



# Third Quarter 2023 Results

November 9<sup>th</sup>, 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 Company's future financial and business performance. 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 or conflicts, 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 cyclical nature 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 US 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, and changing climate conditions; and disruptions to the banking system.

The Company may also describe estimated impacts as a result of dispositions and acquisitions on the Company's financial results and condition, including to GAAP equity, which are deemed forward-looking statements and represent the Company's best estimates based on information available to us at this time. However, because these estimates involve making assumptions, including about future events, they are subject to business, economic and competitive uncertainties, many of which are beyond the Company's control, and are subject to change based on closing adjustments. Consequently, the actual impact on the Company's results could be materially different from those described herein. Some of the important factors that could cause actual results and outcomes to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) the occurrence of any event, change, or other circumstances that could give rise to the termination of the signed transaction agreements; (ii) the inability of the parties to complete the proposed transaction, including due to failure to obtain certain regulatory approvals, or satisfy other conditions to closing the agreements; (iii) the possibility that the expected benefits of the sales are not realized when expected or at all; and (iv) any of the aforementioned risk factors listed in the above paragraphs that may also result in variability in possible outcomes.

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](http://www.libertymutualgroup.com/investors). The Company undertakes no obligation to update these forward-looking statements.



# Description of Non-GAAP Financial Measures

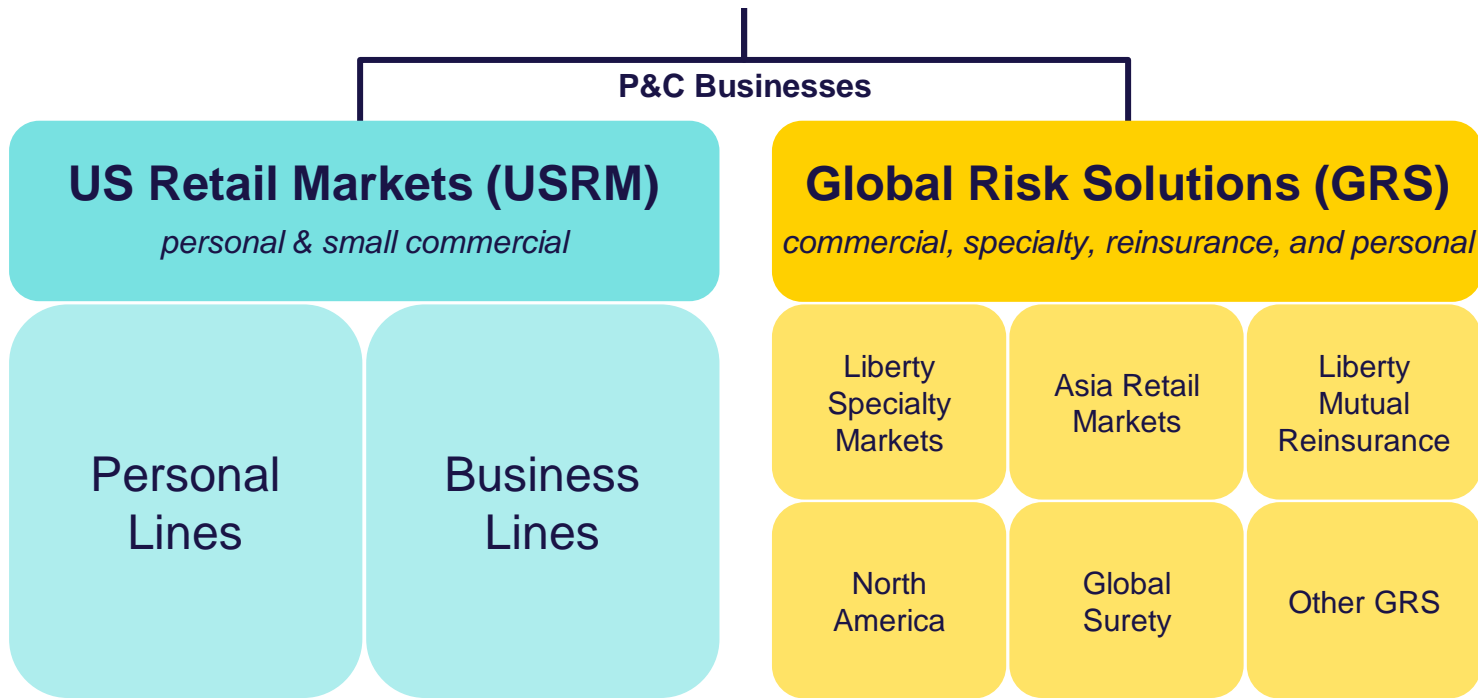
The Company has identified consolidated pre-tax operating income (“PTOI”), and PTOI before limited partnerships income as non-GAAP financial measures. PTOI is defined by the Company as pre-tax income excluding net realized gains (losses), unit linked life insurance, loss on extinguishment of debt, discontinued 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, war or conflict 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
- 86<sup>th</sup> among Fortune 500 companies<sup>1</sup>
- 2<sup>nd</sup> in US surety<sup>2</sup>
- 4<sup>th</sup> largest commercial lines writer in the US<sup>2</sup>
- 5<sup>th</sup> largest P&C writer in the US<sup>2</sup>
- 5<sup>th</sup> largest global P&C insurer<sup>3</sup>
- 6<sup>th</sup> largest personal lines writer in the US<sup>2</sup>
- 8<sup>th</sup> largest surplus lines carrier in the US<sup>2</sup>

<sup>1</sup> Based on 2022 revenue – as reported.

<sup>2</sup> Based on 2022 direct written premium (“DWP”).

<sup>3</sup> 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

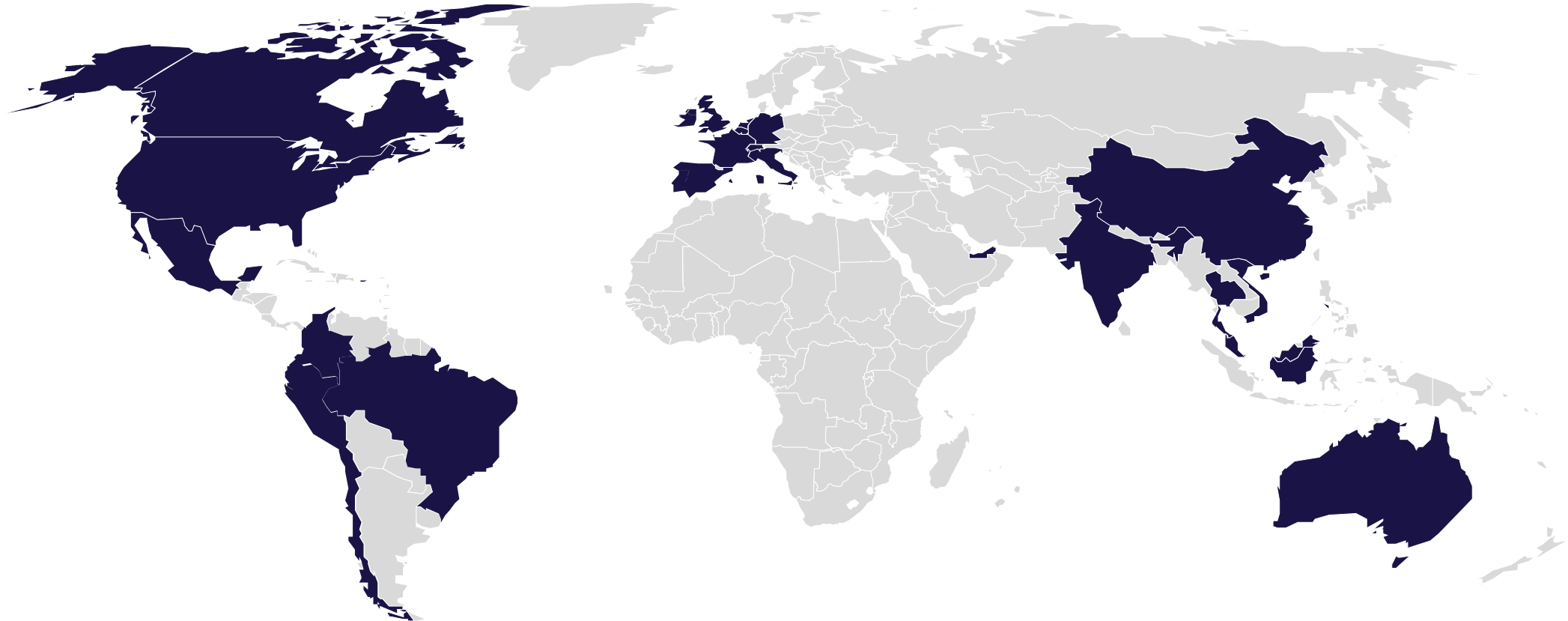
US (HQ), Bermuda, Brazil<sup>1</sup>, Canada, Chile<sup>1</sup>, Colombia<sup>1</sup>, Ecuador<sup>1</sup>, Mexico, Peru

## Europe

Belgium, France, Germany, Ireland<sup>2</sup>, Italy, Luxembourg, Netherlands, Portugal<sup>2</sup>, Spain<sup>2</sup>, Switzerland, U.K.

## Asia Pacific

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



<sup>1</sup> On May 27, 2023, The Retail International division of Talanx Group (HDI International) signed a purchase agreement to acquire the Liberty Seguros personal and small commercial business in Brazil, Chile, Columbia, and Ecuador. The closing of the acquisition is expected in the first half 2024. The transactions are subject to approval by the relevant governmental and regulatory authorities.

<sup>2</sup> On June 15, 2023, Liberty Mutual Insurance and Generali Group announced that they signed a definitive agreement for Generali to acquire Liberty Seguros, S.A. – Liberty Mutual's personal lines and small commercial insurance business headquartered in Madrid. The transaction includes Liberty Seguros operations in Ireland, Northern Ireland, Portugal and Spain.

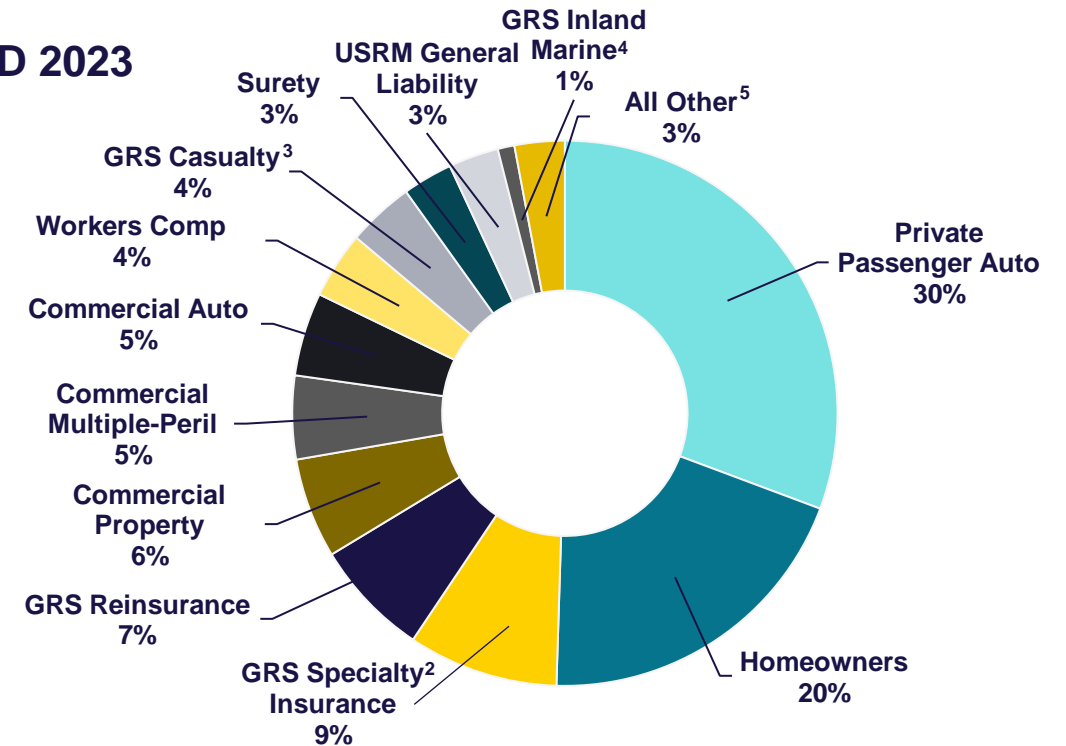
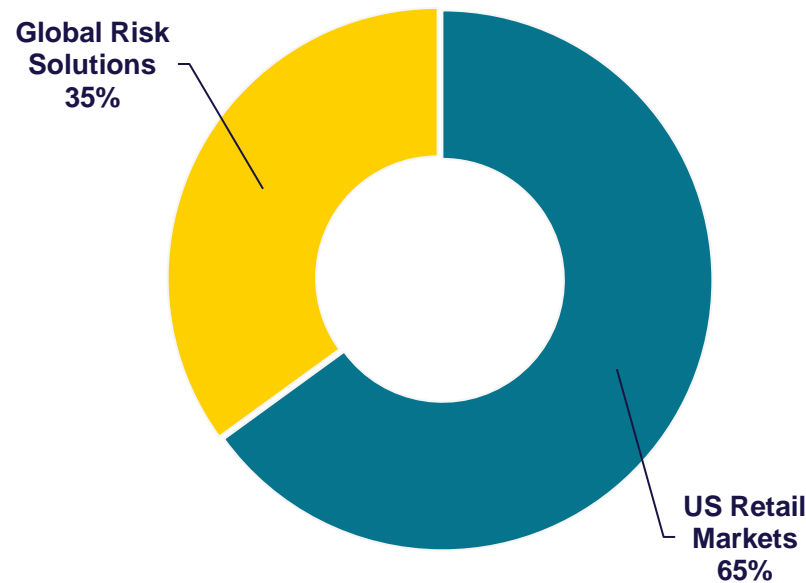


# Analysis of Consolidated Net Written Premium (“NWP”)

NWP by Business<sup>1</sup>

NWP by Line of Business

September YTD 2023



NWP year-to-date in 2023 totaled **\$35.2** billion, an increase of **1.6%** over the same period in 2022 (or an increase of **1.9%**<sup>6</sup> excluding FX)

<sup>1</sup>Excludes "Corporate and Other" of (\$144) million.

<sup>2</sup>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.

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

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

<sup>5</sup>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 NWP from allied lines, domestic inland marine, internal reinsurance, and life and health reported within U.S Retail Markets and life and health reported within Global Risk Solutions.

<sup>6</sup>Determined by assuming constant foreign exchange rates between periods.

As of September 30, 2023, the results of the businesses held for sale are presented as discontinued operations in the accompanying Consolidated Statements of Operations and are no longer included within the financial results. The prior periods have been restated to reflect this change.



# Consolidated Results

(\$ Millions)	Third Quarter			Year-to-Date		
	2023	2022	Change	2023	2022	Change
<b>NWP</b>	<b>\$12,160</b>	<b>\$11,848</b>	<b>2.6%</b>	<b>\$35,152</b>	<b>\$34,615</b>	<b>1.6%</b>
Pre-tax operating income (loss) before limited partnerships income	210	(385)	NM	(488)	(322)	51.6
Limited partnerships income (loss) <sup>1</sup>	62	(272)	NM	85	560	(84.8)
Net realized gains (losses)	87	69	26.1	(25)	(604)	(95.9)
<b>Net income (loss) attributable to LMHC</b>	<b>219</b>	<b>(353)</b>	<b>NM</b>	<b>(441)</b>	<b>(198)</b>	<b>122.7</b>
Net income (loss) attributable to LMHC excluding unrealized impact <sup>2</sup>	132	(439)	NM	(554)	12	NM
<b>Cash flow provided by continuing operations</b>	<b>\$1,798</b>	<b>\$2,158</b>	<b>(16.7%)</b>	<b>\$2,222</b>	<b>\$3,891</b>	<b>(42.9%)</b>

(\$ Millions)	As of		
	September 30, 2023	December 31, 2022	Change
Total equity excl. accumulated other comprehensive (loss)	\$29,519	\$30,038	(1.7%)
<b>Total equity</b>	<b>\$21,301</b>	<b>\$22,208</b>	<b>(4.1%)</b>

<sup>1</sup> Limited partnerships income (loss) 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.

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

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

NM = Not Meaningful



# Consolidated Results

	Third Quarter			Year-to-Date		
	2023	2022	Change (Points)	2023	2022	Change (Points)
Claims and claim adjustment expense ratio	65.4%	66.7%	(1.3)	66.0%	66.7%	(0.7)
Underwriting expense ratio	26.7	28.0	(1.3)	27.9	28.1	(0.2)
<b>Underlying combined ratio</b>	92.1	94.7	(2.6)	93.9	94.8	(0.9)
Catastrophes	9.6	13.2	(3.6)	13.1	10.0	3.1
Net incurred losses attributable to prior years:						
- Asbestos and environmental	-	-	-	-	-	-
- All other <sup>1</sup>	(0.8)	(2.5)	1.7	(1.6)	(1.2)	(0.4)
Current accident year re-estimation <sup>2</sup>	1.7	1.3	0.4	-	-	-
<b>Total combined ratio</b>	102.6%	106.7%	(4.1)	105.4%	103.6%	1.8

<sup>1</sup> Net of earned premium and reinstatement premium attributable to prior years.

<sup>2</sup> Re-estimation of the current accident year loss reserves for the six months ended June 30, 2023.

As of September 30, 2023, the results of the businesses held for sale are presented as discontinued operations in the accompanying Consolidated Statements of Operations and are no longer included within the financial results. The prior periods have been restated to reflect this change. Please refer to slide 3 for a description of all non-GAAP financial measures.





# US Retail Markets

## Segment Highlights

- 6<sup>th</sup> largest writer of personal lines in the US<sup>1</sup>
- 2<sup>nd</sup> largest in independent agency personal and small commercial lines in the US<sup>1,2</sup>
- Leading multi-line writer focused on small commercial accounts

## Financial Performance

(\$ Millions)	Third Quarter			Year-to-Date		
	2023	2022	Change	2023	2022	Change
<b>NWP</b>	<b>\$8,043</b>	<b>\$7,981</b>	<b>0.8%</b>	<b>\$22,790</b>	<b>\$22,604</b>	<b>0.8%</b>
Underlying PTOI	\$608	\$393	54.7	\$1,569	\$1,117	40.5
Catastrophes	(1,006)	(620)	62.3	(3,915)	(2,053)	90.7
Net incurred losses attributable to prior years <sup>3</sup>	52	225	(76.9)	509	373	36.5
Current accident year re-estimation <sup>4</sup>	(192)	(143)	34.3	-	-	-
<b>Pre-tax operating (loss) income</b>	<b>(\$538)</b>	<b>(\$145)</b>	<b>NM</b>	<b>(\$1,837)</b>	<b>(\$563)</b>	<b>NM</b>

	Third Quarter			Year-to-Date		
	2023	2022	Change (Points)	2023	2022	Change (Points)
Claims and claim adjustment expense ratio	69.0%	70.8%	(1.8)	69.0%	70.1%	(1.1)
Underwriting expense ratio	24.3	24.9	(0.6)	25.3	25.6	(0.3)
<b>Underlying combined ratio</b>	<b>93.3</b>	<b>95.7</b>	<b>(2.4)</b>	<b>94.3</b>	<b>95.7</b>	<b>(1.4)</b>
Catastrophes	13.5	8.3	5.2	17.7	9.6	8.1
Net incurred losses attributable to prior years <sup>3</sup>	(0.7)	(3.0)	2.3	(2.3)	(1.7)	(0.6)
Current accident year re-estimation <sup>4</sup>	2.6	1.9	0.7	-	-	-
<b>Total combined ratio</b>	<b>108.7%</b>	<b>102.9%</b>	<b>5.8</b>	<b>109.7%</b>	<b>103.6%</b>	<b>6.1</b>

<sup>1</sup> Based on 2022 DWP.

<sup>2</sup> Includes State Auto full-year 2022 results.

<sup>3</sup> Net of earned premium and reinstatement premium attributable to prior years of zero and (\$4) million for the three and nine months ended September 30, 2023, respectively.

<sup>4</sup> Re-estimation of the current accident year loss reserves for the six months ended June 30, 2023.

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

NM = Not Meaningful

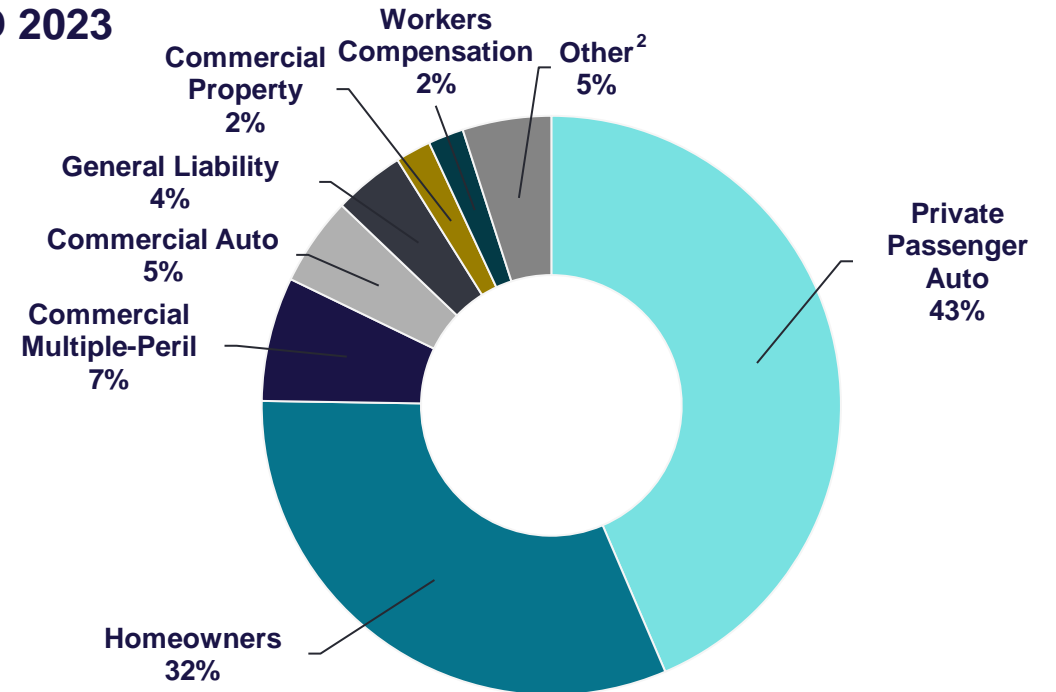
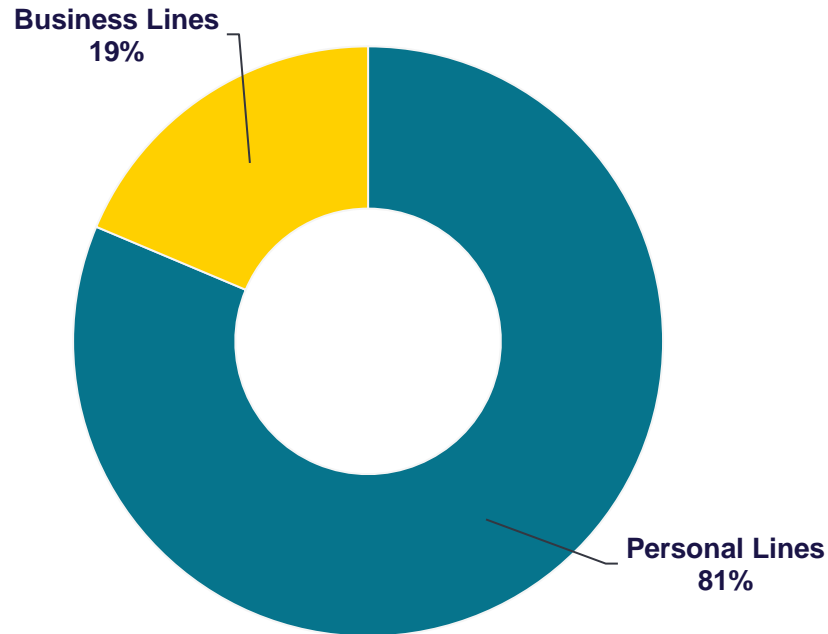


# US Retail Markets NWP Distribution

— NWP by Market Segment —

— NWP by Line of Business<sup>1</sup> —

September YTD 2023



NWP year-to-date in 2023 totaled **\$22.8** billion, an increase of **0.8%** over the same period in 2022

<sup>1</sup> Excludes "Life and Health" of \$1 million.

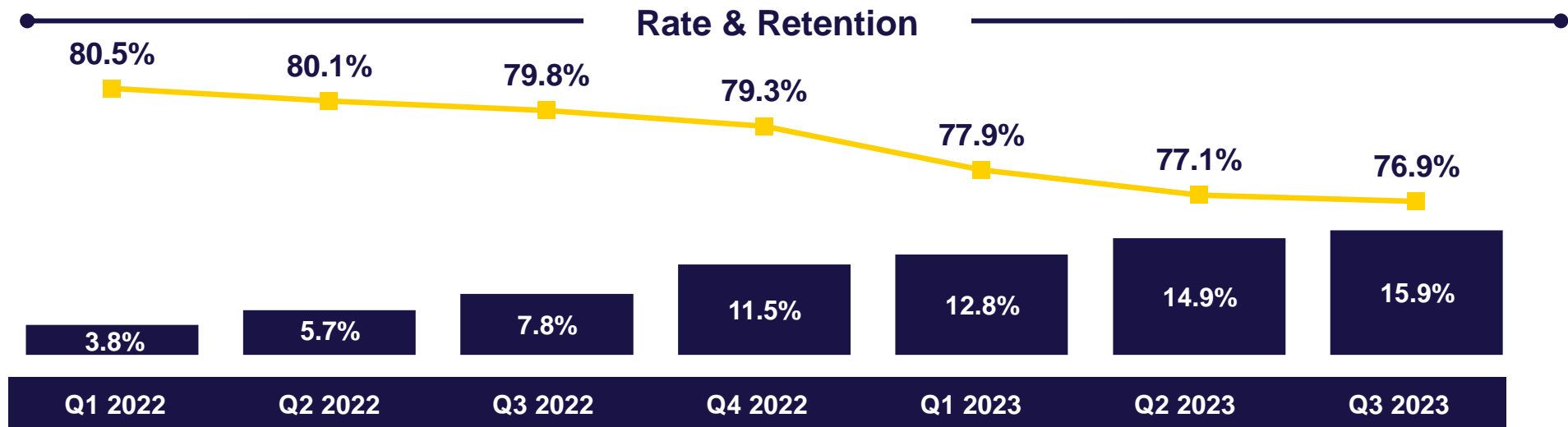
<sup>2</sup> Premium related to other personal and commercial lines including personal accident, bonds, small and medium enterprise, and marine and cargo lines of business.



# US 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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Renewal Rate	4.0%	6.4%	8.6%	12.6%	14.4%	15.6%	17.3%
Retention	78.5%	78.2%	77.6%	77.0%	75.0%	73.9%	73.7%
PIF Growth	4.7%	3.9%	1.3%	(1.5%)	(6.9%)	(11.5%)	(12.9%)

## Property

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Renewal Rate	3.4%	4.8%	7.2%	11.1%	11.9%	14.3%	15.6%
Retention	81.1%	80.6%	80.4%	79.8%	78.7%	78.2%	77.8%
PIF Growth	6.2%	5.8%	4.5%	2.4%	(0.5%)	(3.9%)	(6.0%)

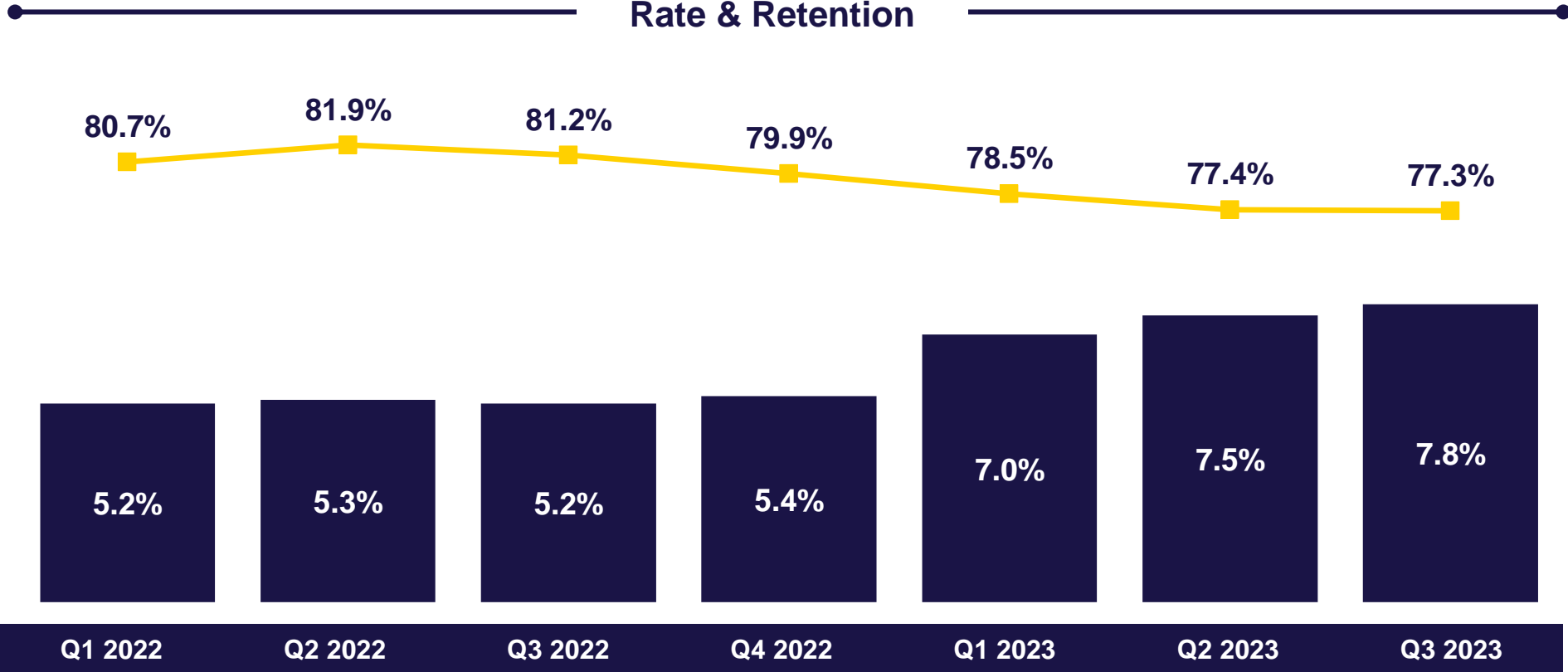
Q1, Q2, and Q3 2023 results include the impact of State Auto business using weighted PIF counts; 2022 results are not restated to include the impact of the State Auto business.



# US 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.



US Business Lines	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Renewal Rate	5.2%	5.3%	5.2%	5.4%	7.0%	7.5%	7.8%
Retention	80.7%	81.9%	81.2%	79.9%	78.5%	77.4%	77.3%

Q1, Q2, and Q3 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, automobile, specialty, life and health, and reinsurance products and services distributed through multiple channels globally
- 1<sup>st</sup> in US Inland Marine<sup>1</sup>
- 2<sup>nd</sup> in US Surety<sup>1,2</sup>
- 4<sup>th</sup> largest US Commercial and Specialty lines carrier<sup>1,3</sup>
- 8<sup>th</sup> largest US Excess & Surplus lines carrier<sup>1</sup>

## Financial Performance

(\$ Millions)	Third Quarter			Year-to-Date		
	2023	2022	Change	2023	2022	Change
<b>NWP</b>	<b>\$4,208</b>	<b>\$4,357</b>	<b>(3.4%)</b>	<b>\$12,506</b>	<b>\$12,605</b>	<b>(0.8%)</b>
Underlying PTOI	\$645	\$517	24.8	\$1,736	\$1,594	8.9
Catastrophes	(122)	(857)	(85.8)	(602)	(1,212)	(50.3)
Net incurred losses attributable to prior years <sup>4</sup>	8	81	(90.1)	54	1	NM
<b>Pre-tax operating income (loss)</b>	<b>\$531</b>	<b>(\$259)</b>	<b>NM</b>	<b>\$1,188</b>	<b>\$383</b>	<b>NM</b>
	Third Quarter			Year-to-Date		
	2023	2022	Change (Points)	2023	2022	Change (Points)
Claims and claim adjustment expense ratio	58.5%	61.4%	(2.9)	59.5%	60.9%	(1.4)
Underwriting expense ratio	31.6	30.9	0.7	31.6	30.9	0.7
Dividend ratio	0.1	0.1	-	0.1	0.1	-
<b>Underlying combined ratio</b>	<b>90.2</b>	<b>92.4</b>	<b>(2.2)</b>	<b>91.2</b>	<b>91.9</b>	<b>(0.7)</b>
Catastrophes	3.0	21.3	(18.3)	5.0	10.4	(5.4)
Net incurred losses attributable to prior years <sup>4</sup>	-	(2.5)	2.5	(0.3)	-	(0.3)
<b>Total combined ratio</b>	<b>93.2%</b>	<b>111.2%</b>	<b>(18.0)</b>	<b>95.9%</b>	<b>102.3%</b>	<b>(6.4)</b>

<sup>1</sup> Based on 2022 DWP.

<sup>2</sup> Liberty Mutual is the largest Surety writer in the US based on 2022 NWP.

<sup>3</sup> Includes small commercial premium reported within US Retail Markets.

<sup>4</sup> Net of earned premium and reinstatement premium attributable to prior years of \$20 million and \$44 million for the three and nine months ended September 30, 2023, and \$108 million and \$152 million for the same periods in 2022.

As of September 30, 2023, the results of the businesses held for sale are presented as discontinued operations in the accompanying Consolidated Statements of Operations and are no longer included within the financial results. Effective August 1, 2023, Global Risk Solutions formed the new Asia Retail Markets business unit by aligning the business segment previously known as Global Retail Markets East with GRS. The prior periods have been restated to reflect these changes.

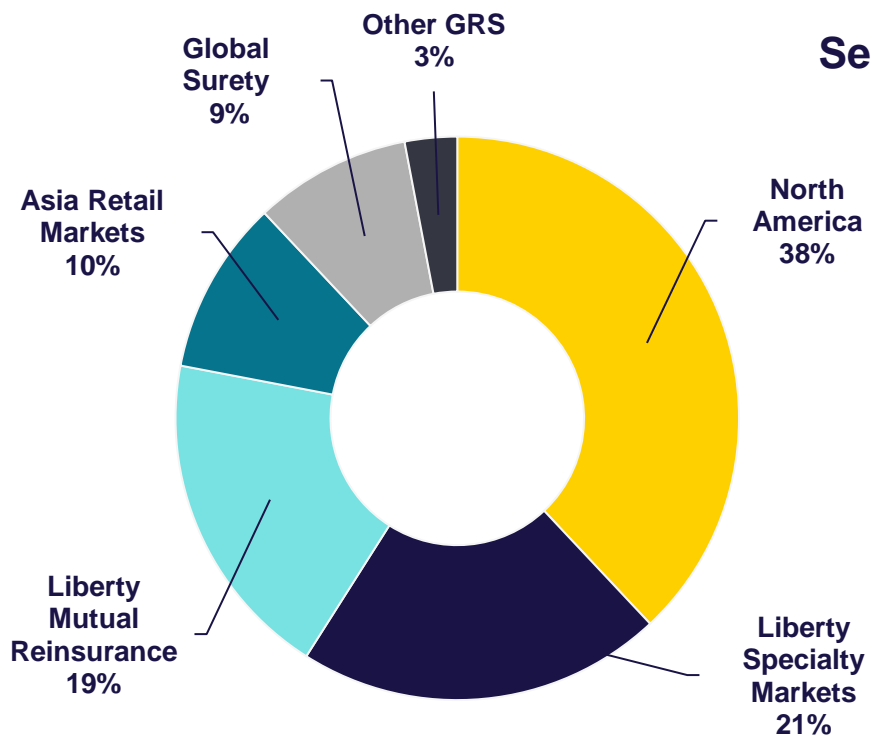
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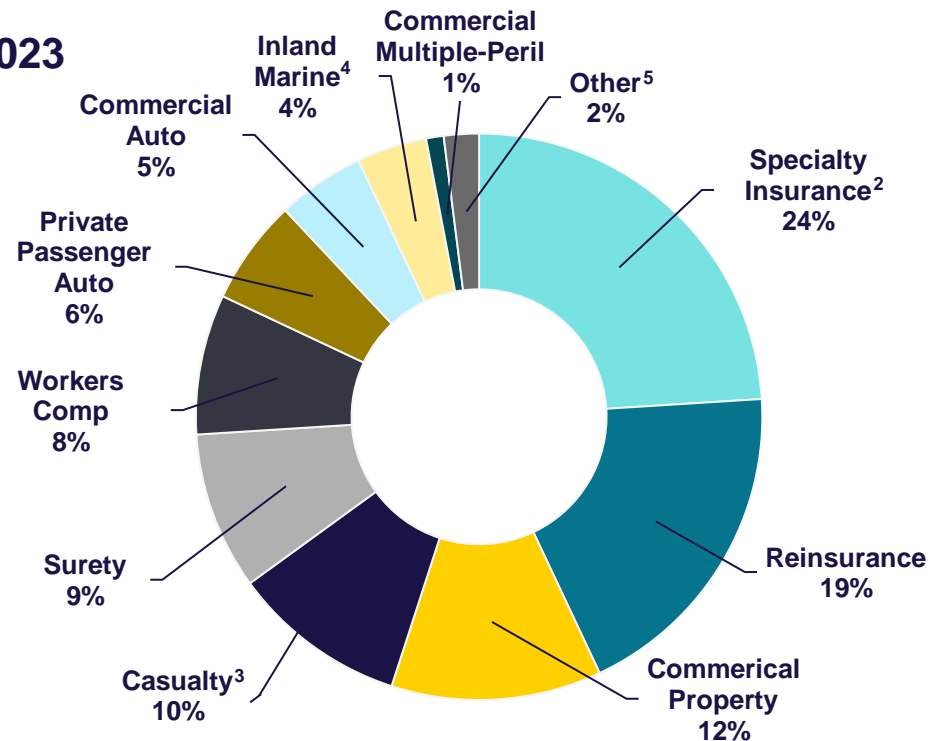


# Global Risk Solutions NWP Distribution

— NWP by Market Segment —



— NWP by Line of Business<sup>1</sup> —



NWP year-to-date in 2023 totaled **\$12.5 billion**, a decrease of **0.8%** over the same period in 2022 (or a decrease of **0.1%**<sup>6</sup> excluding FX)

<sup>1</sup>Excludes "Other Reinsurance" of (\$107) million.

<sup>2</sup>Includes marine, energy, construction, aviation, warranty and indemnity, directors and officers, errors and omissions, trade credit, contingent lines and other.

<sup>3</sup>Primarily includes general liability, excess & umbrella and environmental lines of business.

<sup>4</sup>Includes handset protection coverage for lost or damaged wireless devices.

<sup>5</sup>Primarily includes life & health, as well as other small lines of business.

<sup>6</sup>Determined by assuming constant foreign exchange rates between periods.

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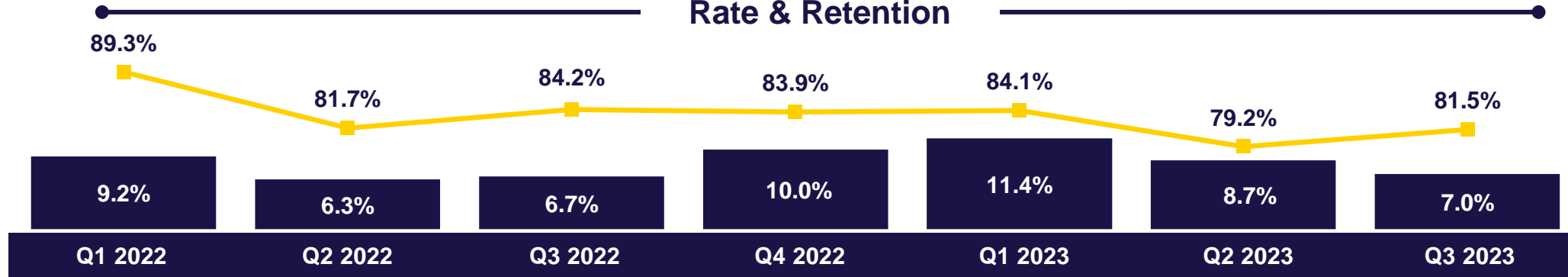


# Global Risk Solutions: Rate & Retention

## Rate & Retention

■ Rate — Retention

- Rate change and retention reported on a one-month lag for LSM and LMR, and exclude Asia Retail Markets
- 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%	15.9%	10.7%	5.5%
Retention	90.0%	78.2%	85.4%	92.1%	85.6%	79.5%	82.8%

### Specialty

Renewal Rate	11.5%	6.1%	5.2%	1.6%	3.1%	2.0%	0.2%
Retention	88.9%	77.5%	82.3%	83.2%	81.1%	78.7%	79.9%

### Casualty

Renewal Rate	7.5%	6.2%	9.0%	6.5%	6.4%	7.7%	9.3%
Retention	85.8%	83.8%	83.8%	80.9%	79.5%	76.6%	80.0%

### Workers' Compensation

Renewal Rate	0.7%	0.1%	1.8%	1.8%	2.0%	1.6%	2.2%
Retention	93.1%	87.2%	85.8%	86.8%	87.1%	81.6%	86.6%

### Commercial Property

Renewal Rate	7.1%	9.4%	8.2%	12.5%	16.1%	20.8%	15.8%
Retention	85.9%	85.8%	85.9%	78.8%	82.2%	80.4%	80.8%

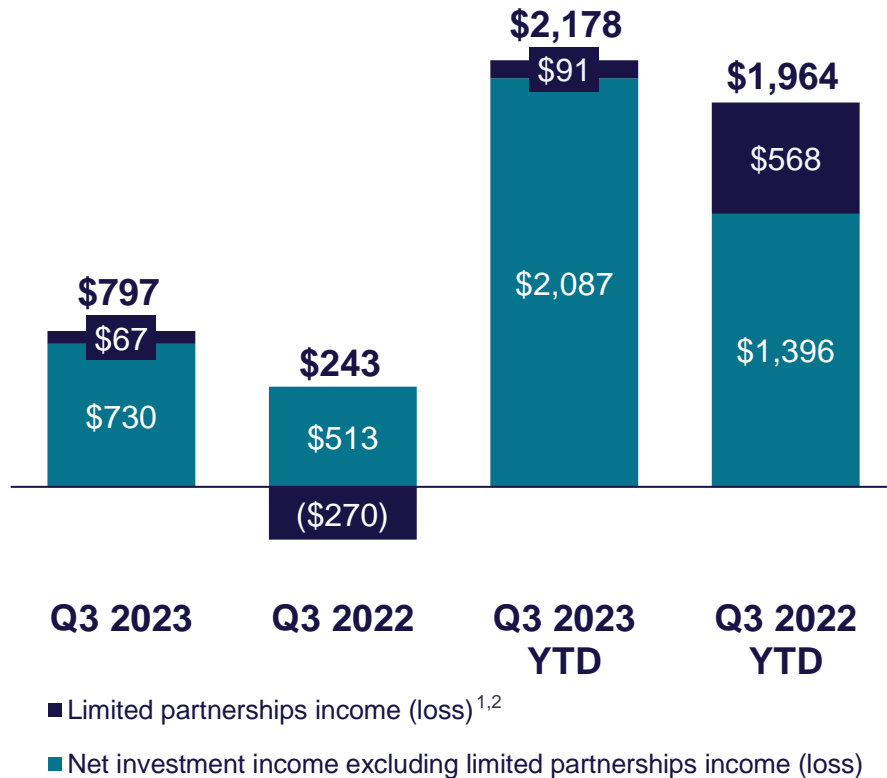
### Commercial Auto

Renewal Rate	5.1%	7.4%	9.4%	11.2%	10.5%	10.9%	11.1%
Retention	89.5%	89.0%	81.9%	84.2%	83.2%	79.7%	78.9%

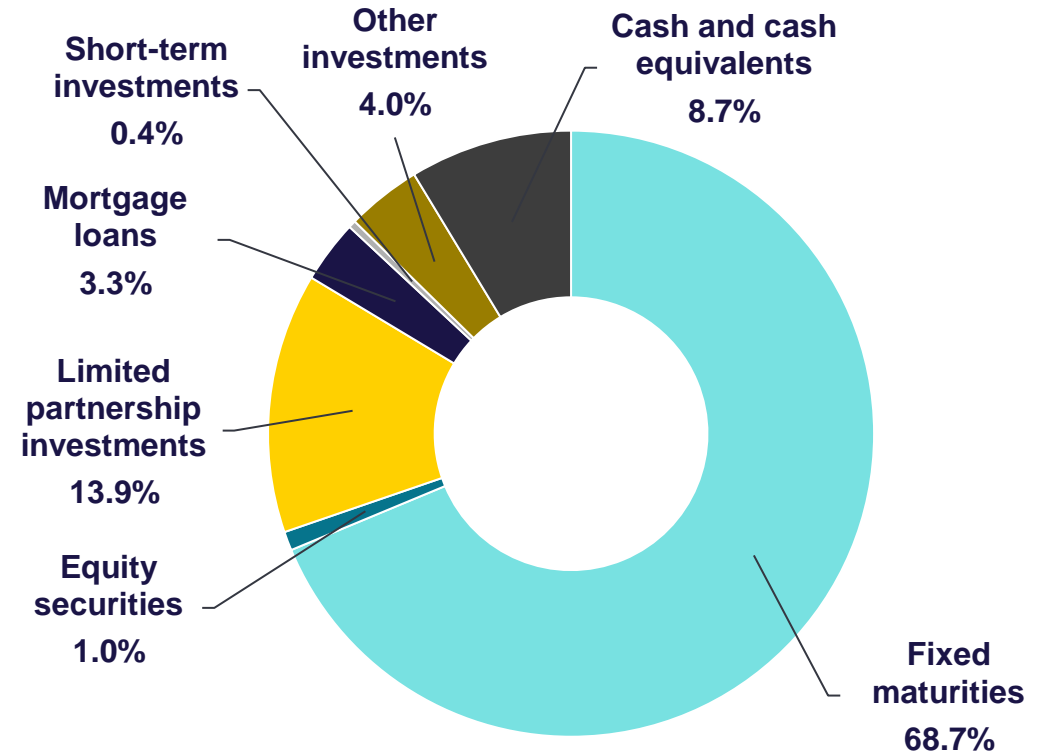


# Investments

— Net Investment Income —  
(\$ Millions)



— Invested Assets by Type —



**Total invested assets as of  
September 30, 2023: \$96.2 billion**

<sup>1</sup> Limited partnerships income (loss) 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.

<sup>2</sup> Limited partnerships income (loss) including direct investments in natural resources was \$62 million and \$85 million for the three and nine months ended September 30, 2023, and (\$272) million and \$560 million for the same periods in 2022.

As of September 30, 2023, the results of the businesses held for sale are presented as discontinued operations in the accompanying Consolidated Statements of Operations and are no longer included within the financial results. The prior periods have been restated to reflect this change.





# Capitalization

(\$ Millions)	As of September 30, 2023	As of December 31, 2022
Total long-term debt	\$9,522	\$10,053
Unamortized discount and debt issuance costs	(486)	(503)
Total long-term debt excluding unamortized discount and debt issuance costs	\$10,008	\$10,556
Total equity excluding accumulated other comprehensive income (loss)	\$29,519	\$30,038
Total capital excluding accumulated other comprehensive income (loss) <sup>1</sup>	\$39,527	\$40,594
<i>Debt-to-capital capitalization excluding accumulated other comprehensive income (loss)<sup>1</sup></i>	25.3%	26.0%
Statutory surplus	\$25,817	\$26,739

<sup>1</sup> Excludes unamortized discount and debt issuance costs.



# Holding Company Interest Coverage

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

<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 LMFC. Available dividend capacity as of September 30, 2023 is calculated as 2023 dividend capacity less dividends paid for the preceding 12 months. Dividends paid October 1, 2022 through September 30, 2023 for LMIC, LMFC, EICOW and SAM were \$65 million, \$385 million, \$330 million and zero respectively.

<sup>2</sup> 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)	September YTD 2023
<b>Balance at beginning of the year</b>	<b>\$26,739</b>
Statutory net loss	(695)
Changes in non-admitted assets	(297)
Affiliated unrealized losses	(169)
Net capital change	(60)
Non-affiliated unrealized gains	98
Other changes in statutory surplus	201
<b>Balance at end of the period</b>	<b>\$25,817</b>



# 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 86th on the Fortune 100 list of largest corporations in the US based on 2022 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](http://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 and nine months ended September 30, 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 US 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<sup>®</sup>**

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