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tyle="MARGIN-LEFT: 0pt; DISPLAY: block; LINE-HEIGHT: 1.1; MARGIN-RIGHT: 0pt; TEXT-INDENT: 0pt" align="center">OTTI in AOCI

(Dollars in thousands)

Cost

Appreciation

Depreciation

Value

(a)

Fixed maturity securities					
U.S. Treasury securities and obligations of					
U.S. government agencies and corporations	$373,554	$19,474	$(89)	$392,939	$-
Obligations of U.S. states and political subdivisions	750,671	39,085	(914)	788,842	-
Corporate securities	4,763,380	187,765	(31,335)	4,919,810	2,773
Asset-backed securities	414,435	2,992	(1,335)	416,092	-
Mortgage-backed securities					
Commercial	274,115	11,238	(424)	284,929	-
Agency residential	2,196,325	48,489	(3,941)	2,240,873	-
Non-agency residential	2,530	50	(57)	2,523	-
Foreign government securities	1,357,620	82,506	(45,451)	1,394,675	-
Foreign corporate securities	2,877,387	165,099	(67,298)	2,975,188	-
Total fixed maturity securities	$13,010,017	$556,698	$(150,844)	$13,415,871	$2,773
Equity securities	$151,044	$3,822	$(13,388)	$141,478	$-

	At December 31, 2014			
Amortized	Unrealized	Unrealized	Market	OTTI in AOCI

(Dollars in thousands)	Cost	Appreciation	Depreciation	Value	(a)
Fixed maturity securities					
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$221,052	$ 10,290	$ (304)	$231,038	$ -
Obligations of U.S. states and political subdivisions	783,129	41,969	(626)	824,472	-
Corporate securities	4,626,002	143,889	(62,906)	4,706,985	(6,910)
Asset-backed securities	340,761	1,691	(1,230)	341,222	-
Mortgage-backed securities					
Commercial	231,439	10,675	(429)	241,685	-
Agency residential	2,157,182	37,555	(11,573)	2,183,164	-
Non-agency residential	2,734	54	(57)	2,731	-
Foreign government securities	1,488,144	71,177	(26,866)	1,532,455	-
Foreign corporate securities	2,980,716	109,673	(53,074)	3,037,315	-
Total fixed maturity securities	$12,831,159	$ 426,973	$ (157,065)	$13,101,067	$ (6,910)
Equity securities	$148,326	$ 3,831	$ (11,947)	$140,210	$ -

(a)
Represents the amount of OTTI recognized in AOCI. Amount includes unrealized gains and losses on impaired securities relating to changes in the value of such securities subsequent to the impairment measurement date.

The amortized cost and market value of fixed maturity securities are shown in the following table by contractual maturity. Mortgage-backed securities are generally more likely to be prepaid than other fixed maturity securities. As the stated maturity of such securities may not be indicative of actual maturities, the totals for mortgage-backed and asset-backed securities are shown separately.

	At March 31, 2015		At December 31, 2014	
(Dollars in thousands)	Amortized Cost	Market Value	Amortized Cost	Market Value
Fixed maturity securities – available for sale:				
Due in one year or less	$1,083,697	$1,097,956	$1,183,247	$1,189,416
Due after one year through five years	5,892,475	6,042,830	5,646,466	5,726,277
Due after five years through ten years	2,221,028	2,303,349	2,270,073	2,313,672
Due after ten years	925,412	1,027,319	999,257	1,102,900
Asset-backed securities	414,435	416,092	340,761	341,222
Mortgage-backed securities:				
Commercial	274,115	284,929	231,439	241,685
Agency residential	2,196,325	2,240,873	2,157,182	2,183,164
Non-agency residential	2,530	2,523	2,734	2,731
Total fixed maturity securities	$13,010,017	$13,415,871	$12,831,159	$13,101,067

The changes in net unrealized appreciation (depreciation) for the Company's investments are derived from the following sources for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Increase (decrease) during the period between the market value and cost of investments carried at market value, and deferred taxes thereon:		
Fixed maturity securities	$126,262	$64,466
Fixed maturity securities, other-than-temporary impairment	9,684	76
Equity securities	(1,450)	2,083
Change in unrealized appreciation (depreciation), pre-tax	134,496	66,625
Deferred tax benefit (expense)	(25,700)	(11,280)
Deferred tax benefit (expense), other-than-temporary impairment	(3,408)	-
Change in unrealized appreciation (depreciation), net of deferred taxes, included in shareholders' equity	$105,388	$55,345

The Company frequently reviews all of its fixed maturity, available for sale securities for declines in market value and focuses its attention on securities whose fair value has fallen below 80% of their amortized cost at the time of review. The Company then assesses whether the decline in value is temporary or other-than-temporary. In making its assessment, the Company evaluates the current market and interest rate environment as well as specific issuer information. Generally, a change in a security's value caused by a change in the market, interest rate or foreign exchange environment does not constitute an other-than-temporary impairment, but rather a temporary decline in market value. Temporary declines in market value are recorded as unrealized losses in accumulated other comprehensive income (loss). If the Company determines that the decline is other-than-temporary and the Company does not have the intent to sell the security; and it is more likely than not that the Company will not have to sell the security before recovery of its cost basis, the carrying value of the investment is written down to fair value. The fair value adjustment that is credit or foreign exchange related is recorded in net realized capital gains (losses) in the

Company’s consolidated statements of operations and comprehensive income (loss). The fair value adjustment that is non-credit related is recorded as a component of other comprehensive income (loss), net of tax, and is included in accumulated other comprehensive income (loss) in the Company’s consolidated balance sheets.

The Company’s assessments are based on the issuers current and expected future financial position, timeliness with respect to interest and/or principal payments, speed of repayments and any applicable credit enhancements or breakeven constant default rates on mortgage-backed and asset-backed securities, as well as relevant information provided by rating agencies, investment advisors and analysts.

The majority of the Company's equity securities available for sale at market value are primarily comprised of mutual fund investments whose underlying securities consist of fixed maturity securities. When a fund's value reflects an unrealized loss, the Company assesses whether the decline in value is temporary or other-than-temporary. In making its assessment, the Company considers the composition of its portfolios and their related markets, reports received from the portfolio managers and discussions with portfolio managers. If the Company determines that the declines are temporary and it has the ability and intent to continue to hold the investments, then the declines are recorded as unrealized losses in accumulated other comprehensive income (loss). If declines are deemed to be other-than-temporary, then the carrying value of the investment is written down to fair value and recorded in net realized capital gains (losses) in the Company's consolidated statements of operations and comprehensive income (loss).

Retrospective adjustments are employed to recalculate the values of asset-backed securities. All of the Company's asset-backed and mortgage-backed securities have a pass-through structure. Each acquisition lot is reviewed to recalculate the effective yield. The recalculated effective yield is used to derive a book value as if the new yield were applied at the time of acquisition. Outstanding principal factors from the time of acquisition to the adjustment date are used to calculate the prepayment history for all applicable securities. Conditional prepayment rates, computed with life to date factor histories and weighted average maturities, are used in the calculation of projected prepayments for pass-through security types.

The tables below display the aggregate market value and gross unrealized depreciation of fixed maturity and equity securities, by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated:

	Duration of Unrealized Loss at March 31, 2015 By Security Type					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of						
U.S. government agencies and corporations	$790	$ (7)	$2,043	$ (82)	$2,833	$ (89)
Obligations of U.S. states and political subdivisions	26,973	(579)	18,171	(335)	45,144	(914)
Corporate securities	488,670	(27,477)	236,354	(3,858)	725,024	(31,335)
Asset-backed securities	98,812	(1,330)	608	(5)	99,420	(1,335)
Mortgage-backed securities						
Commercial	15,585	(259)	9,911	(165)	25,496	(424)
Agency residential	64,680	(503)	440,500	(3,438)	505,180	(3,941)
Non-agency residential	-	-	243	(57)	243	(57)
Foreign government securities	259,268	(32,821)	107,252	(12,630)	366,520	(45,451)
Foreign corporate securities	424,380	(54,966)	153,632	(12,332)	578,012	(67,298)
Total fixed maturity securities	$1,379,158	$ (117,942)	$968,714	$ (32,902)	$2,347,872	$ (150,844)
Equity securities	50,526	(4,380)	76,250	(9,008)	126,776	(13,388)
Total	$1,429,684	$ (122,322)	$1,044,964	$ (41,910)	$2,474,648	$ (164,232)

	Duration of Unrealized Loss at March 31, 2015 By Maturity					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation
Fixed maturity securities						
Due in one year or less	$98,306	$ (13,754)	$ 49,712	$ (8,753)	$148,018	$ (22,507)
Due in one year through five years	626,834	(72,805)	290,672	(10,553)	917,506	(83,358)
Due in five years through ten years	424,515	(22,845)	134,516	(7,421)	559,031	(30,266)
Due after ten years	50,426	(6,446)	42,552	(2,510)	92,978	(8,956)
Asset-backed securities	98,812	(1,330)	608	(5)	99,420	(1,335)
Mortgage-backed securities	80,265	(762)	450,654	(3,660)	530,919	(4,422)
Total fixed maturity securities	$1,379,158	$ (117,942)	$ 968,714	$ (32,902)	$2,347,872	$ (150,844)

The aggregate market value and gross unrealized losses related to investments in an unrealized loss position at March 31, 2015 were $2,474,648 thousand and $164,232 thousand, respectively. The market value of securities for the single issuer whose securities comprised the largest unrealized loss position at March 31, 2015, did not exceed 0.2% of the overall market value of the Company's fixed maturity securities. In addition, as indicated on the above table, there was no significant concentration of unrealized losses in any one market sector. The $117,942 thousand of unrealized losses related to fixed maturity securities that have been in an unrealized loss position for less than one year were generally comprised of domestic and foreign corporate securities, as well as foreign government securities. The majority of these unrealized losses are attributable to net unrealized foreign exchange losses, $77,379 thousand, as the U.S. dollar has strengthened against other currencies and unrealized losses in the energy sector, $40,563 thousand, as falling oil prices have disrupted the market values for this sector, particularly for oil exploration, production and servicing companies. The $32,902 thousand of unrealized losses related to fixed maturity securities in an unrealized loss position for more than one year related primarily to foreign and domestic corporate securities, foreign government securities and agency residential mortgage-backed securities. Of these unrealized losses, $27,718 thousand related to securities that were rated investment grade by at least one nationally recognized statistical rating organization. The gross unrealized depreciation for mortgage-backed securities included $15 thousand related to sub-prime and alt-A loans. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments.

The Company, given the size of its investment portfolio and capital position, does not have the intent to sell these securities; and it is more likely than not that the Company will not have to sell the security before recovery of its cost basis. In addition, all securities currently in an unrealized loss position are current with respect to principal and interest payments.

The tables below display the aggregate market value and gross unrealized depreciation of fixed maturity and equity securities, by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated:

	Duration of Unrealized Loss at December 31, 2014 By Security Type					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of						
U.S. government agencies and corporations	$ 13,187	$ (20)	$ 26,897	$ (284)	$ 40,084	$ (304)
Obligations of U.S. states and political subdivisions	20,428	(242)	18,199	(384)	38,627	(626)
Corporate securities	1,245,830	(55,388)	362,320	(7,518)	1,608,150	(62,906)
Asset-backed securities	192,253	(1,230)	-	-	192,253	(1,230)
Mortgage-backed securities						
Commercial	28,191	(123)	9,777	(306)	37,968	(429)
Agency residential	141,807	(172)	678,972	(11,401)	820,779	(11,573)
Non-agency residential	-	-	266	(57)	266	(57)
Foreign government securities	235,725	(15,415)	139,200	(11,451)	374,925	(26,866)
Foreign corporate securities	567,905	(36,926)	290,234	(16,148)	858,139	(53,074)

Total fixed maturity securities	$2,445,326	$ (109,516)	$1,525,865	$ (47,549)	$3,971,191	$ (157,065)
Equity securities	50,285	(4,068)	73,994	(7,879)	124,279	(11,947)
Total	$2,495,611	$ (113,584)	$1,599,859	$ (55,428)	$4,095,470	$ (169,012)

	Duration of Unrealized Loss at December 31, 2014 By Maturity					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation	Market Value	Gross Unrealized Depreciation
Fixed maturity securities						
Due in one year or less	$98,021	$ (5,166)	$80,002	$ (8,174)	$178,023	$ (13,340)
Due in one year through five years	1,233,244	(68,124)	518,613	(12,761)	1,751,857	(80,885)
Due in five years through ten years	679,374	(28,529)	187,717	(10,734)	867,091	(39,263)
Due after ten years	72,436	(6,172)	50,518	(4,116)	122,954	(10,288)
Asset-backed securities	192,253	(1,230)	-	-	192,253	(1,230)
Mortgage-backed securities	169,998	(295)	689,015	(11,764)	859,013	(12,059)
Total fixed maturity securities	$2,445,326	$ (109,516)	$1,525,865	$ (47,549)	$3,971,191	$ (157,065)

The aggregate market value and gross unrealized losses related to investments in an unrealized loss position at December 31, 2014 were $4,095,470 thousand and $169,012 thousand, respectively. The market value of securities for the single issuer whose securities comprised the largest unrealized loss position at December 31, 2014, did not exceed 0.2% of the overall market value of the Company's fixed maturity securities. In addition, as indicated on the above table, there was no significant concentration of unrealized losses in any one market sector. The $109,516 thousand of unrealized losses related to fixed maturity securities that have been in an unrealized loss position for less than one year were generally comprised of domestic and foreign corporate securities, as well as foreign government securities. The majority of these unrealized losses are attributable to unrealized losses in the energy sector, $58,891 thousand, as falling oil prices disrupted the market values for this sector, particularly for oil exploration, production and servicing companies during the fourth quarter of 2014 and unrealized foreign exchange losses, $34,687 thousand, as the U.S. dollar has strengthened against other currencies. The $47,549 thousand of unrealized losses related to fixed maturity securities in an unrealized loss position for more than one year related primarily to foreign and domestic corporate securities, foreign government securities and agency residential mortgage-backed securities. Of these unrealized losses, $42,884 thousand related to securities that were rated investment grade by at least one nationally recognized statistical rating organization. The gross unrealized depreciation for mortgage-backed securities included $15 thousand related to sub-prime and alt-A loans. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments.

The components of net investment income are presented in the table below for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Fixed maturities	$109,355	$116,253
Equity securities	11,678	11,459
Short-term investments and cash	247	330
Other invested assets		
Limited partnerships	6,968	(2,258)
Other	625	2,021
Gross investment income before adjustments	128,873	127,805
Funds held interest income (expense)	2,876	3,017
Future policy benefit reserve income (expense)	(393)	(303)

Gross investment income	131,356	130,519
Investment expenses	(8,773)	(7,362)
Net investment income	$122,583	$123,157

The Company records results from limited partnership investments on the equity method of accounting with changes in value reported through net investment income. Due to the timing of receiving financial information from these partnerships, the results are generally reported on a one month or quarter lag. If the Company determines there has been a significant decline in value of a limited partnership during this lag period, a loss will be recorded in the period in which the Company identifies the decline.

The Company had contractual commitments to invest up to an additional $364,068 thousand in limited partnerships at March 31, 2015. These commitments will be funded when called in accordance with the partnership agreements, which have investment periods that expire, unless extended, through 2020.

The components of net realized capital gains (losses) are presented in the table below for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Fixed maturity securities, market value:		
Other-than-temporary impairments	$ (26,018)	$ -
Gains (losses) from sales	(8,024)	(1,948)
Fixed maturity securities, fair value:		
Gains (losses) from sales	28	940
Gains (losses) from fair value adjustments	62	-
Equity securities, market value:		
Gains (losses) from sales	19	(488)
Equity securities, fair value:		
Gains (losses) from sales	(150)	(1,415)
Gains (losses) from fair value adjustments	23,578	24,035
Short-term investments gain (loss)	-	2
Total net realized capital gains (losses)	$ (10,505)	$ 21,126

The Company recorded as net realized capital gains (losses) in the consolidated statements of operations and comprehensive income (loss) both fair value re-measurements and write-downs in the value of securities deemed to be impaired on an other-than-temporary basis as displayed in the table above. The Company had no other-than-temporary impaired securities where the impairment had both a credit and non-credit component.

The proceeds and split between gross gains and losses, from sales of fixed maturity and equity securities, are presented in the table below for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Proceeds from sales of fixed maturity securities	$ 357,048	$ 349,472
Gross gains from sales	8,835	7,936
Gross losses from sales	(16,831)	(8,944)
Proceeds from sales of equity securities	$ 138,049	$ 179,132
Gross gains from sales	5,206	6,620
Gross losses from sales	(5,337)	(8,523)

4. DERIVATIVES

The Company sold seven equity index put option contracts, based on two indices, in 2001 and 2005, which remain outstanding. The Company sold these equity index put options as insurance products with the intent of achieving a profit. These equity index put option contracts meet the definition of a derivative under FASB guidance and the Company's position in these equity index put option contracts is unhedged. Accordingly, these equity index put option contracts are carried at fair value in the consolidated balance sheets with changes in fair value recorded in the consolidated statements of operations and comprehensive income (loss).

The Company sold six equity index put option contracts, based on the Standard & Poor's 500 ("S&P 500") index, for total consideration, net of commissions, of $22,530 thousand. At March 31, 2015, fair value for these equity index put option contracts was $39,250 thousand. Based on historical index volatilities and trends and the March 31, 2015 S&P 500 index value, the Company estimates the probability that each equity index put option contract of the S&P 500 index falling below the strike price on the exercise date to be less than 19%. The theoretical maximum payouts under these six equity index put option contracts would occur if on each of the exercise dates the S&P 500 index value were zero. At March 31, 2015, the present value of these theoretical maximum payouts using a 3% discount factor was $423,085 thousand. Conversely, if the contracts had all expired on March 31, 2015, with the S&P index at $2,067.89, there would have been no settlement amount.

The Company sold one equity index put option contract based on the FTSE 100 index for total consideration, net of commissions, of $6,706 thousand. At March 31, 2015, fair value for this equity index put option contract was $8,013 thousand. Based on historical index volatilities and trends and the March 31, 2015 FTSE 100 index value, the Company estimates the probability that the equity index put option contract of the FTSE 100 index will fall below the strike price on the exercise date to be less than 39%. The theoretical maximum payout under the equity index put option contract would occur if on the exercise date the FTSE 100 index value was zero. At March 31, 2015, the present value of the theoretical maximum payout using a 3% discount factor and current exchange rate was $41,427 thousand. Conversely, if the contract had expired on March 31, 2015, with the FTSE index at 6,773.00, there would have been no settlement amount.

The fair value of the equity index put options can be found in the Company's consolidated balance sheets as follows:

(Dollars in thousands)					
Derivatives not designated as hedging instruments	Location of fair value in balance sheets		At March 31, 2015		At December 31, 2014
Equity index put option contracts	Equity index put option liability	$	47,264	$	47,022
Total		$	47,264	$	47,022

The change in fair value of the equity index put option contracts can be found in the Company's statement of operations and comprehensive income (loss) as follows:

(Dollars in thousands)		For the Three Months Ended March 31,			
Derivatives not designated as hedging instruments	Location of gain (loss) in statements of operations and comprehensive income (loss)		2015		2014
Equity index put option contracts	Net derivative gain (loss)	$	(242)	$	(1,661)
Total		$	(242)	$	(1,661)

5. FAIR VALUE

The Company's fixed maturity and equity securities are primarily managed by third party investment asset managers. The investment asset managers obtain prices from nationally recognized pricing services. These services seek to utilize market data and observations in their evaluation process. They use pricing applications that vary by asset class and incorporate available market information and when fixed maturity securities do not trade on a daily basis the services will apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. In addition, they use model processes, such as the Option Adjusted

Spread model to develop prepayment and interest rate scenarios for securities that have prepayment features.

In limited instances where prices are not provided by pricing services or in rare instances when a manager may not agree with the pricing service, price quotes on a non-binding basis are obtained from investment brokers. The investment asset managers do not make any changes to prices received from either the pricing services or the investment brokers. In addition, the investment asset managers have procedures in place to review the reasonableness of the prices from the service providers and may request verification of the prices. In addition, the Company continually performs analytical reviews of price changes and tests the prices on a random basis to an independent pricing source. No material variances were noted during these price validation procedures. In limited situations, where financial markets are inactive or illiquid, the Company may use its own assumptions about future cash flows and risk-adjusted discount rates to determine fair value. Due to the unavailability of prices for one private placement security, the Company valued the security at $6,125 thousand at March 31, 2015 and made no such adjustments at December 31, 2014.

The Company internally manages a small public equity portfolio which had a fair value at March 31, 2015 and December 31, 2014 of $208,846 thousand and $196,980 thousand, respectively, and all prices were obtained from publically published sources.

Equity securities in U.S. denominated currency are categorized as Level 1, Quoted Prices in Active Markets for Identical Assets, since the securities are actively traded on an exchange and prices are based on quoted prices from the exchange. Equity securities traded on foreign exchanges are categorized as Level 2 due to potential foreign exchange adjustments to fair or market value.

Fixed maturity securities are generally categorized as Level 2, Significant Other Observable Inputs, since a particular security may not have traded but the pricing services are able to use valuation models with observable market inputs such as interest rate yield curves and prices for similar fixed maturity securities in terms of issuer, maturity and seniority. Valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk) are categorized as Level 3, Significant Unobservable Inputs. These securities include broker priced securities and the Company's equity index put option contracts.

At March 31, 2015 and December 31, 2014, all Level 3 fixed maturity securities, except the one security priced by the Company, were priced using single non-binding broker quotes since prices for these securities were not provided by normal pricing service companies. The single broker quotes are provided by market makers or broker-dealers who are recognized as market participants in the markets in which they are providing the quotes. The prices received from brokers are reviewed for reasonableness by the third party asset managers and the Company.

The Company sold seven equity index put option contracts which meet the definition of a derivative. The Company's position in these contracts is unhedged. The Company records the change in fair value of equity index put option contracts in its consolidated statements of operations and comprehensive income (loss).

The fair value of the equity put option contract is calculated using an industry accepted option pricing model, Black-Scholes. The inputs and assumptions for the model are updated on a quarterly basis.

The following table presents the fair value measurement levels for all assets and liabilities, which the Company has recorded at fair value (fair and market value) as of the periods indicated:

		Fair Value Measurement Using:		
(Dollars in thousands)	March 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Fixed maturities, market value				
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 392,939	$ -	$ 392,939	$ -
Obligations of U.S. States and political subdivisions	788,842	-	788,842	-
Corporate securities	4,919,810	-	4,917,157	2,653
Asset-backed securities	416,092	-	416,092	-
Mortgage-backed securities				
Commercial	284,929	-	284,929	
Agency residential	2,240,873	-	2,240,873	-
Non-agency residential	2,523	-	2,523	-
Foreign government securities	1,394,675	-	1,394,675	-
Foreign corporate securities	2,975,188	-	2,969,063	6,125
Total fixed maturities, market value	13,415,871	-	13,407,093	8,778
Fixed maturities, fair value	363	-	363	-
Equity securities, market value	141,478	126,792	14,686	-
Equity securities, fair value	1,504,694	1,391,189	113,505	-
Liabilities:				
Equity index put option contracts	$ 47,264	$ -	$ -	$ 47,264

There were no transfers between Level 1 and Level 2 for the three months ended March 31, 2015.

The following table presents the fair value measurement levels for all assets and liabilities, which the Company has recorded at fair value (fair and market value) as of the periods indicated:

		Fair Value Measurement Using:		
(Dollars in thousands)	December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Fixed maturities, market value				
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 231,038	$ -	$ 231,038	$ -
Obligations of U.S. States and political subdivisions	824,472	-	824,472	-
Corporate securities	4,706,985	-	4,706,985	-
Asset-backed securities	341,222	-	341,222	-
Mortgage-backed securities				
Commercial	241,685	-	233,088	8,597
Agency residential	2,183,164	-	2,183,164	-
Non-agency residential	2,731	-	2,731	-
Foreign government securities	1,532,455	-	1,532,455	-
Foreign corporate securities	3,037,315	-	3,030,149	7,166
Total fixed maturities, market value	13,101,067	-	13,085,304	15,763
Fixed maturities, fair value	1,509	-	1,509	-
Equity securities, market value	140,210	124,295	15,915	-
Equity securities, fair value	1,447,820	1,337,396	110,424	-
Liabilities:				
Equity index put option contracts	$ 47,022	$ -	$ -	$ 47,022

The following tables present the activity under Level 3, fair value measurements using significant unobservable inputs by asset type, for the periods indicated:

	Three Months Ended March 31, 2015				Three Months Ended March 31, 2014			
(Dollars in thousands)	Corporate Securities	CMBS	Foreign Corporate	Total	Asset-backed Securities	Foreign Corporate	Non-agency RMBS	Total
Beginning balance	$ -	$ 8,597	$ 7,166	$ 15,763	$ 5,299	$ 481	$ 347	$ 6,127
Total gains or (losses) (realized/unrealized)								
Included in earnings	2	-	57	59	18	1	138	157
Included in other comprehensive income (loss)	1	-	(1,098)	(1,097)	33	-	(21)	12

Purchases, issuances and settlements	1,940	-	-	1,940	(742)	(9)	(200)	(951)
Transfers in and/or (out) of Level 3	710	(8,597)	-	(7,887)	(936)	-	-	(936)
Ending balance	$ 2,653	$ -	$ 6,125	$ 8,778	$ 3,672	$ 473	$ 264	$ 4,409
The amount of total gains or losses for the period included in earnings (or changes in net assets) attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(Some amounts may not reconcile due to rounding.)

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The net transfers from level 3, fair value measurements using significant unobservable inputs, of $7,887 thousand and $936 thousand of investments for the three months ended March 31, 2015 and 2014, respectively, primarily relate to securities that were priced using single non-binding broker quotes as of December 31, 2014 and 2013, respectively. The securities were subsequently priced using a recognized pricing service as of March 31, 2015 and 2014, and were classified as level 2 as of those dates.

The following table presents the activity under Level 3, fair value measurements using significant unobservable inputs for equity index put option contracts, for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Liabilities:		
Balance, beginning of period	$ 47,022	$ 35,423
Total (gains) or losses (realized/unrealized)		
Included in earnings	242	1,661
Included in other comprehensive income (loss)	-	-
Purchases, issuances and settlements	-	-
Transfers in and/or (out) of Level 3	-	-
Balance, end of period	$ 47,264	$ 37,083
The amount of total gains or losses for the period included in earnings (or changes in net assets) attributable to the change in unrealized gains or losses relating to liabilities still held at the reporting date	$ -	$ -
(Some amounts may not reconcile due to rounding.)		

6. REDEEMABLE NONCONTROLLING INTERESTS – MT. LOGAN RE

Mt. Logan Re is a Class 3 insurer registered in Bermuda effective February 27, 2013 under The Segregated Accounts Companies Act 2000 and 100% of the voting common shares are owned by Group. Separate segregated accounts have been established effective July 1, 2013 and non-voting, redeemable preferred shares have been issued to capitalize the segregated accounts. Each segregated account will invest in a diversified set of catastrophe exposures, diversified by risk/peril and across different geographic regions globally. The financial statements for Mt. Logan Re are consolidated with the Company with adjustments reflected for the third party noncontrolling interests reflected as separate captions in the Company's financial statements.

The following table presents the activity for redeemable noncontrolling interests in the consolidated balance sheets for the periods indicated:

	Three Months Ended March 31,	Twelve Months Ended December 31,
(Dollars in thousands)	2015	2014
Redeemable noncontrolling interests - Mt. Logan Re, beginning of period	$ 421,552	$ 93,378
Unaffiliated third party investments during period, net	196,848	279,200
Net income (loss) attributable to noncontrolling interests	16,092	59,307
Dividends paid on third party investment in redeemable noncontrolling interest	(30,896)	(10,334)

Redeemable noncontrolling interests - Mt. Logan Re, end of period	$	603,595	$	421,552

(Some amounts may not reconcile due to rounding.)

In addition, the Company has invested $50,000 thousand in the segregated accounts from inception to date.

The Company expects its participation level in the segregated funds to fluctuate over time.

7. CAPITAL TRANSACTIONS

On July 9, 2014, the Company renewed its shelf registration statement on Form S-3ASR with the Securities and Exchange Commission (the "SEC"), as a Well Known Seasoned Issuer. This shelf registration statement can be used by Group to register common shares, preferred shares, debt securities, warrants, share purchase contracts and share purchase units; by Holdings to register debt securities and by Everest Re Capital Trust III ("Capital Trust III") to register trust preferred securities.

8. EARNINGS PER COMMON SHARE

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that would occur if options granted under various share-based compensation plans were exercised resulting in the issuance of common shares that would participate in the earnings of the entity.

Net income (loss) attributable to Everest Re Group per common share has been computed as per below, based upon weighted average common basic and dilutive shares outstanding.

		Three Months Ended March 31,	
(Dollars in thousands, except per share amounts)		2015	2014
Net income (loss) attributable to Everest Re Group per share:			
	Numerator		
	Net income (loss) attributable to Everest Re Group	$ 322,978	$ 293,933
	Less: dividends declared-common shares and nonvested common shares	(42,252)	(34,742)
	Undistributed earnings	280,726	259,191
	Percentage allocated to common shareholders (1)	98.9 %	99.0 %
		277,755	256,717
	Add: dividends declared-common shareholders	41,816	34,391
	Numerator for basic and diluted earnings per common share	$ 319,571	$ 291,108
	Denominator		
	Denominator for basic earnings per weighted-average common shares	44,028	46,479
	Effect of dilutive securities:		
	Options	416	434
	Denominator for diluted earnings per adjusted weighted-average common shares	44,444	46,913
	Per common share net income (loss)		
	Basic	$ 7.26	$ 6.26
	Diluted	$ 7.19	$ 6.21
(1)	Basic weighted-average common shares outstanding	44,028	46,479
	Basic weighted-average common shares outstanding and nonvested common shares expected to vest	44,499	46,927
	Percentage allocated to common shareholders	98.9 %	99.0 %

(Some amounts may not reconcile due to rounding.)

There were no anti-diluted options outstanding for the three months ended March 31, 2015 and 2014.

All outstanding options expire on or between September 21, 2015 and September 19, 2022.

9. CONTINGENCIES

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and loss adjustment expenses.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

The Company has entered into separate annuity agreements with The Prudential Insurance of America ("The Prudential") and an additional unaffiliated life insurance company in which the Company has either purchased annuity contracts or become the assignee of annuity proceeds that are meant to settle claim payment obligations in the future. In both instances, the Company would become contingently liable if either The Prudential or the unaffiliated life insurance company were unable to make payments related to the respective annuity contract.

The table below presents the estimated cost to replace all such annuities for which the Company was contingently liable for the periods indicated:

(Dollars in thousands)	At March 31, 2015	At December 31, 2014
The Prudential	$ 142,618	$ 142,653
Unaffiliated life insurance company	31,158	31,964

10. OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the components of comprehensive income (loss) in the consolidated statements of operations for the periods indicated:

	Three Months Ended March 31, 2015			Three Months Ended March 31, 2014		
(Dollars in thousands)	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Unrealized appreciation (depreciation) ("URA(D)") on securities - temporary	$ 90,789	$ (13,860)	$ 76,929	$ 64,113	$ (10,718)	$ 53,395
URA(D) on securities - OTTI	9,684	(3,408)	6,276	76	-	76
Reclassification of net realized losses (gains) included in net income (loss)	34,023	(11,840)	22,183	2,436	(562)	1,874
Foreign currency translation adjustments	(120,275)	17,935	(102,340)	(6,856)	4,219	(2,637)
Reclassification of benefit plan liability amortization included in net income (loss)	2,467	(863)	1,604	1,186	(415)	771
	$ 16,688	$ (12,036)	$ 4,652	$ 60,955	$ (7,476)	$ 53,479

Total other comprehensive income (loss)

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The following table presents details of the amounts reclassified from AOCI for the periods indicated:

AOCI component	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Affected line item within the statements of operations and comprehensive income (loss)
(Dollars in thousands)			
URA(D) on securities	$ 34,023	$ 2,436	Other net realized capital gains (losses)
	(11,840)	(562)	Income tax expense (benefit)
	$ 22,183	$ 1,874	Net income (loss)
Benefit plan net gain (loss)	$ 2,467	$ 1,186	Other underwriting expenses
	(863)	(415)	Income tax expense (benefit)
	$ 1,604	$ 771	Net income (loss)

The following table presents the components of accumulated other comprehensive income (loss), net of tax, in the consolidated balance sheets for the periods indicated:

(Dollars in thousands)	Three Months Ended March 31, 2015	Twelve Months Ended December 31, 2014
Beginning balance of URA (D) on securities	$ 223,250	$ 201,154
Current period change in URA (D) of investments - temporary	99,112	28,767
Current period change in URA (D) of investments - non-credit OTTI	6,276	(6,671)
Ending balance of URA (D) on securities	328,638	223,250
Beginning balance of foreign currency translation adjustments	(99,947)	(4,530)
Current period change in foreign currency translation adjustments	(102,340)	(95,417)
Ending balance of foreign currency translation adjustments	(202,287)	(99,947)
Beginning balance of benefit plan net gain (loss)	(74,986)	(38,896)
Current period change in benefit plan net gain (loss)	1,604	(36,090)
Ending balance of benefit plan net gain (loss)	(73,382)	(74,986)
Ending balance of accumulated other comprehensive income (loss)	$ 52,969	$ 48,317

11. CREDIT FACILITIES

The Company has two active credit facilities for a total commitment of up to $1,100,000 thousand, providing for the issuance of letters of credit and/or unsecured revolving credit lines. The following table presents the costs incurred in connection with the two credit facilities for the periods indicated:

(Dollars in thousands)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Credit facility fees incurred	$ 132	$ 174

The terms and outstanding amounts for each facility are discussed below:

Group Credit Facility

Effective June 22, 2012, Group, Bermuda Re and Everest International entered into a four year, $800,000 thousand senior credit facility with a syndicate of lenders, which amended and restated in its entirety the July 27, 2007, five year, $850,000 thousand senior credit facility. Both the June 22, 2012 and July 27, 2007 senior credit facilities, which have similar terms, are referred to as the "Group Credit Facility". Wells Fargo Corporation ("Wells Fargo Bank") is the administrative agent for the Group Credit Facility, which consists of two tranches. Tranche one provides up to $200,000 thousand of unsecured revolving credit for liquidity and general corporate purposes, and for the issuance of unsecured standby letters of credit. The interest on the revolving loans shall, at the Company's option, be either (1) the Base Rate (as defined below) or (2) an adjusted London Interbank Offered Rate ("LIBOR") plus a margin. The Base Rate is the higher of (a) the prime commercial lending rate established by Wells Fargo Bank, (b) the Federal Funds Rate plus 0.5% per annum or (c) the one month LIBOR Rate plus 1.0% per annum. The amount of margin and the fees payable for the Group Credit Facility depends on Group's senior unsecured debt rating. Tranche two exclusively provides up to $600,000 thousand for the issuance of standby letters of credit on a collateralized basis.

The Group Credit Facility requires Group to maintain a debt to capital ratio of not greater than 0.35 to 1 and to maintain a minimum net worth. Minimum net worth is an amount equal to the sum of $4,249,963 thousand plus 25% of consolidated net income for each of Group's fiscal quarters, for which statements are available ending on or after January 1, 2012 and for which consolidated net income is positive, plus 25% of any increase in consolidated net worth during such period attributable to the issuance of ordinary and preferred shares, which at March 31, 2015, was $5,197,832 thousand. As of March 31, 2015, the Company was in compliance with all Group Credit Facility covenants.

The following table summarizes the outstanding letters of credit and/or borrowings for the periods indicated:

(Dollars in thousands)		At March 31, 2015			At December 31, 2014		
Bank		Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Wells Fargo Bank Group Credit Facility	Tranche One	$ 200,000	$ -		$ 200,000	$ -	
	Tranche Two	600,000	454,205	12/31/2015	600,000	444,012	12/31/2015
Total Wells Fargo Bank Group Credit Facility		$ 800,000	$ 454,205		$ 800,000	$ 444,012	

Bermuda Re Letter of Credit Facility

Effective December 31, 2014, Bermuda Re renewed its $300,000 thousand letter of credit issuance facility with Citibank N.A. referred to as the "Bermuda Re Letter of Credit Facility", which commitment is reconfirmed annually with updated fees. The Bermuda Re Letter of Credit Facility provides for the issuance of up to $300,000 thousand of secured letters of credit to collateralize reinsurance obligations as a non-admitted reinsurer. The interest on drawn letters of credit shall be (A) 0.35% per annum of the principal amount of issued standard letters of credit (expiry of 15 months or less) and (B) 0.45% per annum of the principal amount of issued extended tenor letters of credit (expiry maximum of up to 60 months). The commitment fee on undrawn credit shall be 0.15% per annum.

The following table summarizes the outstanding letters of credit for the periods indicated:

(Dollars in thousands)	At March 31, 2015			At December 31, 2014		
Bank	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Citibank Bilateral Letter of Credit Agreement	$ 300,000	$ 105	8/30/2015	$ 300,000	$ 112	8/30/2015
		3,672	11/24/2015		3,672	11/24/2015
		70,423	12/31/2015		70,922	12/31/2015
		1,886	12/31/2016		2,014	12/31/2016
		134,553	3/30/2019		149,353	12/31/2018
Total Citibank Bilateral Agreement	$ 300,000	$ 210,639		$ 300,000	$ 226,073	

Holdings Credit Facility - Expired

Effective August 15, 2011, the Company entered into a three year, $150,000 thousand unsecured revolving credit facility, referred to as the "Holdings Credit Facility", which expired on August 15, 2014. The Company decided not to renew the Holdings Credit Facility at expiration.

12. REINSURANCE AND TRUST AGREEMENTS

Certain subsidiaries of Group have established trust agreements, which effectively use the Company's investments as collateral, as security for assumed losses payable to certain non-affiliated ceding companies. At March 31, 2015, the total amount on deposit in trust accounts was $328,714 thousand.

On April 24, 2014, the Company entered into two collateralized reinsurance agreements with Kilimanjaro Re Limited ("Kilimanjaro"), a Bermuda based special purpose reinsurer, to provide the Company with catastrophe reinsurance coverage. These agreements are multi-year reinsurance contracts which cover specified named storm and earthquake events. The first agreement provides up to $250,000 thousand of reinsurance coverage from named storms in specified states of the Southeastern United States. The second agreement provides up to $200,000 thousand of reinsurance coverage from named storms in specified states of the Southeast, Mid-Atlantic and Northeast regions of the United States and Puerto Rico as well as reinsurance coverage from earthquakes in specified states of the Southeast, Mid-Atlantic, Northeast and West regions of the United States, Puerto Rico and British Columbia.

On November 18, 2014, the Company entered into a collateralized reinsurance agreement with Kilimanjaro Re to provide the Company with catastrophe reinsurance coverage. This agreement is a multi-year reinsurance contract which covers specified earthquake events. The agreement provides up to $500,000 thousand of reinsurance coverage from earthquakes in the United States, Puerto Rico and Canada.

Kilimanjaro has financed the various property catastrophe reinsurance coverage by issuing catastrophe bonds to unrelated, external investors. On April 24, 2014, Kilimanjaro issued $450,000 thousand of variable rate notes ("Series 2014-1 Notes"). On November 18, 2014, Kilimanjaro issued $500,000 thousand of variable rate notes ("Series 2014-2 Notes"). The proceeds from the issuance of the Series 2014-1 Notes and the Series 2014-2 Notes are held in reinsurance trust throughout the duration of the applicable reinsurance agreements and invested solely in US government money market funds with a rating of at least "AAAm" by Standard & Poor's.

13. SENIOR NOTES

The table below displays Holdings' outstanding senior notes. Market value is based on quoted market prices, but due to limited trading activity, these senior notes are considered Level 2 in the fair value hierarchy.

				March 31, 2015		December 31, 2014	
(Dollars in thousands)	Date Issued	Date Due	Principal Amounts	Consolidated Balance Sheet Amount	Market Value	Consolidated Balance Sheet Amount	Market Value
4.868% Senior notes	06/05/2014	06/01/2044	$ 400,000	$ 400,000	$ 418,876	$ 400,000	$ 404,892
5.40% Senior notes	10/12/2004	10/15/2014	250,000	-	-	-	-

On June 5, 2014, Holdings issued $400,000 thousand of 30 year senior notes at 4.868%, which will mature on June 1, 2044. Interest will be paid semi-annually on June 1 and December 1 of each year. The proceeds from the issuance have been used in part to pay off the $250,000 thousand of 5.40% senior notes which matured on October 15, 2014.

Interest expense incurred in connection with these senior notes is as follows for the periods indicated:

(Dollars in thousands)	Three Months Ended March 31, 2015	2014
Interest expense incurred	$ 4,868	$ 3,388

14. LONG TERM SUBORDINATED NOTES

The table below displays Holdings' outstanding fixed to floating rate long term subordinated notes. Market value is based on quoted market prices, but due to limited trading activity, these subordinated notes are considered Level 2 in the fair value hierarchy.

			Maturity Date		March 31, 2015		December 31, 2014	
(Dollars in thousands)	Date Issued	Original Principal Amount	Scheduled	Final	Consolidated Balance Sheet Amount	Market Value	Consolidated Balance Sheet Amount	Market Value
6.6% Long term subordinated notes	04/26/2007	$ 400,000	05/15/2037	05/01/2067	$ 238,365	$ 239,227	$ 238,364	$ 246,312

During the fixed rate interest period from May 3, 2007 through May 14, 2017, interest will be at the annual rate of 6.6%, payable semi-annually in arrears on November 15 and May 15 of each year, commencing on November 15, 2007, subject to Holdings' right to defer interest on one or more occasions for up to ten consecutive years. During the floating rate interest period from May 15, 2017 through maturity, interest will be based on the 3 month LIBOR plus 238.5 basis points, reset quarterly, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, subject to Holdings' right to defer interest on one or more occasions for up to ten consecutive years. Deferred interest will accumulate interest at the applicable rate compounded semi-annually for periods prior to May 15, 2017, and compounded quarterly for periods from and including May 15, 2017.

Holdings can redeem the long term subordinated notes prior to May 15, 2017, in whole but not in part at the applicable redemption price, which will equal the greater of (a) 100% of the principal amount being redeemed and (b) the present value of the principal payment on May 15, 2017 and scheduled payments of interest that would have accrued from the redemption date to May 15, 2017 on the long term subordinated notes being redeemed, discounted to the redemption date on a semi-annual basis at a discount rate equal to the treasury rate plus an applicable spread of either 0.25% or 0.50%, in each case plus accrued and unpaid interest. Holdings may redeem the long term subordinated notes on or after May 15, 2017, in whole or in part at 100% of the principal amount plus accrued and unpaid interest; however, redemption on or after the scheduled maturity date and prior to May 1, 2047 is subject to a replacement capital covenant. This covenant is for the benefit of certain senior note holders and it mandates that Holdings receive proceeds from the sale of another subordinated debt issue, of at least similar size, before it may redeem the subordinated notes. Effective upon the maturity of the Company's 5.40% senior notes on October 15, 2014, the Company's 4.868% senior notes, due on June 1, 2044, have become the Company's long term indebtedness that ranks senior to the long term subordinated notes.

On March 19, 2009, Group announced the commencement of a cash tender offer for any and all of the 6.60% fixed to floating rate long term subordinated notes. Upon expiration of the tender offer, the Company had reduced its outstanding debt by $161,441 thousand.

Interest expense incurred in connection with these long term subordinated notes is as follows for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Interest expense incurred	$ 3,937	$ 3,937

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15. SEGMENT REPORTING

The U.S. Reinsurance operation writes property and casualty reinsurance and specialty lines of business, including Marine, Aviation, Surety and Accident and Health ("A&H") business, on both a treaty and facultative basis, through reinsurance brokers, as well as directly with ceding companies primarily within the U.S. The International operation writes non-U.S. property and casualty reinsurance through Everest Re's branches in Canada and Singapore and through offices in Brazil, Miami and New Jersey. The Bermuda operation provides reinsurance and insurance to worldwide property and casualty markets through brokers and directly with ceding companies from its Bermuda office and reinsurance to the United Kingdom and European markets through its UK branch and Ireland Re. The Insurance operation writes property and casualty insurance directly and through general agents, brokers and surplus lines brokers within the U.S. and Canada. The Mt. Logan Re segment represents business written for the segregated accounts of Mt. Logan Re, which were formed on July 1, 2013. The Mt. Logan Re business represents a diversified set of catastrophe exposures, diversified by risk/peril and across different geographical regions globally.

These segments, with the exception of Mt. Logan Re, are managed independently, but conform with corporate guidelines with respect to pricing, risk management, control of aggregate catastrophe exposures, capital, investments and support operations. Management generally monitors and evaluates the financial performance of these operating segments based upon their underwriting results. The Mt. Logan Re segment is managed independently and seeks to write a diverse portfolio of catastrophe risks for each segregated account to achieve desired risk and return criteria.

Underwriting results include earned premium less losses and loss adjustment expenses ("LAE") incurred, commission and brokerage expenses and other underwriting expenses. We measure our underwriting results using ratios, in particular loss, commission and brokerage and other underwriting expense ratios, which, respectively, divide incurred losses, commissions and brokerage and other underwriting expenses by premiums earned.

Mt. Logan Re's business is sourced through operating subsidiaries of the Company; however, the activity is only reflected in the Mt. Logan Re segment. For other inter-affiliate reinsurance, business is generally reported within the segment in which the business was first produced, consistent with how the business is managed.

Except for Mt. Logan Re, the Company does not maintain separate balance sheet data for its operating segments. Accordingly, the Company does not review and evaluate the financial results of its operating segments based upon balance sheet data.

The following tables present the underwriting results for the operating segments for the periods indicated:

U.S. Reinsurance	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Gross written premiums	$505,547	$495,641
Net written premiums	484,403	497,757
Premiums earned	$511,094	$429,641
Incurred losses and LAE	244,886	213,455
Commission and brokerage	122,784	92,968
Other underwriting expenses	11,529	9,482
Underwriting gain (loss)	$131,895	$113,736

International	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Gross written premiums	$318,445	$321,242
Net written premiums	261,738	309,037
Premiums earned	$305,569	$318,381
Incurred losses and LAE	179,652	163,174
Commission and brokerage	70,614	70,974
Other underwriting expenses	8,115	7,837
Underwriting gain (loss)	$47,188	$76,396

Bermuda	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Gross written premiums	$175,794	$183,415
Net written premiums	174,566	182,570
Premiums earned	$195,704	$173,686
Incurred losses and LAE	110,015	94,508
Commission and brokerage	51,133	45,708
Other underwriting expenses	8,800	8,286
Underwriting gain (loss)	$25,756	$25,184

Insurance	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Gross written premiums	$340,258	$230,650
Net written premiums	303,581	211,668
Premiums earned	$260,121	$203,237
Incurred losses and LAE	180,601	142,191
Commission and brokerage	38,563	34,209

Other underwriting expenses	30,297	23,233
Underwriting gain (loss)	$ 10,660	$ 3,604

Mt. Logan Re (Dollars in thousands)	Three Months Ended March 31, 2015	 2014
Gross written premiums	$ 73,997	$ 36,476
Net written premiums	59,601	26,557
Premiums earned	$ 34,589	$ 19,545
Incurred losses and LAE	7,311	6,081
Commission and brokerage	4,073	2,143
Other underwriting expenses	1,923	1,800
Underwriting gain (loss)	$ 21,282	$ 9,521

The following table reconciles the underwriting results for the operating segments to income before taxes as reported in the consolidated statements of operations and comprehensive income (loss) for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Underwriting gain (loss)	$236,781	$228,441
Net investment income	122,583	123,157
Net realized capital gains (losses)	(10,505)	21,126
Net derivative gain (loss)	(242)	(1,661)
Corporate expenses	(5,463)	(4,945)
Interest, fee and bond issue cost amortization expense	(8,990)	(7,568)
Other income (expense)	46,073	(3,296)
Income (loss) before taxes	$380,237	$355,254

The Company produces business in the U.S., Bermuda and internationally. The net income deriving from and assets residing in the individual foreign countries in which the Company writes business are not identifiable in the Company's financial records. Based on gross written premium, the table below presents the largest country, other than the U.S., in which the Company writes business, for the periods indicated:

	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
United Kingdom	$197,936	$206,783

No other country represented more than 5% of the Company's revenues.

16. SHARE-BASED COMPENSATION PLANS

For the three months ended March 31, 2015, share-based compensation awards granted were 149,832 restricted shares, granted on February 25, 2015, with a fair value of $178.84 per share.

17. RETIREMENT BENEFITS

The Company maintains both qualified and non-qualified defined benefit pension plans and a retiree health plan for its U.S. employees employed prior to April 1, 2010.

Net periodic benefit cost for U.S. employees included the following components for the periods indicated:

Pension Benefits	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Service cost	$ 2,940	$ 2,460
Interest cost	2,457	2,542
Expected return on plan assets	(2,903)	(2,823)
Amortization of prior service cost	5	13
Amortization of net (income) loss	2,251	1,091
Net periodic benefit cost	$ 4,750	$ 3,283

Other Benefits	Three Months Ended March 31,	
(Dollars in thousands)	2015	2014
Service cost	$ 401	$ 407
Interest cost	263	342
Amortization of net (income) loss	211	82
Net periodic benefit cost	$ 875	$ 831

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The Company did not make any contributions to the qualified pension benefit plan for the three months ended March 31, 2015 and 2014.

18. INCOME TAXES

The Company is domiciled in Bermuda and has significant subsidiaries and/or branches in Canada, Ireland, Singapore, the United Kingdom, and the United States. The Company's Bermuda domiciled subsidiaries are exempt from income taxation under Bermuda law until 2035. Pre-tax income generated by Group's non-Bermuda subsidiaries and the UK branch of Bermuda is subject to applicable federal, foreign, state and local taxes on corporations. Company subsidiaries domiciled in the US as well as the Canadian and Singapore branches of Everest Re generate US pre-tax income (loss). Foreign domiciled subsidiaries, including the UK branch of Bermuda Re, generate non-US pre-tax income (loss). Fluctuations in US and non-US pre-tax income (loss) primarily result from the impact of catastrophe losses and realized investment gains (losses).

For interim reporting periods, the company is generally required to use the annualized effective tax rate ("AETR") method, as prescribed by ASC 740-270, Interim Reporting, to calculate its income tax provision. Under this method, the AETR is applied to the interim year-to-date pre-tax income to determine the income tax expense or benefit for the year-to-date period. The income tax expense or benefit for a quarter represents the difference between the year-to-date income tax expense or benefit for the current year-to-date period less such amount for the immediately preceding year-to-date period. Management considers the impact of all known events in its estimation of the Company's annual pre-tax income and AETR.

19. SUBSEQUENT EVENTS

On April 23, 2015, the Company entered into an agreement to sell all of the outstanding shares of capital stock of Mt. McKinley Insurance Company ("Mt. McKinley"), a Delaware domiciled insurance company and wholly-owned subsidiary of the Company to Clearwater Insurance Company ("Clearwater"), a Delaware domiciled insurance company. The purchase price shall be paid in cash and based on the statutory book value of Mt. McKinley as of the closing date, which is expected to be approximately $20,000 thousand. The Company does not expect to recognize any material realized gain from the sale of Mt. McKinley.

The transaction is subject to receipt of insurance regulatory approvals and satisfaction of other customary closing conditions. Concurrently with the closing, the Company will enter into a retrocession treaty (the "Retrocession Treaty") with an affiliate of Clearwater. Per the Retrocession Treaty, the Company will retrocede to 100% of the liabilities associated with certain policies, which are currently reinsured by Everest Reinsurance (Bermuda), Ltd. ("Everest Re Bermuda"), a Bermuda limited company and a wholly-owned subsidiary of the Company. As consideration for entering into the Retrocession Treaty, Everest Re Bermuda shall transfer, subject to certain adjustments, Mt. McKinley's reserves for net losses as of the closing date, currently held by Everest Re Bermuda, which is expected to be approximately $146,000 thousand (the "Retrocession Payment"). The maximum liability retroceded under the Retrocession Treaty will be the sum of $300,000 thousand plus the amount of the Retrocession Payment. The Company will retain liability for any amounts exceeding the maximum liability under the Retrocession Treaty.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Industry Conditions.
The worldwide reinsurance and insurance businesses are highly competitive, as well as cyclical by product and market. As such, financial results tend to fluctuate with periods of constrained availability, high rates and strong profits followed by periods of abundant capacity, low rates and constrained profitability. Competition in the types of reinsurance and insurance business that we underwrite is based on many factors, including the perceived overall financial strength of the reinsurer or insurer, ratings of the reinsurer or insurer by A.M. Best and/or Standard & Poor's, underwriting expertise, the jurisdictions where the reinsurer or insurer is licensed or otherwise authorized, capacity and coverages offered, premiums charged, other terms and conditions of the reinsurance and insurance business offered, services offered, speed of claims payment and reputation and experience in lines written. Furthermore, the market impact from these competitive factors related to reinsurance and insurance is generally not consistent across lines of business, domestic and international geographical areas and distribution channels.

We compete in the U.S., Bermuda and international reinsurance and insurance markets with numerous global competitors. Our competitors include independent reinsurance and insurance companies, subsidiaries or affiliates of established worldwide insurance companies, reinsurance departments of certain insurance companies, domestic and international underwriting operations, including underwriting syndicates at Lloyd's and certain government sponsored risk transfer vehicles. Some of these competitors have greater financial resources than we do and have established long term and continuing business relationships, which can be a significant competitive advantage. In addition, the lack of strong barriers to entry into the reinsurance business and recently, the securitization of reinsurance and insurance risks through capital markets provide additional sources of potential reinsurance and insurance capacity and competition.

Worldwide insurance and reinsurance market conditions continued to be very competitive, particularly in the property catastrophe and casualty reinsurance lines of business. Generally, there was ample insurance and reinsurance capacity relative to demand, as well as, additional capital from the capital markets through insurance linked financial instruments. These financial instruments such as side cars, catastrophe bonds and collateralized reinsurance funds, provide capital markets with access to insurance and reinsurance risk exposure. The capital markets demand for these products is being primarily driven by the current low interest environment and the desire to achieve greater risk diversification and potentially higher returns on their investments. This increased competition is generally having a negative impact on rates, terms and conditions; however, the impact varies widely by market and coverage.

Rates tend to fluctuate by specific region and products, particularly areas recently impacted by large catastrophic events. During the second and third quarters of 2013, Canada experienced historic flooding in Alberta and Toronto, which resulted in higher catastrophe rates in these areas during 2014. Although there were flooding and wind storm events in Europe and Asia in the latter part of 2013, the overall 2013 catastrophe losses for the industry were lower than average. This lower level of losses, combined with increased competition resulted in downward pressure on rates in certain geographical areas during 2014. Catastrophe results during 2014 and the first quarter of 2015 were also generally benign, which could have a negative impact on worldwide regional catastrophe markets for the balance of 2015.

Overall, we believe that given our size, strong ratings, distribution system, reputation, expertise and capital market vehicle activity the current marketplace conditions provide profit opportunities. We continue to employ our strategy of targeting business that offers the greatest profit potential, while maintaining balance and diversification in our overall portfolio.

Financial Summary.
We monitor and evaluate our overall performance based upon financial results. The following table displays a summary of the consolidated net income (loss), ratios and shareholders' equity for the periods indicated.

(Dollars in millions)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Percentage Increase/ (Decrease)
Gross written premiums	$ 1,414.0	$ 1,267.4	11.6 %
Net written premiums	1,283.9	1,227.6	4.6 %
REVENUES:			
Premiums earned	$ 1,307.1	$ 1,144.5	14.2 %
Net investment income	122.6	123.2	-0.5 %
Net realized capital gains (losses)	(10.5)	21.1	-149.7 %
Net derivative gain (loss)	(0.2)	(1.7)	-85.4 %
Other income (expense)	46.1	(3.3)	NM
Total revenues	1,465.0	1,283.8	14.1 %
CLAIMS AND EXPENSES:			
Incurred losses and loss adjustment expenses	722.5	619.4	16.6 %
Commission, brokerage, taxes and fees	287.2	246.0	16.7 %
Other underwriting expenses	60.7	50.6	19.8 %
Corporate expenses	5.5	4.9	10.5 %
Interest, fees and bond issue cost amortization expense	9.0	7.6	18.8 %
Total claims and expenses	1,084.7	928.6	16.8 %
INCOME (LOSS) BEFORE TAXES	380.2	355.3	7.0 %
Income tax expense (benefit)	41.2	53.2	-22.7 %
NET INCOME (LOSS)	$ 339.1	$ 302.0	12.3 %
Net (income) loss attributable to noncontrolling interests	(16.1)	(8.1)	98.9 %
NET INCOME (LOSS) ATTRIBUTABLE TO EVEREST RE GROUP	$ 323.0	$ 293.9	9.9 %
RATIOS:			Point Change
Loss ratio	55.3 %	54.1 %	1.2
Commission and brokerage ratio	22.0 %	21.5 %	0.5
Other underwriting expense ratio	4.6 %	4.4 %	0.2
Combined ratio	81.9 %	80.0 %	1.9

(Dollars in millions, except per share amounts)	At March 31, 2015	At December 31, 2014	Percentage Increase/ (Decrease)
Balance sheet data:			
Total investments and cash	$ 17,794.5	$ 17,435.9	2.1 %
Total assets	21,267.3	20,817.8	2.2 %
Loss and loss adjustment expense reserves	9,634.0	9,720.8	-0.9 %
Total debt	638.4	638.4	0.0 %
Total liabilities	12,997.1	12,945.2	0.4 %

Redeemable noncontrolling interests - Mt. Logan Re	603.6	421.6	43.2	%
Shareholders' equity	7,666.6	7,451.1	2.9	%
Book value per share	172.63	166.75	3.5	%

(NM, not meaningful)
(Some amounts may not reconcile due to rounding.)

Revenues.

Premiums. Gross written premiums increased by 11.6% to $1,414.0 million for the three months ended March 31, 2015, compared to $1,267.4 million for the three months ended March 31, 2014, reflecting a $109.6 million, or 47.5%, increase in our insurance business and a $37.5 million increase from the Mt. Logan Re segment, which commenced operations in the third quarter of 2013, partially offset by a slight decrease of $0.5 million, or 0.1%, in our reinsurance business, which was primarily reflective of new business being more than offset by a negative $30.7 million impact from the year over year movement in exchange rates. The rise in insurance premiums was primarily due to increases in crop and workers' compensation business as well as eight other business units. Net written premiums increased by 4.6% to $1,283.9 million for the three months ended March 31, 2015, compared to $1,227.6 million for the three months ended March 31, 2014. The variance between the increase in gross written premiums compared to the increase in net written premiums is primarily due to a higher utilization of reinsurance for the crop business and for quota share contracts, which increased due to changes in the mix of business. Premiums earned increased by 14.2% to $1,307.1 million for the three months ended March 31, 2015, compared to $1,144.5 million for the three months ended March 31, 2014. The change in premiums earned relative to net written premiums is the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Net Investment Income. Net investment income decreased slightly by 0.5% to $122.6 million for the three months ended March 31, 2015 compared with net investment income of $123.2 million for the three months ended March 31, 2014. Net pre-tax investment income, as a percentage of average invested assets, was 2.9% for the three months ended March 31, 2015 compared to 3.1% for the three months ended March 31, 2014. The decline in income and yield was primarily the result of lower reinvestment rates for the fixed income portfolios, partially offset by an increase in our limited partnership income.

Net Realized Capital Gains (Losses). Net realized capital losses were $10.5 million for the three months ended March 31, 2015 and net realized capital gains were $21.1 million for the three months ended March 31, 2014. The $10.5 million was comprised of $26.0 million of other-than-temporary impairments and $8.1 million of net realized capital losses from sales on our fixed maturity and equity securities, which were partially offset by $23.6 million of net gains from fair value re-measurements. The net realized capital gains of $21.1 million for the three months ended March 31, 2014 were the result of $24.0 million of gains from fair value re-measurements, which were partially offset by $2.9 million of net realized capital losses from sales on our fixed maturity and equity securities.

Net Derivative Gain (Loss). In 2005 and prior, we sold seven equity index put option contracts, which remain outstanding. These contracts meet the definition of a derivative in accordance with FASB guidance and as such, are fair valued each quarter with the change recorded as net derivative gain or loss in the consolidated statements of operations and comprehensive income (loss). As a result of these adjustments in value, we recognized net derivative losses of $0.2 million and $1.7 million for the three months ended March 31, 2015 and 2014, respectively. The change in the fair value of these equity index put option contracts is indicative of the change in the equity markets and interest rates over the same periods.

Other Income (Expense). We recorded other income of $46.1 million for the three months ended March 31, 2015 and other expense of $3.3 million for the three months ended March 31, 2014. The changes were primarily the result of fluctuations in foreign currency exchange rates for the corresponding periods.

Claims and Expenses.

Incurred Losses and Loss Adjustment Expenses. The following table presents our incurred losses and loss adjustment expenses ("LAE") for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2015						
Attritional (a)	$ 723.2	55.3 %	$ (0.7)	0.0 %	$ 722.5	55.3 %
Catastrophes	-	0.0 %	-	0.0 %	-	0.0 %
Total	$ 723.2	55.3 %	$ (0.7)	0.0 %	$ 722.5	55.3 %
2014						
Attritional (a)	$ 622.1	54.3 %	$ (2.7)	-0.2 %	$ 619.4	54.1 %
Catastrophes	-	0.0 %	-	0.0 %	-	0.0 %
Total	$ 622.1	54.3 %	$ (2.7)	-0.2 %	$ 619.4	54.1 %
Variance 2015/2014						
Attritional	$ 101.1	1.0 pts	$ 2.0	0.2 pts	$ 103.1	1.2 pts
Catastrophes	-	- pts	-	- pts	-	- pts
Total segment	$ 101.1	1.0 pts	$ 2.0	0.2 pts	$ 103.1	1.2 pts

(a) Attritional losses exclude catastrophe losses.

(Some amounts may not reconcile due to rounding.)

Incurred losses and LAE increased by 16.6% to $722.5 million for the three months ended March 31, 2015 compared to $619.4 million for the three months ended March 31, 2014, primarily due to an increase in current year attritional losses of $101.1 million resulting from the impact of the increase in premiums earned. There were no current year catastrophe losses for the three months ended March 31, 2015 and 2014.

Commission, Brokerage, Taxes and Fees. Commission, brokerage, taxes and fees increased by 16.7% to $287.2 million for the three months ended March 31, 2015 compared to $246.0 million for the three months ended March 31, 2014. These changes were primarily due to the impact of the increase in premiums earned and changes in the mix of business.

Other Underwriting Expenses. Other underwriting expenses were $60.7 million and $50.6 million for the three months ended March 31, 2015 and 2014, respectively. The increase in other underwriting expenses was mainly due to the impact of the increase in premiums earned.

Corporate Expenses. Corporate expenses, which are general operating expenses that are not allocated to segments, were comparable at $5.5 million and $4.9 million for the three months ended March 31, 2015 and 2014, respectively.

Interest, Fees and Bond Issue Cost Amortization Expense. Interest, fees and other bond amortization expense was $9.0 million and $7.6 million for the three months ended March 31, 2015 and 2014, respectively. The increase was primarily due to the impact of the issuance of $400.0 million of senior notes in June 2014, partially offset by the maturity of $250.0 million of senior notes on October 15, 2014.

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Income Tax Expense (Benefit). We had income tax expenses of $41.2 million and $53.2 million for the three months ended March 31, 2015 and 2014, respectively. Income tax expense is primarily a function of the geographic location of the Company's pre-tax income and the statutory tax rates in those jurisdictions, as affected by tax-exempt investment income and as calculated under the annualized effective tax rate ("AETR") method. Variations in the AETR generally result from changes in the relative levels of pre-tax income, including the impact of catastrophe losses and net capital gains (losses), among jurisdictions with different tax rates. The decrease in income tax expense for the three months ended March 31, 2015 compared to 2014 is primarily due to lower net realized capital gains in the U.S. and the realization of additional foreign tax credits.

Net Income (Loss).
Our net income was $339.1 million and $302.0 million for the three months ended March 31, 2015 and 2014, respectively. The changes were primarily driven by the financial component fluctuations explained above.

Net Income (Loss) Attributable to Everest Re Group.
Our net income attributable to Everest Re Group was $323.0 million and $293.9 million for the three months ended March 31, 2015 and 2014, respectively. The changes were primarily driven by the financial component fluctuations described above, as well as the impact of net income attributable to noncontrolling interests.

Ratios.
Our combined ratio increased by 1.9 points to 81.9% for the three months ended March 31, 2015, compared to 80.0% for the three months ended March 31, 2014. The loss ratio component increased 1.2 points for the three months ended March 31, 2015, over the same period last year primarily due to increased loss ratios on international business. The commission and brokerage ratio components increased 0.5 points for the three months ended March 31, 2015, primarily due to changes in the mix of business. The other underwriting expense ratio components increased slightly by 0.2 points for the three months ended March 31, 2015, over the same period last year.

Shareholders' Equity.
Shareholders' equity increased by $215.5 million to $7,666.6 million at March 31, 2015 from $7,451.1 million at December 31, 2014, principally as a result of $323.0 million of net income attributable to Everest Re Group, $105.4 million of unrealized appreciation on investments, net of tax, share-based compensation transactions of $5.2 million and $1.6 million of net benefit plan obligation adjustments, partially offset by $102.3 million of net foreign currency translation adjustments, repurchases of 0.4 million common shares for $75.0 million and $42.3 million of shareholder dividends.

Consolidated Investment Results

Net Investment Income.
Net investment income decreased slightly by 0.5% to $122.6 million for the three months ended March 31, 2015 compared to $123.2 million for the three months ended March 31, 2014, primarily due to a decline in income from our fixed maturities, reflective of lower reinvestment rates, partially offset by an increase in limited partnership income.

The following table shows the components of net investment income for the periods indicated.

	Three Months Ended March 31,	
(Dollars in millions)	2015	2014
Fixed maturities	$ 109.4	$ 116.3
Equity securities	11.7	11.5
Short-term investments and cash	0.2	0.3
Other invested assets		
Limited partnerships	7.0	(2.3)
Other	0.6	2.0
Gross investment income before adjustments	128.9	127.8
Funds held interest income (expense)	2.9	3.0
Future policy benefit reserve income (expense)	(0.4)	(0.3)
Gross investment income	131.4	130.5
Investment expenses	(8.8)	(7.4)
Net investment income	$ 122.6	$ 123.2

(Some amounts may not reconcile due to rounding.)

The following tables show a comparison of various investment yields for the periods indicated.

	At March 31, 2015	At December 31, 2014
Imbedded pre-tax yield of cash and invested assets	2.9%	3.0%
Imbedded after-tax yield of cash and invested assets	2.5%	2.6%

	Three Months Ended March 31,	
	2015	2014
Annualized pre-tax yield on average cash and invested assets	2.9%	3.1%
Annualized after-tax yield on average cash and invested assets	2.3%	2.6%

Net Realized Capital Gains (Losses).
The following table presents the composition of our net realized capital gains (losses) for the periods indicated.

	Three Months Ended March 31,		
(Dollars in millions)	2015	2014	Variance
Gains (losses) from sales:			
Fixed maturity securities, market value:			
Gains	$ 8.8	$ 6.7	$ 2.1
Losses	(16.8)	(8.7)	(8.1)
Total	(8.0)	(1.9)	(6.1)
Fixed maturity securities, fair value:			
Gains	-	1.2	(1.2)
Losses	-	(0.3)	0.3
Total	-	0.9	(0.9)
Equity securities, market value:			
Gains	-	-	-
Losses	-	(0.5)	0.5
Total	-	(0.5)	0.5
Equity securities, fair value:			
Gains	5.2	6.6	(1.4)
Losses	(5.3)	(8.0)	2.7
Total	(0.2)	(1.4)	1.2
Total net realized capital gains (losses) from sales:			
Gains	14.0	14.6	(0.6)
Losses	(22.2)	(17.5)	(4.7)
Total	(8.1)	(2.9)	(5.2)
Other-than-temporary impairments:	(26.0)	-	(26.0)
Gains (losses) from fair value adjustments:			
Fixed maturity securities, fair value	0.1	-	0.1
Equity securities, fair value	23.6	24.0	(0.4)
Total	23.6	24.0	(0.4)
Total net realized capital gains (losses)	$ (10.5)	$ 21.1	$ (31.6)

(Some amounts may not reconcile due to rounding.)

Net realized capital losses were $10.5 million for three months ended March 31, 2015 and net realized capital gains were $21.1 million for the three months ended March 31, 2014. For the three months ended March 31, 2015, we recorded $26.0 million of other-than-temporary impairments and $8.1 million of net realized capital losses from sales of fixed maturity and equity securities, partially offset by $23.6 million of net realized capital gains due to fair value re-measurements on fixed maturity and equity securities. For the three months ended March 31, 2014, we recorded $24.0 million of net realized capital gains due to fair value re-measurements on equity securities, partially offset by $2.9 million of net realized capital losses from sales of fixed maturity and equity securities. The fixed maturity and equity sales for the three months ended March 31, 2015 and 2014 related primarily to adjusting the portfolios for overall market changes and individual credit shifts along with maintaining a balanced foreign currency exposure.

Segment Results.

The U.S. Reinsurance operation writes property and casualty reinsurance and specialty lines of business, including Marine, Aviation, Surety and A&H business, on both a treaty and facultative basis, through reinsurance brokers, as well as directly with ceding companies primarily within the U.S. The International operation writes foreign property and casualty reinsurance through Everest Re's branches in Canada and Singapore and through offices in Brazil, Miami and New Jersey. The Bermuda operation provides reinsurance and insurance to worldwide property and casualty markets through brokers and directly with ceding companies from its Bermuda office and reinsurance to the United Kingdom and European markets through its UK branch and Ireland Re. The Insurance operation writes property and casualty insurance directly and through general agents, brokers and surplus lines brokers within the U.S. and Canada. The Mt. Logan Re segment represents business written for the segregated accounts of Mt. Logan Re, which were formed on July 1, 2013. The Mt. Logan Re business represents a diversified set of catastrophe exposures, diversified by risk/peril and across different geographical regions globally.

These segments, with the exception of Mt. Logan Re, are managed independently, but conform with corporate guidelines with respect to pricing, risk management, control of aggregate catastrophe exposures, capital, investments and support operations. Management generally monitors and evaluates the financial performance of these operating segments based upon their underwriting results. The Mt. Logan Re segment is managed independently and seeks to write a diverse portfolio of catastrophe risks for each segregated account to achieve desired risk and return criteria.

Underwriting results include earned premium less losses and LAE incurred, commission and brokerage expenses and other underwriting expenses. We measure our underwriting results using ratios, in particular loss, commission and brokerage and other underwriting expense ratios, which, respectively, divide incurred losses, commissions and brokerage and other underwriting expenses by premiums earned.

Mt. Logan Re's business is sourced through operating subsidiaries of the Company; however, the activity is only reflected in the Mt. Logan Re segment. For other inter-affiliate reinsurance, business is generally reported within the segment in which the business was first produced, consistent with how the business is managed.

Except for Mt. Logan Re, the Company does not maintain separate balance sheet data for its operating segments. Accordingly, the Company does not review and evaluate the financial results of its operating segments based upon balance sheet data.

Our loss and LAE reserves are our best estimate of our ultimate liability for unpaid claims. We re-evaluate our estimates on an ongoing basis, including all prior period reserves, taking into consideration all available information and, in particular, recently reported loss claim experience and trends related to prior periods. Such re-evaluations are recorded in incurred losses in the period in which re-evaluation is made.

The following discusses the underwriting results for each of our segments for the periods indicated.

U.S. Reinsurance.
The following table presents the underwriting results and ratios for the U.S. Reinsurance segment for the periods indicated.

	Three Months Ended March 31,			
(Dollars in millions)	2015	2014	Variance	% Change
Gross written premiums	$ 505.5	$ 495.6	$ 9.9	2.0 %
Net written premiums	484.4	497.8	(13.4)	-2.7 %
Premiums earned	$ 511.1	$ 429.6	$ 81.5	19.0 %
Incurred losses and LAE	244.9	213.5	31.4	14.7 %
Commission and brokerage	122.8	93.0	29.8	32.1 %
Other underwriting expenses	11.5	9.5	2.0	21.6 %
Underwriting gain (loss)	$ 131.9	$ 113.7	$ 18.2	16.0 %
				Point Chg
Loss ratio	47.9 %	49.7 %		(1.8)
Commission and brokerage ratio	24.0 %	21.6 %		2.4
Other underwriting expense ratio	2.3 %	2.2 %		0.1
Combined ratio	74.2 %	73.5 %		0.7

(Some amounts may not reconcile due to rounding.)

Premiums. Gross written premiums increased by 2.0% to $505.5 million for the three months ended March 31, 2015 from $495.6 million for the three months ended March 31, 2014, primarily due to an increase in treaty property and catastrophe business, partially offset by a decline in treaty casualty business. Net written premiums decreased by 2.7% to $484.4 million for the three months ended March 31, 2015 compared to $497.8 million for the three months ended March 31, 2014. The variance between the increase in gross written premiums compared to the decrease in net written premiums is primarily due to a higher utilization of reinsurance related to quota share contracts. Premiums earned increased 19.0% to $511.1 million for the three months ended March 31, 2015 compared to $429.6 million for the three months ended March 31, 2014. The change in premiums earned relative to net written premiums is primarily the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the U.S. Reinsurance segment for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2015						
Attritional	$ 247.7	48.4 %	$ (0.7)	-0.1 %	$ 247.0	48.3 %
Catastrophes	-	0.0 %	(2.1)	-0.4 %	(2.1)	-0.4 %
Total segment	$ 247.7	48.4 %	$ (2.8)	-0.5 %	$ 244.9	47.9 %
2014						
Attritional	$ 213.4	49.7 %	$ 0.5	0.1 %	$ 213.9	49.8 %
Catastrophes	-	0.0 %	(0.5)	-0.1 %	(0.5)	-0.1 %
Total segment	$ 213.4	49.7 %	$ 0.1	0.0 %	$ 213.5	49.7 %
Variance 2015/2014						
Attritional	$ 34.3	(1.3) pts	$ (1.2)	(0.2) pts	$ 33.1	(1.5) pts
Catastrophes	-	- pts	(1.6)	(0.3) pts	(1.6)	(0.3) pts
Total segment	$ 34.3	(1.3) pts	$ (2.9)	(0.5) pts	$ 31.4	(1.8) pts
(Some amounts may not reconcile due to rounding.)						

Incurred losses increased by 14.7% to $244.9 million for the three months ended March 31, 2015 compared to $213.5 million for the three months ended March 31, 2014, primarily due to the increase in current year attritional losses of $34.3 million resulting primarily from the impact of the increase in premiums earned. There were no current year catastrophe losses for the three months ended March 31, 2015 and 2014.

Segment Expenses. Commission and brokerage expenses increased by 32.1% to $122.8 million for the three months ended March 31, 2015 compared to $93.0 million for the three months ended March 31, 2014. The variance was due to the impact of the increase in premiums earned and a change in the mix of business. Segment other underwriting expenses increased to $11.5 million for the three months ended March 31, 2015 from $9.5 million for the three months ended March 31, 2014 due to the impact of the increase in premiums earned.

International.

The following table presents the underwriting results and ratios for the International segment for the periods indicated.

	Three Months Ended March 31,			
(Dollars in millions)	2015	2014	Variance	% Change
Gross written premiums	$ 318.4	$ 321.2	$ (2.8)	-0.9 %
Net written premiums	261.7	309.0	(47.3)	-15.3 %
Premiums earned	$ 305.6	$ 318.4	$ (12.8)	-4.0 %
Incurred losses and LAE	179.7	163.2	16.5	10.1 %
Commission and brokerage	70.6	71.0	(0.4)	-0.5 %
Other underwriting expenses	8.1	7.8	0.3	3.5 %
Underwriting gain (loss)	$ 47.2	$ 76.4	$ (29.2)	-38.2 %
				Point Chg
Loss ratio	58.8 %	51.3 %		7.5
Commission and brokerage ratio	23.1 %	22.3 %		0.8
Other underwriting expense ratio	2.7 %	2.4 %		0.3
Combined ratio	84.6 %	76.0 %		8.6

(Some amounts may not reconcile due to rounding.)

Premiums. Gross written premiums decreased by 0.9% to $318.4 million for the three months ended March 31, 2015 compared to $321.2 million for the three months ended March 31, 2014, primarily due to the negative impact of $12.4 million from the movement of foreign exchange rates, partially offset by new quota share contracts. Net written premiums decreased by 15.3% to $261.7 million for the three months ended March 31, 2015 compared to $309.0 million for the three months ended March 31, 2014. The variance of the change in gross written premiums compared to the change in net written premiums is due to a higher utilization of reinsurance related to the new quota share contracts. Premiums earned decreased 4.0% to $305.6 million for the three months ended March 31, 2015 compared to $318.4 million for the three months ended March 31, 2014. The change in premiums earned relative to net written premiums is primarily the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the International segment for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2015						
Attritional	$ 177.9	58.2 %	$ (0.1)	0.0 %	$ 177.8	58.2 %
Catastrophes	-	0.0 %	1.8	0.6 %	1.8	0.6 %
Total segment	$ 177.9	58.2 %	$ 1.8	0.6 %	$ 179.7	58.8 %
2014						
Attritional	$ 165.0	51.8 %	$ (0.1)	0.0 %	$ 164.9	51.8 %
Catastrophes	-	0.0 %	(1.7)	-0.5 %	(1.7)	-0.5 %
Total segment	$ 165.0	51.8 %	$ (1.8)	-0.5 %	$ 163.2	51.3 %
Variance 2015/2014						
Attritional	$ 12.9	6.4 pts	$ -	- pts	$ 12.9	6.4 pts
Catastrophes	-	- pts	3.5	1.1 pts	3.5	1.1 pts
Total segment	$ 12.9	6.4 pts	$ 3.6	1.1 pts	$ 16.5	7.5 pts
(Some amounts may not reconcile due to rounding.)						

Incurred losses and LAE increased by 10.1% to $179.7 million for the three months ended March 31, 2015 compared to $163.2 million for the three months ended March 31, 2014, due to the increase in current year attritional losses of $12.9 million. The increase in attritional losses was primarily due to higher losses in the Middle East, Africa and Latin America. There were no current year catastrophe losses for the three months ended March 31, 2015 and 2014.

Segment Expenses. Commission and brokerage decreased slightly by 0.5% to $70.6 million for the three months ended March 31, 2015 compared to $71.0 million for the three months ended March 31, 2014. Segment other underwriting expenses increased slightly to $8.1 million for the three months ended March 31, 2015 compared to $7.8 million for the three months ended March 31, 2014.

Bermuda.

The following table presents the underwriting results and ratios for the Bermuda segment for the periods indicated.

	Three Months Ended March 31,			
(Dollars in millions)	2015	2014	Variance	% Change
Gross written premiums	$ 175.8	$ 183.4	$ (7.6)	-4.2 %
Net written premiums	174.6	182.6	(8.0)	-4.4 %
Premiums earned	$ 195.7	$ 173.7	$ 22.0	12.7 %
Incurred losses and LAE	110.0	94.5	15.5	16.4 %
Commission and brokerage	51.1	45.7	5.4	11.9 %
Other underwriting expenses	8.8	8.3	0.5	6.2 %
Underwriting gain (loss)	$ 25.8	$ 25.2	$ 0.6	2.3 %

					Point Chg
Loss ratio	56.2	%	54.4	%	1.8
Commission and brokerage ratio	26.1	%	26.3	%	(0.2)
Other underwriting expense ratio	4.5	%	4.8	%	(0.3)
Combined ratio	86.8	%	85.5	%	1.3

(Some amounts may not reconcile due to rounding.)

Premiums. Gross written premiums decreased by 4.2% to $175.8 million for the three months ended March 31, 2015 compared to $183.4 million for the three months ended March 31, 2014, primarily due to the negative impact of $16.0 million from the movement of foreign exchange rates, partially offset by increased business from the U.K. and Ireland offices. Net written premiums decreased by 4.4% to $174.6 million for the three months ended March 31, 2015 compared to $182.6 million for the three months ended March 31, 2014, which is consistent with the decline in gross written premiums. Premiums earned increased 12.7% to $195.7 million for the three months ended March 31, 2015 compared to $173.7 million for the three months ended March 31, 2014. The change in premiums earned relative to net written premiums is the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the Bermuda segment for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2015						
Attritional	$ 109.4	55.9 %	$ -	0.0 %	$ 109.4	55.9 %
Catastrophes	-	0.0 %	0.6	0.3 %	0.6	0.3 %
Total segment	$ 109.4	55.9 %	$ 0.6	0.3 %	$ 110.0	56.2 %
2014						
Attritional	$ 97.6	56.2 %	$ (5.0)	-2.9 %	$ 92.6	53.3 %
Catastrophes	-	0.0 %	2.0	1.1 %	2.0	1.1 %
Total segment	$ 97.6	56.2 %	$ (3.0)	-1.8 %	$ 94.5	54.4 %
Variance 2015/2014						
Attritional	$ 11.8	(0.3) pts	$ 5.0	2.9 pts	$ 16.8	2.6 pts
Catastrophes	-	- pts	(1.4)	(0.8) pts	(1.4)	(0.8) pts
Total segment	$ 11.8	(0.3) pts	$ 3.6	2.1 pts	$ 15.5	1.8 pts
(Some amounts may not reconcile due to rounding.)						

Incurred losses and LAE increased by 16.4% to $110.0 million for the three months ended March 31, 2015 compared to $94.5 million for the three months ended March 31, 2014, primarily due to an increase of $11.8 million in current year attritional losses primarily related to the increase in premiums earned and $5.0 million of favorable development in the three months ended March 31, 2014 which did not recur in the three months ended March 31, 2015. There were no current year catastrophe losses for the three months ended March 31, 2015 and 2014.

Segment Expenses. Commission and brokerage increased by 11.9% to $51.1 million for the three months ended March 31, 2015 compared to $45.7 million for the three months ended March 31, 2014. The rise was primarily due to the impact of the increase in premiums earned. Segment other underwriting expenses increased slightly to $8.8 million for the three months ended March 31, 2015 compared to $8.3 million for the three months ended March 31, 2014.

Insurance.
The following table presents the underwriting results and ratios for the Insurance segment for the periods indicated.

	Three Months Ended March 31,			
(Dollars in millions)	2015	2014	Variance	% Change
Gross written premiums	$340.3	$230.7	$ 109.6	47.5 %
Net written premiums	303.6	211.7	91.9	43.4 %
Premiums earned	$260.1	$203.2	$ 56.9	28.0 %
Incurred losses and LAE	180.6	142.2	38.4	27.0 %
Commission and brokerage	38.6	34.2	4.4	12.7 %
Other underwriting expenses	30.3	23.2	7.1	30.4 %
Underwriting gain (loss)	$10.7	$3.6	$ 7.1	195.8 %
				Point Chg
Loss ratio	69.4 %	70.0 %		(0.6)
Commission and brokerage ratio	14.8 %	16.8 %		(2.0)
Other underwriting expense ratio	11.7 %	11.4 %		0.3
Combined ratio	95.9 %	98.2 %		(2.3)

(Some amounts may not reconcile due to rounding.)

Premiums. Gross written premiums increased by 47.5% to $340.3 million for the three months ended March 31, 2015 compared to $230.7 million for the three months ended March 31, 2014. This increase was primarily driven by an increase in the crop and workers' compensation business as well as eight other business units. Net written premiums increased by 43.4% to $303.6 million for the three months ended March 31, 2015 compared to $211.7 million for the three months ended March 31, 2014, which is consistent with the change in gross written premiums. Premiums earned increased 28.0% to $260.1 million for the three months ended March 31, 2015 compared to $203.2 million for the three months ended March 31, 2014. The change in premiums earned relative to net written premiums is the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the Insurance segment for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2015						
Attritional	$ 180.8	69.5 %	$ -	0.0 %	$ 180.8	69.5 %
Catastrophes	-	0.0 %	(0.2)	-0.1 %	(0.2)	-0.1 %
Total segment	$ 180.8	69.5 %	$ (0.2)	-0.1 %	$ 180.6	69.4 %
2014						
Attritional	$ 140.1	69.0 %	$ 1.8	0.9 %	$ 141.9	69.9 %
Catastrophes	-	0.0 %	0.3	0.1 %	0.3	0.1 %
Total segment	$ 140.1	69.0 %	$ 2.1	1.0 %	$ 142.2	70.0 %

Variance 2015/2014

Attritional	$ 40.7	0.5 pts	$ (1.8)	(0.9) pts	$ 38.9	(0.4) pts
Catastrophes	-	- pts	(0.5)	(0.2) pts	(0.5)	(0.2) pts
Total segment	$ 40.7	0.5 pts	$ (2.3)	(1.1) pts	$ 38.4	(0.6) pts

(Some amounts may not reconcile due to rounding.)

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Incurred losses and LAE increased by 27.0% to $180.6 million for the three months ended March 31, 2015 compared to $142.2 million for the three months ended March 31, 2014, mainly due to an increase of $40.7 million in current year attritional losses. This rise was related to the impact of the increase in premiums earned. There were no current year catastrophe losses for the three months ended March 31, 2015 and 2014.

Segment Expenses. Commission and brokerage increased by 12.7% to $38.6 million for the three months ended March 31, 2015 compared to $34.2 million for the three months ended March 31, 2014. The increase was primarily driven by the impact of the increase in premiums earned and the change in the mix of business. Segment other underwriting expenses increased to $30.3 million for the three months ended March 31, 2015 compared to $23.2 million for the three months ended March 31, 2014 primarily due to the impact of the increase in premiums earned.

Mt. Logan Re.
The following table presents the underwriting results and ratios for the Insurance segment for the periods indicated.

	Three Months Ended March 31,							
(Dollars in millions)	2015		2014		Variance	% Change	
Gross written premiums	$74.0		$36.5		$ 37.5	102.9	%
Net written premiums	59.6		26.6		33.0	124.4	%
Premiums earned	$34.6		$19.5		$ 15.0	77.0	%
Incurred losses and LAE	7.3		6.1		1.2	20.2	%
Commission and brokerage	4.1		2.1		1.9	90.1	%
Other underwriting expenses	1.9		1.8		0.1	6.8	%
Underwriting gain (loss)	$21.3		$9.5		$ 11.8	123.5	%
						Point Chg	
Loss ratio	21.1	%	31.1	%		(10.0	)
Commission and brokerage ratio	11.8	%	11.0	%		0.8	
Other underwriting expense ratio	5.6	%	9.2	%		(3.6	)
Combined ratio	38.5	%	51.3	%		(12.8	)
(NM, not meaningful)							
(Some amounts may not reconcile due to rounding.)							

Premiums. Gross written premiums increased by 102.9% to $74.0 million for the three months ended March 31, 2015 compared to $36.5 million for the three months ended March 31, 2014, as this segment expands from its initial start-up phase through continued third party investment. Net written premiums increased by 124.4% to $59.6 million for the three months ended March 31, 2015 compared to $26.6 million for the three months ended March 31, 2014, which is consistent with the change in gross written premiums. Premiums earned increased by 77.0% to $34.6 million for the three months ended March 31, 2015 compared to $19.5 million for the three months ended March 31, 2014. The change in premiums earned relative to net written premiums is the result of timing; premiums are earned ratably over the coverage period whereas written premiums are recorded at the initiation of the coverage period.

Incurred Losses and LAE. The following table presents the incurred losses and LAE for the Mt. Logan Re segment for the periods indicated.

	Three Months Ended March 31,					
(Dollars in millions)	Current Year	Ratio %/ Pt Change	Prior Years	Ratio %/ Pt Change	Total Incurred	Ratio %/ Pt Change
2015						
Attritional	$ 7.5	21.5 %	$ -	0.0 %	$ 7.5	21.5 %
Catastrophes	-	0.0 %	(0.1)	-0.4 %	(0.1)	-0.4 %
Total segment	$ 7.5	21.5 %	$ (0.1)	-0.4 %	$ 7.3	21.1 %
2014						
Attritional	$ 6.1	31.1 %	$ -	0.0 %	$ 6.1	31.1 %
Catastrophes	-	0.0 %	-	0.0 %	-	0.0 %
Total segment	$ 6.1	31.1 %	$ -	0.0 %	$ 6.1	31.1 %
Variance 2015/2014						
Attritional	$ 1.4	(9.6) pts	$ -	- pts	$ 1.4	(9.6) pts
Catastrophes	-	- pts	(0.1)	(0.4) pts	(0.1)	(0.4) pts
Total segment	$ 1.4	(9.6) pts	$ (0.1)	(0.4) pts	$ 1.2	(10.0) pts

(Some amounts may not reconcile due to rounding.)

Incurred losses and LAE increased by 20.2% to $7.3 million for the three months ended March 31, 2015 compared to $6.1 million for the three months ended March 31, 2014, mainly due to the increase in current year attritional losses of $1.4 million, resulting from the impact of the increase in premiums earned. There were no current year catastrophe losses for the three months ended March 31, 2015 and 2014.

Segment Expenses. Commission and brokerage increased by 90.1% to $4.1 million for the three months ended March 31, 2015 compared to $2.1 million for the three months ended March 31, 2014. The increase was primarily due to the impact of the increase in premiums earned. Segment other underwriting expenses increased slightly to $1.9 million for the three months ended March 31, 2015 compared to $1.8 million for the three months ended March 31, 2014. The increase was primarily due to the impact of the increase in premiums earned and increased operations.

FINANCIAL CONDITION

Cash and Invested Assets. Aggregate invested assets, including cash and short-term investments, were $17,794.5 million at March 31, 2015, an increase of $358.5 million compared to $17,435.9 million at December 31, 2014. This increase was primarily the result of $455.1 million of cash flows from operations, $156.8 million from external third party net capital investment into Mt. Logan Re, $134.5 million of pre-tax unrealized appreciation, $23.6 million in fair value re-measurements and $6.8 million in equity adjustments of our limited partnership investments, partially offset by $213.6 million due to fluctuations in foreign currencies, $75.0 million paid for share repurchases, $42.3 million paid out in dividends to shareholders, $30.9 million paid out in dividends to third party investors in redeemable noncontrolling interests, $13.3 million of amortization bond premium and $0.5 million of unsettled securities.

Our principal investment objectives are to ensure funds are available to meet our insurance and reinsurance obligations and to maximize after-tax investment income while maintaining a high quality diversified investment portfolio. Considering these objectives, we view our investment portfolio as having two components: 1) the investments needed to satisfy outstanding liabilities (our core fixed maturities portfolio) and 2) investments funded by our shareholders' equity.

For the portion needed to satisfy global outstanding liabilities, we generally invest in taxable and tax-preferenced fixed income securities with an average credit quality of A1. For the U.S. portion of this portfolio, our mix of taxable and tax-preferenced investments is adjusted periodically, consistent with our current and projected U.S. operating results, market conditions and our tax position. This global fixed maturity securities portfolio is externally managed by an independent, professional investment manager using portfolio guidelines approved by internal management.

Over the past several years, we have expanded the allocation of our investments funded by shareholders' equity to include: 1) a greater percentage of publicly traded equity securities, 2) emerging market fixed maturities through mutual fund structures, as well as individual holdings, 3) high yield fixed maturities, 4) bank loan securities and 5) private equity limited partnership investments. The objective of this portfolio diversification is to enhance the risk-adjusted total return of the investment portfolio by allocating a prudent portion of the portfolio to higher return asset classes, which are also less subject to changes in value with movements in interest rates. We limit our allocation to these asset classes because of 1) the potential for volatility in their values and 2) the impact of these investments on regulatory and rating agency capital adequacy models. We use investment managers experienced in these markets and adjust our allocation to these investments based upon market conditions. At March 31, 2015, the market value of investments in these investment market sectors, carried at both market and fair value, approximated 58.5% of shareholders' equity.

The Company's limited partnership investments are comprised of limited partnerships that invest in private equities. Generally, the limited partnerships are reported on a quarter lag. We receive annual audited financial statements for all of the limited partnerships which are prepared using fair value accounting in accordance with FASB guidance. For the quarterly reports, the Company's staff performs reviews of the financial reports for any unusual changes in carrying value. If the Company becomes aware of a significant decline in value during the lag reporting period, the loss will be recorded in the period in which the Company identifies the decline.

The tables below summarize the composition and characteristics of our investment portfolio as of the dates indicated.

(Dollars in millions)	At March 31, 2015			At December 31, 2014		
Fixed maturities, market value	$ 13,415.9	75.4	%	$ 13,101.1	75.1	%
Fixed maturities, fair value	0.4	0.0	%	1.5	0.0	%
Equity securities, market value	141.5	0.8	%	140.2	0.8	%
Equity securities, fair value	1,504.7	8.5	%	1,447.8	8.3	%
Short-term investments	1,706.7	9.6	%	1,705.9	9.8	%
Other invested assets	626.8	3.5	%	601.9	3.5	%
Cash	398.6	2.2	%	437.5	2.5	%
Total investments and cash	$ 17,794.5	100.0	%	$ 17,435.9	100.0	%

(Some amounts may not reconcile due to rounding.)

	At March 31, 2015	At December 31, 2014
Fixed income portfolio duration (years)	2.9	2.9
Fixed income composite credit quality	A1	A1
Imbedded end of period yield, pre-tax	2.9%	3.0%
Imbedded end of period yield, after-tax	2.5%	2.6%

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The following table provides a comparison of our total return by asset class relative to broadly accepted industry benchmarks for the periods indicated:

	Three Months Ended March 31, 2015	Twelve Months Ended December 31, 2014
Fixed income portfolio total return	1.3%	3.5%
Barclay's Capital - U.S. aggregate index	1.6%	6.0%
Common equity portfolio total return	2.0%	10.4%
S&P 500 index	1.0%	13.7%
Other invested asset portfolio total return	2.1%	11.8%

The pre-tax equivalent total return for the bond portfolio was approximately 1.3% and 3.6%, respectively, at March 31, 2015 and December 31, 2014. The pre-tax equivalent return adjusts the yield on tax-exempt bonds to the fully taxable equivalent.

Our fixed income and equity portfolios have different compositions than the benchmark indexes. Our fixed income portfolios have a shorter duration because we align our investment portfolio with our liabilities. We also hold foreign securities to match our foreign liabilities while the index is comprised of only U.S. securities. Our equity portfolios reflect an emphasis on dividend yield and growth equities, while the index is comprised of the largest 500 equities by market capitalization.

Reinsurance Receivables.
Reinsurance receivables for both paid and recoverable on unpaid losses totaled $700.0 million at March 31, 2015 and $670.9 million at December 31, 2014. At March 31, 2015, $92.8 million, or 13.3%, was receivable from C.V. Starr (Bermuda) (“C.V. Starr”); $68.6 million, or 9.8%, was receivable from Zurich Vericherungs Gesellschaft (“Zurich”); $63.8 million, or 9.1%, was receivable from Resolution Group Reinsurance (Barbados) Limited (“Resolution Group”); $62.7 million, or 9.0%, was receivable from Federal Crop Insurance Company (“FCIC”); $54.2 million, or 7.7%, was receivable from Axa Seguros Gen SA De Seguros Y Reaseguros (“Axa Seguros”); $39.6 million, or 5.7%, was receivable from Transatlantic Reinsurance Company (“Transatlantic”); $39.3 million, or 5.6%, was receivable from Hannover Rueck SE (“Hannover”) and $35.0 million, or 5.0%, was receivable from Axis Reinsurance Company (“Axis”). The receivables from C.V. Starr and Resolution Group are fully collateralized by individual trust agreements. No other retrocessionaire accounted for more than 5% of our receivables.

Loss and LAE Reserves. Gross loss and LAE reserves totaled $9,634.0 million at March 31, 2015 and $9,720.8 million at December 31, 2014.

The following tables summarize gross outstanding loss and LAE reserves by segment, classified by case reserves and IBNR reserves, for the periods indicated.

	At March 31, 2015			
(Dollars in millions)	Case Reserves	IBNR Reserves	Total Reserves	% of Total
U.S. Reinsurance	$ 1,432.9	$ 1,935.4	$ 3,368.3	35.0 %
International	861.6	920.9	1,782.5	18.5 %
Bermuda	731.3	1,110.9	1,842.3	19.1 %
Insurance	933.2	1,230.2	2,163.4	22.4 %
Mt. Logan Re	12.4	23.0	35.5	0.4 %
Total excluding A&E	3,971.4	5,220.5	9,191.9	95.4 %
A&E	224.3	217.8	442.0	4.6 %
Total including A&E	$ 4,195.7	$ 5,438.3	$ 9,634.0	100.0 %

(Some amounts may not reconcile due to rounding.)

	At December 31, 2014			
(Dollars in millions)	Case Reserves	IBNR Reserves	Total Reserves	% of Total
U.S. Reinsurance	$1,409.5	$1,925.4	$3,334.9	34.3 %
International	902.5	868.6	1,771.0	18.2 %
Bermuda	783.9	1,108.2	1,892.0	19.5 %
Insurance	968.3	1,250.4	2,218.6	22.8 %
Mt. Logan Re	13.0	15.0	28.0	0.3 %
Total excluding A&E	4,077.1	5,167.5	9,244.6	95.1 %
A&E	251.1	225.1	476.2	4.9 %
Total including A&E	$4,328.2	$5,392.6	$9,720.8	100.0 %

(Some amounts may not reconcile due to rounding.)

Changes in premiums earned and business mix, reserve re-estimations, catastrophe losses and changes in catastrophe loss reserves and claim settlement activity all impact loss and LAE reserves by segment and in total.

Our loss and LAE reserves represent our best estimate of our ultimate liability for unpaid claims. We continuously re-evaluate our reserves, including re-estimates of prior period reserves, taking into consideration all available information and, in particular, newly reported loss and claim experience. Changes in reserves resulting from such re-evaluations are reflected in incurred losses in the period when the re-evaluation is made. Our analytical methods and processes operate at multiple levels including individual contracts, groupings of like contracts, classes and lines of business, internal business units, segments, legal entities, and in the aggregate. In order to set appropriate reserves, we make qualitative and quantitative analyses and judgments at these various levels. Additionally, the attribution of reserves, changes in reserves and incurred losses among accident years requires qualitative and quantitative adjustments and allocations at these various levels. We utilize actuarial science, business expertise and management judgment in a manner intended to ensure the accuracy and consistency of our reserving practices. Nevertheless, our reserves are estimates, which are subject to variation, which may be significant.

There can be no assurance that reserves for, and losses from, claim obligations will not increase in the future, possibly by a material amount. However, we believe that our existing reserves and reserving methodologies lessen the probability that any such increase would have a material adverse effect on our financial condition, results of operations or cash flows. In this context, we note that over the past 10 years, as presented in our previous 10-K filing, our calendar year operations have been affected by effects from prior period reserve re-estimates, ranging from a favorable $39.9 million in 2014, representing 0.4% of the net prior period reserves for the year in which the adjustment was made, to an unfavorable $206.5 million in 2007, representing 2.6% of the net prior period reserves for the year in which the adjustment was made.

Asbestos and Environmental Exposures. A&E exposures represent a separate exposure group for monitoring and evaluating reserve adequacy. The following table summarizes the outstanding loss reserves with respect to A&E reserves on both a gross and net of retrocessions basis for the periods indicated.

(Dollars in millions)	At March 31, 2015	At December 31, 2014
Gross reserves	$ 442.0	$ 476.2
Reinsurance receivable	(16.5)	(18.0)
Net reserves	$ 425.6	$ 458.2

(Some amounts may not reconcile due to rounding.)

With respect to asbestos only, at March 31, 2015, we had gross asbestos loss reserves of $423.2 million, or 95.7%, of total A&E reserves, of which $319.8 million was for assumed business and $103.4 million was for direct business.

Ultimate loss projections for A&E liabilities cannot be accomplished using standard actuarial techniques. We believe that our A&E reserves represent our best estimate of the ultimate liability; however, there can be no assurance that ultimate loss payments will not exceed such reserves, perhaps by a significant amount.

Industry analysts use the "survival ratio" to compare the A&E reserves among companies with such liabilities. The survival ratio is typically calculated by dividing a company's current net reserves by the three year average of annual paid losses. Hence, the survival ratio equals the number of years that it would take to exhaust the current reserves if future loss payments were to continue at historical levels. Using this measurement, our net three year asbestos survival ratio was 7.2 years at March 31, 2015. These metrics can be skewed by individual large settlements occurring in the prior three years and therefore, may not be indicative of the timing of future payments.

Shareholders' Equity. Our shareholders' equity increased to $7,666.6 million as of March 31, 2015 from $7,451.1 million as of December 31, 2014. This increase was the result of $323.0 million of net income attributable to Everest Re Group, $105.4 million of unrealized appreciation on investments, net of tax, share-based compensation transactions of $5.2 million and $1.6 million of net benefit plan obligation adjustments, partially offset by $102.3 million of net foreign currency translation adjustments, repurchases of 0.4 million common shares for $75.0 million and $42.3 million of shareholder dividends.

LIQUIDITY AND CAPITAL RESOURCES

Capital. Shareholders' equity at March 31, 2015 and December 31, 2014 was $7,666.6 million and $7,451.1 million, respectively. Management's objective in managing capital is to ensure its overall capital level, as well as the capital levels of its operating subsidiaries, exceed the amounts required by regulators, the amount needed to support our current financial strength ratings from rating agencies and our own economic capital models. The Company's capital has historically exceeded these benchmark levels.

Our two main operating companies Bermuda Re and Everest Re are regulated by the Bermuda Monetary Authority ("BMA") and the State of Delaware, Department of Insurance, respectively. Both regulatory bodies have their own capital adequacy models based on statutory capital as opposed to GAAP basis equity. Failure to meet the required statutory capital levels could result in various regulatory restrictions, including business activity and the payment of dividends to their parent companies.

The regulatory targeted capital and the actual statutory capital for Bermuda Re and Everest Re were as follows:

	Bermuda Re (1)		Everest Re (2)	
	At December 31,		At December 31,	
(Dollars in millions)	2014	2013	2014	2013
Regulatory targeted capital	$ 2,050.0	$ 2,154.6	$ 1,209.6	$ 1,094.6
Actual capital	$ 2,748.0	$ 2,712.2	$ 2,893.0	$ 2,814.3

(1) Regulatory targeted capital represents the target capital level from the applicable year's BSCR calculation.
(2) Regulatory targeted capital represents 200% of the RBC authorized control level calculation for the applicable year.

Our financial strength ratings as determined by A.M. Best, Standard & Poor's and Moody's are important as they provide our customers and investors with an independent assessment of our financial strength using a rating scale that provides for relative comparisons. We continue to possess significant financial flexibility and access to debt and equity markets as a result of our financial strength, as evidenced by the financial strength ratings as assigned by independent rating agencies.

We maintain our own economic capital models to monitor and project our overall capital, as well as, the capital at our operating subsidiaries. A key input to the economic models is projected income and this input is continually compared to actual results, which may require a change in the capital strategy. For example, if catastrophe losses are higher than expected, we may scale back our share buybacks to offset the impact on capital from the reduced income.

During 2014, the Company issued $400.0 million of senior notes at an attractive interest rate during this low interest rate environment and used $250.0 million of the proceeds for maturing senior notes. The balance of the proceeds will be used for other operating purposes. The senior notes qualify as capital for the rating agency models.

During 2014 and the first quarter of 2015, we repurchased 3.7 million shares for $575.0 million in the open market and paid $188.2 million in dividends to adjust our capital position and enhance long term expected returns to our shareholders. On November 19, 2014, our existing Board authorization to purchase up to 25 million of our shares was amended to authorize the purchase of up to 30 million shares. As of March 31, 2015, we had repurchased 24.1 million shares under this authorization.

On July 9, 2014, we renewed our shelf registration statement on Form S-3ASR with the Securities and Exchange Commission ("SEC"), as a Well Known Seasoned Issuer. This shelf registration statement can be used by Group to register common shares, preferred shares, debt securities, warrants, share purchase contracts and share purchase units; by Holdings to register debt securities and by Everest Re Capital Trust III ("Capital Trust III") to register trust preferred securities.

Liquidity. Our liquidity requirements are generally met from positive cash flow from operations. Positive cash flow results from reinsurance and insurance premiums being collected prior to disbursements for claims, which disbursements generally take place over an extended period after the collection of premiums, sometimes a period of many years. Collected premiums are generally invested, prior to their use in such disbursements, and investment income provides additional funding for loss payments. Our net cash flows from operating activities were $455.1 million and $367.1 million for the three months ended March 31, 2015 and 2014, respectively. Additionally, these cash flows reflected net tax payments of $24.3 million and $16.3 million for the three months ended March 31, 2015 and 2014, respectively, and net catastrophe loss payments of $40.3 million and $105.2 million for the three months ended March 31, 2015 and 2014, respectively.

If disbursements for claims and benefits, policy acquisition costs and other operating expenses were to exceed premium inflows, cash flow from reinsurance and insurance operations would be negative. The effect on cash flow from insurance operations would be partially offset by cash flow from investment income. Additionally, cash inflows from investment maturities and dispositions, both short-term investments and longer term maturities are available to supplement other operating cash flows.

As the timing of payments for claims and benefits cannot be predicted with certainty, we maintain portfolios of long term invested assets with varying maturities, along with short-term investments that provide additional liquidity for payment of claims. At March 31, 2015 and December 31, 2014, we held cash and short-term investments of $2,105.3 million and $2,143.4 million, respectively. All of our short-term investments are readily marketable and can be converted to cash. In addition to these cash and short-term investments, at March 31, 2015, we had $1,098.0 million of available for sale fixed maturity securities maturing within one year or less, $6,042.8 million maturing within one to five years and $3,330.7 million maturing after five years. Our $1,646.2 million of equity securities are comprised primarily of publicly traded securities that can be easily liquidated. We believe that these fixed maturity and equity securities, in conjunction with the short-term investments and positive cash flow from operations, provide ample sources of liquidity for the expected payment of losses in the near future. We do not anticipate selling securities or using available credit facilities to pay losses and LAE but have the ability to do so. Sales of securities might result in realized capital gains or losses. At March 31, 2015 we had $396.3 million of net pre-tax unrealized appreciation, comprised of $560.5 million of pre-tax unrealized appreciation and $164.2 million of pre-tax unrealized depreciation.

Management expects annual positive cash flow from operations, which in general reflects the strength of overall pricing, to persist over the near term, absent any unusual catastrophe activity. In the intermediate and long term, our cash flow from operations will be impacted to the extent by which competitive pressures affect overall pricing in our markets and by which our premium receipts are impacted from our strategy of emphasizing underwriting profitability over premium volume.

In addition to our cash flows from operations and liquid investments, we also have a credit facility that provides up to $200.0 million of unsecured revolving credit for liquidity but more importantly provides for up to $600.0 million of collateralized standby letters of credit to support business written by our Bermuda operating subsidiaries.

Effective June 22, 2012, Group, Bermuda Re and Everest International entered into a four year, $800.0 million senior credit facility with a syndicate of lenders, which amended and restated in its entirety the July 27, 2007, five year, $850.0 million senior credit facility. Both the June 22, 2012 and July 27, 2007 senior credit facilities, which have similar terms, are referred to as the “Group Credit Facility”. Wells Fargo Corporation (“Wells Fargo Bank”) is the administrative agent for the Group Credit Facility, which consists of two tranches. Tranche one provides up to $200.0 million of unsecured revolving credit for liquidity and general corporate purposes, and for the issuance of unsecured standby letters of credit. The interest on the revolving loans shall, at the Company’s option, be either (1) the Base Rate (as defined below) or (2) an adjusted London Interbank Offered Rate (“LIBOR”) plus a margin. The Base Rate is the higher of (a) the prime commercial lending rate established by Wells Fargo Bank, (b) the Federal Funds Rate plus 0.5% per annum or (c) the one month LIBOR Rate plus 1.0% per annum. The amount of margin and the fees payable for the Group Credit Facility depends on Group’s senior unsecured debt rating. Tranche two exclusively provides up to $600.0 million for the issuance of standby letters of credit on a collateralized basis.

The Group Credit Facility requires Group to maintain a debt to capital ratio of not greater than 0.35 to 1 and to maintain a minimum net worth. Minimum net worth is an amount equal to the sum of $4,250.0 million plus 25% of consolidated net income for each of Group’s fiscal quarters, for which statements are available ending on or after January 1, 2012 and for which consolidated net income is positive, plus 25% of any increase in consolidated net worth during such period attributable to the issuance of ordinary and preferred shares, which at March 31, 2015, was $5,197.8 million. As of March 31, 2015, the Company was in compliance with all Group Credit Facility covenants.

During 2014 and the first three months of 2015, the Company had no outstanding short-term borrowings from the Group Credit Facility revolving credit line. At March 31, 2015, the Group Credit Facility had no outstanding letters of credit under tranche one and $454.2 million outstanding letters of credit under tranche two. At December 31, 2014, the Group Credit Facility had no outstanding letters of credit under tranche one and $444.0 million outstanding letters of credit under tranche two.

Effective August 15, 2011, the Company entered into a three year three year, $150.0 million unsecured revolving credit facility, referred to as the “Holdings Credit Facility”, which expired on August 15, 2014. The

Company decided not to renew the Holdings Credit Facility at expiration. There were no short-term borrowings outstanding during 2014.

Costs incurred in connection with the Group Credit Facility and Holdings Credit Facility were $0.1 million and $0.2 million for the three months ended March 31, 2015 and 2014, respectively.

Market Sensitive Instruments.

The SEC's Financial Reporting Release #48 requires registrants to clarify and expand upon the existing financial statement disclosure requirements for derivative financial instruments, derivative commodity instruments and other financial instruments (collectively, "market sensitive instruments"). We do not generally enter into market sensitive instruments for trading purposes.

Our current investment strategy seeks to maximize after-tax income through a high quality, diversified, taxable and tax-preferenced fixed maturity portfolio, while maintaining an adequate level of liquidity. Our mix of taxable and tax-preferenced investments is adjusted periodically, consistent with our current and projected operating results, market conditions and our tax position. The fixed maturity securities in the investment portfolio are comprised of non-trading available for sale securities. Additionally, we have invested in equity securities.

The overall investment strategy considers the scope of present and anticipated Company operations. In particular, estimates of the financial impact resulting from non-investment asset and liability transactions, together with our capital structure and other factors, are used to develop a net liability analysis. This analysis includes estimated payout characteristics for which our investments provide liquidity. This analysis is considered in the development of specific investment strategies for asset allocation, duration and credit quality. The change in overall market sensitive risk exposure principally reflects the asset changes that took place during the period.

Interest Rate Risk. Our $17.8 billion investment portfolio, at March 31, 2015, is principally comprised of fixed maturity securities, which are generally subject to interest rate risk and some foreign currency exchange rate risk, and some equity securities, which are subject to price fluctuations and some foreign exchange rate risk. The overall economic impact of the foreign exchange risks on the investment portfolio is partially mitigated by changes in the dollar value of foreign currency denominated liabilities and their associated income statement impact.

Interest rate risk is the potential change in value of the fixed maturity securities portfolio, including short-term investments, from a change in market interest rates. In a declining interest rate environment, it includes prepayment risk on the $2,528.3 million of mortgage-backed securities in the $13,416.2 million fixed maturity portfolio. Prepayment risk results from potential accelerated principal payments that shorten the average life and thus the expected yield of the security.

The table below displays the potential impact of market value fluctuations and after-tax unrealized appreciation on our fixed maturity portfolio (including $1,706.7 million of short-term investments) for the period indicated based on upward and downward parallel and immediate 100 and 200 basis point shifts in interest rates. For legal entities with a U.S. dollar functional currency, this modeling was performed on each security individually. To generate appropriate price estimates on mortgage-backed securities, changes in prepayment expectations under different interest rate environments were taken into account. For legal entities with a non-U.S. dollar functional currency, the effective duration of the involved portfolio of securities was used as a proxy for the market value change under the various interest rate change scenarios.

	Impact of Interest Rate Shift in Basis Points At March 31, 2015				
	-200	-100	0	100	200
(Dollars in millions)					
Total Market/Fair Value	$ 15,896.4	$ 15,517.3	$ 15,122.9	$ 14,705.2	$ 14,274.4

Market/Fair Value Change from Base (%)	5.1 %	2.6 %	0.0 %	-2.8 %	-5.6 %
Change in Unrealized Appreciation					
After-tax from Base ($)	$655.2	$334.8	$-	$(356.0)	$(723.5)

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We had $9,634.0 million and $9,720.8 million of gross reserves for losses and LAE as of March 31, 2015 and December 31, 2014, respectively. These amounts are recorded at their nominal value, as opposed to present value, which would reflect a discount adjustment to reflect the time value of money. Since losses are paid out over a period of time, the present value of the reserves is less than the nominal value. As interest rates rise, the present value of the reserves decreases and, conversely, as interest rates decline, the present value increases. These movements are the opposite of the interest rate impacts on the fair value of investments. While the difference between present value and nominal value is not reflected in our financial statements, our financial results will include investment income over time from the investment portfolio until the claims are paid. Our loss and loss reserve obligations have an expected duration of approximately 3.9 years, which is reasonably consistent with our fixed income portfolio. If we were to discount our loss and LAE reserves, net of ceded reserves, the discount would be approximately $1.1 billion resulting in a discounted reserve balance of approximately $7.9 billion, representing approximately 52.4% of the value of the fixed maturity investment portfolio funds.

Equity Risk. Equity risk is the potential change in fair and/or market value of the common stock, preferred stock and mutual fund portfolios arising from changing prices. Our equity investments consist of a diversified portfolio of individual securities and mutual funds, which invest principally in high quality common and preferred stocks that are traded on the major exchanges, and mutual fund investments in emerging market debt. The primary objective of the equity portfolio is to obtain greater total return relative to our core bonds over time through market appreciation and income.

The table below displays the impact on fair/market value and after-tax change in fair/market value of a 10% and 20% change in equity prices up and down for the period indicated.

	Impact of Percentage Change in Equity Fair/Market Values At March 31, 2015				
(Dollars in millions)	-20%	-10%	0%	10%	20%
Fair/Market Value of the Equity Portfolio	$ 1,316.9	$ 1,481.6	$ 1,646.2	$ 1,810.8	$ 1,975.4
After-tax Change in Fair/Market Value	$ (226.8)	$ (113.4)	$ -	$ 113.4	$ 226.8

Foreign Currency Risk. Foreign currency risk is the potential change in value, income and cash flow arising from adverse changes in foreign currency exchange rates. Each of our non-U.S./Bermuda ("foreign") operations maintains capital in the currency of the country of its geographic location consistent with local regulatory guidelines. Each foreign operation may conduct business in its local currency, as well as the currency of other countries in which it operates. The primary foreign currency exposures for these foreign operations are the Canadian Dollar, the Singapore Dollar, the British Pound Sterling and the Euro. We mitigate foreign exchange exposure by generally matching the currency and duration of our assets to our corresponding operating liabilities. In accordance with FASB guidance, we translate the assets, liabilities and income of non-U.S. dollar functional currency legal entities to the U.S. dollar. This translation amount is reported as a component of other comprehensive income. As of March 31, 2015, there has been no material change in exposure to foreign exchange rates as compared to December 31, 2014.

Safe Harbor Disclosure.

This report contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as "may", "will", "should", "could", "anticipate", "estimate", "expect", "plan", "believe", "predict", "potential" and "intend". Fo statements contained in this report include information regarding our reserves for losses and LAE, the adequacy of capital in relation to regulatory required capital, the adequacy of our provision for uncollectible balances, estimates of our catastrophe exposure, the effects of catastrophic events on our financial statements, the ability of Everest Re, Holdings, Holdings Ireland and Bermuda Re to pay dividends and the settlement costs of our specialized equity index put option contracts. Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Actual events or results may differ materially from our expectations. Important factors that could cause our actual events or results to be materially different from our expectations include those discussed under the caption ITEM 1A, “Risk Factors” in the Company's most recent 10-K filing. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3.   QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Instruments. See "Liquidity and Capital Resources - Market Sensitive Instruments" in PART I – ITEM 2.

ITEM 4.   CONTROLS AND PROCEDURES

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based on their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission's rules and forms. Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of our internal control over financial reporting to determine whether any changes occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there has been no such change during the quarter covered by this report.

PART II

ITEM 1.   LEGAL PROCEEDINGS

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and loss adjustment expenses.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

ITEM 1A. RISK FACTORS

No material changes.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities.

	Issuer Purchases of Equity Securities				
	(a)	(b)		(c)	(d)
Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)		Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
January 1 - 31, 2015	213,754	$	168.6387	213,754	6,129,809
February 1 - 28, 2015	127,110	$	177.7273	81,725	6,048,084
March 1 - 31, 2015	144,193	$	175.6124	139,399	5,908,685
Total	485,057	$	-	434,878	5,908,685

(1) On September 21, 2004, the Company's board of directors approved an amended share repurchase program authorizing the Company and/or its subsidiary Holdings to purchase up to an aggregate of 5,000,000 of the Company's common shares through open market transactions, privately negotiated transactions or both. On July 21, 2008; February 24, 2010; February 22, 2012; May 15, 2013; and November 19, 2014, the Company's executive committee of the Board of Directors has approved subsequent amendments to the share repurchase program authorizing the Company and/or its subsidiary Holdings, to purchase up to a current aggregate of 30,000,000 of the Company's shares (recognizing that the number of shares authorized for repurchase has been reduced by those shares that have already been purchased) in open market transactions, privately negotiated transactions or both. Through May 1, 2015, the Company purchased an additional 79,600 shares for $14.3 million under the share repurchase program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Index:

Exhibit No.	Description
31.1	Section 302 Certification of Dominic J. Addesso
31.2	Section 302 Certification of Craig Howie
32.1	Section 906 Certification of Dominic J. Addesso and Craig Howie
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

Everest Re Group, Ltd.

Signatures

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

Everest Re Group, Ltd.
(Registrant)

/S/ CRAIG HOWIE
Craig Howie
Executive Vice President and
Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

Dated: May 11, 2015