 2004. He became CEO of Zurich U.S. in 2000, having previously served as CEO of the Zurich U.S. Specialties business unit. Before joining Zurich in 1992, he was vice chairman of Commerce and Industry Insurance Company, a subsidiary of American International Group, Inc. ("AIG"). Mr. Amore served as a delegate for the Geneva Association, and is an Overseer Emeritus of the Board of Overseers for the School of Risk Management, Insurance and Actuarial Science at St. John's University in New York, a member of the Board of Directors of the W. F. Casey Foundation, Brooklyn, New York and a member of the Board of Trustees and Finance, Audit and Investment Committees of Embry-Riddle Aeronautical University.

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Proposal No. 1-Election of Directors

WILLIAM GALTNEY, INDEPENDENT LEAD DIRECTOR

Age: 65

Director Since: March 12, 1996

Independent

Committees:

- Audit
- Compensation
- Executive
- Nominating and Governance (Chair)
- Underwriting

Qualifications and Skills:

- Executive Leadership
- Insurance/Reinsurance Industry Experience
- Finance and Accounting
- Investments
- Merger & Acquisition
- Corporate Governance
- Business Operations
- Risk Management

Background:

Mr. Galtney 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. Since April 1, 2005 he has been President and CEO of Galtney Group, 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 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.

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Proposal No. 1-Election of Directors

JOHN A. GRAF

Age: 58

Director Since: May 18, 2016

Independent

Committees:

- Audit
- Compensation
- Nominating and Governance
- Investment Policy

Qualifications and Skills:

- Leadership
- Insurance/Reinsurance Industry Experience
- Corporate Governance
- Risk Management
- Finance and Accounting
- Investments
- International
- Business Operations
- Regulatory

Background:

Mr. Graf serves as the Non-Executive Vice Chairman of Global Atlantic Financial Group ("Global Atlantic") and joined the Board of Directors upon Global Atlantic's acquisition of Forethought Financial Group ("Forethought Financial") in 2014. He served as Chairman and CEO of Forethought Financial from 2006 to 2014. He serves on the Audit, Risk and Compliance Committees of Global Atlantic. Until December 2015, he served as a non-executive director of QBE Insurance Group Limited where he chaired the Investment and Personnel Committees. In 2005, he served as Chairman, CEO and President of AXA Financial, Inc. where he also served as Vice Chairman of the Board and President and Chief Operating Officer of its subsidiaries, AXA Equitable Life Insurance Company and MONY Life Insurance Company. From 2001 through 2004 he was the Executive Vice President of Retirement Savings, AIG as well as serving as Vice Chairman and member of the Board of Directors of AIG SunAmerica following AIG's acquisition of American General Corporation in 2001, where he served as Vice-Chairman.

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Proposal No. 1-Election of Directors

GERRI LOSQUADRO

Age: 67

Director Since: May 14, 2014

Independent

Committees:

- Audit
- Compensation
- Nominating and Governance
- Underwriting (Chair)

Qualifications and Skills:

- Leadership
- Insurance/Reinsurance Industry Experience
- Corporate Governance
- Finance and Accounting
- Risk Management
- Business Operations
- International
- Information Technology/Cyber Security

Background:

Ms. Losquadro retired in 2012 as Senior Vice President and head of Global Business Services at Marsh & McLennan Companies, Inc. ("MMC") and served on the MMC Global Operating Committee. Prior to becoming a senior executive at MMC, Ms. Losquadro was a Managing Director and senior executive at Guy Carpenter responsible for brokerage of global reinsurance programs including all insurance lines and treaty and facultative and development and execution of Guy Carpenter's account management program. From 1986 to 1992, Ms. Losquadro held senior leadership positions at AIG's American Home Insurance Company and AIG Risk Management. From 1982 to 1986, she served as Manager of Special Accounts of Zurich Insurance Group.

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Proposal No. 1-Election of Directors

ROGER M. SINGER

Age: 71

Director Since: February 24, 2010

Independent

Committees:

- Audit (Chair)
- Compensation
- Nominating and Governance

Qualifications and Skills:

- Leadership
- Insurance/Reinsurance Industry Experience
- Corporate Governance
- Finance and Accounting
- Regulatory
- International
- Legal
- Mergers & Acquisitions

Background:

Mr. Singer was elected as director of Bermuda Re and International Re, both Bermuda subsidiaries of the Company, on January 17, 2012. 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 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 state and federal government, including Assistant Secretary, Office of Consumer Affairs and Business Regulation, Commonwealth of Massachusetts, Assistant Attorney General, Office of the Massachusetts Attorney General and Staff Attorney, Federal Trade Commission.

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Proposal No. 1-Election of Directors

JOSEPH V. TARANTO, CHAIRMAN

Age: 69

Director Since: March 12, 1996

Non-Independent

Committees:

- Executive
- Investment Policy

Qualifications and Skills:

- Leadership
- Insurance/Reinsurance Industry Experience
- Business Operations
- Corporate Governance
- Finance and Accounting
- Mergers & Acquisitions
- Investment
- Regulatory
- International
- Risk Management

Background:

Mr. Taranto is a director and Chairman of the Board of the Company. He retired on December 31, 2013 as Chief Executive Officer of the Company and Chief Executive Officer and Chairman of the Board of Everest Holdings and Everest Re, in which capacity he had served since October 17, 1994. On February 24, 2000, he became Chairman of the Board and Chief Executive Officer of the Company upon the restructuring of Everest Holdings. 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 considerable experience as CEO of publicly traded international insurance and reinsurance companies, intimate knowledge of the Company's operations and significant insight into the insurance and reinsurance markets.

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Proposal No. 1-Election of Directors

JOHN WEBER

Age: 73

Director Since: May 22, 2003

Independent

Committees:

- Audit
- Compensation
- Executive
- Investment Policy
- Nominating and Governance

Qualifications and Skills:

- Leadership
- Insurance/Reinsurance Industry Experience
- Business Operations
- Finance and Accounting
- Investments
- Mergers & Acquisitions
- Corporate Governance
- Risk Management

Background:

Mr. Weber was elected as director of Bermuda Re and International Re, both Bermuda subsidiaries of the Company, on January 17, 2012. Since December 2002, he has been the Managing Partner of Copley Square Capital Management, LLC, a private partnership which provides investment management and strategic advisory services to institutions. From 1990 through 2002, Mr. Weber was affiliated with OneBeacon Insurance Group LLC and its predecessor companies. During that affiliation, he became the Managing Director and Chief Investment Officer of the OneBeacon insurance companies and the President of OneBeacon 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.

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Proposal No. 1-Election of Directors

Information Concerning Executive Officers

The following information has been furnished by the Company's Named Executive Officers who are not also director nominees. Executive officers are elected by the Board following each Annual General Meeting and serve at the pleasure of the Board.

CRAIG HOWIE

Age: 54

Mr. Howie is the Executive Vice President, Chief Financial Officer and Treasurer of the Company, Everest Re, Everest Holdings and Everest Global. He joined the Company on March 26, 2012 as Executive Vice President of Everest Global and Everest Re. During 2016, he became the Executive Vice President, Chief Financial Officer and Treasurer of Everest Premier Insurance Company ("Everest Premier") and Everest Denali Insurance Company ("Everest Denali"). During 2015, he assumed the position of Treasurer for Everest Global, Mt. Logan Re, Ltd. ("Mt. Logan"), Everest Security, Everest National, Everest Indemnity, Mt. Whitney Securities, LLC, SIG Sports, Leisure and Entertainment Risk Purchasing Group, LLC, Specialty Insurance Group, Inc., ("SIG") and Premiere Underwriting Services, Inc. From 2015 to 2016, he served as Treasurer of Heartland Crop Insurance, Inc. ("Heartland"). In 2015, he became a director, Executive Vice President and Treasurer of Everest International Holdings (Bermuda), Ltd. ("Bermuda Holdings") and Everest International Assurance, Ltd. ("International Assurance"), a director and Treasurer of Everest Preferred International Holdings, Ltd. ("Preferred Holdings") and a director of Everest National and Everest Indemnity. In 2013, he became a director of Mt. Logan and Mt. Whitney and the Chief Financial Officer of Everest Indemnity, Everest National and Everest Security. He became a director of Everest Security during 2014. During 2012, he became a director of Everest Re, Bermuda Re, International Re, Everest Global and Everest Re. Mr. Howie serves as a director of Security First Insurance Company, a subsidiary of Security First Insurance Holdings, LLC, since 2014.

Prior to his joining the Company, Mr. Howie served as Vice President and Controller of Munich Reinsurance America, Inc. where, beginning in 2005, he managed the corporate financial reporting, corporate tax, investor relations, financial analysis and rating agency relationship groups. From 2003 to 2005, he was the Vice President of Financial Services and Operations and served as Vice President Corporate Tax beginning in 1998 and through 2003. He is a Certified Public Accountant.

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Proposal No. 1-Election of Directors

JOHN DOUCETTE

Age: 52

Mr. Doucette is the President and CEO of the Reinsurance Division with oversight of all Reinsurance Operations worldwide. He formerly served as the Executive Vice President and Chief Underwriting Officer for Worldwide Reinsurance and Insurance for the Company, Everest Re, and Everest National. He became the Chief Underwriting Officer of the Company and Everest Re in 2012, after having assumed the title of Chief Underwriting Officer for Worldwide Reinsurance for those companies in 2011. In 2016, he became a director of International Re and in 2013 he became a director of Mt. Logan. Since 2011, he has served as a director of Bermuda Re and Everest Re. Upon joining the Company in 2008, he became Executive Vice President of the Company, Everest Global, and Everest Re. Prior to joining the Company, Mr. Doucette worked at Max Capital Group Ltd. (formerly Max Re Capital Ltd.) ("Max Capital") from 2000 to 2008, serving in various capacities including President and Chief Underwriting Officer of the P&C Reinsurance division of Max Capital, where he was responsible for new products and geographic expansion. Prior to that, he was an Associate Director at Swiss Re New Markets, a division of Swiss Reinsurance Company, between 1997 and 2000, where he held various pricing, structuring and underwriting roles in connection with alternative risk transfer and structured products. He was an actuarial consultant at Tillinghast from 1989 to 1997. Mr. Doucette graduated with a Bachelor of Science degree in Statistics and Biometry from Cornell University. He is a Fellow of the Casualty Actuarial Society and is a member of the American Academy of Actuaries.

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Proposal No. 1-Election of Directors

SANJOY MUKHERJEE

Age: 51

Mr. Mukherjee is the Executive Vice President, Secretary and General Counsel of the Company, and the Managing Director and CEO of Bermuda Re where he also serves as a director. Since 2006, he has served as Secretary, General Counsel and Chief Compliance Officer of the Company, Everest Global, Everest Holdings and Everest Re, also serving as a director of the latter two. During 2016, he became a director of Everest Premier and Everest Denali. In 2015, he became a director, Chairman and CEO of Preferred Holdings and Bermuda Holdings, a director of Everest Service Company (UK), Ltd., Everest Corporate Member, Ltd. and International Assurance. During 2013, he became a director of Mt. Logan and SIG and Secretary and General Counsel of SIG Sports, Leisure and Entertainment Risk Purchasing Group LLC. From 2009 to 2015, he served as Secretary of Ireland Re and Ireland Underwriting, where he continues to serve as director. Between 2011 and 2016, Mr. Mukherjee served as a director, Secretary and General Counsel of Heartland. Since 2005, he has served as General Counsel of Everest National and Mt. McKinley Managers, L.L.C., a director and Secretary of Everest National, Everest Indemnity and Everest Security, and as Secretary of Everest Canada until 2015. 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 served as Secretary and Compliance Officer since 2005 and as a director from 2011, until that company's sale in 2015. In 2017, he became a director of Everest Dublin Insurance Holdings Limited. From 2005 through 2007, he served as a director of Bermuda Re. He joined the Company in 2000 as an Associate General Counsel.

Prior to joining the Company in 2000, Mr. Mukherjee developed an array of experience in the insurance and reinsurance industries including legal, claims management, contract wording, accounting and finance, regulatory compliance, and risk management. From 1994 to 2000, he was engaged in the private practice of law as a commercial litigator and corporate attorney specializing in the insurance and reinsurance industries. Prior to that, Mr. Mukherjee was a Senior Consultant with Andersen Consulting specializing in the manufacturing and financial services industries and an auditor with the public accounting firm of Touche Ross.

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Proposal No. 1-Election of Directors

JONATHAN ZAFFINO

Age: 45

Mr. Zaffino is an Executive Vice President of the Company, and the President and CEO of Everest Insurance® and responsible for overseeing all insurance operations worldwide. Mr. Zaffino joined Everest in 2015, and became a director and the President of Everest National, Everest Indemnity, Everest Security and Specialty Insurance Group. In 2016, he became a director of Everest Canada and a director and President of Everest Denali and Everest Premier. Prior to joining the Company, he was the President of Victor O. Schinnerer, Inc. (a subsidiary of Marsh, Inc.), from 2013 to 2015 and was previously a Managing Director of Marsh, Inc. from 2010 to 2013. Mr. Zaffino was a co-founder of Century Atlantic Capital Management and served as its Chief Operating Officer from 2008 to 2010. From 2005 to 2008, Mr. Zaffino was a Managing Principal of Integro Insurance Brokers. Prior to that, he served as an Executive Vice President at Willis North America from 2004 to 2005. From 1999 to 2004, Mr. Zaffino worked at ACE Group in a variety of roles as Vice President and Senior Vice President, where his responsibilities varied from business planning and strategic development to overseeing field operations for ACE Risk Management and ACE Excess Casualty. He held different underwriting roles at Reliance National Insurance Company, including Underwriting Manager and Risk Management Underwriter from 1995 to 1999, and was an underwriter at Chubb & Son, Personal Lines from 1994 to 1995.

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The Board of Directors and its Committees

THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Company's commitment to strong corporate governance helps us compete effectively, sustain our success over dynamic economic cycles and build long-term shareholder value.

Role of the Board

Governance is a continuing focus at the Company, starting with the Board and extending to management and all employees. The Board reviews the Company's policies and business strategies and advises and counsels the CEO and the other executive officers who manage the Company's businesses. In addition, as noted above, we solicit feedback from our shareholders and engage in discussions with various stakeholders on governance issues and improvements.

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The Board of Directors and its Committees

Board Committees and Their Roles

The Board conducts its business through its meetings and meetings of its committees. The Board currently maintains Audit, Nominating and Governance, Compensation, Executive, Investment Policy and Underwriting Committees. NYSE listing standards require that the Audit, Compensation Committee and Nominating and Corporate Governance committees are each entirely composed of independent directors with written charters addressing such committee's purpose and responsibilities and that the performance of such committees be evaluated annually.

·Audit Committee

The Audit Committee assists the Board in its oversight of the integrity of the Company's financial statements, enterprise risk management, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function.

·Nominating and Governance

The Nominating and Governance Committee is charged with annually determining the appropriate size of the Board, identifying individuals qualified to become new Board members consistent with the criteria adopted by the Board in the Corporate Governance Guidelines, recommending to the Board the director nominees for the next annual meeting of shareholders, annually evaluating and recommending to the Board any appropriate changes to the Corporate Governance Guidelines and overseeing environmental and social governance issues. The Nominating and Governance Committee also reviews Board governance standards to ensure that our Board standards continue to reflect the best practices insisted upon by our shareholders.

·Compensation Committee

The Compensation Committee is primarily responsible for discharging the Board's responsibilities relating to compensation of the Company's officers at the level of senior vice president and above, as well as the Comptroller, Treasurer, Secretary, and the Chief Internal Audit Officer, reviewing the Compensation Discussion and Analysis with management and evaluating whether compensation arrangements create risks to the Company.

·Executive Committee

The Executive Committee was created to engage in special projects at the behest of the full Board as well as serve as the Board's representative delegate on emergent matters when a full convening of the Board is impractical.

·Investment Policy Committee

The Investment Policy Committee oversees asset allocation and manager selection as well as the overall risk profile of the Company's portfolio.

·Underwriting Committee

The Underwriting Committee was created to foster robust discussion among executives and directors on complex underwriting opportunities, pricing and the risks presented.

The Board operates its Committees in a collaborative fashion, with meetings of each Committee being open to informational attendance by non-committee Board members and executives. This fosters rigorous discussion, cross-committee information sharing and risk identification, and allows for better informed oversight.

The Board of Directors and its Committees

MEMBERSHIP ON BOARD COMMITTEES

Name	Audit	Compensation	Executive	Investment Policy	Nominating and Governance	Underwriting Committee	Independent
Dominic J. Adesso			X	X		X	
John J. Amore	X	Chair			X	X	X
William F. Galtney, Jr.	X	X	X		Chair	X	X
John A. Graf	X	X		X	X		X
Gerri Losquadro	X	X			X	Chair	X
Roger M. Singer	Chair	X			X		X
Joseph V. Taranto			X	X			
John A. Weber	X	X	X	X	X		X
Meetings	4	4	0	4	4	4	

Four formal meetings of the Board were held in 2017. Each director attended 100% of the total number of meetings of the Board and meetings of all committees of the Board on which the director served either in person or through an alternate director appointment as permitted by the By-laws and the Bermuda Companies Act 1981. The directors are expected to attend the Annual General Meeting pursuant to the Company's Corporate Governance Guidelines. All of the directors attended the 2017 Annual General Meeting of Shareholders.

Director Independence

Our Board of Directors has established criteria for determining director "independence" as set forth in our Corporate Governance Guidelines. These criteria incorporate all of the requirements for director independence contained in the NYSE listing standards. No director shall be deemed to be "independent" unless the Board shall have affirmatively determined that no material relationship exists between such director and the Company other than the director's service as a member of our Board or any Board committee. In addition, the following enhanced criteria apply to determine independence:

- no director who is an employee, or whose immediate family member is an executive officer of the Company, is deemed independent until three years after the end of such employment relationship;
- no director is independent who:
 - (i) is a current partner or employee of a firm that is the Company's internal or external auditor;
 - (ii) has an immediate family member who is a current partner of such firm;
 - (iii) has an immediate family member who is a current employee of such firm and personally works on the Company's audit; or
 - (iv) was or had an immediate family member who was within the last three years a partner or employee of such firm and personally worked on the Company's audit within that time;
- no director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of our present executives serve on that company's compensation committee is deemed independent until three years after the end of such service or the employment relationship;
- no director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount that, in any single year, exceeds \$10,000 is deemed independent;
- no director who has a personal services contract with the Company, or any member of the Company's senior management, is independent;

The Board of Directors and its Committees

no director who is affiliated with a not-for-profit entity that receives significant contributions from the Company is independent; and

no director who is employed by a public company at which an executive officer of the Company serves as a director is independent.

Enhanced Audit Committee Independence Requirements

The members of our Audit Committee must meet the following additional independence requirements:

no director who is a member of the Audit Committee shall be deemed independent if such director is affiliated with the Company or any of its subsidiaries in any capacity, other than in such director's capacity as a member of our Board of Directors, the Audit Committee or any other Board committee or as an independent subsidiary director; and no director who is a member of the Audit Committee shall be deemed independent if such director receives, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than fees received in such director's capacity as a member of our Board of Directors, the Audit Committee or any other Board committee, or as an independent subsidiary director, and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided such compensation is not contingent in any way on continued service).

Enhanced Compensation Committee Independence Requirements

The members of our Compensation Committee must meet the following additional independence requirements:

no director shall be considered independent who:

is currently an officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934 (the "Exchange Act")) of (i) the Company or a subsidiary of the Company, or otherwise employed by the Company or subsidiary of the Company;

(ii) receives compensation, either directly or indirectly, from the Company or a subsidiary of the Company, for services rendered as a consultant or in any capacity other than as a director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to Item 404(a) of Regulation S-K; or

(iii) possesses an interest in any other transaction for which disclosure would be required pursuant to Item 404(a) of Regulation S-K.

no director who does not meet the requirements of an "outside director" as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), shall be considered independent.

In assessing the independence of members of the Compensation Committee the Board will consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to such member's ability to be independent from management in connection with his or her duties, including but not limited to (i) the source of his or her compensation, including any consulting, advisory, or other compensatory fee paid by the Company to such director, and (ii) whether such director is affiliated with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company.

Independence Determination

Our Board has affirmatively determined that Ms. Losquadro and Messrs. Amore, Galtney, Graf, Singer and Weber each meet the criteria for independence for Board members set forth above. Moreover, all members of the Audit Committee and Compensation Committee meet the further requirements for independence set forth above with respect to those committees.

The Board considered whether these directors had any 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 or her independence. The Board based its determination on personal discussions with the directors and a review of each director's responses to an annual questionnaire regarding employment, compensation history, affiliations

The Board of Directors and its Committees

and family and other relationships. The questionnaire responses form the basis for reviewing a director's financial transactions involving the Company 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 results are approved by resolution of the Board of Directors. 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 our 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.

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BOARD STRUCTURE AND RISK OVERSIGHT

BOARD STRUCTURE AND RISK OVERSIGHT

Board Diversity

Although it does not have a formal written policy with respect to diversity, our Board believes that it is essential that directors represent diverse perspectives, skills and experience. The objective of the Nominating and Governance Committee is to recommend a group of candidates that can best perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment honed by diverse experiences and perspectives. When evaluating the qualifications, experiences and backgrounds of director candidates, the Board reviews and discusses many aspects of diversity such as gender, age, ethnic diversity, education, professional experience, personal accomplishment and differences in viewpoints and skills. Director recruitment efforts include several of these factors, and the Board strives to recruit candidates that enhance the Board's diversity. Diversity is important because a variety of points of view contribute to a more effective decision-making process.

Our Board is committed to seeking highly qualified women and individuals from minority groups to include in the pool of director candidates. In fact, we are in process of actively recruiting amongst several highly qualified women as addition(s) to our board. We hope to increase the female representation on our board within the next 12 to 18 months.

Our Board's emphasis and philosophy on diversity extend to the Company's values generally, where our hiring trends show steady progress in attracting more women and under-represented minorities into the Company's employee-base. As depicted below, the Company's ethnic diversity in its employee base is stronger than industry peers, while our female diversity at management levels ranks among the best in our industry.

Leadership Structure

The Board reviews the Company's leadership structure from time to time in order to ensure that it serves the best interests of the shareholders and positions the Company for future success. We believe that the Company is best served with a separate CEO, a separate Chairman of the Board and a separate Independent Lead Director. This leadership structure provides for the appropriate balance of leadership, independent oversight and strong corporate governance.

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BOARD STRUCTURE AND RISK OVERSIGHT

The CEO is responsible for setting the strategic direction, culture and day-to-day leadership and performance of the Company while the Chairman of the Board, among other things, provides guidance and counsel to the CEO, sets the agenda for the Board meetings and presides over meetings of the full Board.

The Independent Lead Director provides a forum for independent director deliberation and feedback and helps assure that all Board members have the means to, and do, carry out their responsibilities in accordance with their fiduciary duties. The Independent Lead Director also coordinates the annual board performance evaluation and works with the Chairman in coordinating matters of priority among the independent directors and facilitating dialogue on substantive matters of governance involving the Board. The Independent Lead Director is selected annually by the independent directors.

The Chairman and Independent Lead Director work together to ensure the Company is proceeding in the right direction while maintaining best practices in corporate governance. Further, our CEO, Chairman and Independent Lead Director work closely to discuss strategic initiatives for the Company.

Given his intimate knowledge of the Company and vast experience as the Company's founding CEO, the Board feels it is in the best interests of the Company to have Mr. Taranto continue to chair the Board of Directors. In addition to Mr. Taranto and Mr. Adesso, both of whom are non-independent, the Board is comprised of six outside directors, all of whom are independent. William F. Galtney, Jr. currently serves as the Independent Lead Director and, in that capacity, complements the talents and contributions of Messrs. Adesso and Taranto and promotes confidence in our governance structure by providing an additional perspective to that of management.

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 to determine and discuss any items including those that should be brought to the attention of management. The executive sessions are chaired by alternating directors on an alphabetically based rotation.

The Independent Lead Director: Role and Responsibilities

While Mr. Taranto serves as Chairman, Board leadership also comes from our Independent Lead Director, Mr. Galtney. The responsibilities of the Independent Lead Director include:

- Coordinating executive sessions of the independent members of the Board without management present;
- Authorization to call meetings of the independent directors;
- Serving as a liaison between the Chairman and the independent directors and providing a forum for independent director feedback at executive sessions;
- Communicating regularly with the CEO and the other directors on matters of Board governance;
- Assisting in Board meeting agenda preparation in consultation with the Chairman;
- Overseeing the annual Board self-evaluation process including individual director evaluations and facilitating discussion of the results;
- Assuring that all Board members carry out their responsibilities as directors;
- If requested and, when appropriate, consultation and direct communication with major shareholders as the independent representative of the Board.

Board Role in Risk Oversight

Prudent risk management is embodied throughout our Company as part of our culture and is a key point of emphasis by our Board. 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. Upon the Audit Committee's recommendation, the Board has adopted a formal Risk Appetite Statement that is reviewed annually and establishes upper boundaries on risk taking in certain areas of the Company including assets, investments, property and casualty business including natural catastrophe exposure and potential maximum loss. In managing and implementing the Board's

BOARD STRUCTURE AND RISK OVERSIGHT

Risk Appetite Statement, the Company developed an Enterprise Risk Management ("ERM") process for managing the Company's risk tolerance profile on a holistic basis. The objective of ERM is to provide an internal framework for assessing risk – both to manage downside threats, as well as identify upside opportunities – with the ultimate goal of enhancing shareholder value. Company-wide ERM is coordinated through a centralized ERM Unit responsible for implementing the risk management framework that identifies, assesses, monitors, controls and communicates the Company's risk exposures. The ERM Unit is overseen by our Chief Risk Officer and is staffed and supported with seasoned and accredited actuarial, accounting and management staff.

In order to monitor compliance and liaise with the Board regarding the Company's ERM activities, we established an Executive Risk Management Committee ("ERM Committee") comprised of the CEO, the Chief Financial Officer, the President and CEO of the Reinsurance Division, the President & CEO of the Insurance Division, the Head of Strategy & Risk Management, the General Counsel and the Chief Risk Officer. The ERM Committee, in conjunction with Board input, is responsible for establishing risk management principles, policies and risk tolerance levels. It provides centralized executive oversight in identifying, assessing, monitoring, controlling, and communicating the Company's enterprise-wide risk exposures and opportunities in accordance with pre-approved parameters and limits.

The ERM Committee meets quarterly to review in detail the Company's risk positions compared to risk appetites, scenario testing, financial strength, and risk accumulation. The ERM Committee prepares a comprehensive report depicting the Company's global risk accumulation, financial strength and capital preservation against modeled stress scenarios. The Chief Risk Officer reports to the Audit Committee and, in conjunction with the input of the ERM Committee, presents this report, on a quarterly basis, to the Audit Committee with respect to our risk management procedures and our exposure status relative to the Board's Risk Appetite Statement in our three key risk areas – asset risk, natural catastrophe exposure risk and long tailed reserve risk. These risk exposures are reviewed and managed on an aggregate and individual risk basis throughout our worldwide property and casualty insurance and reinsurance businesses and our investment portfolio.

The Audit Committee reviews ERM status with the Chief Risk Officer each quarter to assess not only operational and systemic level risks, but also the level of resources allocated to the ERM Unit. The Board also oversees identification and management of risk at the Board Committee level. While each Board Committee is responsible for evaluating the Company's operational risks falling within its area, the Board is kept informed of the respective Committee's activities and actions through Committee reports.

Cybersecurity

Our Board views cybersecurity risk as an enterprise wide concern that involves people, processes, and technology, and accordingly treats it as a Board level matter. It embodies a persistent and dynamic threat to our entire industry and is not limited to information technology. Our directors endeavor to educate themselves in this area through literature, seminars and other industry publications. In recognition of the specialized nature of this risk, the Company appointed a Chief Information Security Officer ("CISO") dedicated to assessing the Company's data security risk, monitoring cyber threat intelligence and taking the steps necessary to implement pertinent safeguards and protocols to manage the risk. In addition, the ERM Committee annually reviews the Company's cyber exposure across all business lines as well as reviews security safeguards of protected privacy data held by the Company. The ERM Committee works in conjunction with the CISO in assessing Company vulnerabilities to cyber threats as part of a continuous dialogue throughout the year in assessing the operational risk to our business of third party hacking, ransomware exposure and other security threats.

Climate Risk

As an insurer and reinsurer of property that may be impacted by climate and weather conditions, the Company quantifies and manages such risk by utilizing the latest meteorological and parametric risk models to evaluate and assess deviations in historic climate patterns as a predictive factor for catastrophe risk and its related impact on both pricing and accumulation as an aid to underwriting the risk. Such potential maximum loss and accumulation exposure analyses are assessed quarterly by the Company's ERM committee and then presented to the Board through both the Audit Committee's oversight of the ERM process, as well the Board's Underwriting Committee.

Board Committees

BOARD COMMITTEES
