

The background of the slide is a photograph of the Liberty Mutual Insurance Company building. The building is a multi-story structure with a light-colored stone or concrete facade. Large, gold-colored letters spell out "LIBERTY INSURANCE" and "MUTUAL COMPANY" across the upper part of the facade. To the left, an American flag is flying on a tall pole. The sky is not visible, suggesting the building is the primary focus.

# **Investor Presentation**

June 2025

# Today's Agenda

Introduction & Welcome

**Robert Pietsch**

*Executive Director, Investor Relations & Capital Markets*

Liberty Mutual Overview

**Tim Sweeney**

*Chairman & Chief Executive Officer*

US Retail Markets (USRM)

**Hamid Mirza**

*President, US Retail Markets*

Global Risk Solutions (GRS)

**Neeti Bhalla Johnson**

*President, Global Risk Solutions*

Liberty Mutual Investments (LMI)

**Vlad Barbalat**

*President & Chief Investment Officer, Liberty Mutual Investments*

Financial Update

**Julie Haase**

*Chief Financial Officer*

Q&A





# Disclaimers

## FORWARD LOOKING STATEMENTS REMINDER

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# Liberty Mutual Overview

**Tim Sweeney**, Chairman & Chief Executive Officer



# Liberty Mutual exists to help people embrace today and confidently pursue tomorrow

## Our Business

<b>US Retail Markets (USRM)</b> \$28.3B 2024 NWP <i>USRM President: Hamid Mirza</i>		<b>Global Risk Solutions (GRS)<sup>1</sup></b> \$16.4B 2024 NWP <i>GRS President: Neeti Bhalla Johnson</i>	
Personal Lines	Small Commercial	North America	Liberty International Insurance
		Liberty Mutual Reinsurance	Global Surety
<b>Liberty Mutual Investments (LMI)</b> \$110.5B invested assets as of 12/31/2024 <i>LMI President &amp; Chief Investment Officer: Vlad Barbalat</i>			

## Key Highlights

- Founded in 1912
- Headquartered in Boston, MA
- Mutual holding company structure
- One of the most diversified P&C insurers
- 40,000+ employees worldwide
- 91<sup>st</sup> among Fortune 500 companies<sup>2</sup>
- 1<sup>st</sup> in US surety<sup>3</sup>
- 4<sup>th</sup> largest commercial lines writer in the US<sup>3</sup>
- 6<sup>th</sup> largest P&C writer in the US<sup>3</sup>
- 9<sup>th</sup> largest global P&C insurer<sup>4</sup> with operations in 28 countries and economies

<sup>1</sup> Not shown in the GRS segments is “Other GRS” which primarily consists of internal reinsurance programs, certain run off business activity, and a large global inland marine program. <sup>2</sup> Based on 2024 revenue – as reported. <sup>3</sup> Based on 2024 direct written premium (“DWP”). <sup>4</sup> Based on 2024 gross written premium (“GWP”), excludes state-owned companies.



To fulfill our purpose, we aspire to win with purpose, together, guided by our commitment to integrity, profit and growth

## Our Purpose

**We exist to help  
people embrace  
today and  
confidently pursue  
tomorrow**

## Our Commitment

**Integrity,  
profit,  
growth**

## Our Aspiration

**Win With  
Purpose,  
Together**



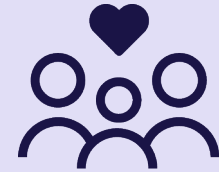
# Our near-term priorities guide us towards our long-term outcomes of success



**Maintain sustained  
top-quartile  
profitable growth**



**Be a best place to  
work**

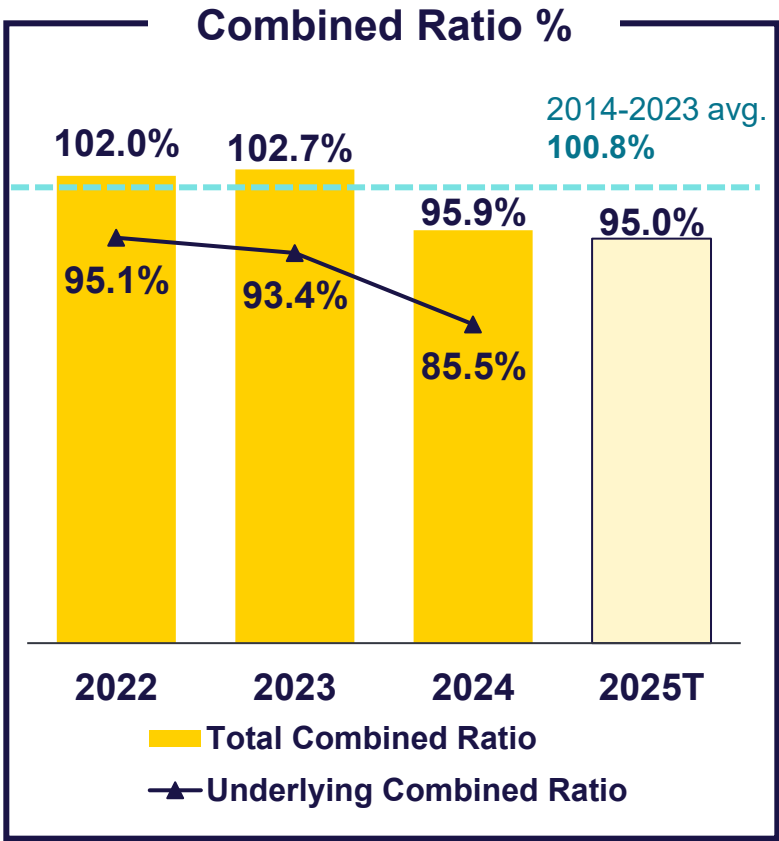


**Be the most trusted  
global insurance  
brand**

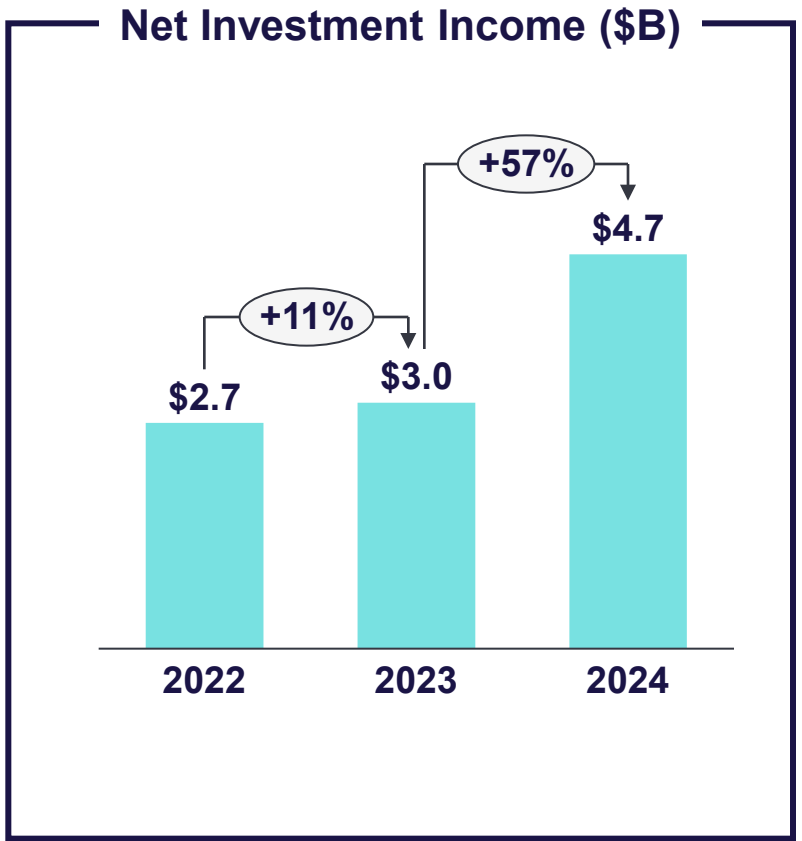


# We've made strong progress in recent years and are on the cusp of achieving our financial targets

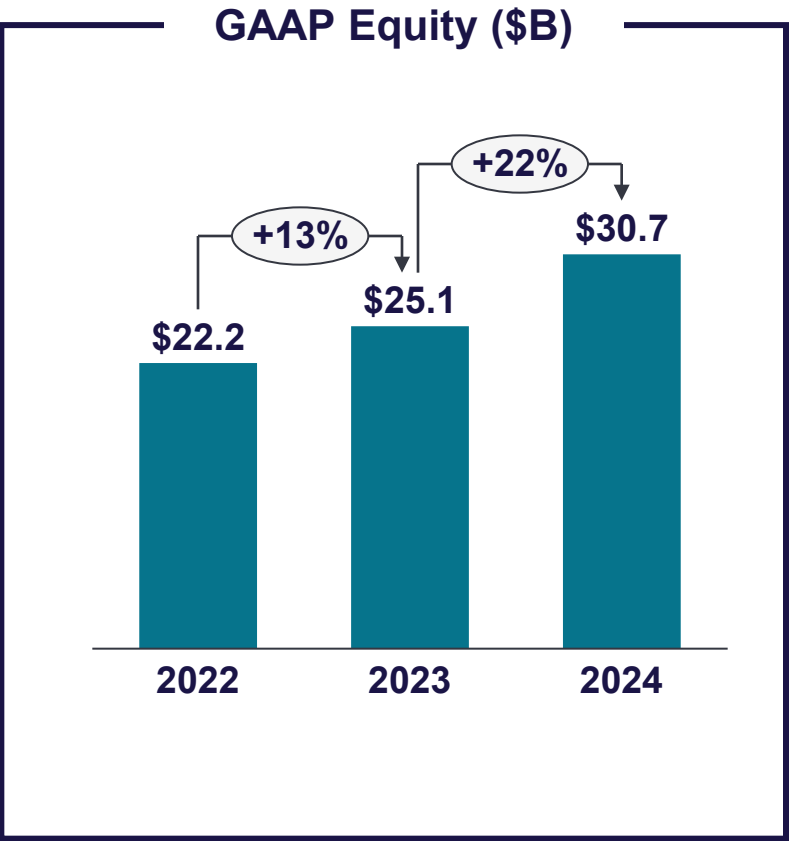
## Strong Underwriting Results



## Investment Returns



## Balance Sheet Strength





# We are well-positioned to pivot to profitable growth in the right places



**All three businesses exceeded their 2024 profit goals** despite elevated catastrophes



**We entered 2025 with the strongest balance sheet** in our 112-year history



**We expect to achieve our 95% combined ratio target** in 2025 after achieving 95.9% in 2024, our lowest in 20 years



# I have great confidence in our Executive Leadership Team and the new appointments we've made in the last two years



**Tim Sweeney**  
Chairman &  
Chief Executive Officer



**Hamid Mirza**  
President,  
US Retail Markets



**Neeti Bhalla Johnson**  
President,  
Global Risk Solutions



**Vlad Barbalat**  
Chief Investment Officer



**Julie Haase**  
Chief Financial Officer



**Jim MacPhee**  
Chief Operating Officer



**Ann Stanberry**  
Chief Strategy Officer



**Melanie Foley**  
Chief People, Purpose &  
Brand Officer



**Damon Hart**  
Chief Legal Officer &  
Secretary



**Monica Caldas**  
Chief Information  
Officer



# As we look to the future, we will leverage our unique advantage to maximize value creation for our policyholders

We are **uniquely positioned to win** through the intersection of four key areas...

**Profitably growing, diversified & resilient insurance businesses**

**Best-in-class investments business**

**Mutuality as a structural advantage**

**A strong global brand and compelling purpose, values, and culture**

...which enables us to invest in capabilities that **maximize value** for our policyholders



## US Retail Markets

- Pricing delivery system
- Granular underwriting models
- Agent enhancements (e.g. OneBrand)



## Global Risk Solutions

- Deep expertise and specialization
- Vertical integration
- Global client connectivity
- Risk aware with disciplined responsiveness



**Liberty-wide:** Data, Technology modernization, Gen AI, U/W capabilities & tools



# We are well-positioned to capitalize on market opportunities and address headwinds arising from key market trends



Increasing **(geo)political**  
and **regulatory**  
**uncertainty / constraints**



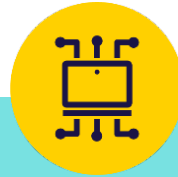
Changing and elevated  
**catastrophe exposures**



Evolving  
**investment landscape**



Continuing **broker**  
**consolidation**



Rapidly advancing  
**GenAI and AI capabilities**



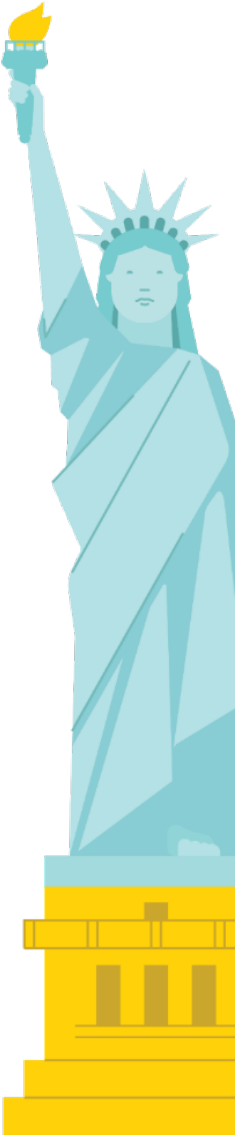
Entrenched **legal**  
**system abuse (LSA)**



# Key Takeaways

*We're investing in the capabilities required to win in all three of our businesses.*

- The **actions we've taken** over the last several years have us **on track and we expect to achieve** our **previously stated financial targets** by the end of 2025.
- The **strength** of our **balance sheet** provides the financial foundation for us to **pivot to profitable growth** in the **right places**.
- We're **well-positioned** to **capitalize** on **market opportunities** and **address headwinds** arising from **key market trends**.
- Our sustained **underwriting profitability** and differentiated **investment capabilities** will maximize the value we can provide to our policyholders.



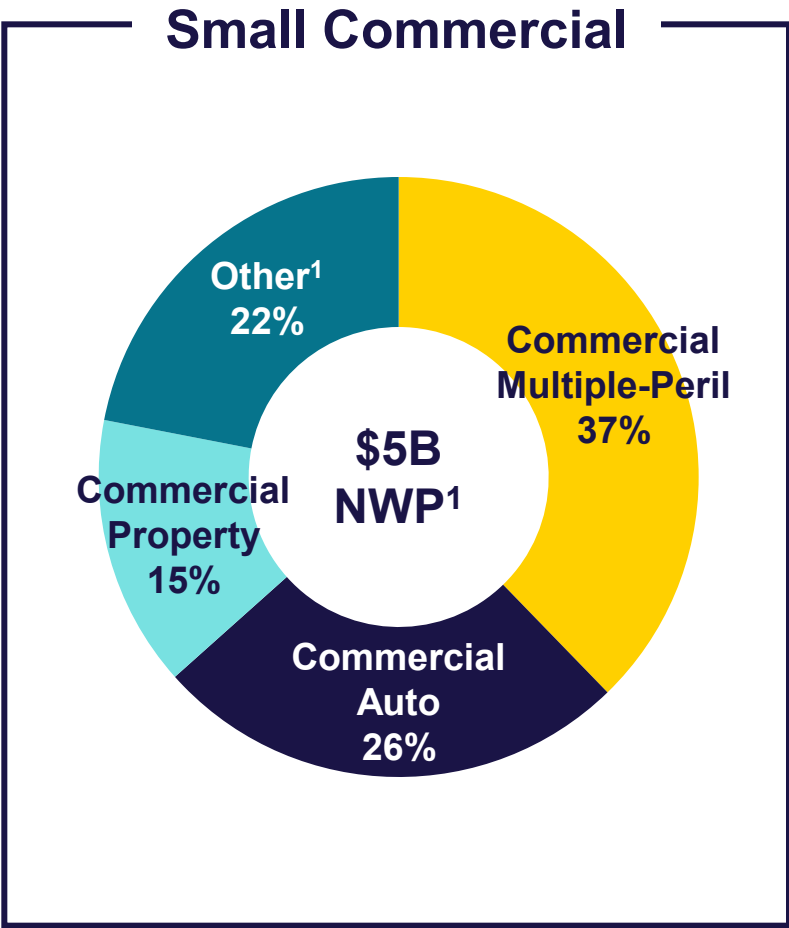
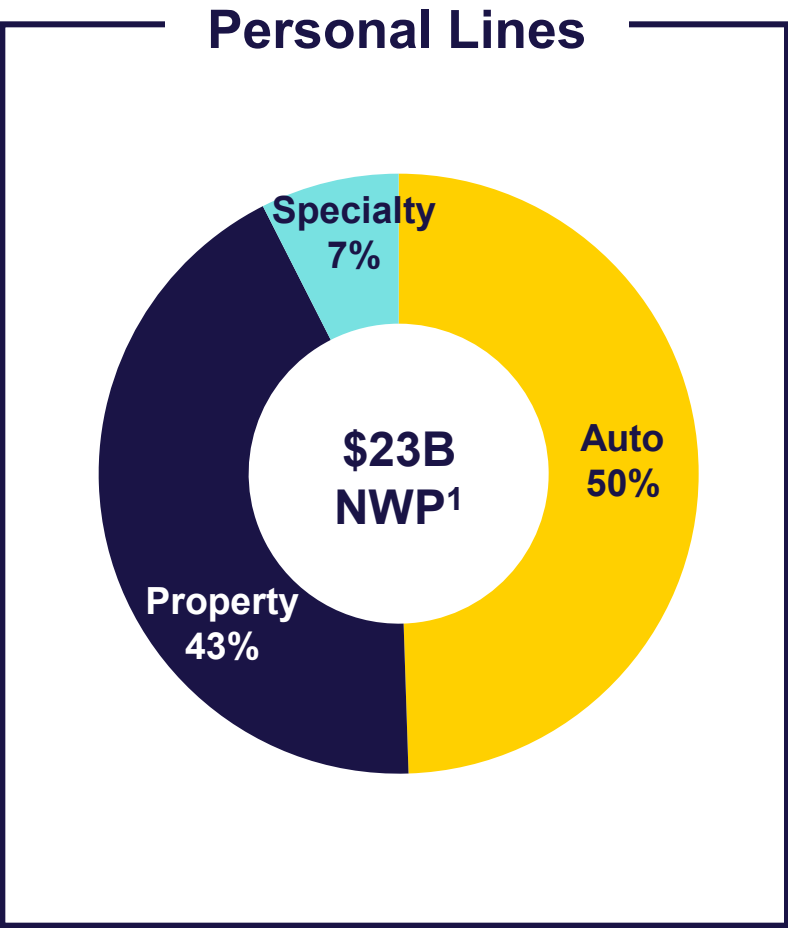
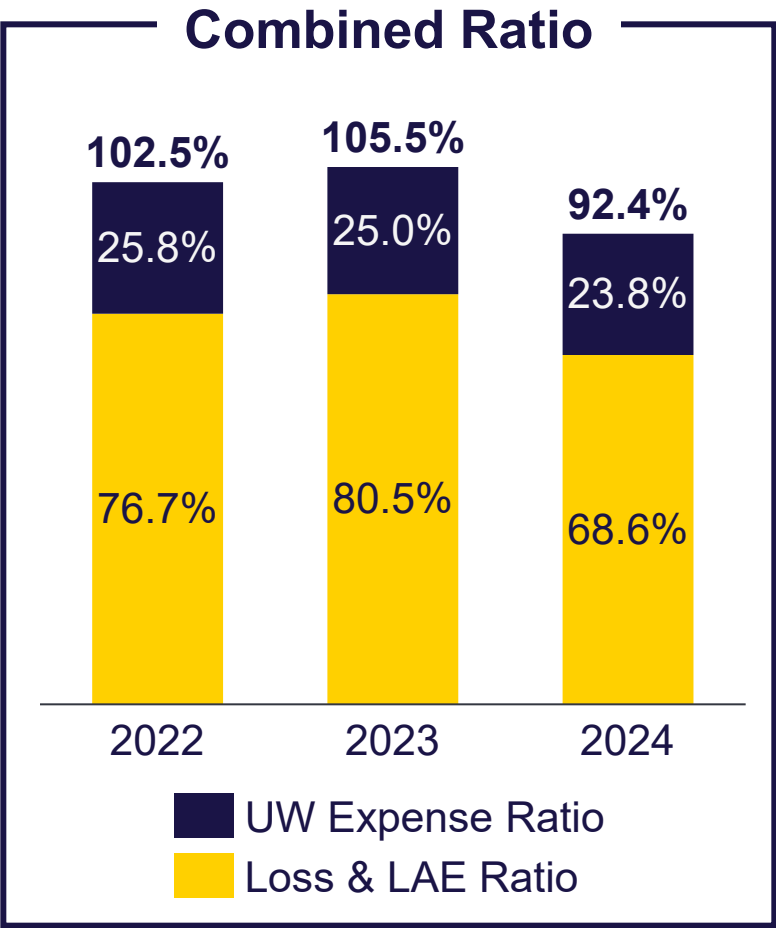


# US Retail Markets (USRM)

**Hamid Mirza**, President of US Retail Markets

# USRM At A Glance

*US Retail Markets provides Personal Lines and Small Commercial products to millions of individuals and small businesses across the United States.*



¹ Full year net written premium as of December 31, 2024.  
² Includes general liability and workers compensation lines of business.



# The Operating Environment



The **cost of insurance** has **increased** dramatically



**Regulatory environments** and the **perils** we face are **increasingly different** by state



There will be **more frequent external shocks** in the future



**Scale is important** and will continue to be critical to winning in the US retail business



# In **Home**, we are focused on sustainable, profitable growth and strengthening the capabilities that are critical to our business



## Geographic Management

Granularly managing our exposure across an intentional geographic footprint that helps optimize for growth in the right areas



## Underwriting

Deploying predictive models built in flexible technology that enable us to react to trends with speed and agility



## Coverage

Constantly improving coverage options to ensure we continue to meet the needs of customers and agents



## Pricing

Building our next-gen pricing program to drive advanced segmentation across and within states



## Claims

Advancing our capabilities to strengthen our speed, accuracy, and consistently be there for our customers



# In **Auto**, we are focused on winning in our target market, standard & preferred



## Managing with Granularity

Combining our extensive data & insights at scale with local expertise to generate profitable growth by state and segment



## Pricing Sophistication & Delivery

Transforming our pricing delivery ecosystem to drastically increase speed to market of our latest rating programs



## Risk Selection

Leveraging more granular data in our pricing & underwriting models to better differentiate and target standard customers



## Claims




Enhancing technical expertise and leveraging data, technology and AI to deliver more accurate claims outcomes and superior customer experiences









# In **Small Commercial**, we are focused on delivering target profitability and pivoting to growth

## We've taken significant action to position our book for long-term profitability

-  **Rebalancing our book** across industries, lines of business, quality of risks, and geographies
-  **Redesigning strategies** for how we win in challenging states and segments
-  **Transforming our operating model** to enable agility in decision making and execution

## And we are building key capabilities to win in the future

-  Deploy best-in-class **pricing** and **underwriting models**
-  Drive **speed** and **efficiency** across the ecosystem
-  Provide **outstanding underwriting** through local relationships and expertise
-  Leverage the **breadth** of our **distribution capabilities**
-  Deliver **claims** and **coverage excellence**



# We are strengthening our best-in-class **Distribution capabilities** across all lines

Personal Lines

Small Commercial



## Independent Agent (IA)

We are starting from a position of strength and continue to focus on improving ease of use, digital tools, and other investments to help our agents win (e.g., OneBrand)

*Deep dive to follow*

We are well-positioned and continue to focus on driving agency engagement through campaigns, improved agency segmentation, and incentives



## Direct

We are thoughtfully increasing media spend and improving unaided awareness while optimizing both call center and digital sale experiences

We are developing an agent-first digital sales strategy to increase share among microbusinesses



## Comparison

We are laser-focused on building Comparison into a leading independent agency



# In 2026, we will sunset the Safeco brand and bring the strength of the Liberty Mutual brand to the Independent Agent Channel



**Independent Agent (IA)**









**Direct**



**Comparison**

## Brands by Channel & Product

	Before	After
Independent Agent		
Direct		
Comparison		

## Benefits of OneBrand

- ✓ Simplifies our **go-to-market strategy** within the IA and Comparison channel
- ✓ Allows agents to leverage the **Liberty Mutual brand** that has 3x higher **aided awareness**
- ✓ Expected to deliver a significant IA Personal Lines New Business **conversion benefit**

## Strong Momentum

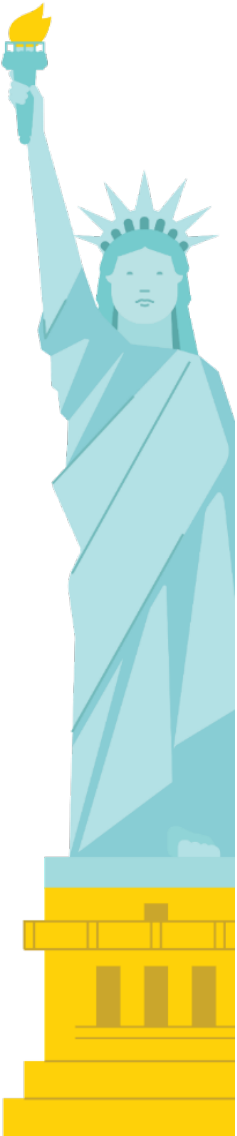
- 76%** of agents are **excited** about having the LM brand in their agency
- 79%** of agents feel **comfortable** they will have what they need to effectively represent the LM brand



# Key Takeaways

*Our goal in USRM is clear – deliver target profitability year after year and maximize the number of customers we serve.*

- Changes in our operating environment underscore the critical need for **risk selection, pricing sophistication, and speed and agility.**
- We're **investing** in the **capabilities** that will **drive profitable growth** across Auto, Home, and Small Commercial as we build a resilient business with the capacity to absorb shocks.
- We are also continuing to strengthen our Distribution capabilities. In 2026, we will **sunset the Safeco brand** and bring the strength of the Liberty Mutual brand to the Independent Agent Channel.



# Global Risk Solutions (GRS)

**Neeti Bhalla Johnson**, President of Global Risk Solutions



# Rooted in UW excellence, expertise, and specialization, GRS aims to build a risk aware and integrated business led by high-performing talent

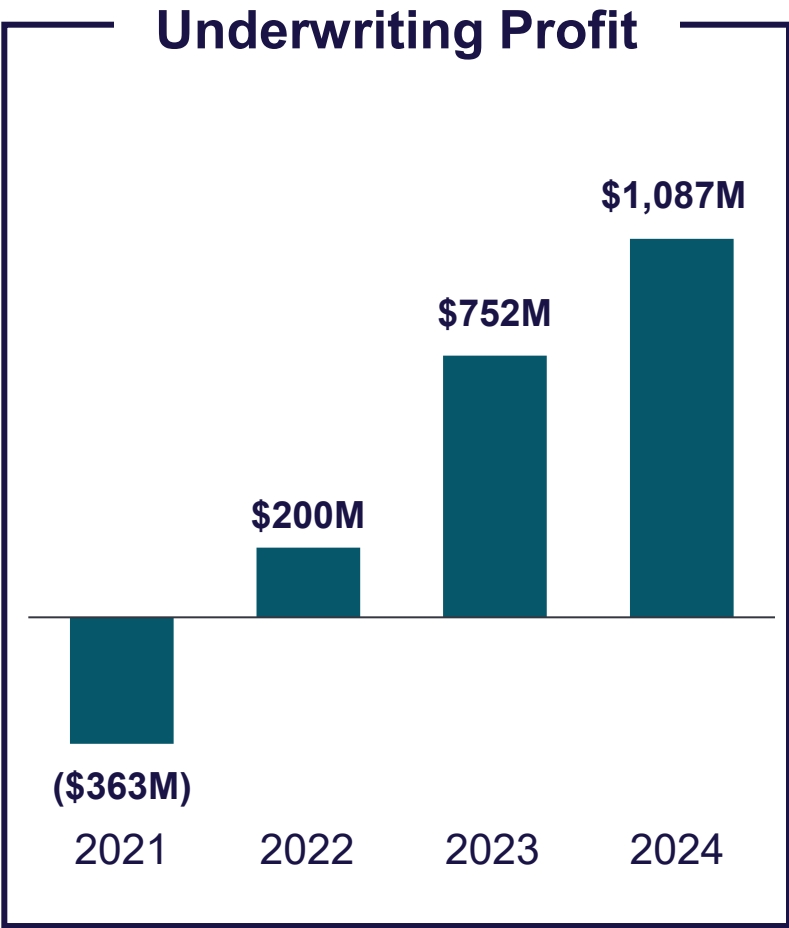
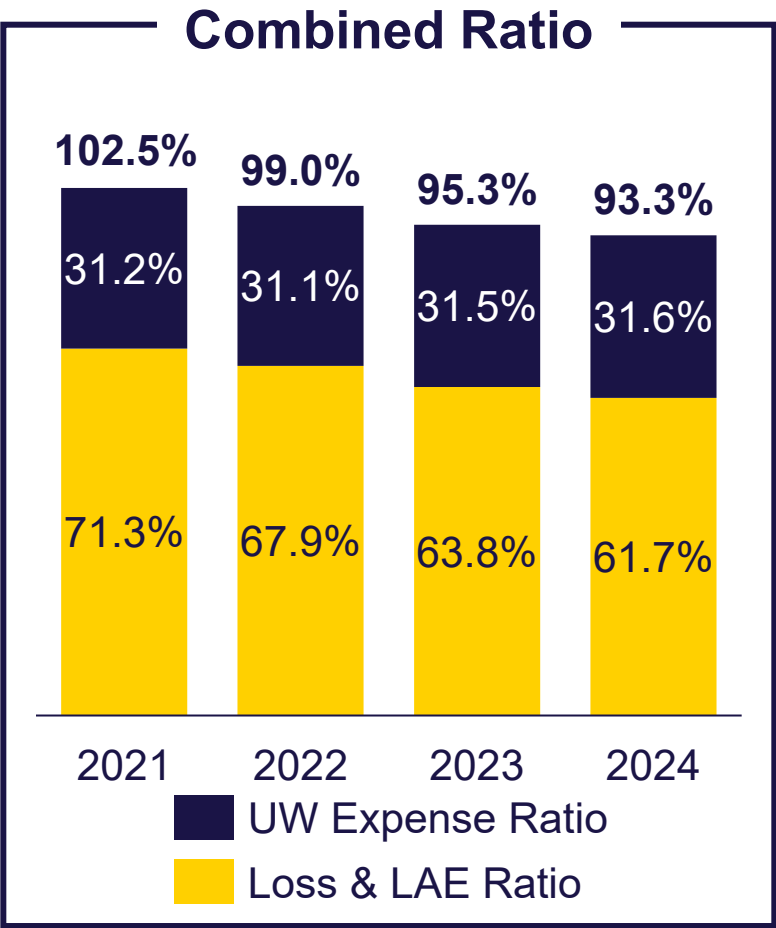
-  **We have improved risk selection through deep expertise and specialization**  
Outperform in high-margin segments with tailored, customer-centric specialty solutions
-  **We are investing in the most compelling opportunities**  
Play where we can win with specialization, vertical integration, and create sustainable value
-  **We must continue to shorten the distance between insight and action**  
Invest in tools that enhance underwriting judgement, improve forward-looking market sensing and decision-making, and accelerate execution
-  **We are improving broker and client responsiveness rooted in judgement**  
Enhance our speed and responsiveness to both clients and broker partners and foster a continuous improvement mindset aimed at accelerating cycle times

**Continued transformation toward becoming a risk aware responsive (re)insurer will enable sustained underwriting margin**



# GRS At A Glance

Operating in 28 countries and economies, GRS offers a diverse range of services and (re)insurance products across property, casualty, specialty, and personal lines distributed globally.



<sup>1</sup> Full year net written premium as of December 31, 2024.  
<sup>2</sup> Other includes Sharing Economy, Personal Auto, Asurion, and All Other.

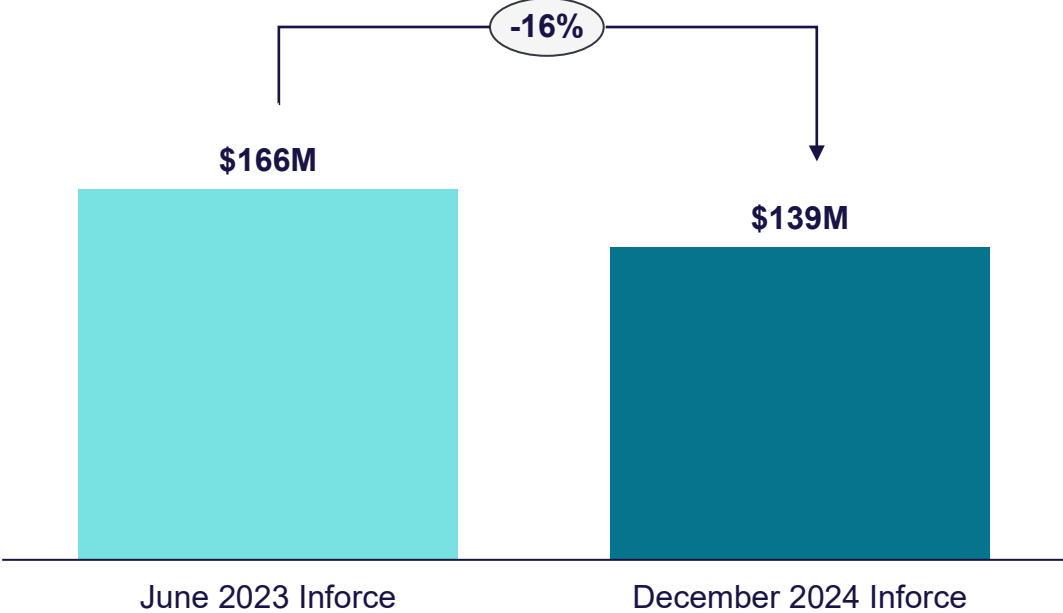
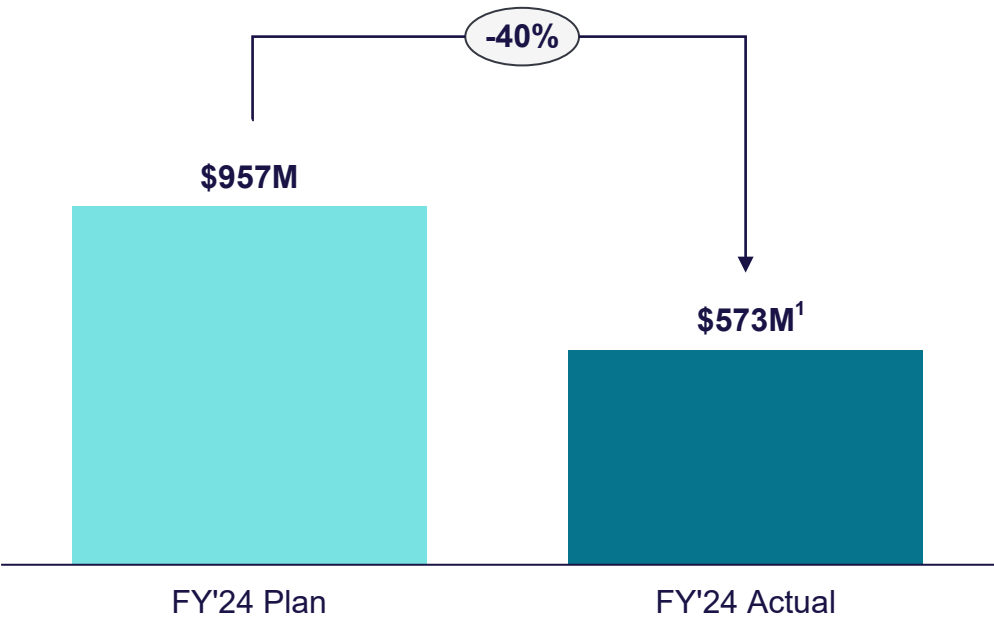


# We've taken action to manage and reduce portfolio volatility while allocating capital to the most accretive opportunities

GRS property losses were below the CAT plan, yielding strong results

Following a portfolio review, GRS reduced U.S. Severe Thunderstorm AAL by ~16%

GRS Property CAT Activity vs. Planned CAT Load



GRS property achieved a **75% COR<sup>2</sup>** while generating **~\$1.2B in PTOI<sup>2</sup>** in 2024

GRS North America surpassed the **10% SCS AAL reduction goal**

<sup>1</sup> Inclusive only of the property and RI property lines of business, excludes GRS Re, associated eliminations and any unmapped profit center premium.  
<sup>2</sup> Inclusive of direct & assumed property.



# Since the beginning of our transformation, we have built expertise and attracted top talent



**83%**

Of Executive  
Leadership are new  
to role



**90%**

Of Senior  
Leadership are new  
to role



**500+**

Employees shaped  
High Performance  
Culture aspiration



**800+**

External underwriter  
hires in GRS

**We have high-performing, integrated teams operating as a cohesive system to create consistency, speed and strength across our global organization**



# As the nature of risk is evolving and becoming more volatile, we are proactively adjusting our portfolio composition



## Geography

*Doubling down on winning in the US risk market and client pool*



## Industry

*Focusing on select industries (energy, construction, healthcare, technology)*



## Ways of Working

*Creating efficient, effective, and scalable operations (e.g., task automation, GenAI)*



## Channel

*Increasing our presence in the Excess & Surplus market*



## Market

*Strategically leverage portfolio solutions for both exposure and trading relationships*



## Services

*Increasing fee income from new and expanded services*



## Structure

*Pursuing new business models to expand our capabilities*



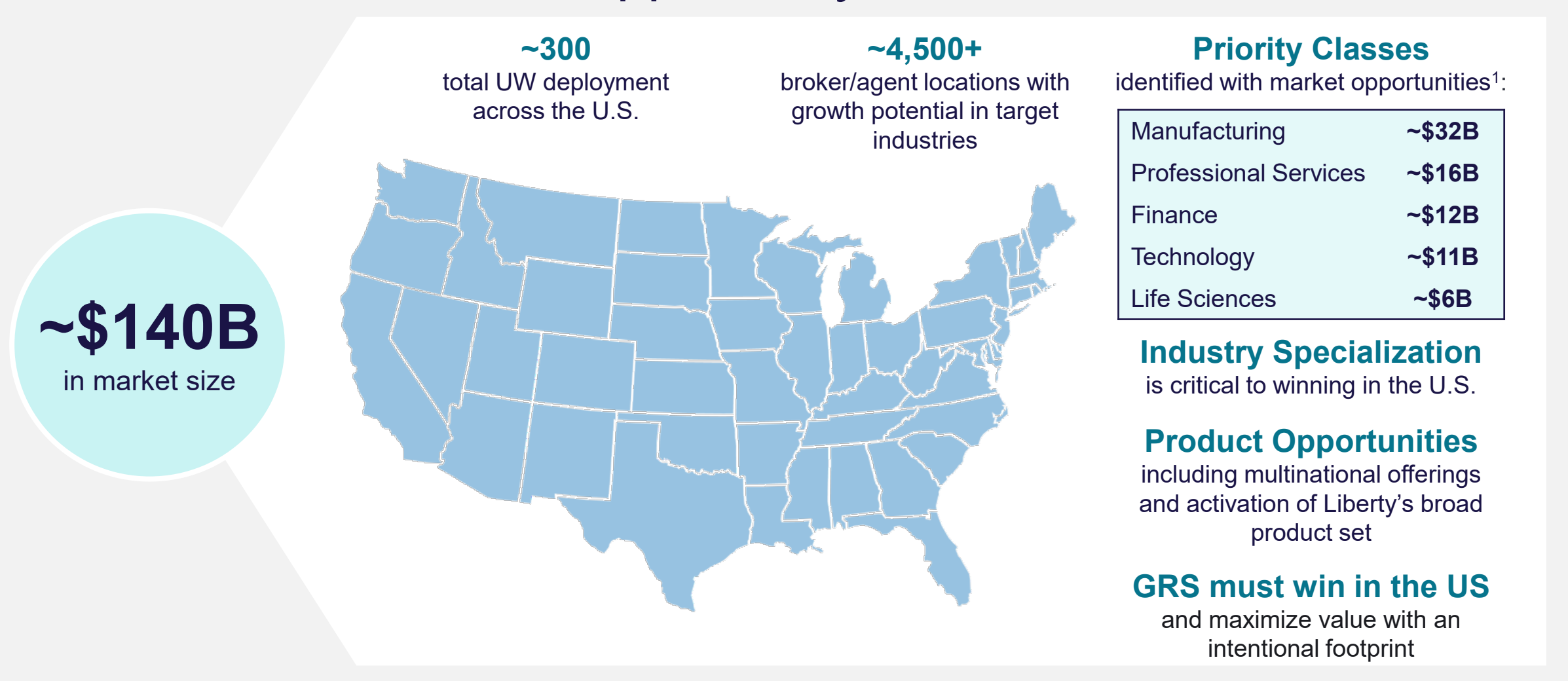
## Product

*Diversifying our U/W profit contribution across multiple products*





# GRS middle market has significant runway to capture the broader ~\$140B market opportunity



<sup>1</sup> Market opportunity premium figure represents total US P&C premium, sourced from MarketStance.



# Middle market's new UW infrastructure positions us to deliver our target portfolio while combating severity-driven casualty trends

MM's new underwriting ecosystem is based on hazard grade...



Underwriters follow a consistent process country-wide

Hazard Grade Structured LOA

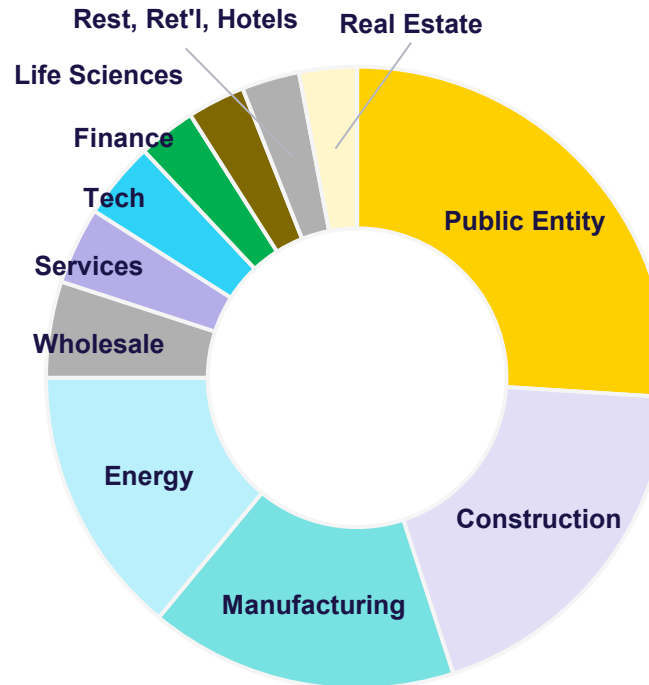
Underwriting Guidelines

Year-Round Underwriting Process

Industry & Product Referrals

Target portfolio

...To move us towards our intentional target portfolio by industry and product...




...And are addressing Casualty trends via guidelines to achieve our target portfolio

- ✓ Sharply reduced auto exposure based on analysis of legal system abuse state-by-state; maintaining higher rate objectives for large, heavy fleets with poor quality characteristics.
- ✓ De-risked portfolio by aligning risk selection to go-forward appetite and capacity deployment with hazard.
- ✓ Continued to push for strong rate gain for targeted industry / product / risk characteristics to offset the impact of legal system abuse on loss trends.




# Building upon our global specialty presence, GRS aims to scale US specialty with deeper UW expertise in promising industries and channels

## Specialty (Re)insurance Market Relevancy

 **9<sup>th</sup>** largest US<sup>1</sup> excess & surplus lines carrier

 **9<sup>th</sup>** largest Lloyd's syndicate in London<sup>1</sup>

 **Leading** Specialty Reinsurance across the globe (e.g., Aviation XoL, Retro XoL)

 **Leading** US Healthcare and Environmental franchises

 **Global line franchises** (e.g., Global Transaction Solutions, Financial Risk Solutions, Cyber)

## From a position of strength, we see significant specialty market opportunities:

Representing +20% of the US Commercial P&C market, US E&S is an area of significant opportunity where we are already starting from a position of strength







The infrastructure sector is growing twice as fast as global GDP and is expected to hit ~\$7T in annual spending by 2028, creating significant opportunities for GRS given our global presence and comprehensive product suite



# Simplifying and advancing tech and data to accelerate decision-making & enable GRS in becoming a more AI-ready workforce and agile carrier

**GRS is laying the groundwork for scalable, future-ready growth, particularly...**

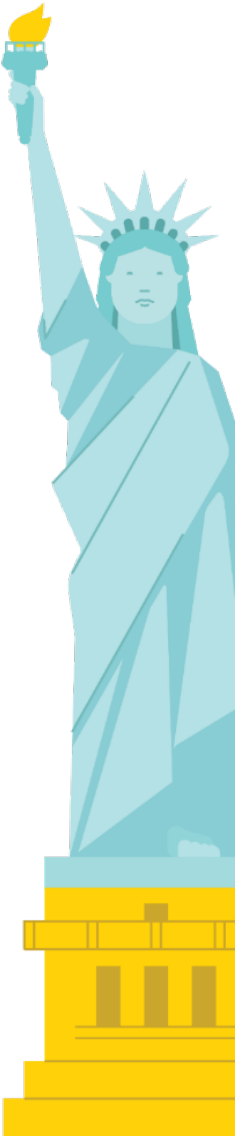
-  **Transforming our workforce to be AI-ready and modernizing our technology**
-  **Integrating advanced analytics into workflow, embedding GenAI into underwriting and claims, and reducing decision-making times across core journeys**
-  **Harmonizing processes and driving scale through automation**
-  **Improving broker and client responsiveness with faster underwriting cycle times**



# Key Takeaways

*Our path forward is clear – become the most risk aware and responsive (re)insurer with a platform built for durable, portfolio led growth.*

- GRS is committed to becoming the most **risk aware, disciplined, and specialized market alternative** – trusted to underwrite complex risks across the globe in response to the **evolving needs of our clients**.
- GRS growth will be concentrated where we can generate expertise-driven, **sustainable underwriting margin** while maintaining a balanced portfolio that is actively managed to **optimize risk-adjusted returns** throughout the cycle.
- GRS will continue to offer **exceptional value to our clients** in the areas they need us the most and cultivating a **high-performing organization** and culture that attracts and retains top-tier talent.





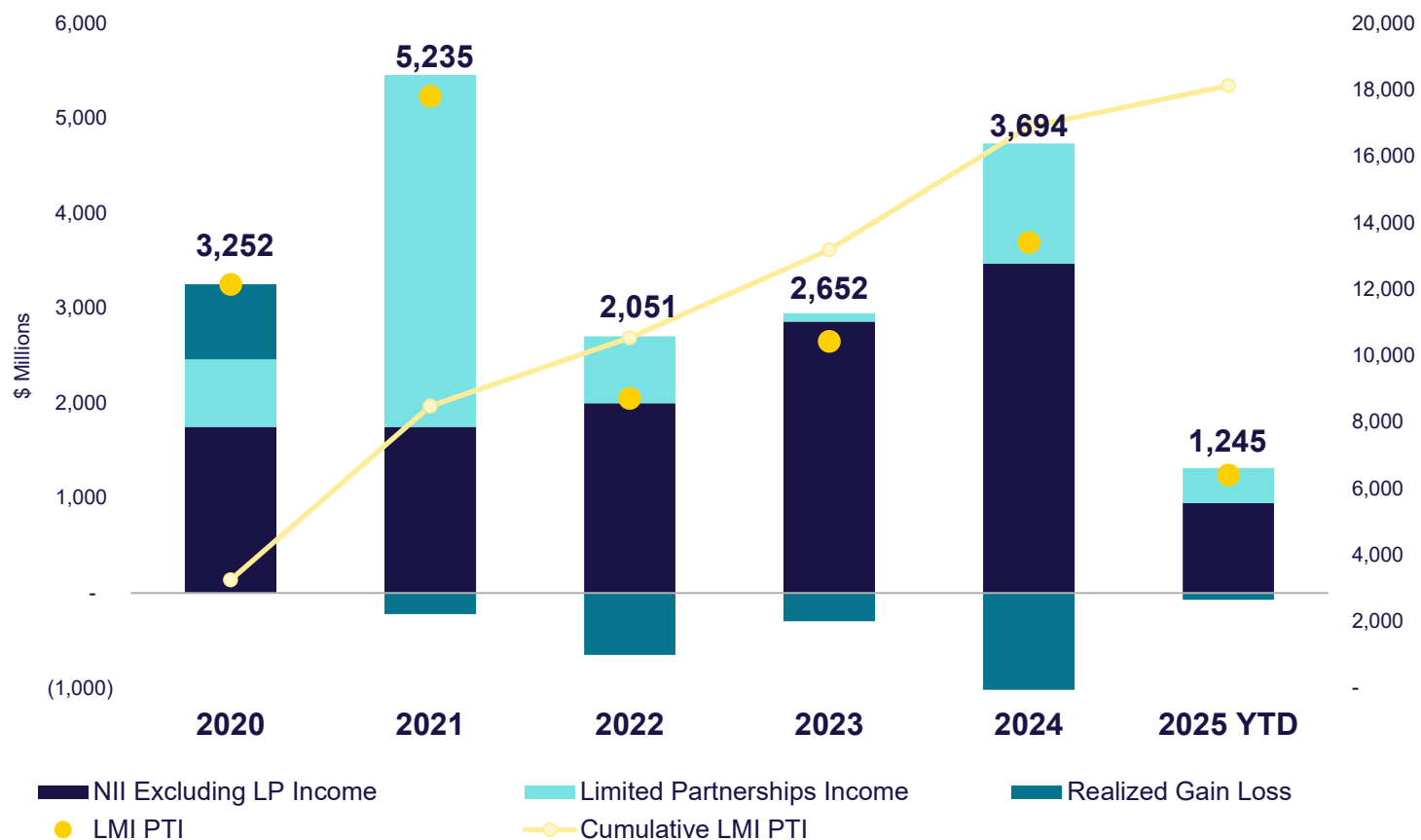
# Liberty Mutual Investments (LMI)

**Vlad Barbalat**, President & Chief Investment Officer of Liberty Mutual Investments



# Long-Term Capital Creation

## LMI Total Investing Profit & Loss<sup>1</sup>



## Highlights

- Our mission: Invest and compound Liberty's capital.
- Demonstrated track record of capital creation – **\$18B of pre-tax income** generated since 2020.
- Operate well within risk and operating constraints.
- Principles of portfolio construction:
  - **Diversification:** Evolve portfolio into more diverse exposures.
  - **Flexibility:** Adjust risk taking and portfolio construction based on Liberty's capital position.
  - **Control:** Tactically manage allocations and risk exposures on the margin.





# LMI Portfolio Evolution & Diversification



Diversify Sources of Earnings



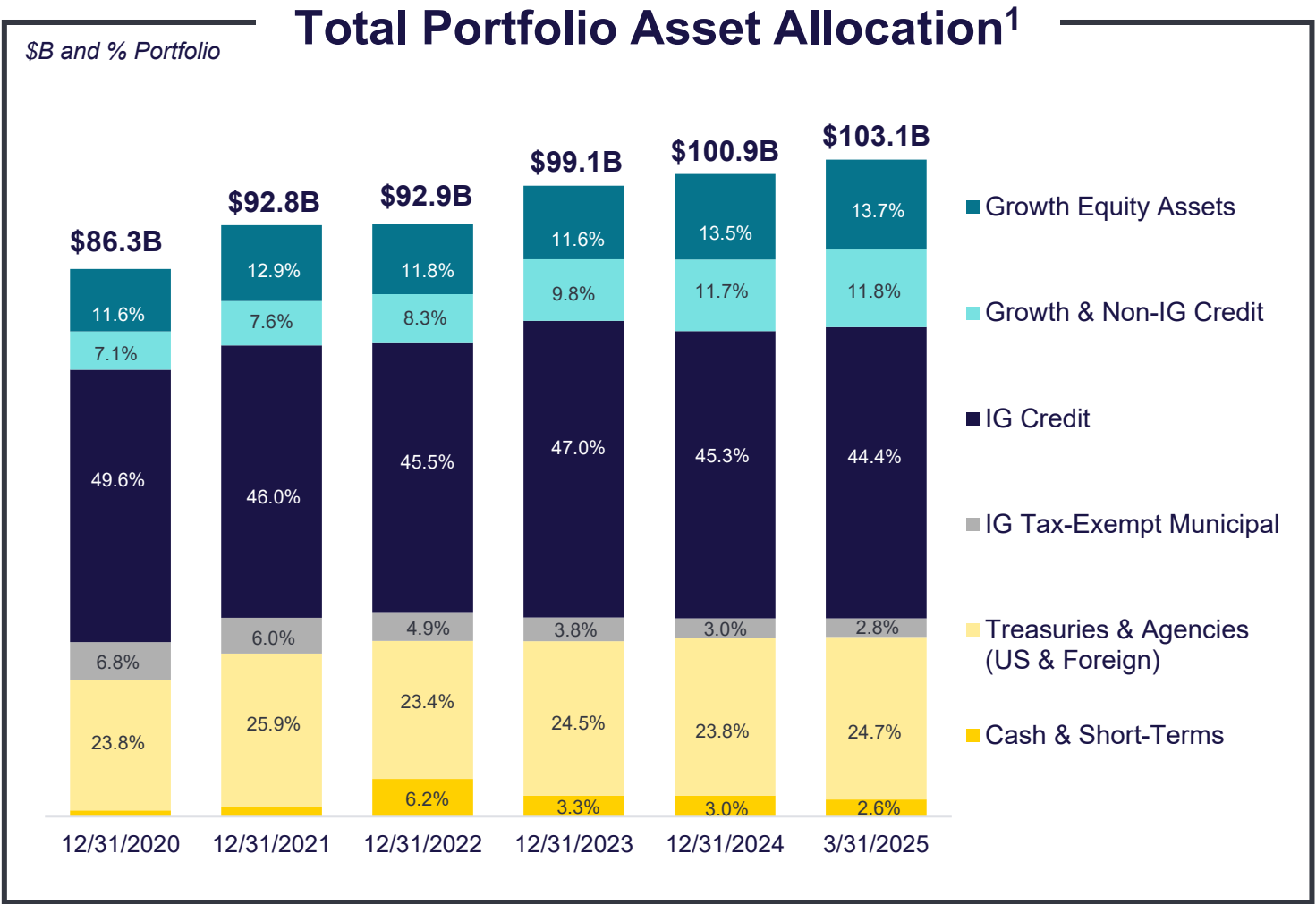
Increase Allocations to Growth Assets



Balance Funds and Direct Investments



Maintain Flexibility and Resilience



<sup>1</sup> Internal Investment classification, may not foot directly to published financials. Does not include LMIG pension. Due to rounding, numbers presented may not sum precisely to the totals.



# LPs Diversified across Credit, Real Assets, and Equity

LPs as of Q1 2025 <i>\$17.3B 15.5% of Invested Assets</i>		LP Asset Class	Total (\$B)	% of Invested Assets
26% Credit Exposure		Energy Transition & Infrastructure Credit	0.5	0.5%
		Real Estate Credit	1.1	1.0%
		Private Credit	2.8	2.5%
28% Real Assets Exposure		Energy Transition & Infrastructure Equity	1.7	1.5%
		Real Estate Equity	3.1	2.8%
40% Private Equity Exposure		Private Equity	6.9	6.1%
7% Other Exposure		Other	1.2	1.1%
			<b>\$17.3B</b>	<b>15.5%</b>



# Building Core Investment Businesses

## Global Alternative Markets

Private Equity

Energy  
Transition &  
Infrastructure

Real Estate

Alternative  
Credit

## Global Credit Markets

High Yield

Direct  
Lending

Leveraged  
Loans

Capital  
Solutions

## Global Liquid Markets

Liquid  
Investment  
Grade Credit

Public  
Equities

## Strategy Highlights

Diversified across sectors,  
structure, equity and credit

Differentiated provider of  
end-to-end solutions

Direct and partner-led commitments

One stop shop for  
corporate credit solutions

Deep credit and sector expertise

Direct and partner-led commitments

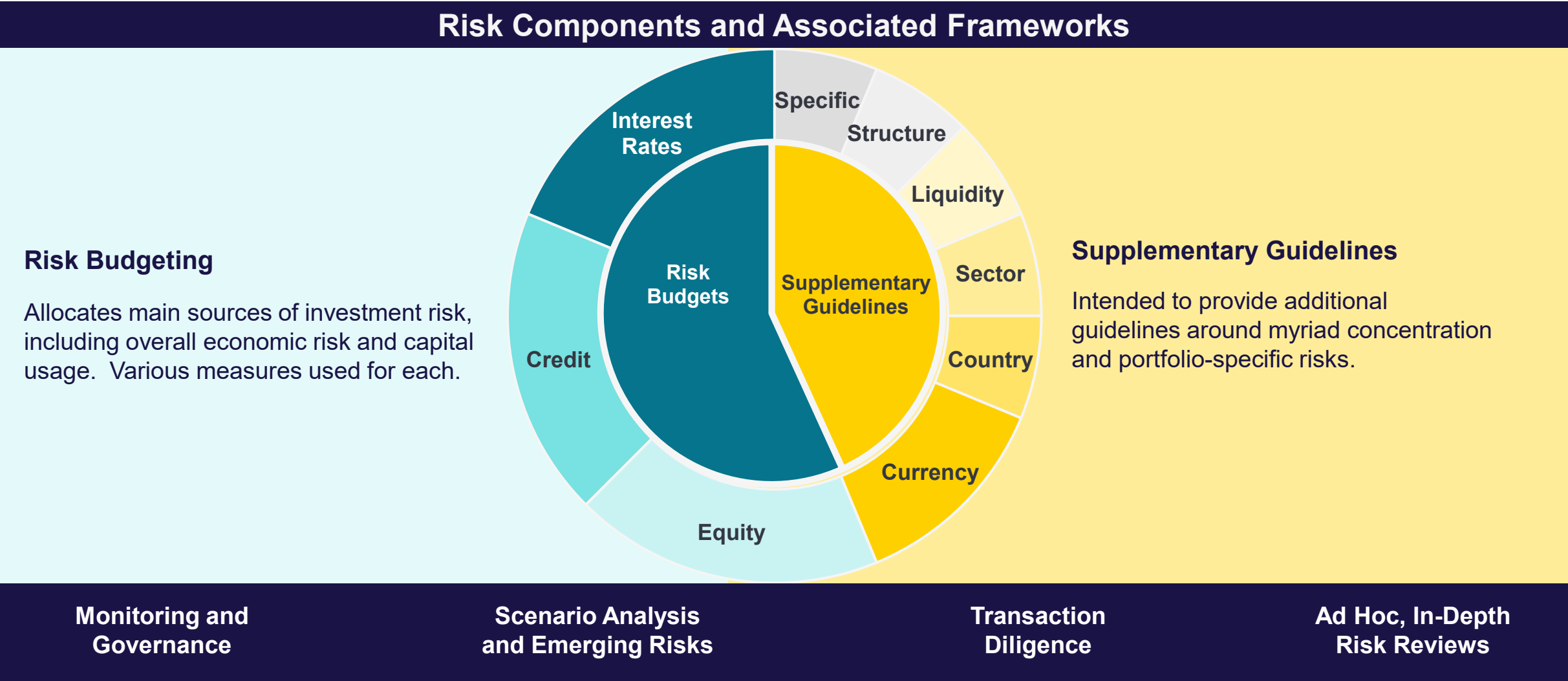
Reliable provider of income,  
duration and liquidity

Total return trading in fixed income

Liquid strategies across  
rates, credit & equities



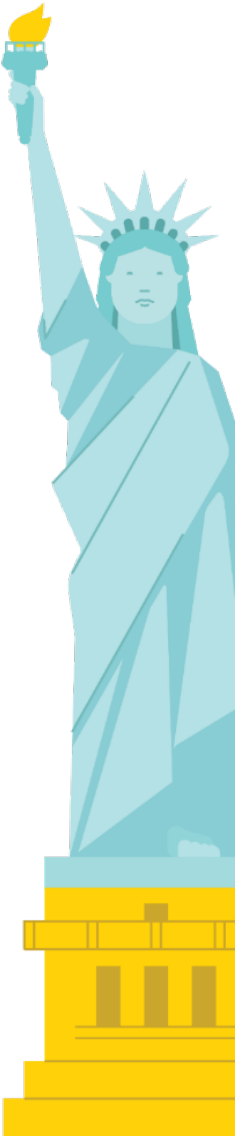
# Risk Management



# Key Takeaways

*Our mission is to invest and compound Liberty's capital – securing Liberty's promises, powering innovation, and driving economic growth.*

- We're **well-positioned** to **capitalize** on **market opportunities** and **address headwinds** arising from **key market trends**.
- We continue to **evolve the portfolio** by diversifying growth equity, expanding into growth credit and exercising flexibility.
- **Enhanced risk approach** grounded in the level of portfolio risk relative to LMG capital position; LMG-aware tolerances **ensures consistency** between investment risk appetite and LMG's risk capacity.



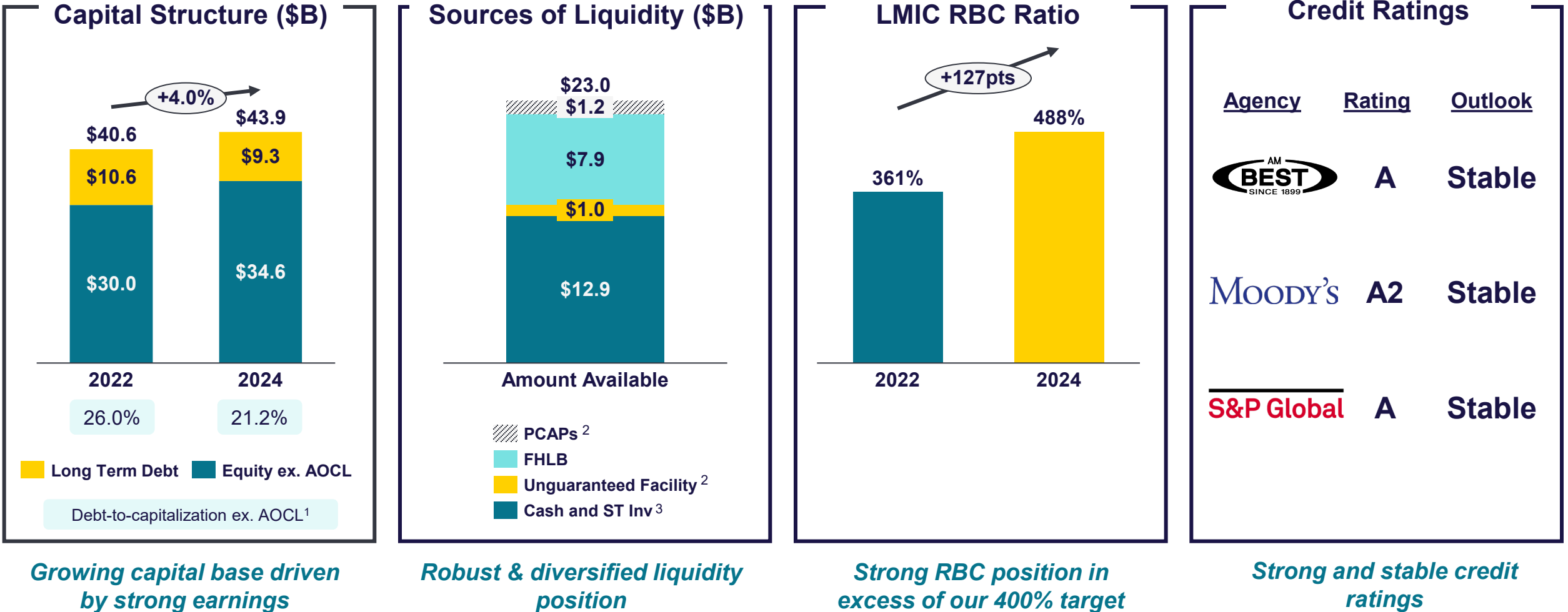


# Financial Update

**Julie Haase, Chief Financial Officer**



# We've built the strongest balance sheet in our history

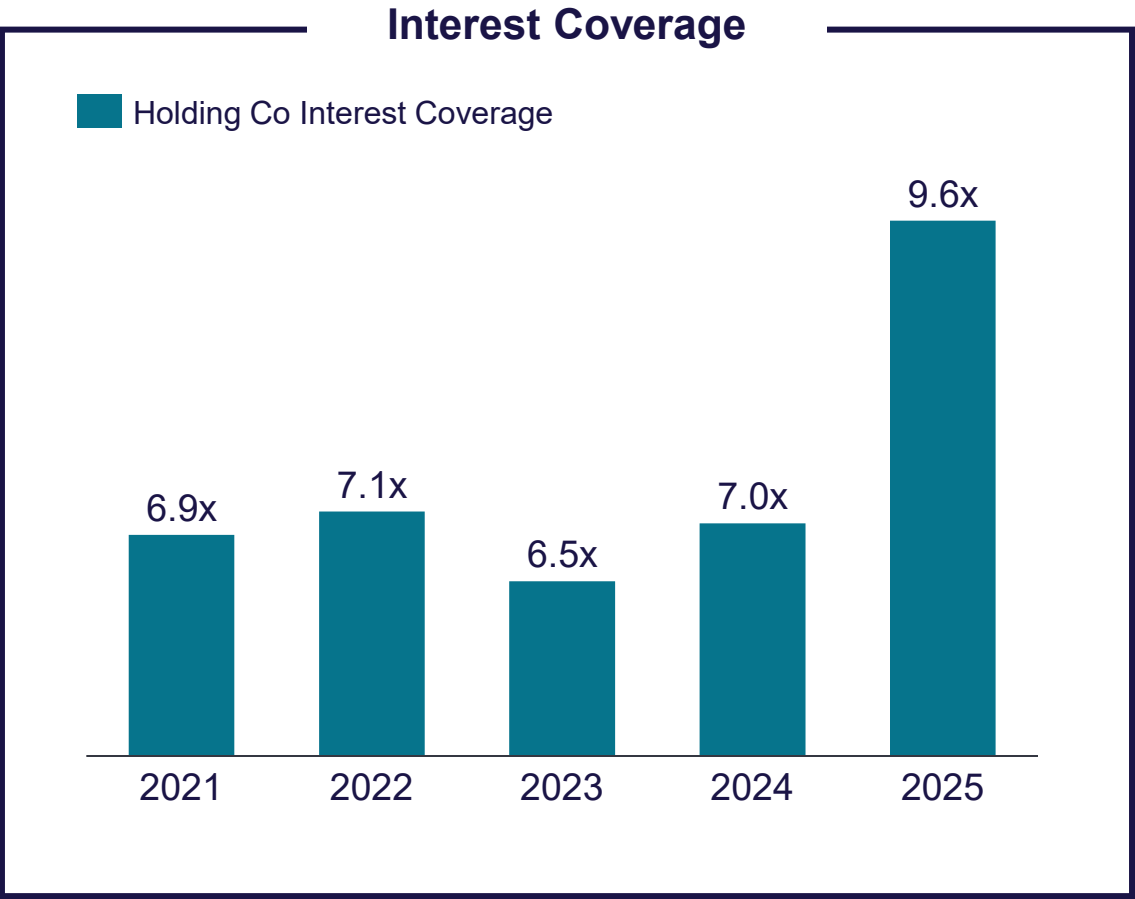
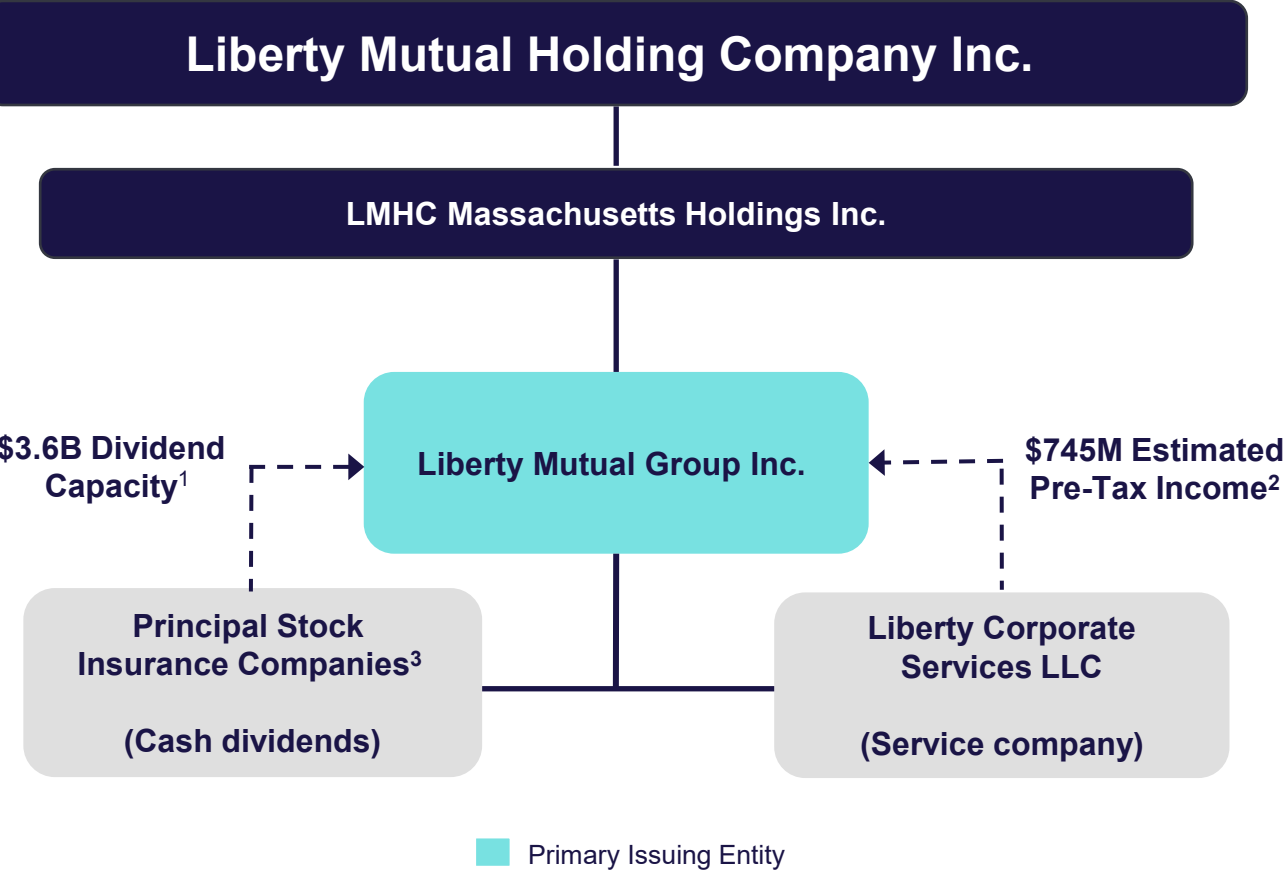


<sup>1</sup> Excludes unamortized discount and debt issuance costs.  
<sup>2</sup> Facilities at the holding company level.  
<sup>3</sup> As of December 31, 2024.





# Our mutual holding company structure is well-aligned with creditor interests



<sup>1</sup> 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, 2025 is calculated as 2025 dividend capacity less dividends paid for the preceding 12 months. Dividends paid April 1, 2024 through March 31, 2025 for LMIC, LMFIC, EICOW and SAM were \$815 million, \$15 million, zero and zero respectively.

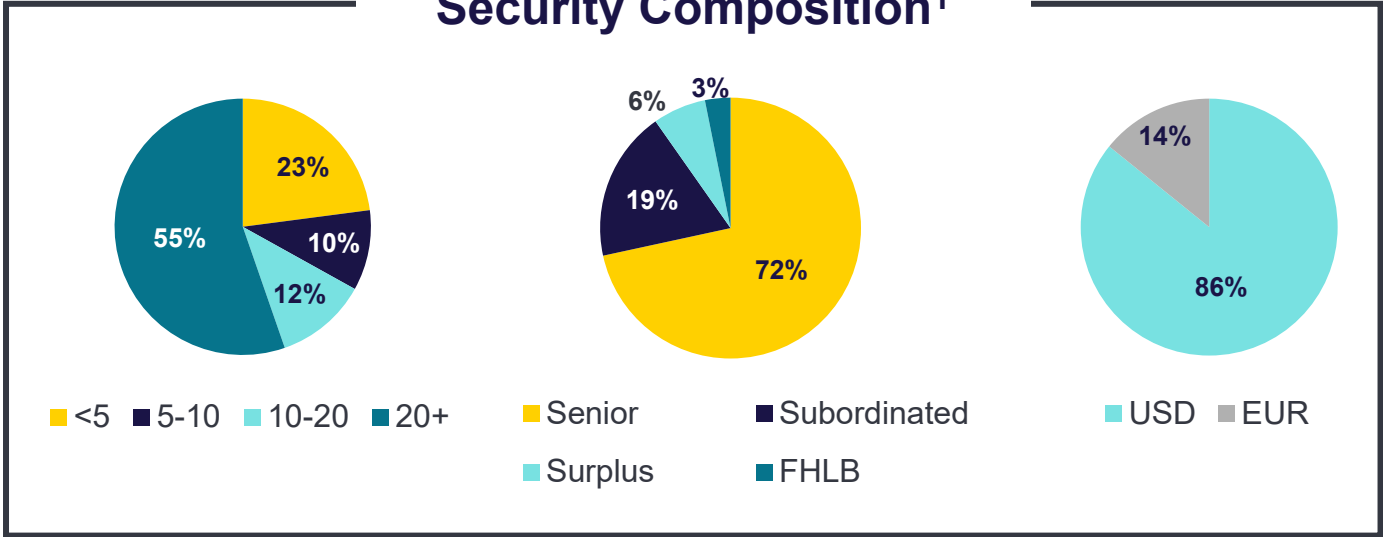
<sup>2</sup> As of March 31, 2025.

<sup>3</sup> Principal stock insurance companies include Liberty Mutual Insurance Company ("LMIC"), Liberty Mutual Fire Insurance Company ("LMFIC"), Employers Insurance Company of Wausau ("EICOW"), State Automobile Mutual Insurance Company ("SAM").



# Debt is a core component of our capital structure

Security Composition<sup>1</sup>



Debt Profile<sup>1</sup>

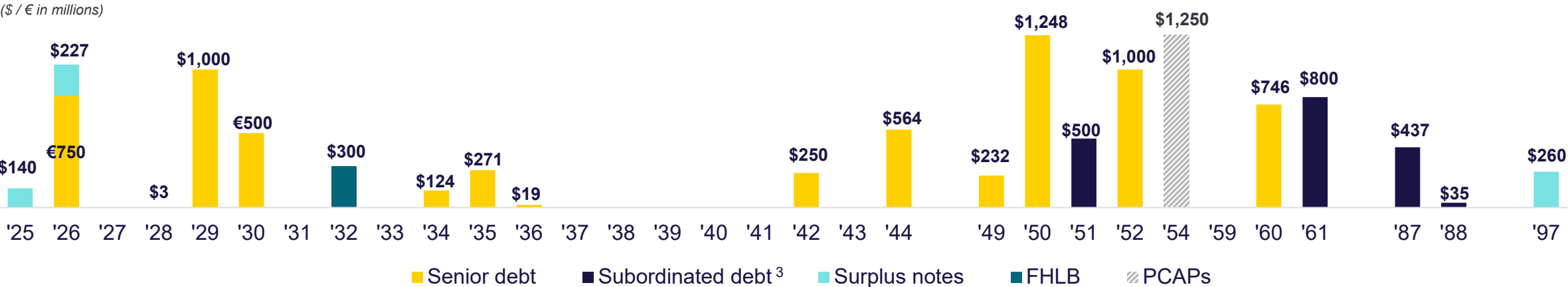
(\$ in Millions)

Short-Term Debt	\$ 140
Long-Term Debt	\$ 8,917
<b>Total Debt<sup>2</sup></b>	<b>\$ 9,057</b>

*P-Caps* \$1,250

Weighted Average Maturity: 22.5 yrs

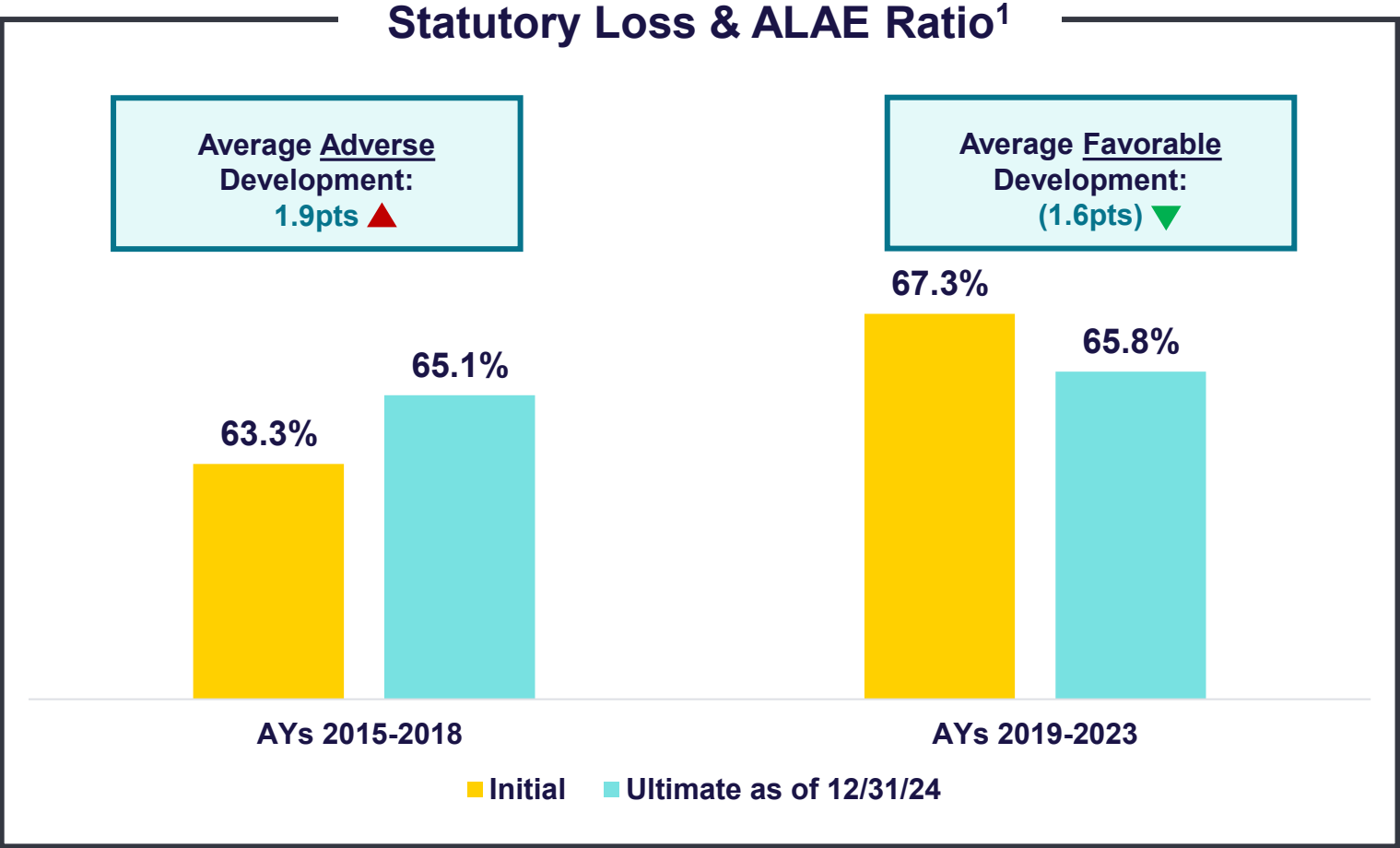
Weighted Average Coupon: 4.82%



<sup>1</sup> As of March 31, 2025. Security composition and debt profile statistics excludes off balance sheet securities (P-Caps).  
<sup>2</sup> Total Debt excludes unamortized costs of (\$448).  
<sup>3</sup> Subordinated debt shown to final maturity date.



# Prudent selection of loss picks and the actions we've taken in recent years have reinforced our strong reserve position



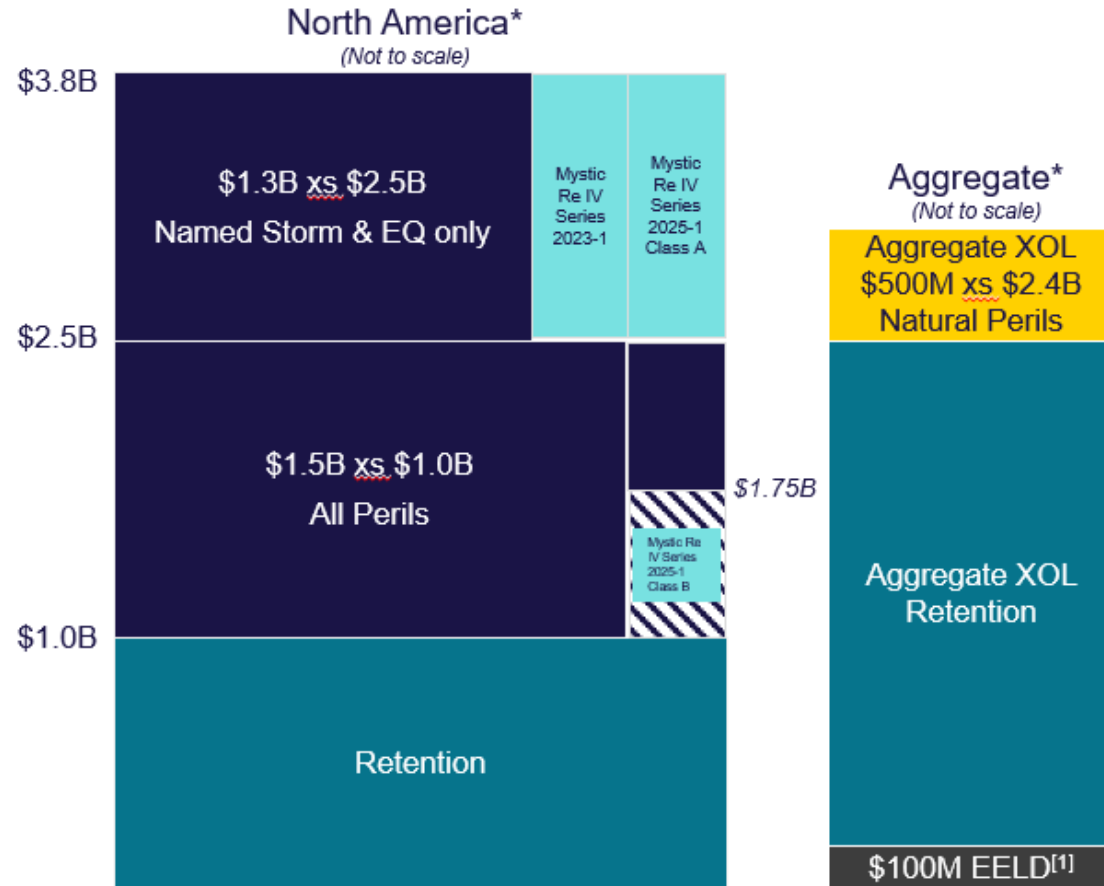
We also have multiple **adverse development covers**, that provide extensive coverage for certain Workers Compensation, Casualty and Specialty lines for AYs 2018 and prior.

<sup>1</sup> Data shown is on a statutory basis.



# We utilize a comprehensive reinsurance program in managing risk

## LMG North America Property Catastrophe Program Effective 1/1/25



## Reinsurance Philosophy

- Utilize reinsurance strategically to absorb losses and **protect capital and earnings**.
- Manage net risk tolerances** by adjusting reinsurance programs to align with our risk appetite and optimize the risk-reward balance.
- Implement effective reinsurance strategies to **maintain target credit ratings** and ensure access to capital markets.

## Other Reinsurance Programs

We manage risk effectively with a **robust array of reinsurance programs**, including:

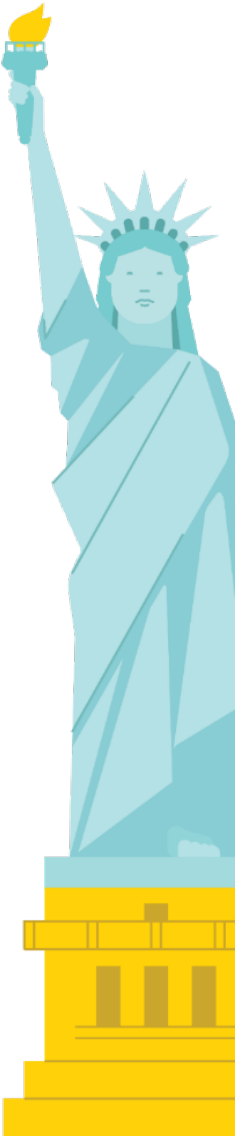
- Adverse Development Covers (ADCs)
- Non-Catastrophe Reinsurance
- Catastrophe Bond Reinsurance with Mystic Re IV Ltd
- Florida Hurricane Catastrophe Fund



# Key Takeaways

*We are better positioned than ever before to capitalize on our unique competitive advantages.*

- Debt is a core component of our capital structure, and we take pride in being **stewards of long-term capital** for our policyholders and creditors.
- We have the **strongest balance sheet in our history** as a result of improved underwriting profitability and prudent reserving practices.
- We've managed catastrophe risk well over time and we have a **robust reinsurance program** to protect our capital.
- Our mutuality allows us to prioritize **long-term stability and policyholder interests**, providing the ability to compound capital and align our goals with those of our stakeholders.





**Liberty Mutual<sup>®</sup>**

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**INSURANCE**