

## Risk Factors Comparison 2025-02-27 to 2024-02-28 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Our business, results of operations and financial conditions are subject to numerous risks and uncertainties. While we seek to identify, manage and mitigate risks to our business, risk and uncertainty cannot be eliminated or necessarily predicted. In connection with any investment decision with respect to our securities, you should carefully consider the following risk factors, as well as the other information contained in this report and our other filings with the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. Should any of these risks materialize, actual results ~~could~~ **may** differ materially from the disclosed information, the trading value of our securities could be negatively impacted and our business, financial condition, and results of operations could be materially and adversely affected. UNDERWRITING Our results could be adversely affected by catastrophic events. We are exposed to unpredictable catastrophic events, including, **but not limited to**, weather-related and other natural catastrophes, as well as acts of terrorism and wars. The frequency and / or severity of catastrophic events may be impacted in the future by the continued effects of climate change. Climate change and resulting changes in global temperatures, weather patterns, and sea levels may both increase the frequency and severity of natural catastrophes and the resulting losses in the future and impact our risk modeling assumptions. We cannot predict the impact that changing climate conditions, if any, may have on our results of operations or our financial condition. Additionally, we cannot predict how legal, regulatory and / or social responses to concerns around global climate change and the resulting impact on various sectors of the economy may impact our business. Any material reduction in our operating results caused by the occurrence of one or more catastrophes could inhibit our ability to pay dividends or to meet our interest and principal payment obligations. By way of illustration, during the past five calendar years, pre-tax catastrophe losses, net of reinsurance, were as follows: Calendar year: Pre-tax net catastrophe losses (Dollars in millions) ~~2023-2024~~ **2024** \$ ~~470-755~~ **2023** 470, ~~2022~~ **2023** 755, ~~2021~~ **2022** 347, ~~2020~~ **2021** 135, ~~2019~~ **2020** 425, ~~2018~~ **2019** 576. Our losses from future catastrophic events could exceed our projections. We use projections of possible losses from future catastrophic events of varying types and magnitudes as a strategic underwriting tool. We use these loss projections to estimate our potential catastrophe losses in certain geographic areas and decide on the placement of retrocessional coverage or other actions to limit the extent of potential losses in a given geographic area. These loss projections are approximations, reliant on a mix of quantitative and qualitative processes, and actual losses may exceed the projections by a material amount. **Unfavorable** ~~if our loss~~ **development may adversely affect** reserves are ~~inadequate to meet our actual losses, our net income would be reduced or our~~ **we could incur a loss** **business, financial condition, results of operations or liquidity**. We are required to maintain reserves to cover our ~~estimated~~ **ultimate** liability of losses and LAE for both reported and unreported claims ~~incurred~~. These reserves are only estimates of what we believe the **ultimate** settlement and administration of claims will cost based on facts and circumstances known to us **and actuarial and statistical analysis**. Loss reserve estimates are reconsidered, as necessary, as experience develops and to reflect other **changes in circumstances that may affect our estimate of ultimate loss, and this could potentially result in increases to our reserves**. In setting reserves for our reinsurance liabilities, we ~~rely on~~ **rely on** claims data supplied by our ceding companies and brokers, **along with other data that may affect our estimate of ultimate loss** and we employ actuarial and statistical ~~projections~~ **analysis to arrive at an estimate of ultimate liability for losses and LAE**. The information received from our ceding companies is not always timely or accurate, which can contribute to inaccuracies in our loss projections. **For the insurance and reinsurance businesses, ultimate losses may differ materially from our expectations at the time we underwrite the business**. Because of the uncertainties that surround our estimates of loss and LAE reserves, we cannot be certain that ultimate losses and LAE payments will not exceed ~~our~~ **the estimates we make at any given time**. **For example, in the quarter ended December 31, 2024, the Company increased its loss reserves by \$ 1.7 billion, pre-tax, primarily driven by unfavorable development in U. S. casualty insurance lines of business. Loss experience in these lines of business is very unpredictable and has been exacerbated by social inflation factors such as uncertain legal system outcomes, increased frequency of high-severity claims and third-party litigation funding**. If our reserves are deficient **in future periods**, we ~~would~~ **may** be required to increase loss reserves in the period in which such deficiencies are identified which would cause a charge to our earnings **and**, a reduction of capital **and could result in adverse effects on our business, financial condition, results of operation or liquidity**. During the past five calendar years, the reserve ~~refinement~~ **refinement** re-estimation process resulted in ~~an a~~ **increase** ~~decrease~~ to our pre-tax net income in ~~2023-2024~~ **and 2022-2020**, ~~2021 and 2019~~ and resulted in ~~a an~~ **decrease** ~~increase~~ to our pre-tax net income in ~~2020-2023~~ **, 2022 and 2021**: Calendar year: Effect on pre-tax net income (Dollars in millions) ~~2023-2024~~ **2023** \$ ~~5-1,337~~ **decrease** 2023 5, ~~2022~~ **2023** 1,337 ~~decrease~~ **increase** 2022 1, ~~2021~~ **2022** 355 ~~increase~~ **increase** 2021 1, ~~2020~~ **2021** 964 ~~increase~~ **decrease** 2020 401 ~~decrease~~ **decrease** 2019 64. The difficulty in estimating our reserves is significantly more challenging as it relates to reserving for potential A & E liabilities. As of December 31, ~~2023-2024~~ **2024**, ~~1-0~~ **.9** % of our gross reserves were comprised of A & E reserves. A & E liabilities are especially hard to estimate for many reasons, including the long delays between exposure and manifestation of any bodily injury or property damage, difficulty in identifying the source of the asbestos or environmental contamination, long reporting delays and difficulty in properly allocating liability for the asbestos or environmental damage. Legal tactics and judicial and legislative developments affecting the scope of insurers' liability, which can be difficult to predict, also contribute to uncertainties in estimating reserves for A & E liabilities. **In addition, since reserve estimates of aggregate loss costs for prior years are sometimes factored into pricing our insurance products, inaccurate reserves can lead to our products not being priced adequately to cover actual losses and related loss expenses in order to generate a profit**. The failure to accurately assess underwriting risk and establish adequate premium rates could reduce our net income or result in a

net loss. Our success depends on our ability to accurately assess the risks associated with the businesses on which the risk is retained. If we fail to accurately assess the risks we retain, we may fail to establish adequate premium rates **or contract terms (i. e. limits, deductibles, etc.)** to cover our losses and LAE. This could reduce our net income and even result in a net loss. In addition, losses may arise from events or exposures that are not anticipated when the coverage is priced. In addition to such unanticipated events, we also face the unanticipated expansion of our exposures, particularly in long- tail liability lines. An example of this is the expansion over time of the scope of insurers' legal liability within the mass tort cases, particularly for A & E exposures discussed above. Decreases in pricing for property and casualty reinsurance and insurance could reduce our net income. The worldwide reinsurance and insurance businesses are highly competitive, as well as cyclical by product and market. These cycles, as well as other factors that influence aggregate supply and demand for property and casualty insurance and reinsurance products, are outside of our control. The supply of (re) insurance is driven by prevailing prices and levels of capacity that may fluctuate in response to a number of factors, including large catastrophic losses and investment returns being realized in the insurance industry. Demand for (re) insurance is influenced by underwriting results of insurers and insureds, including catastrophe losses, and prevailing general economic conditions. If any of these factors were to result in a decline in the demand for (re) insurance or an overall increase in (re) insurance capacity, our net income could decrease. If we are unable **to** or choose not to purchase reinsurance and transfer risk to the reinsurance markets, our net income could be reduced or we could incur a net loss in the event of unusual loss experience. We are generally less reliant on the purchase of reinsurance than many of our competitors, in part because of our strategic emphasis on underwriting discipline and management of the cycles inherent in our business. We try to separate our risk- taking process from our risk mitigation process to avoid developing too great a reliance on reinsurance. With the expansion of the capital markets into insurance linked financial instruments, we increased our use of capital market products for catastrophe reinsurance. In addition, we have increased some of our quota share contracts with larger retrocessionaires. The percentage of business that we reinsure may vary considerably from year to year, depending on our view of the relationship between cost and expected benefit for the contract period.

Year	Percentage of ceded written premiums to gross written premiums
2023	11.3%
2022	11.5%
2021	11.5%
2020	12.3%
2019	13.0%

**14** The effects of emerging claim and coverage issues on our business are uncertain. **As industry practices and legislative, regulatory, judicial, social, financial, technological and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues may adversely affect our business by either extending coverage beyond our underwriting intent or by increasing the frequency and severity of claims. Examples of emerging claims and coverage issues include, but are not limited to: • judicial expansion of policy coverage and a greater propensity to grant claimants more favorable amounts and the impact of new theories of liability; • plaintiffs targeting property and casualty insurers in purported class action litigation relating to claims-handling and other practices; • social inflation trends, including higher and more frequent claims, higher awards in favor of plaintiffs and increases in the value of claims due to third party funding; • medical developments that link health issues to particular causes, resulting in liability claims; • claims relating to unanticipated consequences of current or new technologies, including cyber security- related risks; and • claims relating to potentially changing climate conditions. In some instances, these emerging issues may not become apparent for some time after we have issued the affected insurance policies. As a result, the full extent of liability under our insurance or reinsurance contracts may not be known for many years after issuance.**

**FINANCIAL** A decline in our financial strength ratings could adversely affect our standing among cedents and broker partners and our ability to grow premiums and earnings. Our active insurance company subsidiaries currently hold financial strength ratings assigned by third- party rating agencies which assess and rate the claims paying ability and financial strength of insurers and reinsurers. Financial strength ratings are used by cedents, agents and brokers to assess the financial strength and credit quality of reinsurers and insurers. A downgrade or withdrawal of any of these ratings could adversely affect our ability to market our reinsurance and insurance products, our ability to compete with other reinsurers and insurers and our ability to write new business, which in turn could impact our profitability and results. Consistent with market practice, much of our treaty reinsurance business allows the ceding company to terminate the contract or seek collateralization of our obligations in the event of a rating downgrade below a certain threshold. The termination provision would generally be triggered if a rating fell below A. M. Best' s A- rating level. To a lesser extent, Everest Re also has modest exposure to reinsurance contracts that contain provisions for obligatory funding of outstanding liabilities in the event of a rating agency downgrade. Those provisions would also generally be triggered if Everest Re' s rating fell below A. M. Best' s A- rating level. See also ITEM 1, " Financial Strength Ratings ". A decline in our debt ratings could increase our borrowing costs and adversely affect our ability to access capital markets at attractive rates. If our debt ratings are downgraded, we could incur higher borrowing costs, higher cost of capital, **increased collateral requirements** and our ability to access the capital markets at attractive rates could be impacted. We are unable to provide **any guarantees on assurances as to** whether or not **our** ratings may be downgraded by any of **our the** rating agencies in the future. See also ITEM 1, " Debt Ratings ". The failure of our insureds, intermediaries and reinsurers to satisfy their obligations to us could reduce our income. In accordance with industry practice, we have uncollateralized receivables from insureds, agents and brokers and / or rely on agents and brokers to process our payments. We may not be able to collect amounts due from insureds, agents and brokers, resulting in a reduction to net income. We are subject to credit risk of reinsurers in connection with retrocessional arrangements because the transfer of risk to a reinsurer does not relieve us of our liability to the insured. In addition, reinsurers may be unwilling to pay us even though they are able to do so. The failure of one or more of our reinsurers to honor their obligations to us in a timely fashion would impact our cash flow and reduce our net income and could cause us to incur a significant loss. Our investment values and investment income could decline due to changed conditions in the financial markets. A significant portion of our investment portfolio consists of fixed income securities and smaller portions consist of equity securities and other investments. The fair value of our invested assets and associated investment income may fluctuate depending on various factors including the effects of economic

events and conditions, governmental policies, changes in interest rates and credit spreads and market volatility. Interest Rate Risk. Most of our fixed income securities are classified as available for sale, and temporary changes in the fair value of these investments due to interest rate fluctuations are reflected as changes to our shareholders' equity. Additionally, net investment income from fixed income investments that carry prepayment risk, such as mortgage-backed and other asset-backed securities, can differ from the income anticipated from those securities at the time of purchase. Credit Risk. Our investment portfolio is subject to the risk of loss due to default or deterioration in credit quality. As a part of our ongoing analysis of our investment portfolio, we are required to assess current expected credit losses for all held-to-maturity securities and evaluate expected credit losses for available-for-sale securities when fair value is below amortized cost, which considers reasonable and supportable forecasts of future economic conditions in addition to information about past events and current conditions. If issuers of individual investments are unable to meet their obligations, investment income will be reduced and realized capital losses may arise. **We have exposure to counterparties through a variety of commercial transactions and arrangements, including reinsurance transactions and agreements with banks, hedge funds and other investment vehicles that expose us to credit risk in the event our counterparty fails to perform its obligations.** Equity Risk. We have invested a portion of our investment portfolio in equity securities. The value of these assets fluctuates with changes in the markets. In times of economic weakness, the fair value of these assets may decline, and may negatively impact net income. We also invest in non-traditional investments which have different risk characteristics than traditional fixed income and equity securities. These alternative investments are comprised primarily of private equity limited partnerships. ~~The changes in value and investment income/(loss) for these partnerships may be more volatile than over the counter securities. The failure to maintain access to enough cash, readily salable or unencumbered financial assets to meet near-term financial obligations~~ **may adversely impact business relations and creditworthiness.** Liquidity risk is a manifestation of events that are driven by other risk types (insurance, investment, operational). A liquidity shortfall may arise in the event of insufficient access to internal and external funding sources to meet an immediate and significant need for cash or collateral. Additionally, a rapid increase in interest rates can create a short-term pressure on regulatory capital models. The Company's liquidity could be affected by a broad market illiquidity event, default by significant market participant, inability to sell assets, inability to access bank accounts, inability to access capital and credit markets, concentration of ~~CAT~~ **catastrophe** events, or unforeseen capital needs. A failure to have sufficient cashflow to meet obligations may adversely affect business relations and the creditworthiness of the Company. **We may require additional capital or financing sources in the future, which may not be available or may be available only on unfavorable terms. Our future capital requirements depend on many factors, including rating agency and regulatory requirements, the performance of our investment portfolio, our ability to write new business successfully, the frequency and severity of catastrophe events and our ability to establish premium rates and loss reserves at levels sufficient to cover losses. We may need to raise additional funds through debt or equity financings or access funds through existing or new credit facilities or through short-term repurchase agreements. We may also from time to time seek to refinance debt as amounts become due or commitments expire. Any equity or debt financing or refinancing, if available at all, may be on terms that are not favorable to us. In the case of equity financings, dilution to our shareholders could result, and in any case, such securities may have rights, preferences and privileges that are senior to those of our common shares. Our access to funds under existing credit facilities is dependent on the ability of the banks that are party to the facilities to meet their funding commitments.** Because of our holding company structure, our ability to pay dividends, interest and principal is dependent on receiving dividends, loan payments and other funds from our subsidiaries. Each of Group and Holdings is a holding company whose most significant asset is the stock of its operating subsidiaries. As a result, each of Group's and Holdings' ability to pay dividends, interest or other payments on its securities in the future will depend on the earnings and cash flows of its respective operating subsidiaries and the ability of the subsidiaries to pay dividends or to advance or repay funds to it. This ability is subject to general economic, financial, competitive, regulatory and other factors beyond our control. Payment of dividends and advances and repayments from some of the operating subsidiaries are regulated by U. S. states and foreign insurance laws and regulatory restrictions, including minimum solvency and liquidity thresholds. Accordingly, the operating subsidiaries may not be able to pay dividends or advance or repay funds to Group and Holdings in the future, which could prevent us from paying dividends or interest or making other payments on our securities. We may experience foreign currency exchange losses that reduce our net income and capital levels. We conduct business in a variety of non-U. S. currencies, principally the Euro, the British pound and the Canadian dollar. Assets, liabilities, revenues and expenses denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U. S. dollar, and exchange rate fluctuations, especially relative to the U. S. dollar, may materially impact our results and financial position. In ~~2023-2024~~, we wrote approximately ~~27-29~~ **8-1** % of our coverages in non-U. S. currencies; as of December 31, ~~2023-2024~~, we maintained approximately ~~20-22~~ **9-7** % of our investment portfolio in investments denominated in non-U. S. currencies. Our business is sensitive to unanticipated levels of inflation. While consideration is given to the levels of inflation and how that may impact premiums and claims, the impacts of inflation may be different than anticipated. Premiums are established before actual losses are known, which may result in some underpricing if inflation rises more rapidly than expected, ultimately creating a deficiency that may impact our financial position. Measures taken by domestic or foreign governments could have effects on our business. The potential political, economic, military and social risks that can emerge from a nation's involvement in international affairs can manifest into elevated geopolitical risk. For financial institutions, there are direct and indirect effects that can result from these events, including effects to the growth of business, return in foreign investments, claims patterns and local operations. OPERATIONAL We are dependent on our key personnel. **In January 2025, James Williamson, Executive Vice President and Chief Operating Officer, was appointed President and CEO and member of the Board of Directors after the departure of our former President and CEO, Juan Andrade.** Our success has been, and will continue to be, dependent on our ability to retain the services of our existing key executives and other key employees, and to attract and retain

additional qualified personnel in the future. The loss of the services of any key executive officer, **the failure to successfully effectuate a permanent leadership transition** or the inability to hire and retain other highly qualified personnel in the future, particularly those experienced in the property and casualty industry, could adversely affect our ability to conduct business. **Changes to or turnover among senior management or key executives could also disrupt the Company's strategic focus, operational capabilities and may impede our ability to act quickly and efficiently in executing our business strategy.** Special considerations apply to our Bermuda operations. Under Bermuda law, non-Bermudians, other than spouses of Bermudians and individuals holding permanent or working resident certificates, are not permitted to engage in any gainful occupation in Bermuda without a work permit issued by the Bermuda government. A work permit is only granted or extended if the employer can show that, after a proper public advertisement, no Bermudian, spouse of a Bermudian or individual holding a permanent or working resident certificate is available who meets the minimum standards reasonably required for the position. The Bermuda government places a six-year term limit on individuals with work permits, subject to specified exemptions for persons deemed to be key employees of businesses with a significant physical presence in Bermuda. Currently, all our Bermuda-based professional employees who require work permits have been granted permits by the Bermuda government that expire at various times between ~~April 2024~~ **March 2024 2025 and March 2030. We rely on our processes, people and systems to maintain our operations and manage the operational risks inherent to our business. Any errors, omissions or misconduct by our employees or third-party agents in the execution of these processes could adversely affect our business, results of operations and financial condition. We rely on our processes, people and systems to maintain and execute our operations. We seek to monitor and control our exposure to risks arising from these processes through and** ~~an October 2028~~ **enterprise risk management framework, internal controls, management review and other processes. We cannot provide total assurance that these processes will effectively identify or control all risks, or that our employees and third-party agents will effectively execute them. Losses may result from, among other things, actual or alleged fraud; errors; or failure to document transactions properly, obtain proper internal authorization, comply with underwriting or other internal guidelines or comply with regulatory requirements. It is not always possible to deter or prevent employee misconduct, and the precautions that we take to prevent and detect this activity may not be effective in all cases. Resulting losses could adversely affect our business, results of operations and financial condition.** We are subject to cybersecurity risks that could negatively impact our business operations. **Cybersecurity threats and incidents have increased in recent years, heightening related risks.** We are dependent upon our information technology platform, including our processing systems, data and electronic transmissions in our business operations. Security breaches and other cyber threats, **including those at third parties that have our information,** could expose us to the loss or misuse of our technology systems or information, litigation and potential liability. In addition, cyber incidents that impact the **confidentiality, integrity, availability, authenticity** ~~reliability, speed, accuracy~~ or other proper functioning of these systems could have a significant negative impact on our operations and possibly our **financial** results. An incident could also result in a violation of applicable privacy and other laws, damage our reputation, cause a loss of customers, **result in regulatory action** or give rise to monetary fines and other penalties, which could be significant, **and ultimately have a material adverse effect on our business or operations. The cybersecurity regulatory environment is evolving, in particular with respect to emerging technologies, such as artificial intelligence, and it is likely that the costs of complying with new or developing regulatory requirements will increase.** We are not aware of a cybersecurity incident that materially affected the Company, including its business strategy, results of operations or financial condition. **Exposure to cybersecurity risk is increasing systematically due to greater digital dependence and increased possible losses due to a catastrophic cybersecurity event. Cyber catastrophes are not bound by time or geographic limitations and cyber catastrophic perils do not have well-established definitions and fundamental physical properties. Rather, cybersecurity risks are engineered by human actors and thus are continuously evolving, often in ways that are engineered specifically to evade established loss mitigation controls. Any losses incurred from these risks are also dependent on our clients' and our third-party service providers' cybersecurity practices and defenses, as well as how policy terms and conditions interact with the evolving threat landscape.** We are dependent on brokers and agents for business developments. We rely on brokers and agents. Our relationship with this distribution network is based on quality of underwriting, claim services, financial strength and other factors, which could weaken. Analytical models used in decision making could vary materially from actual results. As a financial services company, we are exposed to model risk. We utilize financial models to derive metrics and drive analysis to assist in decision making across key areas, such as pricing, underwriting, reserving, investment management, ceding business, capital allocation and risk management. These models may not operate properly, may contain incorrect information and errors and may rely on assumptions and projections that are inherently uncertain. Our operations are subject to business continuation risk. Across our global business centers, there is risk that our operations, systems or data, or those of third parties on whom we rely, may be disrupted. We may experience a disruption in business continuity as a result of pandemic and public health crises, geopolitical risks including armed conflict and civil unrest, terrorist events, natural disasters, cyber-attacks affecting **technology** ~~internet and cloud~~ **services, as well as governmental, business and societal responses to such events, such as restrictions on public gatherings, sanctions, trade restrictions, increased unemployment and supply chain disruptions.** All such events may ultimately result in workforce unavailability among ~~others~~ **other operational impacts.** STRATEGIC Our industry is highly competitive, and we may not be able to compete successfully in the future. Our industry is highly competitive and subject to pricing cycles that can be pronounced. We compete globally in the United States, Bermuda and international reinsurance and insurance markets with numerous competitors. Our competitors include independent reinsurance and insurance companies, subsidiaries or affiliates of established worldwide insurance companies, reinsurance departments of certain insurance companies and domestic and international underwriting operations, including underwriting syndicates at Lloyd's of London. According to S & P, Everest ranks among the top ten global property and casualty reinsurance groups, ~~where more than two-thirds of the~~

~~market share is concentrated~~. The worldwide net premium written by the Top 40 global reinsurance groups for both life and non-life business was estimated to be \$ ~~306~~ **318** billion in ~~2022~~ **2023** according to data compiled by S & P. In addition to existing competitors, the entry of alternative capital market products and new company formations provide additional sources of reinsurance and insurance capacity, which could reduce our market share. SHAREHOLDERS, LEGAL & REGULATION

Applicable insurance laws may have an anti-takeover effect. Before a person can acquire control of a U. S. insurance company, prior written approval must be obtained from the insurance commissioner of the state where that insurance company is domiciled or deemed commercially domiciled. Prior to granting approval of an application to acquire control of a domestic insurance company, a state insurance commissioner will consider such factors as the financial strength of the applicant, the integrity and competence of the applicant's board of directors and executive officers, the acquiror's plans for the future operations of the insurance company and any anti-competitive results that may arise from the consummation of the acquisition of control. Because any person who acquired control of Group would thereby acquire indirect control of its insurance company subsidiaries in the United States, the insurance change of control laws of Delaware and California would apply to such a transaction. This could have the effect of delaying or even preventing such a change of control. The ownership of common shares of Group by Everest Re Advisors, Ltd., a direct subsidiary of Group, may have an impact on securing approval of shareholder proposals that Group's management supports. As of December 31, ~~2023~~ **2024**, Everest Re Advisors, Ltd. (Bermuda) owned 9,719,971 or 18. ~~3~~ **5** % of the outstanding common shares of Group. Under Group's by-laws, the total voting power of any shareholder owning more than 9.9 % of the common shares is reduced to 9.9 % of the total voting power of the common shares. Nevertheless, Everest Re Advisors, Ltd., which is controlled by Group, has the ability to vote 9.9 % of the total voting power of Group's common shares. Provisions in Group's by-laws could have an anti-takeover effect, which could diminish the value of its common shares. Group's by-laws contain provisions that could delay or prevent a change of control that a shareholder might consider favorable. The effect of these provisions could be to prevent a shareholder from receiving the benefit from any premium over the market price of our common shares offered by a bidder in a potential takeover. Even in the absence of an attempt to effect a change in management or a takeover attempt, these provisions may adversely affect the prevailing market price of our common shares if they are viewed as discouraging takeover attempts in the future. For example, Group's by-laws contain the following provisions that could have an anti-takeover effect:

- the total voting power of any shareholder owning more than 9.9 % of the common shares will be reduced to 9.9 % of the total voting power of the common shares;
- the board of directors may decline to register any transfer of common shares if it has reason to believe that the transfer would result in: i.) any person that is not an investment company beneficially owning more than 5.0 % of any class of the issued and outstanding share capital of Group, ii.) any person holding controlled shares in excess of 9.9 % of any class of the issued and outstanding share capital of Group, or iii.) any adverse tax, regulatory or legal consequences to Group, any of its subsidiaries or any of its shareholders;
- Group also has the option to redeem or purchase all or part of a shareholder's common shares to the extent the board of directors determines it is necessary or advisable to avoid or cure any adverse or potential adverse consequences if: i.) any person that is not an investment company beneficially owns more than 5.0 % of any class of the issued and outstanding share capital of Group, ii.) any person holds controlled shares in excess of 9.9 % of any class of the issued and outstanding share capital of Group, or iii.) share ownership by any person may result in adverse tax, regulatory or legal consequences to Group, any of its subsidiaries or any other shareholder.

The Board has indicated that it will apply these by-law provisions in such manner that "passive institutional investors" will be treated similarly to investment companies. For this purpose, "passive institutional investors" include all persons who are eligible, pursuant to Rule 13d-1 (b) (1) under the ~~U. S. Securities Exchange Act of 1934, ("the Exchange Act")~~ to file a short-form statement on Schedule 13G, other than an insurance company or any parent holding company or control person of an insurance company. Investors in Group may have more difficulty in protecting their interests than investors in a U. S. corporation. The Companies Act 1981 of Bermuda (the "Companies Act"), differs in material respects from the laws applicable to U. S. corporations and their shareholders. The following is a summary of material differences between the Companies Act, as modified in some instances by provisions of Group's by-laws, and Delaware corporate law that could make it more difficult for investors in Group to protect their interests than investors in a U. S. corporation. Because the following statements are summaries, they do not address all aspects of Bermuda law that may be relevant to Group and its shareholders.

**Alternate Directors.** Group's by-laws provide, as permitted by Bermuda law, that each director may appoint an alternate director, who shall have the power to attend and vote at any meeting of the Board or committee at which that director is not personally present and to sign written consents in place of that director. Delaware law permits a director to appoint another director as an alternate to attend any board committee meeting. However, Delaware law does not provide for the designation of alternate directors with authority to attend or vote at a meeting of the Board. Committees of the Board of Directors. Group's by-laws provide, as permitted by Bermuda law, that the Board may delegate any of its powers to committees that the ~~board~~ **Board** appoints, and those committees may consist partly or entirely of non-directors. Delaware law allows the board of directors of a corporation to delegate many of its powers to committees, but those committees may consist only of directors.

**Interested Directors.** Bermuda law and Group's by-laws provide that if a director has a personal interest in a transaction to which the company is also a party and if the director discloses the nature of this personal interest at the first opportunity, either at a meeting of directors or in writing to the directors, then the company will not be able to declare the transaction void solely due to the existence of that personal interest and the director will not be liable to the company for any profit realized from the transaction. In addition, after a director has made the declaration of interest referred to above, he or she is allowed to be counted for purposes of determining whether a quorum is present and to vote on a transaction in which he or she has an interest, unless disqualified from doing so by the chairman of the relevant board meeting. Under Delaware law, an interested director could be held liable for a transaction in which that director derived an improper personal benefit. Additionally, under Delaware law, a corporation may be able to declare a transaction with an interested director to be void unless one of the following conditions is fulfilled:

- the material facts as to the interested director's

relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors; • the material facts are disclosed or are known to the shareholders entitled to vote on the transaction and the transaction is specifically approved in good faith by the holders of a majority of the voting shares; or • the transaction is fair to the corporation as of the time it is authorized, approved or ratified.

**Transactions with Significant Shareholders.** As a Bermuda company, Group may enter into business transactions with its significant shareholders, including asset sales, in which a significant shareholder receives, or could receive, a financial benefit that is greater than that received, or to be received, by other shareholders with prior approval from Group's board of directors but without obtaining prior approval from the shareholders. In the case of an amalgamation, in which two or more companies join together and continue as a single company, a resolution of shareholders approved by a majority of at least 75 % of the votes cast is required in addition to the approval of the board of directors, except in the case of an amalgamation with and between wholly- owned subsidiaries. If Group was a Delaware corporation, any business combination with an interested shareholder (which, for this purpose, would include mergers and asset sales of greater than 10 % of Group's assets that would otherwise be considered transactions in the ordinary course of business) within a period of three years from the time the person became an interested shareholder would require prior approval from shareholders holding at least 66 2 / 3 % of Group's outstanding common shares not owned by the interested shareholder, unless the transaction qualified for one of the exemptions in the relevant Delaware statute or Group opted out of the statute. For purposes of the Delaware statute, an " interested shareholder " is generally defined as a person who together with that person's affiliates and associates owns, or within the previous three years did own, 15 % or more of a corporation's outstanding voting shares.

**Takeovers.** Under Bermuda law, if an acquiror makes an offer for shares of a company and, within four months of the offer, the holders of not less than 90 % of the shares that are the subject of the offer tender their shares, the acquiror may give the nontendering shareholders notice requiring them to transfer their shares on the terms of the offer. Within one month of receiving the notice, dissenting shareholders may apply to the court objecting to the transfer. The burden is on the dissenting shareholders to show that the court should exercise its discretion to enjoin the transfer. The court will be unlikely to do this unless there is evidence of fraud or bad faith or collusion between the acquiror and the tendering shareholders aimed at unfairly forcing out minority shareholders. Under another provision of Bermuda law, the holders of 95 % of the shares of a company (the " acquiring shareholders ") may give notice to the remaining shareholders requiring them to sell their shares on the terms described in the notice. Within one month of receiving the notice, dissenting shareholders may apply to the court for an appraisal of their shares. Within one month of the court's appraisal, the acquiring shareholders are entitled either to acquire all shares involved at the price fixed by the court or cancel the notice given to the remaining shareholders. If shares were acquired under the notice at a price below the court's appraisal price, the acquiring shareholders must either pay the difference in price or cancel the notice and return the shares thus acquired to the shareholder, who must then refund the purchase price. There are no comparable provisions under Delaware law.

**Inspection of Corporate Records.** Members of the general public have the right to inspect the public documents of Group available at the office of the Registrar of Companies and Group's registered office, both in Bermuda. These documents include the memorandum of association, which describes Group's permitted purposes and powers, any amendments to the memorandum of association and documents relating to any increase or reduction in Group's authorized share capital. Shareholders of Group have the additional right to inspect Group's bye- laws, minutes of general meetings of shareholders and audited financial statements that must be presented to the annual general meeting of shareholders. The register of shareholders of Group also is open to inspection by shareholders and to members of the public without charge. Group is required to maintain its share register at its registered office in Bermuda. Group also maintains a branch register in the offices of its transfer agent in the United States, which is open for public inspection as required under the Companies Act. Group is required to keep at its registered office a register of its directors and officers that is open for inspection by members of the public without charge. However, Bermuda law does not provide a general right for shareholders to inspect or obtain copies of any other corporate records. Under Delaware law, any shareholder may inspect or obtain copies of a corporation's shareholder list and its other books and records for any purpose reasonably related to that person's interest as a shareholder.

**Shareholders' Suits.** The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders under legislation or judicial precedent in many U. S. jurisdictions. Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to bring an action in the name of Group to remedy a wrong done to Group where the act complained of is alleged to be beyond the corporate power of Group or illegal or would result in the violation of Group's memorandum of association or bye- laws. Furthermore, the court would give consideration to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of Group's shareholders than actually approved it. The winning party in an action of this type generally would be able to recover a portion of attorneys' fees incurred in connection with the action. Under Delaware law, class actions and derivative actions generally are available to stockholders for breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In these types of actions, the court has discretion to permit the winning party to recover its attorneys' fees.

**Limitation of Liability of Directors and Officers.** Group's bye- laws provide that Group and its shareholders waive all claims or rights of action that they might have, individually or in the right of the Company, against any director or officer for any act or failure to act in the performance of that director's or officer's duties. However, this waiver does not apply to claims or rights of action that arise out of fraud or dishonesty. This waiver may have the effect of barring claims arising under U. S. federal securities laws. Under Delaware law, a corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its stockholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, stock repurchases or stock redemptions, or any transaction from which a director derived an

improper personal benefit. Moreover, Delaware provisions would not be likely to bar claims arising under U. S. federal securities laws. Indemnification of Directors and Officers. Group's by-laws provide that Group shall indemnify its directors or officers to the full extent permitted by law against all actions, costs, charges, liabilities, loss, damage or expense incurred or suffered by them by reason of any act done, concurred in or omitted in the conduct of Group's business or in the discharge of their duties. Under Bermuda law, this indemnification may not extend to any matter involving fraud or dishonesty of which a director or officer may be guilty in relation to the company, as determined in a final judgment or decree not subject to appeal. Under Delaware law, a corporation may indemnify a director or officer who becomes a party to an action, suit or proceeding because of his position as a director or officer if (1) the director or officer acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and (2) if the action or proceeding involves a criminal offense, the director or officer had no reasonable cause to believe his or her conduct was unlawful. Enforcement of Civil Liabilities. Group is organized under the laws of Bermuda. Some of its directors and officers may reside outside the U. S. A substantial portion of our assets are or may be located in jurisdictions outside the United States. As a result, a person may not be able to affect service of process within the United States on directors and officers of Group and those experts who reside outside the United States. A person also may not be able to recover against them or Group on judgments of U. S. courts or to obtain original judgments against them or Group in Bermuda courts, including judgments predicated upon civil liability provisions of the U. S. federal securities laws. Dividends. Bermuda law does not allow a company to declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that the company, after the payment is made, would be unable to pay its liabilities as they become due, or that the realizable value of the company's assets would be less, as a result of the payment, than the aggregate of its liabilities and its issued share capital and share premium accounts. The share capital account represents the aggregate par value of issued shares, and the share premium account represents the aggregate amount paid for issued shares over and above their par value. Under Delaware law, subject to any restrictions contained in a company's certificate of incorporation, a company may pay dividends out of the surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and / or the preceding fiscal year. Surplus is the amount by which the net assets of a corporation exceed its stated capital. Delaware law also provides that dividends may not be paid out of net profits at any time when stated capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. Insurance laws and regulations restrict our ability to operate and any failure to comply with those laws and regulations could have a material adverse effect on our business. We are subject to extensive and increasing regulation under U. S., state and foreign insurance laws. These laws limit the amount of dividends that can be paid to us by our operating subsidiaries, impose restrictions on the amount and type of investments that we can hold, prescribe solvency, accounting and internal control standards that must be met and maintained and require us to maintain reserves. These laws also require disclosure of material inter-affiliate transactions and require prior approval of "extraordinary" transactions. Such "extraordinary" transactions include declaring dividends from operating subsidiaries that exceed statutory thresholds. These laws also generally require approval of changes of control of insurance companies. The application of these laws could affect our liquidity and ability to pay dividends, interest and other payments on securities, as applicable, and could restrict our ability to expand our business operations through acquisitions of new insurance subsidiaries. We may not have or maintain all required licenses and approvals or fully comply with the wide variety of applicable laws and regulations or the relevant authority's interpretation of the laws and regulations. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, the insurance regulatory authorities could preclude or temporarily suspend us from carrying on some or all of our activities or fine us. These types of actions could have a material adverse effect on our business. To date, no material fine, penalty or restriction has been imposed on us for failure to comply with any insurance law or regulation. As a result of the previous dislocation of the financial markets, ~~Congress and the U. S. government previous administration in the United States~~ implemented changes in the way the financial services industry is regulated. Some of these changes are also impacting the insurance industry. For example, the U. S. Treasury established the Federal Insurance Office with the authority to monitor all aspects of the insurance sector, monitor the extent to which traditionally underserved communities and consumers have access to affordable non-health insurance products, to represent the United States on prudential aspects of international insurance matters, to assist with administration of the Terrorism Risk Insurance Program and to advise on important national and international insurance matters. In addition, several European regulatory bodies are in ~~the~~ process of updating existing regulations or developing new capital adequacy directives for insurers and reinsurers. The future impact of such initiatives or new initiatives from the current governmental authorities, if any, on our operation, net income (loss) or financial condition cannot be determined at this time. Regulatory challenges in the United States could adversely affect the ability of Bermuda Re to conduct business. Bermuda Re does not intend to be licensed or admitted as an insurer or reinsurer in any U. S. jurisdiction. Under current law, Bermuda Re generally will be permitted to reinsure U. S. risks from its office in Bermuda without obtaining those licenses. However, the insurance and reinsurance regulatory framework is subject to periodic legislative review and revision. In the past, there have been congressional and other initiatives in the United States regarding increased supervision and regulation of the insurance industry, including proposals to supervise and regulate reinsurers domiciled outside the United States. If Bermuda Re were to become subject to any insurance laws of the United States or any U. S. state at any time in the future, it might be required to post deposits or maintain minimum surplus levels and might be prohibited from engaging in lines of business or from writing ~~some certain~~ types of policies. Complying with those laws could have a material adverse effect on our ability to conduct business in Bermuda and international markets. Bermuda Re may need to be licensed or admitted in additional jurisdictions to develop its business. As Bermuda Re's business develops, it will monitor the need to obtain licenses in jurisdictions other than Bermuda and the ~~UK-U. K.~~, where it has an authorized branch, in order to comply with applicable law or to be able to engage in additional insurance-related activities. In addition, Bermuda Re may be at a competitive disadvantage in jurisdictions where it is not licensed or does not enjoy an exemption from licensing relative to competitors that

are so licensed or exempt from licensing. Bermuda Re may not be able to obtain any additional licenses that it determines are necessary or desirable. Furthermore, the process of obtaining those licenses is often costly and may take a long time. Bermuda Re's ability to write reinsurance may be severely limited if it is unable to arrange for security to back its reinsurance. Many jurisdictions do not permit insurance companies to take credit for reinsurance obtained from unlicensed or non-admitted insurers on their statutory financial statements without appropriate security. Bermuda Re's reinsurance clients typically require it to post a letter of credit or enter into other security arrangements. If Bermuda Re is unable to obtain or maintain a letter of credit facility on commercially acceptable terms or is unable to arrange for other types of security, its ability to operate its business may be severely limited. If Bermuda Re defaults on any letter of credit that it obtains, it may be required to prematurely liquidate a substantial portion of its investment portfolio and other assets pledged as collateral. Regulatory and legislative developments related to cybersecurity, **privacy, data protection and artificial intelligence** could have an adverse impact on our business. In October 2017, the NAIC adopted the Insurance Data Security Model Law ("**IDSML**"), which was intended to establish the standards for data security and for the investigation and notification of data breaches applicable to insurance licensees in states adopting such law, ~~requiring~~. **The IDSML requires** insurers, and other entities required to be licensed under state insurance laws, to comply with certain requirements, such as developing and maintaining a written information security program, conducting risk assessments and overseeing the data security practices of third-party vendors. The ~~IDSML Insurance Data Security Model Law~~ has now **been** adopted in 23 states. In addition, certain state insurance regulators are developing or have developed their own regulations that may impose additional regulatory requirements relating to cybersecurity on insurance and reinsurance companies. For example, the New York State Department of Financial Services has an applicable regulation pertaining to cybersecurity for all banking and insurance entities under its jurisdiction, effective as of March 1, 2017 and amended on November 1, 2023. ~~The SEC Regulation of cybersecurity, privacy and data protection, operational resiliency and artificial intelligence has also developed globally adopted new rules effective September 5, 2023 to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance and incidents.~~ We cannot predict the impact these laws and regulations will have on our business, financial condition or results of operations, but our insurance and reinsurance companies could incur additional costs resulting from compliance with such laws and regulations. If international tax laws change, our net income may be impacted. The Organization for Economic Co-operation and Development ("**OECD**") and its member countries ~~which includes~~, **including** the United States, ~~have had~~ been focusing for an extended period on issues related to the taxation of multinational corporations, such as the comprehensive plan set forth by the OECD to create an agreed set of international tax rules for preventing base erosion and profit shifting. ~~Recently they~~ **The OECD has now** agreed upon a broad framework for overhauling the taxation of multinational corporations that includes, among other things, profit reallocation rules (**Pillar One**) and a 15% global minimum corporate income tax rate (**Pillar Two**). ~~These~~ **The Pillar Two model rules proposals, if implemented, could have been enacted in several of the jurisdictions in which the Company and impact on net income its subsidiaries operate, thus, the Company or its subsidiaries are liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction.** ~~The Company may be subject to additional income taxes, which would reduce our net income.~~ Group and / or various Group companies may be subject to additional income taxes, which would reduce our net income. If U. S. tax law changes, our net income may be impacted. The 2017 **Tax Cuts and Jobs Act ("TCJA")** ~~addressed what some members of Congress had expressed concern about for several years, which was adopted to address incorporation by~~ U. S. corporations **in moving their place of incorporation to** low-tax jurisdictions to obtain a competitive advantage over domestic corporations that are subject to the U. S. corporate income tax rate of 21%. Specifically, ~~it~~ **the TCJA** ~~addressed their concern over a perceived competitive advantage that foreign-controlled insurers and reinsurers may have had over U. S. controlled insurers and reinsurers,~~ resulting from the purchase of reinsurance by U. S. insurers from affiliates operating in ~~some certain~~ foreign jurisdictions, including Bermuda. Such affiliated reinsurance transactions may subject the U. S. ceding companies to a Base Erosion and Anti-abuse Tax ("**BEAT**") of 10% from 2019 to ~~2025~~ **2024** and 12.5% thereafter, which may exceed its regular income tax. In addition, new legislation, as well as proposed and final regulations may further limit the ability of the Company to execute alternative capital balancing transactions with unrelated parties. This would further impact our net income and effective tax rate. On August 16, 2022, the **Inflation Reduction Act ("IRA")** was enacted. We have evaluated the tax provisions of the IRA, the most significant of which are the corporate alternative minimum tax and the share repurchase excise tax and do not expect the legislation to have a material impact on our results of operations. On December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act 2023 ("**The 2023 Act**"), which will apply a 15% corporate income tax to certain Bermuda businesses in fiscal years beginning on or after January 1, 2025. The ~~act~~ **2023 Act** includes a provision referred to as "The Economic Transition Adjustment" (**the "ETA"**), which is intended to provide a fair and equitable transition into the **new** tax regime, and results in a deferred tax benefit for the Company. **However, on January 15, 2025, the OECD issued Guidance related to "deferred tax assets arising from tax benefits provided by General Government" whereby it has restricted the utilization of those deferred tax benefits against the computation of its Pillar Two Global Minimum Taxes to approximately 20% of the originally calculated amounts and only for a grace period of two years through 2026. If the Bermuda Ministry of Finance amends The 2023 Act in response to this Guidance, the exact impact of any such amendments is uncertain but there is a risk that it results in a reduction in the Company's Deferred Tax Assets.** Group and / or Bermuda Re may be subject to U. S. corporate income tax, which would reduce our net income. Bermuda Re. The income of Bermuda Re is a sizable portion of our worldwide income from operations. We have established guidelines for the conduct of our operations that are designed to ensure that Bermuda Re is not engaged in the conduct of a trade or business in the U. S. Based on its compliance with those guidelines, we believe that Bermuda Re should not be required to pay U. S. corporate income tax, other than withholding tax on U. S. source dividend income. However, if the **U. S. Internal Revenue Service (the "IRS")** were to successfully assert that Bermuda Re was engaged in a U. S. trade or business, Bermuda Re would be required to pay U. S. corporate income tax on all its income and

possibly also the U. S. branch profits tax. However, if the IRS were to successfully assert that Bermuda Re was engaged in a U. S. trade or business, we believe the U. S.- Bermuda tax treaty would preclude the IRS from taxing Bermuda Re' s income except to the extent that its income was attributable to a U. S. permanent establishment maintained by Bermuda Re. We do not believe that Bermuda Re has a permanent establishment in the U. S. If the IRS were to successfully assert that Bermuda Re did have income attributable to a permanent establishment in the U. S., Bermuda Re would be subject to U. S. tax only on that income. This would reduce our net income. Group. We conduct our operations in a manner designed to minimize our U. S. tax exposures. Based on our compliance with guidelines designed to ensure that we generate only immaterial amounts, if any, of income that is subject to the U. S. taxing jurisdiction, we believe that we should be required to pay only immaterial amounts, if any, of U. S. corporate income tax, other than withholding tax on U. S. source dividend income. However, if the IRS successfully asserted that we had material amounts of income that ~~was~~ **were** subject to the U. S. taxing jurisdiction, we would be required to pay U. S. corporate income tax on that income, and possibly the U. S. branch profits tax. The imposition of such tax would reduce our net income. Bermuda Re and Group. If Bermuda Re became subject to U. S. income tax on its income, or if Group became subject to **U. S.** income tax, our income could also be subject to U. S. branch profits tax. In that event, Group and Bermuda Re would be subject to taxation at a higher combined effective rate than if they were organized as U. S. corporations. The combined effect of the 21 % U. S. corporate income tax rate and the 30 % branch profits tax rate is a net tax rate of 44. 7 %. The imposition of these taxes would reduce ~~out-our~~ net income. Our net income will be reduced if U. S. excise and withholding taxes are increased. Group and / or Bermuda Re may become subject to Bermuda tax, which would reduce our net income. Reinsurance and insurance premiums paid to Bermuda Re with respect to risks located in the United States are subject to a U. S. federal excise tax of one percent. In addition, Bermuda Re is subject to ~~federal excise tax on reinsurance and insurance premiums with respect to risks located in the United States. In addition, Bermuda Re is subject to~~ withholding tax on dividend income from U. S. sources. These taxes could increase, and other taxes could be imposed in the future on Bermuda Re' s business, which would reduce our net income. If U. S. tax law changes, our U. S. shareholders net income may be impacted. In January 2022, **the U. S.** Treasury and the IRS released proposed regulations regarding the determination and inclusion of related- person insurance income (" RPII "). The regulations, if finalized without modifications, could cause RPII to be attributable to the Company' s U. S. shareholders prospectively and therefore would incur additional income tax. The imposition of such tax could reduce our U. S. shareholders return on investment in the Company. Our U. S. shareholders pre-tax income and tax liabilities might be increased, reducing their net income.