



W. R. Berkley Corporation Estimates Second Quarter 2020 Net Catastrophe Losses

7/10/2020

GREENWICH, Conn.--(BUSINESS WIRE)-- **W. R. Berkley Corporation (NYSE: WRB)** today announced that it expects to report net catastrophe losses in the second quarter of 2020 of approximately \$145 million, before tax. The Company's loss estimate includes \$85 million for COVID-19 related losses, \$20 million for losses related to civil unrest and \$40 million primarily attributable to severe weather-related events in the U.S.

The estimated COVID-19 losses in the second quarter of 2020 follow an updated thorough review and analysis of existing and potential exposures in light of newly available information, and represents the Company's best estimate of its ultimate losses resulting directly from the pandemic and the consequent economic crisis. It comprises losses primarily from contingency and event cancellation policies, workers' compensation, professional liability and other liability-related products, as well as commercial property-related business interruption coverages. It also includes other potentially exposed lines of business as well as defense costs and other loss adjustment expenses. A substantial portion of the losses are classified as incurred but not reported (IBNR) reserves, in recognition of the high level of uncertainty in the estimates given the unprecedented nature of this event. Notwithstanding these events, the Company expects to report a modest underwriting profit for the quarter.

The Company also anticipates that net premiums written in the second quarter of 2020 will be comparable to the second quarter of 2019, despite the economic downturn. The industry's fundamental need for pricing to reflect rising loss costs drove the acceleration of rate increases through the first quarter of 2020. That momentum is continuing and is further reinforced by the magnitude of industry losses for recent events. The Company's average rate increases excluding workers' compensation in the second quarter of 2020 were approximately 13%.

As previously announced, the Company has scheduled its second quarter 2020 earnings release after the market close on Tuesday, July 21, 2020, with its quarterly conference call with analysts and investors to discuss its earnings and other information to follow at 5:00 p.m. eastern time. A copy of the earnings release will be available on the

Company's website at www.berkley.com. A live audio webcast of the conference call may be accessed via the Company's website at www.berkley.com.

Founded in 1967, W. R. Berkley Corporation is an insurance holding company that is among the largest commercial lines writers in the United States and operates worldwide in two segments of the property casualty insurance business: Insurance and Reinsurance & Monoline Excess.

This is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based upon the Company's historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. In particular, statements and estimates with respect to the catastrophe losses attributable to COVID-19 are preliminary and subject to revision as we obtain additional information. Any forward-looking information is subject to various risks and uncertainties, including but not limited to, the ongoing COVID-19 pandemic, including the related impact on the U.S. and global economies, product demand and pricing, claims development and the process of estimating reserves, the uncertain nature of damage theories and loss amounts, our ability to collect reinsurance recoverables owed to us, coverage and regulatory issues, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. These risks could cause our actual results to differ materially from those expressed in any forward-looking statement made by or on behalf of the Company. Forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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Source: W. R. Berkley Corporation