



First Quarter 2023 Results

May 11th, 2023



Cautionary Statement Regarding Forward Looking Statements

This report contains forward looking statements that are intended to enhance the reader's ability to assess the future financial and business performance of Liberty Mutual Holding Company Inc., the parent corporation of the Liberty Mutual Insurance group of entities (the "Company" or "LMHC"). Forward looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results or other developments, and contain words and phrases such as "may," "expects," "should," "believes," "anticipates," "estimates," "intends" or similar expressions. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond the Company's control or are subject to change, actual results could be materially different.

Some of the factors that could cause actual results to differ include, but are not limited to the following: the occurrence of catastrophic events (including terrorist acts, war, civil unrest, hurricanes, hail, tornados, tsunamis, earthquakes, floods, snowfall and winter conditions); inadequacy of loss reserves; adverse developments involving asbestos, environmental or toxic tort claims and litigation; adverse developments in the cost, availability or ability to collect reinsurance; disruptions to the Company's relationships with its independent agents and brokers; financial disruption or a prolonged economic downturn; prolonged epidemic or pandemic in countries in which we operate; the performance of the Company's investment portfolios; a rise in interest rates; risks inherent in the Company's alternative investments in private limited partnerships ("LP"), limited liability companies ("LLC"), commercial mortgages and direct investments in natural resources; difficulty in valuing certain of the Company's investments; subjectivity in the determination of the amount of impairments taken on the Company's investments; unfavorable outcomes from litigation and other legal proceedings, including the effects of emerging claim and coverage issues and investigations by state and federal authorities; the Company's exposure to credit risk in certain of its business operations; the Company's inability to obtain price increases or maintain market share due to competition or otherwise; inadequacy of the Company's pricing models; changes to insurance laws and regulations; changes in the amount of statutory capital that the Company must hold to maintain its financial strength and credit ratings; regulatory restrictions on the Company's ability to change its methods of marketing and underwriting in certain areas; assessments for guaranty funds and mandatory pooling arrangements; a downgrade in the Company's claims-paying and financial strength ratings; the ability of the Company's subsidiaries to pay dividends to the Company; inflation, including inflation in medical costs and automobile and home repair costs; the cyclicity of the property and casualty insurance industry; political, legal, operational and other risks faced by the Company's international business; potentially high severity losses involving the Company's surety products; loss or significant restriction on the Company's ability to use credit scoring in the pricing and underwriting of personal lines policies; inadequacy of the Company's controls to ensure compliance with legal and regulatory standards; changes in U.S. federal, foreign or state tax laws; risks arising out of the Company's securities lending program; the Company's utilization of information technology systems and its implementation of technology innovations; difficulties with technology or data security; insufficiency of the Company's business continuity plan in the event of a disaster; the Company's ability to successfully integrate operations, personnel and technology from its acquisitions; insufficiency of the Company's enterprise risk management models and modeling techniques; the Company's ability to identify and accurately assess complex and emerging risks, changing climate conditions; and disruptions to the banking system. The Company's forward-looking statements speak only as of the date of this report or as of the date they are made and should be regarded solely as the Company's current plans, estimates and beliefs. For a detailed discussion of these and other cautionary statements, visit the Company's Investor Relations website at www.libertymutualgroup.com/investors. The Company undertakes no obligation to update these forward-looking statements.



Description of Non-GAAP Financial Measures

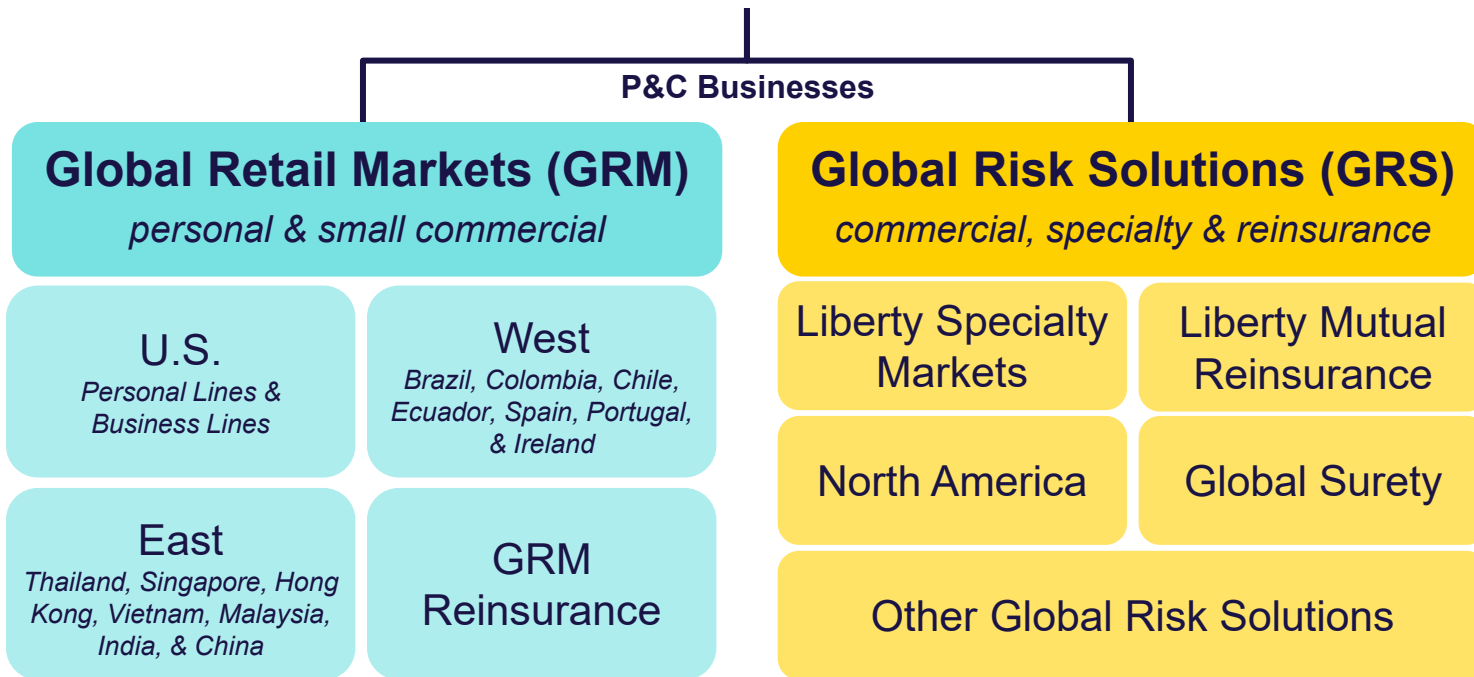
The Company has identified consolidated pre-tax operating income (“PTOI”), and PTOI before limited partnerships income as non-GAAP financial measures. PTOI is defined by the Company as pre-tax income excluding net realized gains (losses), unit linked life insurance, loss on extinguishment of debt, discontinued operations, integration, other acquisition and restructuring related costs and cumulative effects of changes in accounting principles. Underlying PTOI is defined as PTOI excluding the impact of catastrophes and prior accident year development. Catastrophes are defined as a natural catastrophe, civil unrest, terror event, or war exceeding \$25 million in estimated ultimate losses, net of reinsurance, and before taxes. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums. Net incurred losses attributable to prior years is defined as incurred losses attributable to prior years (including prior year losses related to catastrophes, prior year catastrophe reinstatement premium, and prior year commission expense) including earned premium attributable to prior years. PTOI before limited partnerships income is defined as PTOI excluding LP and LLC results recognized on the equity method and revenue and expenses from direct investments in natural resources. PTOI before limited partnerships income and PTOI are considered by the Company to be appropriate indicators of underwriting and operating results and are consistent with the way the Company internally evaluates performance. Net realized gains/(losses) and limited partnerships income results are significantly impacted by both discretionary and economic factors and are not necessarily indicative of operating results, and the timing and amount of integration, other acquisition and restructuring related costs and the extinguishment of debt are not connected to the management of the insurance and underwriting aspects of the Company’s business. Income taxes are impacted by permanent differences. References to Net Written Premium (“NWP”) represent the amount of premium recorded for policies issued during a fiscal period including audits, retrospectively rated premium related to loss sensitive policies, and assumed premium, less ceded premium. Assumed and ceded reinsurance premiums include premium adjustments for reinstatement of coverage when a loss has used some portion of the reinsurance provided, generally under catastrophe treaties (“reinstatement premium”), and changes in estimated premium. In addition, the majority of workers compensation premium is adjusted to the “booked as billed” method through the Corporate and Other segment. The Company believes that NWP is a performance measure useful to investors as it generally reflects current trends in the Company’s sale of its insurance products. The combined ratio is computed as the sum of the following property and casualty ratios: the ratio of claims and claim adjustment expense less managed care income to earned premium; the ratio of insurance operating costs plus amortization of deferred policy acquisition costs less third-party administration income and fee income (primarily related to the Company’s involuntary market servicing carrier operations) and installment charges to earned premium; and the ratio of policyholder dividends to earned premium. Provisions for uncollectible premium and reinsurance are not included in the combined ratio unless related to an asbestos and environmental commutation and certain other run off. Restructuring and acquisition and integration costs are not included in the combined ratio. The combined ratio, expressed as a percentage, is a measure of underwriting profitability. The underlying combined ratio is computed as the combined ratio excluding the impact of catastrophes and prior accident year development. This measure should only be used in conjunction with, and not in lieu of, underwriting income and may not be comparable to other performance measures used by the Company’s competitors.



Liberty Mutual Overview



Helping people embrace today and confidently pursue tomorrow



Key Highlights

- Mutual holding company structure
- \$160.3B of assets & \$50.0B of revenues in 2022
- The most diversified P&C insurer
- 78th among Fortune 500 companies¹
- 2nd in U.S. surety²
- 4th largest commercial lines writer in the U.S.²
- 5th largest P&C writer in the U.S.²
- 5th largest global P&C insurer³
- 6th largest personal lines writer in the U.S.²
- 8th largest surplus lines carrier in the U.S.²

¹ Based on 2021 revenue – as reported.

² Based on 2022 direct written premium (“DWP”).

³ Based on 2022 gross written premium (“GWP”), excludes state-owned companies.



Liberty Mutual's Global Presence

Liberty Mutual operates in 29 countries and economies around the world

Americas

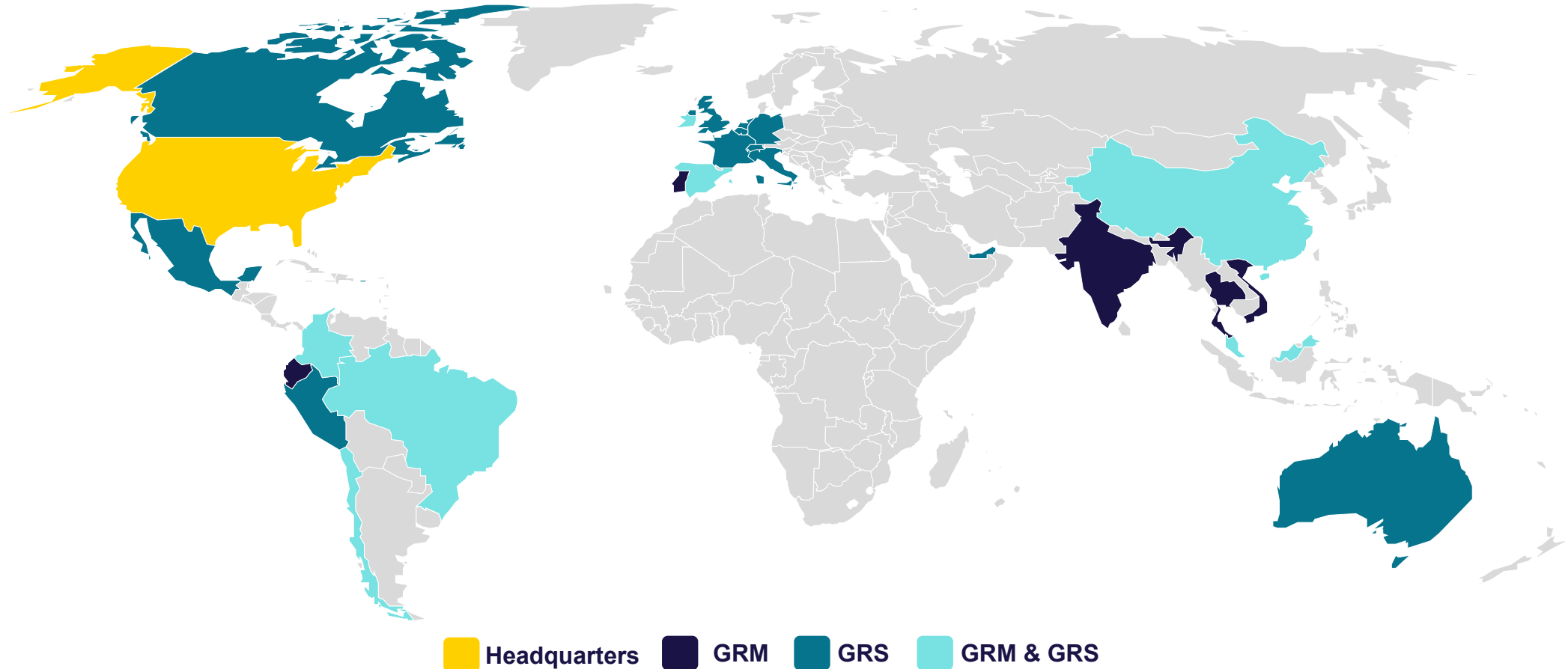
U.S. (HQ), Bermuda, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru

Europe

Belgium, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Switzerland, U.K.

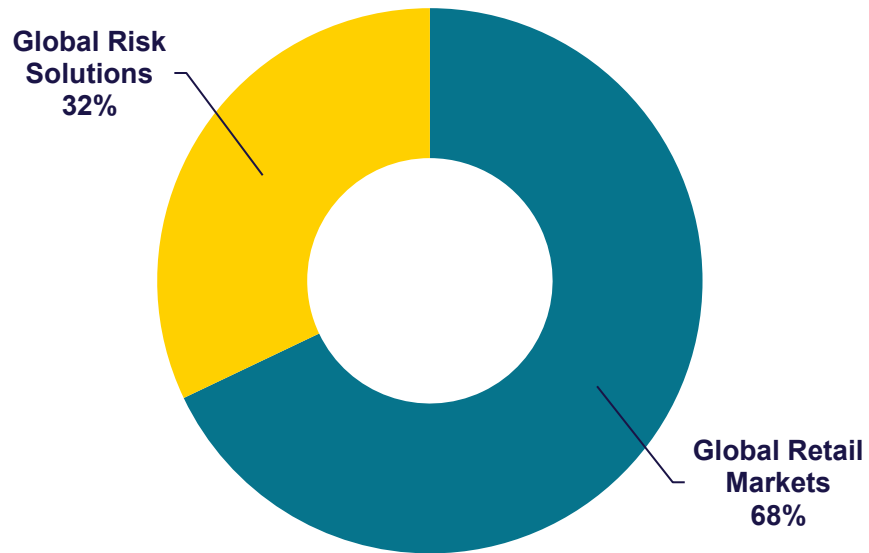
Asia Pacific

Australia, China, Hong Kong, India, Malaysia, Singapore, Thailand, UAE, Vietnam



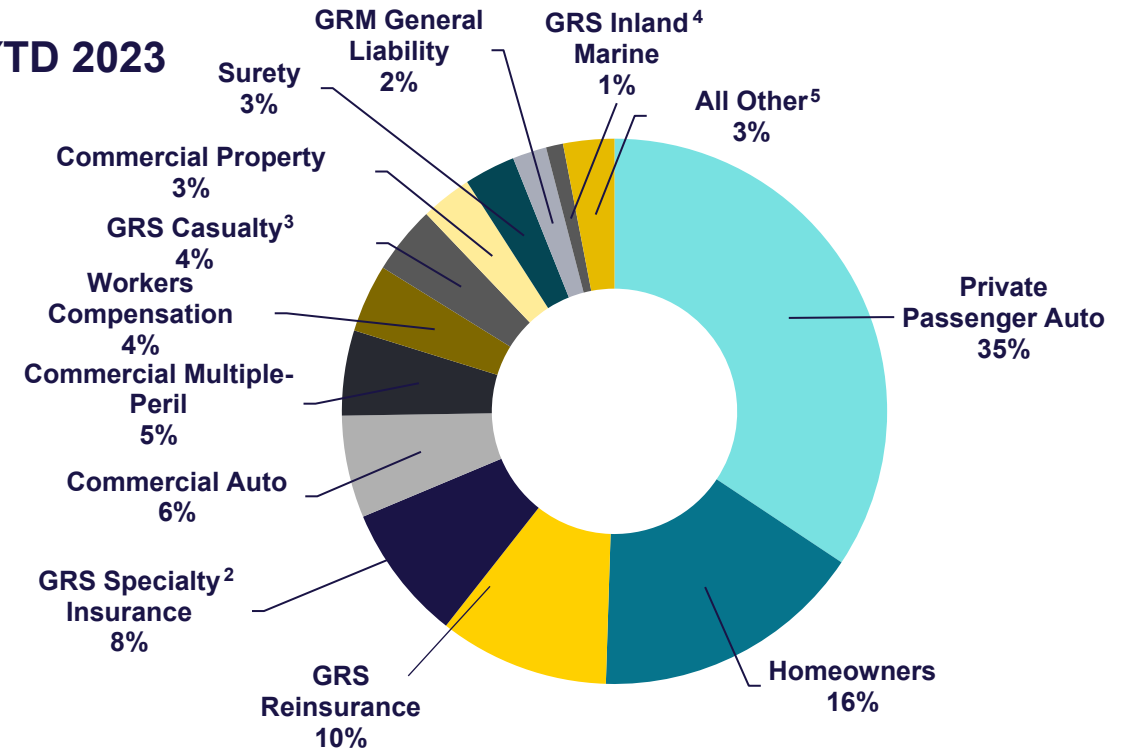
Analysis of Consolidated Net Written Premium (“NWP”)

NWP by Business¹



NWP by Line of Business

March YTD 2023



NWP year-to-date in 2023 totaled **\$11.9 billion**, an increase of **2.8%** over the same period in 2022 (or an increase of **3.8%**⁶ excluding FX)

¹ Excludes “Corporate and Other” of (\$8) million.

² Global Risk Solutions specialty insurance includes marine, energy, construction, aviation, warranty and indemnity, directors and officers, errors and omissions, trade credit, contingent lines and other.

³ Global Risk Solutions casualty primarily includes general liability, excess & umbrella and environmental lines of business.

⁴ Global Risk Solutions inland marine includes handset protection coverage for lost or damaged wireless devices.

⁵ Includes Corporate Reinsurance, GRS Other Reinsurance, and Other. Corporate Reinsurance is NWP associated with internal reinsurance assumed into Corporate, net of corporate external placements. Other primarily includes NWP from allied lines, domestic inland marine, internal reinsurance, and life and health reported within Global Retail Markets.

⁶ Determined by assuming constant foreign exchange rates between periods.



Consolidated Results

(\$ Millions)	First Quarter		
	2023	2022	Change
NWP	\$11,887	\$11,567	2.8%
Pre-tax operating income (“PTOI”) before limited partnerships income	\$61	\$399	(84.7)
Limited partnerships (loss) income ¹	(84)	365	NM
Net realized losses	(16)	(144)	(88.9)
Net (loss) income attributable to LMHC	(74)	498	NM
Net (loss) income attributable to LMHC excluding unrealized impact ²	(\$66)	\$459	NM
Cash flow provided by continuing operations	\$53	\$786	(93.3%)

(\$ Millions)	As of		
	March 31, 2023	December 31, 2022	Change
Total equity excl. accumulated other comprehensive loss	\$29,927	\$30,038	(0.4%)
Total equity	\$23,265	\$22,208	4.8%

¹ Limited partnerships income includes LP, LLC and other equity method income within net investment income in the accompanying Consolidated Statement of Operations and revenue and expenses from direct investments in natural resources.

² Excludes unrealized gains on equity securities, unit linked life insurance, and the corresponding tax impact.

Please refer to slide 3 for a description of all non-GAAP financial measures.

NM = Not Meaningful



Consolidated Results

	First Quarter		
	2023	2022	Change (Points)
Claims and claim adjustment expense ratio	64.9%	64.1%	0.8
Underwriting expense ratio	29.2	28.7	0.5
Underlying combined ratio	94.1	92.8	1.3
Catastrophes	8.6	6.0	2.6
Net incurred losses attributable to prior years:			
- Asbestos and environmental	-	-	-
- All other ¹	0.5	0.1	0.4
Total combined ratio	103.2%	98.9%	4.3

¹ Net of earned premium and reinstatement premium attributable to prior years. Please refer to slide 3 for a description of all non-GAAP financial measures.



Global Retail Markets

Segment Highlights

- Operates in 8 markets across 15 countries
- 6th largest writer of personal lines in the U.S.¹
- 2nd largest in independent agency personal and small commercial lines in the U.S.^{1,2}
- Leading multi-line writer focused on small commercial accounts

Financial Performance

(\$ Millions)	First Quarter		
	2023	2022	Change
NWP	\$8,080	\$7,690	5.1%
Underlying PTOI	\$616	\$607	1.5
Catastrophes	(892)	(361)	147.1
Net incurred losses attributable to prior years ³	26	3	NM
Pre-tax operating (loss) income	(\$250)	\$249	NM
	First Quarter		
	2023	2022	Change (Points)
Claims and claim adjustment expense ratio	66.6%	65.4%	1.2
Underwriting expense ratio	27.8	28.1	(0.3)
Underlying combined ratio	94.4	93.5	0.9
Catastrophes	10.7	4.8	5.9
Net incurred losses attributable to prior years ³	(0.3)	-	(0.3)
Total combined ratio	104.8%	98.3%	6.5

¹ Based on 2022 DWP.

² Includes State Auto full-year 2022 results.

³ Net of earned premium and reinstatement premium attributable to prior years of \$9 million for the first three months ended March 31, 2023.

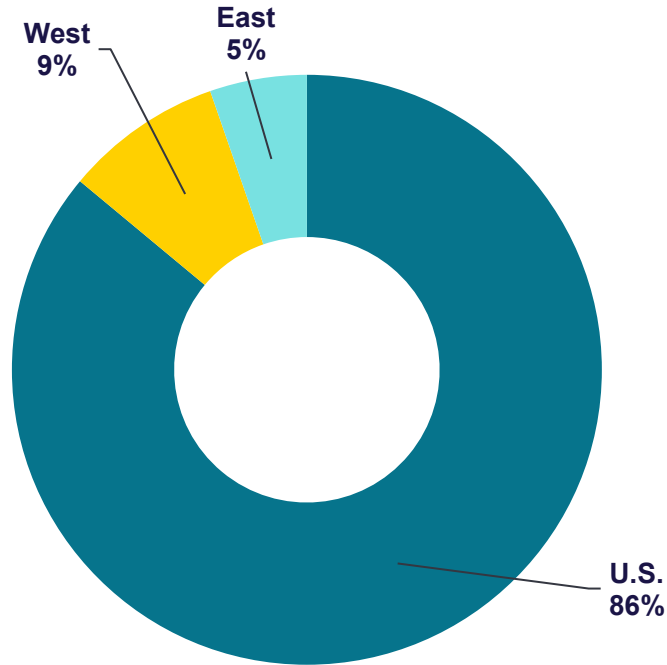
Please refer to slide 3 for a description of all non-GAAP financial measures.

NM = Not Meaningful



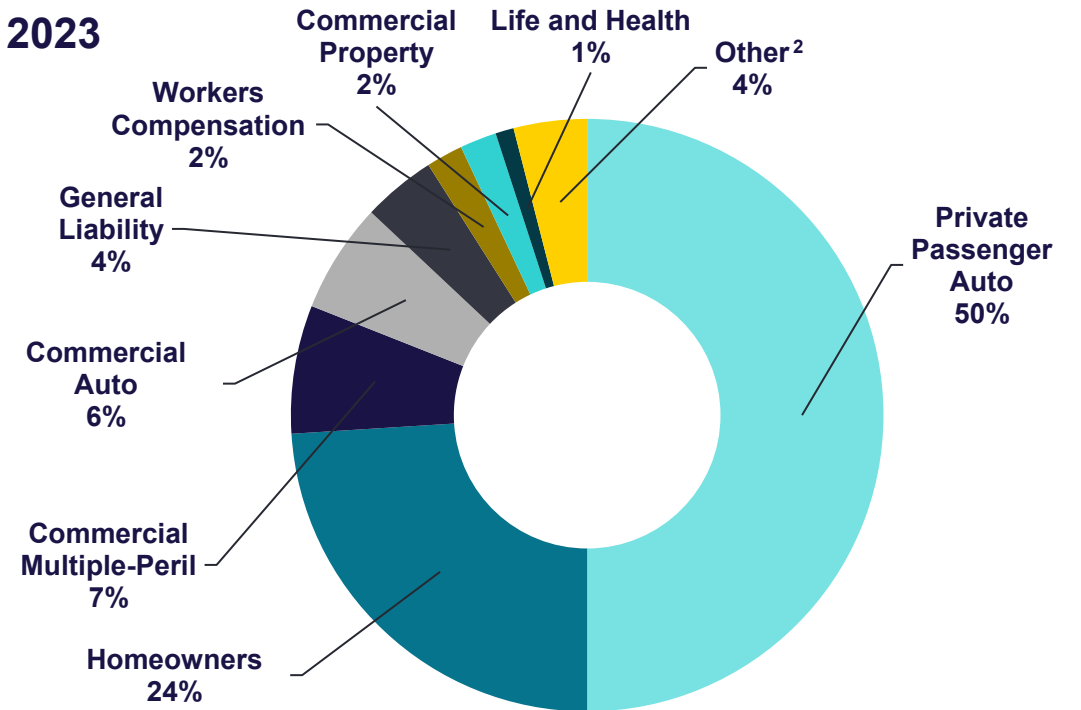
Global Retail Markets NWP Distribution

— NWP by Market Segment¹ —



— NWP by Line of Business —

March YTD 2023



NWP year-to-date in 2023 totaled **\$8.1** billion, an increase of **5.1%** over the same period in 2022 (or an increase of **5.7%**³ excluding FX)

¹ Excludes "GRM Reinsurance" of \$9 million.

² Premium related to other personal and commercial lines including personal accident, bonds, small and medium enterprise, marine and cargo lines of business, and internal reinsurance.

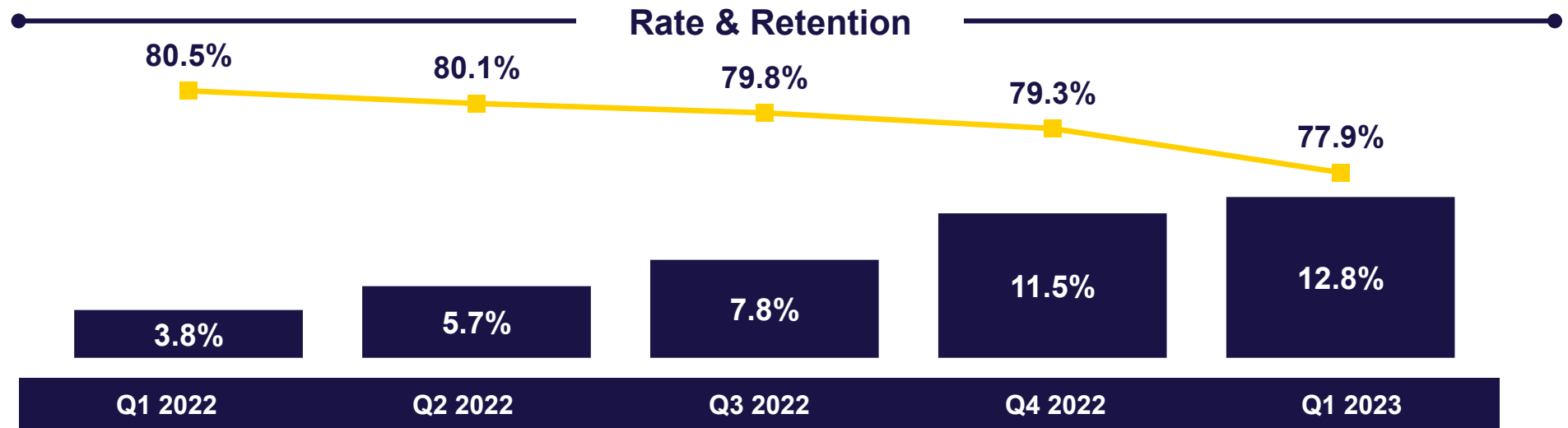
³ Determined by assuming constant foreign exchange rates between periods.



U.S. Personal Lines: Renewal Rate, Retention, & PIF

Rate
 Retention

- **PIF:** policies in-force. Retention and Rate are calculated as the percent of policies in-force renewed on a rolling 12-month basis.
- Property Renewal Rate does not include impact of inflation protection mechanisms.



Private Passenger Auto

Renewal Rate	4.0%	6.4%	8.6%	12.6%	14.4%
Retention	78.5%	78.2%	77.6%	77.0%	75.0%
PIF Growth	4.7%	3.9%	1.3%	(1.5%)	(6.9%)

Property

Renewal Rate	3.4%	4.8%	7.2%	11.1%	11.9%
Retention	81.1%	80.6%	80.4%	79.8%	78.7%
PIF Growth	6.2%	5.8%	4.5%	2.4%	(0.5%)

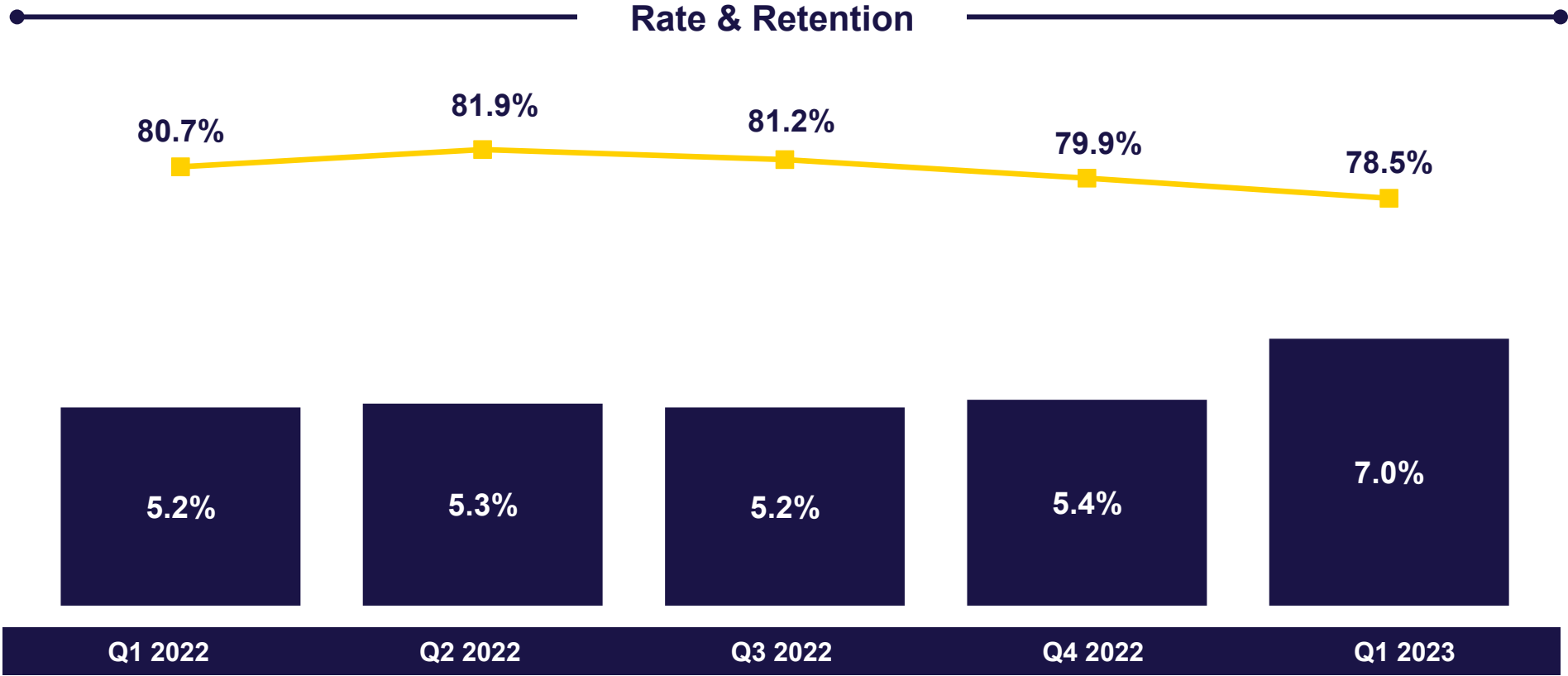
Q1 2023 results include the impact of State Auto business using weighted PIF counts; 2022 results are not restated to include the impact of the State Auto business.



U.S. Business Lines: Rate & Retention

Rate
 Retention

- Retention (QTR):** is calculated as the percent of expiring premium retained on a month-to-month basis. Rate is calculated on a rolling 12-month basis.



U.S. Business Lines

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Renewal Rate	5.2%	5.3%	5.2%	5.4%	7.0%
Retention	80.7%	81.9%	81.2%	79.9%	78.5%

Q1 2023 results include the impact of State Auto business using weighted PIF counts; 2022 results are not restated to include the impact of the State Auto business.



Global Risk Solutions

Segment Highlights

- Offers a wide array of property, casualty, specialty and reinsurance products and services distributed through brokers and independent agents globally
- 1st in U.S. Inland Marine¹
- 2nd in U.S. Surety¹
- 4th largest U.S. commercial and specialty lines carrier^{1,2}
- 8th largest U.S. Excess & Surplus lines carrier¹

¹ Based on 2022 DWP.

² Includes small commercial premium reported within Global Retail Markets.

³ Net of earned premium and reinstatement premium attributable to prior years of (\$3) million for the three months ended March 31, 2023, and \$8 million for the same period in 2022.

Please refer to slide 3 for a description of all non-GAAP financial measures.

NM = Not Meaningful

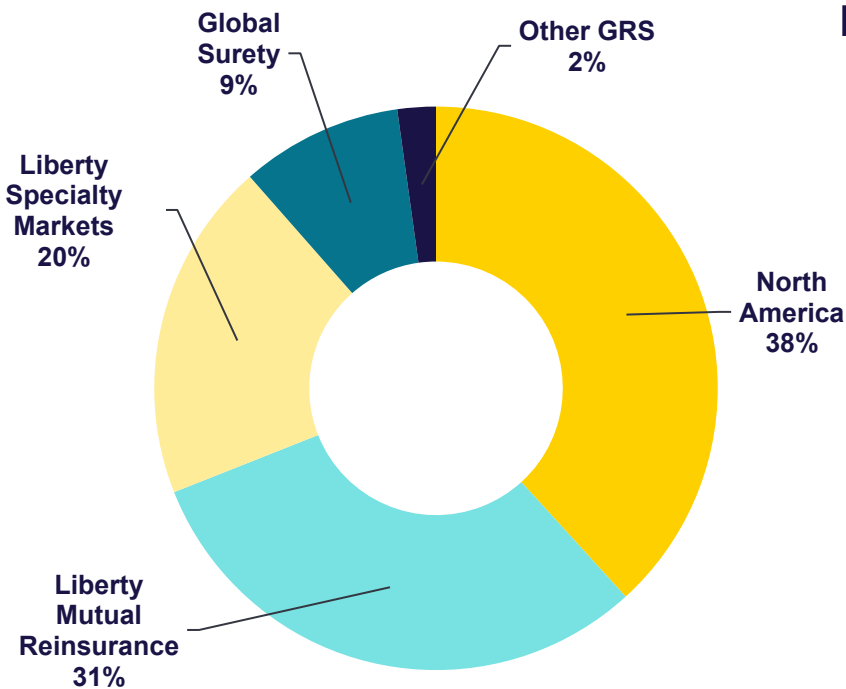
Financial Performance

(\$ Millions)	First Quarter		
	2023	2022	Change
NWP	\$3,815	\$3,954	(3.5%)
Underlying PTOI	\$518	\$551	(6.0)
Catastrophes	(149)	(302)	(50.7)
Net incurred losses attributable to prior years ³	(85)	(27)	NM
Pre-tax operating income	\$284	\$222	27.9%
	First Quarter		
	2023	2022	Change (Points)
Claims and claim adjustment expense ratio	60.6%	60.8%	(0.2)
Underwriting expense ratio	30.3	29.4	0.9
Dividend ratio	0.1	0.1	-
Underlying combined ratio	91.0	90.3	0.7
Catastrophes	4.2	8.7	(4.5)
Net incurred losses attributable to prior years ³	2.3	0.7	1.6
Total combined ratio	97.5%	99.7%	(2.2)



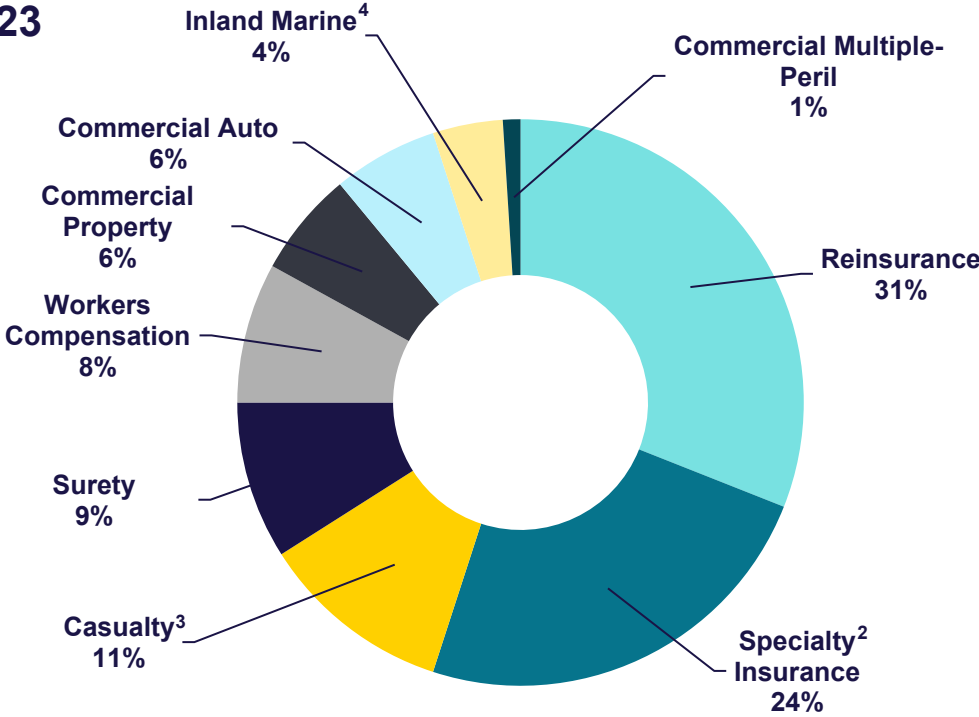
Global Risk Solutions NWP Distribution

— NWP by Market Segment —



March YTD 2023

— NWP by Line of Business¹ —



NWP year-to-date in 2023 totaled **\$3.8 billion**, a decrease of **3.5%** over the same period in 2022 (or a decrease of **1.9%**⁵ excluding FX)

¹ Excludes "Other Reinsurance" of (\$63) million.
² Includes marine, energy, construction, aviation, warranty and indemnity, directors and officers, errors and omissions, trade credit, contingent lines and other.
³ Primarily includes general liability, excess & umbrella and environmental lines of business.
⁴ Includes handset protection coverage for lost or damaged wireless devices.
⁵ Determined by assuming constant foreign exchange rates between periods.

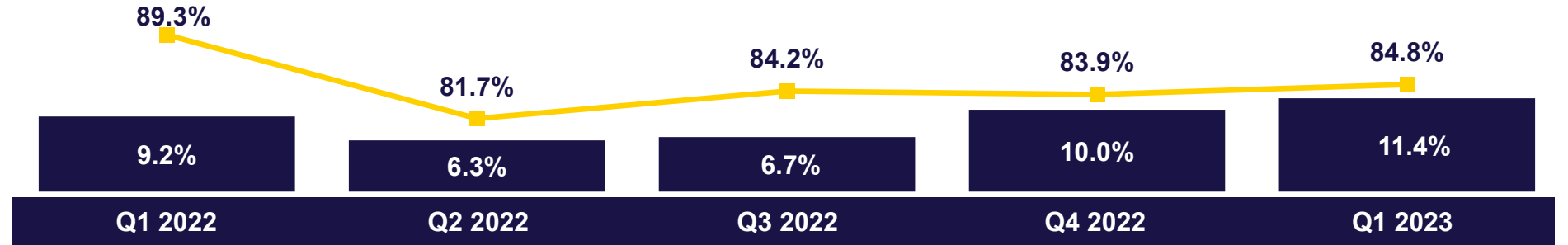


Global Risk Solutions: Rate & Retention

Rate & Retention

■ Rate ■ Retention

- Rate change and retention reported on a one-month lag for LSM and LMRe.
- Commercial Auto rate change and retention excludes Sharing Economy business.
- Prior periods' results have been restated and fully developed as of the current quarter.



Reinsurance

Renewal Rate	7.0%	6.6%	7.5%	7.3%	15.0%
Retention	90.0%	78.2%	85.4%	92.1%	85.9%

Specialty

Renewal Rate	11.5%	6.1%	5.2%	1.6%	2.5%
Retention	88.9%	77.5%	82.3%	83.2%	84.6%

Casualty

Renewal Rate	7.5%	6.2%	9.0%	6.5%	7.0%
Retention	85.8%	83.8%	83.8%	80.9%	79.1%

Workers' Compensation

Renewal Rate	0.7%	0.1%	1.8%	1.8%	2.1%
Retention	93.1%	87.2%	85.8%	86.8%	87.2%

Commercial Property

Renewal Rate	7.1%	9.4%	8.2%	12.5%	16.9%
Retention	85.9%	85.8%	85.9%	78.8%	79.8%

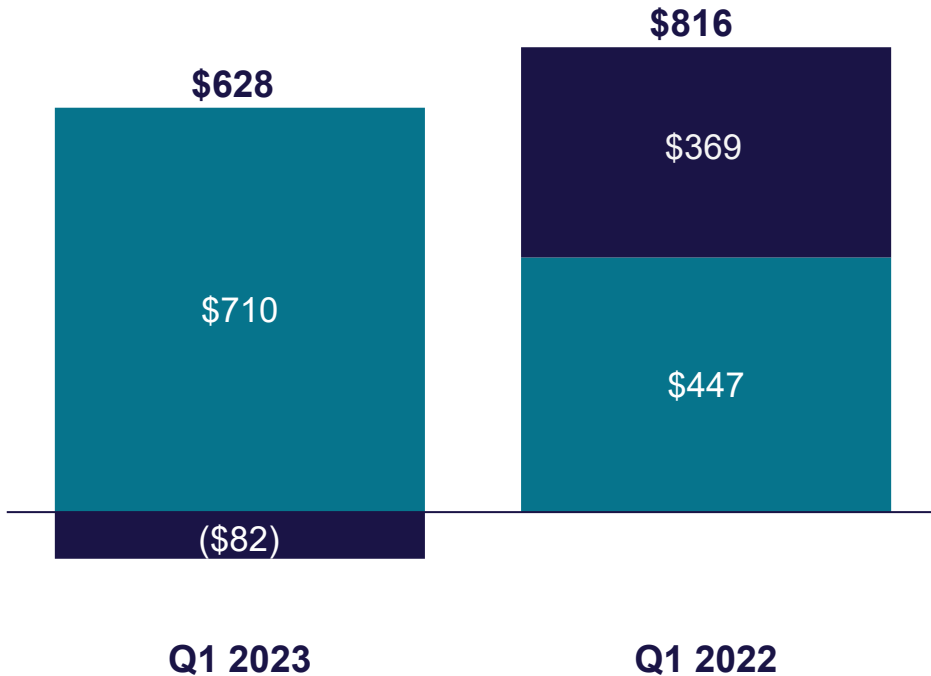
Commercial Auto

Renewal Rate	5.1%	7.4%	9.4%	11.2%	10.4%
Retention	89.5%	89.0%	81.9%	84.2%	81.6%



Investments

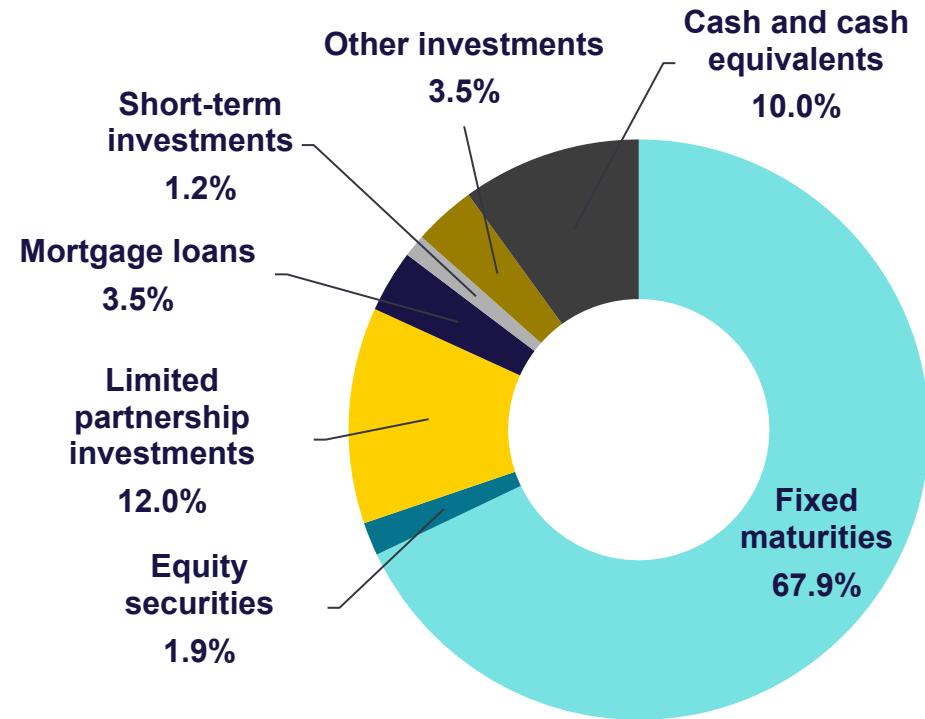
— Net Investment Income —
(\$ Millions)



■ Limited partnerships income^{1,2}

■ Net investment income excluding limited partnerships income

— Invested Assets by Type —



**Total invested assets as of
March 31, 2023: \$102.6 billion**

¹ Limited partnerships income includes LP, LLC and other equity method income within net investment income in the accompanying Consolidated Statement of Operations and revenue and expenses from direct investments in natural resources.

² Limited partnerships income including direct investments in natural resources was (\$84) million for the months ended March 31, 2023, and \$365 million for the same period in 2022.



Capitalization

(\$ Millions)	As of March 31, 2023	As of December 31, 2022
Total long-term debt	\$9,559	\$10,053
Unamortized discount and debt issuance costs	(498)	(503)
Total long-term debt excluding unamortized discount and debt issuance costs	\$10,057	\$10,556
Total equity excluding accumulated other comprehensive loss	\$29,927	\$30,038
Total capital excluding accumulated other comprehensive loss ¹	\$39,984	\$40,594
<i>Debt-to-capital capitalization excluding accumulated other comprehensive loss¹</i>	25.2%	26.0%
Statutory surplus	\$26,884	\$26,739

¹ Excludes unamortized discount and debt issuance costs.



Holding Company Interest Coverage

(\$ Millions)	2023
Dividend capacity ¹	\$2,203
Estimated PTI from LMG service companies/fees	<u>\$650</u>
Total available funding	\$2,853
Estimated interest expense ²	\$442
Holding company interest coverage	6.5x

¹ Represents the estimated maximum allowable dividend without prior regulatory approval in the state of domicile including approximately \$80 million of annual dividends related to non-redeemable perpetual preferred stock issuances by LMIC and LMFIC. Available dividend capacity as of March 31, 2023 is calculated as 2023 dividend capacity less dividends paid for the preceding 12 months. Dividends paid April 1, 2022 through March 31, 2023 for LMIC, LMFIC, EICOW and SAM were \$65 million, \$385 million, \$330 million and zero respectively.

² Represents the Company's interest obligations for debt issued by its non-insurance company subsidiaries, excluding the amortization of discount and debt issuance costs.



Changes in Statutory Surplus

(\$ Millions)	March YTD 2023
Balance at beginning of the year	\$26,739
Statutory net income	164
Non-affiliated unrealized gains	42
Changes in non-admitted assets	(68)
Affiliated unrealized losses	(37)
Net capital change	(20)
Other changes in statutory surplus	64
Balance at end of the period	\$26,884



About Liberty Mutual Insurance

Boston-based LMHC, the parent corporation of the Liberty Mutual Insurance group of entities, is a diversified global insurer and fifth largest global property and casualty insurer based on 2022 gross written premium. The Company also ranks 78th on the Fortune 100 list of largest corporations in the U.S. based on 2021 revenue. As of December 31, 2022, LMHC had \$160.316 billion in consolidated assets, \$138.108 billion in consolidated liabilities, and \$50.0 billion in annual consolidated revenue.

LMHC, through its subsidiaries and affiliated companies, offers a wide range of property and casualty insurance products and services to individuals and businesses alike. In 2001 and 2002, the Company formed a mutual holding company structure, whereby the three principal mutual insurance companies, LMIC, LMFIC and EICOW, each became separate stock insurance companies under the ownership of LMHC. In 2022, SAM, formerly a mutual insurance company, also became a stock insurance company under the ownership of LMHC.

Functionally, the Company conducts substantially all of its insurance business through two business units, with each operating independently of the other in certain areas such as sales, underwriting, and claims, but, as appropriate, collaborating in other areas such as actuarial and financial. Management believes this structure provides increased synergy to the Company and permits each business unit to execute its business strategy and/or to make acquisitions without impacting or disrupting the operations of the other business unit.

LMHC employs over 50,000 people in 29 countries and economies around the world. For a full description of the Company's business operations, products and distribution channels, please visit Liberty Mutual's Investor Relations website at www.libertymutualgroup.com/investors.



Additional Notes

The Company's financial results, management's discussion and analysis of operating results and financial condition, accompanying financial statements and other supplemental financial information for the three months ended March 31, 2023 are available on the Company's Investor Relations website at <http://www.libertymutualgroup.com/investors>.

The Company's discussions related to net income are presented in conformity with U.S. generally accepted accounting principles ("GAAP") on an after-tax basis. All other discussions are presented on a pre-tax GAAP basis, unless otherwise noted. Further, the Company notes that it may make material information regarding the Company available to the public, from time to time, via the Company's Investor Relations website at <http://www.libertymutualgroup.com/investors> (or any successor site).

The Company's annual audited financial statements and the Report of Independent Registered Public Accounting Firm on the Effectiveness of Internal Control Over Financial Reporting will be published on the Company's Investor Relations website shortly at <http://www.libertymutualgroup.com/investors>.





Liberty Mutual[®]

INSURANCE