

AEGIS AND THEN SOME
How Our Alliances Can Enhance Your Risk Management Program

GEORGE KEEFE

*Senior Vice President – Underwriting,
Member Relations*

AEGIS Insurance Services, Inc.

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AEGIS AND THEN SOME

How Our Alliances Can Enhance Your Risk Management Program

RAYMOND O'BYRNE

Senior Vice President

Endurance Insurance

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AGENDA

- Endurance history, leadership team and financial strength
- AEGIS / Endurance alliance providing Side A D&O
- What is Side A D&O coverage? Who buys Side A and why?
- Claims expertise
- Endurance policy and **advantages** to members of buying Side A from AEGIS / Endurance

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John Charman
CEO & Chairman of the Board



John A. Kuhn
CEO, Global Insurance



Michael J. McGuire
CFO

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ENDURANCE HISTORY AND *Financial Strength*

Endurance Snapshot – Q1 2016

Strong Balance Sheet and Capital	Diversified Portfolio of Businesses	Strategic Initiatives
<ul style="list-style-type: none"> • “A” ratings from A.M. Best and S&P • \$5.7 billion of total capital and shareholders’ equity available to the Company of \$5.0 billion as of March 31, 2016 • Conservative, short-duration, AA- rated investment portfolio • Prudent reserves that have historically developed favorably since our inception • Diversified and efficient capital structure with reduced leverage • Since inception, returned nearly \$2.2 billion to investors through dividends and share repurchases 	<ul style="list-style-type: none"> • Gross premiums written of \$3.6 billion on a trailing 12 month basis • Strong organic growth enhanced by Montpelier Re Holdings Ltd. (“Montpelier”) acquisition • Balanced portfolio of insurance and reinsurance diversified by product / geography in both short and long tail lines • Proven leader in the U.S. agriculture insurance industry • Focus on specialty lines of business, with market recognized, industry-leading talent 	<ul style="list-style-type: none"> • Substantially expanded global underwriting and leadership talent • Optimized balance of insurance and reinsurance portfolios to lower volatility and improve profitability • Increased strategic purchases of reinsurance and retrocession to support growth and manage cycle • Streamlined support operations to generate significant savings to fund underwriting additions • Benefiting from market dislocations and fractures

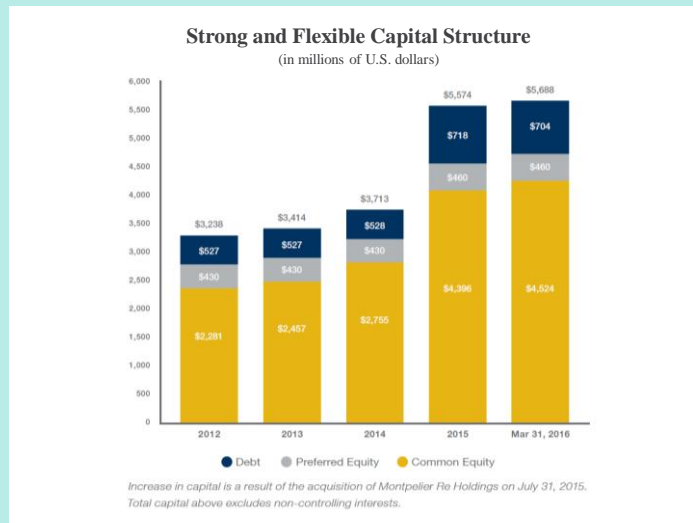
Strong and seasoned franchise

- Inception to date operating ROE of 10.7%
- 10 year book value per share plus dividends CAGR of 12.6%
- Continuous improvement in performance and market relevance
- Financial results beginning to benefit from our transformation efforts

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 AEGIS®

EXCELLENT FINANCIAL *Strength and Liquidity*



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AEGIS / ENDURANCE *Alliance*

Providing Side A D&O

- Endurance began relationship on August 1, 2010 and immediately offered
- Capacity available up to \$30 million for both lead and excess Side A DiC
- Endurance's state-of-the-art policies, admitted in every state
- Endurance is solely responsible for underwriting and claims handling
- Market-leading customer service and policy issuance
- AEGIS' long-standing commitment to the utility and related energy industry
- Endurance's financial strength: A XV rating from A.M. Best, A (Strong) from S&P
- Today Endurance has more than 55 bound Side A member accounts
- Gross written premium (GWP) over \$3.2 million

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AEGIS / ENDURANCE Alliance

Providing Side A D&O

- AEGIS D&O members are eligible for continuity credits when purchasing Side A coverage from Endurance
- Credits are calculated based on the reinsurance premium flowing to AEGIS, as AEGIS participates in this program as a reinsurer

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WHAT IS SIDE A D&O Coverage?

Who Buys Side A and Why?

- How does the policy work? Claim triggers?
- Why buy Side A at all? How is it different than so-called ABC coverage?
- Who is covered under the policy?
- Limits of liability
- Endurance is mutual friendly and committed to the energy and utility industries



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WE'RE ALIGNED

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**"BETTER THREE HOURS TOO SOON THAN A
MINUTE TOO LATE."**

WILLIAM SHAKESPEARE

© Lifehack Quotes

SIDE A *Difference in Conditions (DiC)*

Side A DiC provides drop-down coverage in the following scenarios

- Indemnification is prohibited by law (DEL derivative suits)
- Underlying limits exhausted
- ABC policy seized by a bankruptcy court as an asset of the estate
- ABC denies under one or more exclusions
- ABC carriers wrongfully refuse / fail to indemnify D&Os
- ABC carrier attempts to rescind the underlying policy
- Underlying ABC carrier(s) become insolvent

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CLAIMS *Expertise*

Claims & Risk Management Capabilities

- Dedicated claims team with specialized management liability expertise
- Leaders include
 - Marc J. Karnell, Executive Vice President, Global Head of Insurance Claims and Technical Claims Director
mkarnell@enduranceusa.com
 - John Minett, Senior Vice President, Claims Counsel
jminett@enhinsurance.com
- 24/7 claims hotline, +1.877.676.7575
- Claims submissions, insuranceclaims@enduranceservices.com

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ENDURANCE POLICY *and Advantages*

- Significant capacity
 - Up to \$30 million for both lead and excess Side A DiC coverage
 - Limits are in addition to existing AEGIS D&O ABC coverage
- Claims and risk management capabilities
 - Dedicated Endurance claims team with specialized D&O experience
- Underwriting capability
 - Underwriting team has extensive experience working with utilities and energy related companies
 - Flexible attachment points based on specific risks
 - Admitted paper in every state plus the District of Columbia with state-of-the-art policy forms

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CONCLUSION

Oil & Gas

Utilities

Manufacturers
& Distributors

Contractors

Petrochemicals

Renewables

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THANK YOU AND LOOKING FORWARD

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Mission

Strategy

Financials

People

AEGIS

Products

Member support

Board support

Infrastructure

AEGIS AND THEN SOME*How Our Alliances Can Enhance Your Risk Management Program***THOMAS MORELLI***Senior Vice President*

Everest National Insurance Company

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A leading international (re)insurance company with broad underwriting expertise, global presence, strong financial ratings, and substantial capital (NYSE: RE)

- 1973 Founded as the former reinsurance arm of Prudential
- 1991 Prudential National Insurance Co. established to provide primary property and casualty insurance
- 1995 IPO'd by Prudential as a stand-alone company
- 1996 Adopted the "Everest" name
- 2014 Dominic Addesso named President & Chief Executive Officer of the Group
- 2016 Jonathan Zaffino named President of Everest Insurance™ North America

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EVEREST RE GROUP, LTD. *Fast Facts*

- Gross written premiums up 2%, or \$125 million, to \$5.9 billion in 2015
- Among the world's largest property CAT reinsurers
- Among the lowest internal expense ratios in the industry
- Among the leaders in the industry in return on equity the last three years – 15% ROE in 2015
- Eighth largest writer of California Workers' Compensation*
- Everest National Insurance Co. handled / managed 50,000 claims in 2015
- Mt. Logan Re sidecar with \$860 million in assets under management
- Lloyd's syndicate 2786 launched on January 1, 2016

2015 Group Results

\$21.4 billion in assets
 \$5.9 billion in gross written premium
 \$7.6 billion in shareholders' equity
 25 offices & 1,200+ employees worldwide

2015 Insurance Results

Accident year combined ratio: 94.3%
 Gross written premium \$1.5 billion, up 26%
 16 offices in USA & Canada
 600+ employees

Top Financial Ratings

A+ XV A.M. Best

A+ Standard & Poor's

A1 Moody's

*California Department of Insurance, NAIC database, Rate Specialist Bureau, 4/30/2015

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EVEREST INSURANCE™

The Everest Insurance™ Group

Everest National
Insurance Company

Everest Canada

Lloyd's of London
Syndicate 2786

Everest International
Assurance

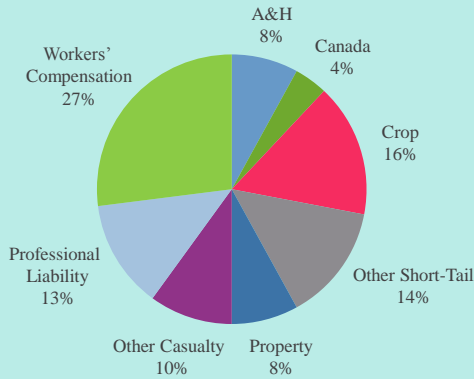
Accident & Health

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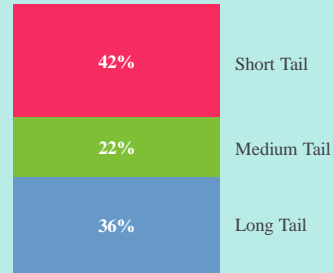


EVEREST INSURANCE™

2015 Gross Written Premium
by Line of Business



2015 Gross Written Premium
by Tail Percentage



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EVEREST INSURANCE™ NORTH AMERICA
Office Locations



UNITED STATES

- Amarillo, Texas
- Atlanta, Georgia
- Avon, Connecticut
- Chicago, Illinois
- Coeur d'Alene, Idaho
- Houston, Texas
- Indianapolis, Indiana
- Lexington, Kentucky
- Liberty Corner, New Jersey
- New York, New York
- Orange, California
- Oakland, California
- Tampa, Florida
- Topeka, Kansas

CANADA

- Toronto, Ontario
- Vancouver, British Columbia

BERMUDA

- Hamilton, Bermuda

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VALUE PROPOSITION

Everest Insurance™ is a world class specialty underwriter with...

A bold, nimble and collaborative underwriting approach

Access to alternative capital

Product depth and diversity

Rock solid financial strength

Large net capacity

Scalable infrastructure

Our commitment: We will be **timely** in our response, **creative** in our offering, and **diligent** in our effort to achieve mutual success with our trading partners

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ORGANIZATIONAL CONFIGURATION

We are a diversified specialty insurance company with five trading segments

Everest Insurance™
U.S. Operations

Everest Specialty Commercial

Everest Specialty Underwriters

Everest Underwriting Partners

Everest Risk Management

Everest Industry Solutions

Property
Inland Marine
Primary Casualty
Umbrella & Excess Casualty
Workers' Compensation
Environmental

Executive Solutions Group
Financial Institutions Group
Custom Solutions Group
Alternative Solutions Group
Professional Liability Group
Surety
Trade Credit & Political Risk

Programs
Opportunistic & Niche Business
Technology Driven Distribution

Primary Casualty
Risk Finance
Loss Sensitive Opportunities
Multinational

Energy
Sports, Leisure & Entertainment
Financial Institutions
Heartland Crop Insurance
Accident & Health

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ENERGY CASUALTY

Everest possesses the underwriting and product expertise required to deliver comprehensive liability coverage in the energy space on an admitted basis. We work with select brokers who are also well versed in the energy industry. Minimum premium \$250,000 single line and \$500,000 account.

Risk appetite

- Oil & gas – broad appetite across the upstream, midstream and downstream segments, including; oil field service contractors, pipeline contractors, equipment rental, well servicing, geophysical contractors, drilling contractors
- Utilities – power generation; coal, gas-fired, hydroelectric, power suppliers, retail and wholesale, gas and electric utilities, independent power producers
- Manufacturers and distributors
- Plant-maintenance contractors and utility-service contractors
- Petrochemicals, renewables, energy related manufacturing, & surface mining

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Offering

- Workers' Compensation
- General Liability
- Commercial Automobile
- Guaranteed cost
- Large deductible / SIR
- Fully fronted programs
- Available as lead or excess placement
- Bundled and unbundled claims service
- Companion excess / umbrella casualty

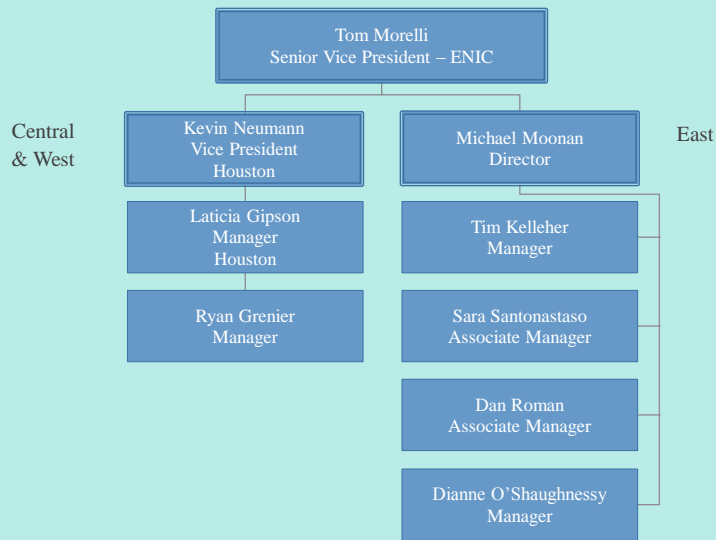
Coverage features

- Capacity up to \$11 million

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ENERGY CASUALTY TEAM



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LOSS CONTROL

Everest provides a suite of loss control services designed to help reduce the total cost of risk for our business partners and clients. Our loss control professionals are specifically trained and experienced in loss prevention, mitigation, risk transfer and other risk management techniques.

Features

- Loss prevention and mitigation assessments and solutions
- Workplace, fleet, premises, job site, product, and service evaluations
- Specialty services including ergonomic, industrial hygiene, property, & product assessments
- Publications, including newsletters, LC alerts, hazard & emerging issue alerts, model programs, E-SMARTS, and webcasts

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CLAIMS

Everest is committed to delivering comprehensive claim services, efficiently, proactively and in innovative ways to achieve the best outcomes for our business partners and clients. Our talented and in-house claims staff of technical claims professionals possess an average of over 20+ years of industry experience with significant expertise in Workers' Compensation, Property, Casualty, D&O, Financial and Professional Liability.

Features

- Proven experience handling complex and difficult claims, including claims arising out of General Liability, Management Liability, Financial Institutions, and Professional Liability insurance policies.
- 50 state capabilities within one claims department
- Claim reporting with a 24/7 toll-free claim reporting center
- State of the art claims system and paperless claim files enhances department efficiency
- Customized and responsive service with a strong focus on loss mitigation and expense conservation to help reduce the overall operational cost for our insureds

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CLAIMS

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Features

- Nationwide panel of TPAs, medical, and claim investigation experts available to supplement our in-house staff
- Litigation management, including a dedicated defense and vendor panel fully vetted to assist in the best claims outcome and controlled expenses through negotiated pricing and e-billing system
- In-house Special Investigation Unit (SIU) staffed with experts in conducting investigations that control claims costs and identify and prevent fraud
- Dedicated in-house subrogation staff with expertise in collection services which reduce policyholder's expenses

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USES OF THE ALLIANCE

- Primary coverage for members
 - Workers' Compensation
 - General Liability
 - Commercial Automobile
 - RR Protective
 - OCP
 - Certificate Program
- Admitted Excess Workers' Compensation

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USES OF THE ALLIANCE

- Filing status
 - Filed in 50 states for primary General Liability and Workers' Compensation
 - Filed in 50 states for Commercial Automobile
 - Filed in 42 states for Excess Workers' Compensation and Statutory Excess Workers' Compensation
 - Remaining 8 states filed and pending
- Statutory Excess Workers' Compensation
 - Everest willingly offers statutory limits for Excess Workers' Compensation nuclear risks coverage

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KEY CONTACTS

Always Ascend with an Experienced Team

Line of Business	Key Contact	Contact Information	Line of Business	Key Contact	Contact Information
Specialty Casualty	Connie Germano Head, Specialty Casualty	(646) 746-1988 connie.germano@everestre.com	Everest Specialty Underwriters (ESU)	Mike Karmilowicz Head, ESU	(646) 746-1985 mike.karmilowicz@everestre.com
E&S Casualty	Carl Berntzen Head, E&S Casualty	(908) 604-3168 carl.berntzen@everestre.com	Executive Solutions Group	Keith Beach Head	(312) 660-0035 keith.beach@everestre.com
Workers' Compensation	Joseph Walls Head, Workers' Compensation	(646) 628-5029 joseph.walls@everestre.com	Financial Institutions Group	Charles Higham Head	(646) 746-1986 charles.higham@everestre.com
Umbrella and Excess	Donna K. Pruett Head, Excess Casualty	(646) 746-1975 donna.pruett@everestre.com	Alternative Solutions Group	Robert Clark Head	(646) 746-2714 robert.clark@everestre.com
Environmental	Tom Barrett Head, Environmental	(908) 604-7029 tom.barrett@everestre.com	Custom Solutions Group	Charles Higham Head	(646) 746-1986 charles.higham@everestre.com
Risk Management	Dave Sandler Head, Risk Management	(646) 746-2703 dave.sandler@everestre.com	Professional Liability	Mike Karmilowicz	(646) 746-1985 mike.karmilowicz@everestre.com
Casualty - Retail	Joseph Bonica Vice President	(646) 628-5019 joseph.bonica@everestre.com	Surety	Tony Romano Head	(646) 628-5001 tony.romano@everestre.com
Multinational	Doug Guenther Head, Multinational	(908) 604-7249 doug.guenther@everestre.com	Trade Credit & Political Risk	Jim Thomas Head	(202) 236-5708 jim.thomas@everestre.com
Energy Casualty	Tom Morelli Head, Energy Casualty	(908) 604-7656 tom.morelli@everestre.com	Specialty Insurance Group	Greg Mosher Managing Director	(317) 853-7050 gmosher@specialtyinsurancegroup.com
Property	Erik Nikodem Head, Property	(908) 285-6583 erik.nikodem@everestre.com	Sports, Leisure and Entertainment	David Harris Senior Vice President	(317) 853-7043 dharris@specialtyinsurancegroup.com
E&S Property	Tracy Upton Head, E&S Property	(813) 269-6979 tracy.upton@everestre.com	Contingency	Lowery Robinson Vice President	(317) 853-7044 lrobinson@specialtyinsurancegroup.com
Inland Marine	Mike Warfield Head, Inland Marine	(804) 319-7261 mike.warfield@everestre.com	Everest Underwriting Partners	Brian Drum Head	(908) 604-7004 brian.drum@everestre.com
Regional Leaders - Marketing & Distribution					
Region	Key Contact	Contact Information	Accident & Health	Dave Kanarish Vice President	(908) 604-4090 dave.kanarish@everestre.com
West	Kevin Dunham	(714) 371-9641 kevin.dunham@everestre.com	Heartland Crop Insurance	James Camerino EVP, Head, Heartland	(908) 604-3231 james.camerino@everestre.com
Central	Michael Newell	(312) 660-0019 michael.newell@everestre.com	Everest Canada	David Crozier Head, Everest Canada	(416) 979-7365 david.crozier@everestre.com
East	Julie Harris	(646) 746-1982 julie.harris@everestre.com	Loss Control	James Burkhardt Head, Loss Control	(908) 604-3262 james.burkhardt@everestre.com
			Claims	Christopher Finneran Head, Claims	(908) 604-7270 christopher.finneran@everestre.com

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