

EVEREN

# 3<sup>rd</sup> Quarter Report 2022



EVEREN LIMITED  
3rd QUARTER REPORT 2022  
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	30-Sep-22	31-Dec-21
<b>(\$'000)</b>		
<b>Assets</b>		
Cash and cash equivalents	627,829	435,829
Investments in marketable securities and derivatives	3,947,153	4,946,736
Other investments	681,840	775,491
Investment sales pending settlement	58,165	156,413
Accrued investment income	16,375	14,424
Amounts due from affiliates	7,239	6,553
Retrospective premiums receivable	57,444	120,732
Accounts receivable	101,082	2
Other assets	6,667	2,644
<b>Total assets</b>	<b>5,503,794</b>	<b>6,458,824</b>
<b>Liabilities</b>		
Reserve for unearned premiums	130,839	-
Outstanding losses and loss expenses	1,585,340	1,843,509
Securities sold short	177,803	213,132
Investment purchases pending settlement	107,641	132,305
Amounts due to affiliates	18	21
Premiums received in advance	183	732
Accounts payable	30,271	26,714
<b>Total liabilities</b>	<b>2,032,095</b>	<b>2,216,413</b>
<b>Shareholders' equity</b>		
Common shares	640	640
Retained earnings	3,471,059	4,241,771
<b>Total shareholders' equity</b>	<b>3,471,699</b>	<b>4,242,411</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,503,794</b>	<b>6,458,824</b>

EVEREN LIMITED  
3rd QUARTER REPORT 2022  
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(000's)	THREE MONTHS ENDED		NINE MONTHS ENDED	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Premiums written	(8,687)	(764)	476,507	530,386
Change in unearned premiums written	130,840	132,109	(130,839)	(132,109)
Net premiums earned	122,153	131,345	345,668	398,277
Discount on retrospective premiums receivable	219	21	657	65
Losses and loss expenses incurred	(89,042)	(77,912)	26,399	(346,130)
Acquisition costs	-	(135)	(733)	(1,817)
<b>Net underwriting income</b>	<b>33,330</b>	<b>53,319</b>	<b>371,991</b>	<b>50,395</b>
Interest income	16,959	15,299	46,361	47,725
Net (losses) gains on investments	(201,133)	(27,871)	(813,768)	248,160
Dividend income	6,030	6,217	20,356	19,551
Investment advisory and custodian fees	(7,190)	(6,445)	(29,182)	(18,823)
<b>Net investment (loss) income</b>	<b>(185,334)</b>	<b>(12,800)</b>	<b>(776,233)</b>	<b>296,613</b>
General and administrative expenses	(6,648)	(4,096)	(16,470)	(13,655)
<b>Net (loss) income</b>	<b>(158,652)</b>	<b>36,423</b>	<b>(420,712)</b>	<b>333,353</b>

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CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

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(\$'000)	30-Sep-22
<b>Capital</b>	
Common shares at beginning of period	640
Common shares issued in period	10
Common shares redeemed in period	(10)
Common shares at end of period	<u>640</u>
<b>Retained earnings</b>	
Retained earnings at beginning of period	4,241,771
Net loss for the period	(420,712)
Common share dividend	(350,000)
Retained earnings at end of period	<u>3,471,059</u>
<b>Total shareholders' equity</b>	<u>3,471,699</u>

**EVEREN LIMITED**  
**3RD QUARTER REPORT 2022**

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**SHAREHOLDERS' EQUITY:**

During the nine months ended September 30, 2022, shareholders' equity decreased by \$770.7 million to \$3,471.7 million. Net underwriting income of \$372.0 million was offset by net investment losses of \$776.2 million, general and administrative expenses of \$16.5 million, and common share dividends of \$350.0 million.

**INSURANCE OPERATIONS:**

During the nine months ended September 30, 2022, gross premiums written totaled \$476.5 million, a \$53.9 million decrease from the nine months ended September 30, 2021. Net premiums earned decreased from \$398.3 million for the nine months ended September 30, 2021 to \$345.7 million for the nine months ended September 30, 2022. The decrease in premiums written and premiums earned in the nine-month period ended September 30, 2022, is primarily due to a decrease in retrospective premiums in the period.

Losses and loss expenses incurred totaled \$(26.4) million for the nine-month period ended September 30, 2022. The loss and loss expenses incurred are due to new claims related to current year totaling \$27.2 million, new claims related to prior years totaling \$30.0 million, and favorable development of \$87.5 million in prior years' claims. Net loss expenses incurred totaled \$3.9 million over the nine-month period.

Losses and loss expenses incurred totaled \$89.0 million for the three-month period ended September 30, 2022. The loss and loss expenses incurred are due to new claims related to current year totaling \$27.2 million, new claims related to prior years totaling \$30.0 million and unfavorable development of \$29.0 million in prior years' claims. Net loss expenses incurred totaled \$2.8 million over the three-month period.

**INVESTMENTS:**

During the nine-month period ended September 30, 2022, the Company's global equity and bond portfolios generated negative returns of 24.4% and 9.3%, respectively, while the fund of hedge funds portfolio posted favorable returns of 1.5%. Including cash, the Company's total invested assets generated a negative return of 12.7% over the nine-month period.

During the three-month period ended September 30, 2022, the Company's global equity and bond portfolios generated negative returns of 7.9% and 2.5%, respectively, while the fund of hedge funds portfolio posted favorable returns of 1.3%. Including cash, the Company's total invested assets generated a negative return of 3.4% over the three-month period.

**COMMON SHARE DIVIDENDS:**

During March 2022, the Company declared a dividend in an aggregate amount of \$350.0 million to all common shareholders on record as of March 22, 2022, paid in June 2022.

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