

Liberty Mutual Insurance Reports Fourth Quarter and Full Year 2025 Results

BOSTON, Mass., March 4, 2026 – Liberty Mutual Holding Company Inc. and its subsidiaries (collectively “LMHC” or the “Company”) reported net income attributable to LMHC of \$1.699 billion and \$6.792 billion for the three and twelve months ended December 31, 2025, versus income of \$1.239 billion and \$4.383 billion for the same periods in 2024.

“We made measurable progress on underwriting profitability in the fourth quarter, delivering a consolidated combined ratio of 85.0% and net income attributable to LMHC of \$1.7 billion,” said Tim Sweeney, Liberty Mutual Chairman & Chief Executive Officer. “The 6.5-point improvement in our combined ratio for the quarter was supported by favorable prior-year development and lower current-year catastrophe activity, while the underlying combined ratio of 91.4% reflected the impact of investments we’re making to support growth initiatives. Investment results, including \$790 million of limited partnerships income in the quarter, continued to provide a meaningful earnings tailwind.

As we reflect on the full year’s results, the consolidated combined ratio of 88.4%, notably ahead of our 95% target in 2025 that was established three years ago, represents the lowest in recent history and an acknowledgement of the effort put forth by our people to build an underwriting culture that our policyholders deserve. We know the path ahead will not be easy, but we feel better positioned now than ever before to meet those challenges head on. We will continue to pursue disciplined, targeted growth where we feel we have a clear advantage and maintain the capital strength to serve our customers for years to come.”

The tables below outline highlights of LMHC’s consolidated financial results for the three and twelve months ended December 31, 2025.

Net Written Premium (“NWP”) by Business:

Consolidated NWP by business was as follows:

\$ in Millions	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2025	2024	Change	2025	2024	Change
USRM	\$6,375	\$6,700	(4.9%)	\$26,468	\$28,279	(6.4%)
GRS	4,196	3,844	9.2	17,186	16,416	4.7
Corporate and Other	(19)	7	NM	(88)	268	NM
Total NWP	\$10,552	\$10,551	0.0%	\$43,566	\$44,963	(3.1%)
Foreign exchange effect on growth			(0.8)			(0.2)
NWP growth excluding foreign exchange ¹			0.8%			(2.9%)

¹ Determined by assuming constant foreign exchange rates between periods.
NM = Not Meaningful

Consolidated Results of Operations:

\$ in Millions	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2025	2024	Change	2025	2024	Change
Revenues	\$12,758	\$12,218	4.4%	\$50,465	\$50,218	0.5%
Underlying PTOI before limited partnerships income	1,118	2,949	(62.1)	8,695	9,406	(7.6)
Catastrophes	(30)	(234)	(87.2)	(2,773)	(3,890)	(28.7)
Net incurred losses attributable to prior years:						
- Asbestos and environmental ¹	(465)	(175)	165.7	(465)	(175)	165.7
- All other ²	1,198	(760)	NM	2,051	(683)	NM
- Current accident year re-estimation ³	-	(20)	(100.0)	-	-	-
Pre-tax operating income before limited partnerships income	1,821	1,760	3.5	7,508	4,658	61.2
Limited partnerships income ⁴	790	380	107.9	2,161	1,266	70.7
Pre-tax operating income	2,611	2,140	22.0	9,669	5,924	63.2
Net realized losses	(395)	(623)	(36.6)	(856)	(1,041)	(17.8)
Acquisition & integration costs	(99)	(25)	NM	(178)	(87)	104.6
Restructuring costs	(35)	(4)	NM	(75)	(59)	27.1
Pre-tax income	2,081	1,488	39.9	8,559	4,737	80.7
Income tax expense	379	280	35.4	1,750	1,060	65.1
Consolidated net income from continuing operations	1,702	1,208	40.9	6,809	3,677	85.2
Discontinued operations, net of tax	-	34	(100.0)	-	725	(100.0)
Consolidated net income	1,702	1,242	37.0	6,809	4,402	54.7
Less: Net income attributable to non-controlling interest	3	3	-	17	19	(10.5)
Net income attributable to LMHC	1,699	1,239	37.1	6,792	4,383	55.0
Net income attributable to LMHC excluding unrealized impact ⁵	1,682	1,126	49.4	6,868	4,249	61.6
Cash flow provided by continuing operations	\$2,366	\$1,567	51.0%	\$7,876	\$6,469	22.7%

1 Asbestos and environmental is gross of the related adverse development reinsurance (the "NICO Reinsurance Transaction", which is described further in Reinsurance).

2 Net of earned premium and reinstatement premium attributable to prior years of (\$62) million and \$92 million for the three and twelve months ended December 31, 2025, and \$46 million and \$123 million for the same periods in 2024.

3 Re-estimation of the current accident year loss reserves for the nine months ended September 30, 2024.

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

5 Excludes unrealized gains on equity securities and the corresponding tax impact.

NM = Not Meaningful

Combined Ratio:

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2025	2024	Change (Points)	2025	2024	Change (Points)
CONSOLIDATED						
Combined ratio						
Claims and claim adjustment expense ratio	57.0%	52.5%	4.5	55.2%	57.9%	(2.7)
Underwriting expense ratio	34.4	28.7	5.7	30.5	27.6	2.9
Underlying combined ratio	91.4	81.2	10.2	85.7	85.5	0.2
Catastrophes	0.2	2.1	(1.9)	6.3	8.6	(2.3)
Net incurred losses attributable to prior years:						
- Asbestos and environmental	4.2	1.6	2.6	1.0	0.4	0.6
- All other ¹	(10.8)	6.8	(17.6)	(4.6)	1.4	(6.0)
Current accident year re-estimation ²	-	(0.2)	0.2	-	-	-
Total combined ratio ³	85.0%	91.5%	(6.5)	88.4%	95.9%	(7.5)

1 Net of earned premium and reinstatement premium attributable to prior years.

2 Re-estimation of the current accident year loss reserves for the nine months ended September 30, 2024.

3 The combined ratio, expressed as a percentage, is a measure of underwriting profitability. 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. 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.

Equity:

	As of December 30,	As of December 31,	Change
	2025	2024	
\$ in Millions			
Unassigned equity	\$41,166	\$34,374	19.8%
Accumulated other comprehensive loss	(1,506)	(3,928)	(61.7)
Non-controlling interest	227	206	10.2
Total equity	\$39,887	\$30,652	30.1%

Subsequent Events

On February 2, 2026 the Company closed the sale of its operations in Vietnam to Chubb.

Management has assessed material subsequent events through March 4, 2026, the date the financial statements were available to be issued.

Financial Information

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 twelve months ended December 31, 2025 are available on the Company's Investor Relations website at www.libertymutualgroup.com/investors.

Conference Call Information

On March 5, 2026, at 10:00 a.m. Eastern Time, Tim Sweeney, Liberty Mutual Insurance Chairman and CEO, will host a conference call to discuss the Company's fourth quarter financial results. To participate in the event via telephone and to ask a question, please dial 844-481-2837 and request to join into the Liberty Mutual Insurance call. To listen to the call online via PC and view a presentation on financial performance, please log into <https://event.choruscall.com/mediaframe/webcast.html?webcastid=1z4MvG9Z>. Following the call, a recording of the event will be available on the Investor Relations section of Liberty Mutual's website, www.libertymutualgroup.com/investors.

About Liberty Mutual Insurance

At Liberty Mutual, we believe progress happens when people feel secure. For more than 110 years we have helped people and businesses embrace today and confidently pursue tomorrow by providing protection for the unexpected and delivering it with care.

A Fortune 100 company with more than 40,000 employees in 27 countries and economies, we are the ninth largest global property and casualty insurer and generate more than \$50 billion in annual consolidated revenue.

We operate through three strategic business units: US Retail Markets, providing auto, home, renters and other personal and small commercial lines property and casualty insurance to individuals and small businesses countrywide; Global Risk Solutions, delivering a full range of comprehensive commercial and specialty insurance, reinsurance and surety solutions to mid-size and large businesses worldwide; and Liberty Mutual Investments, deploying more than \$100 billion of long-term capital globally across its integrated platform to drive economic growth, power innovation and secure Liberty Mutual's promises.

For more information, visit www.libertymutualinsurance.com.

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 the Company. Forward looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results, investment market fluctuations, 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.

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