

Liberty Mutual Insurance Reports Second Quarter 2025 Results

BOSTON, Mass., August 6, 2025 – Liberty Mutual Holding Company Inc. and its subsidiaries (collectively “LMHC” or the “Company”) reported net income attributable to LMHC of \$1.845 billion and \$2.870 billion for the three and six months ended June 30, 2025, versus income of \$717 million and \$2.252 billion for the same periods in 2024.

“We delivered strong second quarter results, with net income attributable to LMHC of \$1.8 billion driven by disciplined underwriting and excellent investment performance,” said Tim Sweeney, Liberty Mutual Chairman & Chief Executive Officer. “Our combined ratio improved by 12.4 points to 87.2%, reflecting the impact of our underwriting actions and strategic choices made over the past two years. These results demonstrate meaningful progress toward our 95% combined ratio target and create confidence in our path to sustainable, profitable growth.”

The tables below outline highlights of LMHC’s consolidated financial results for the three and six months ended June 30, 2025.

Net Written Premium (“NWP”) by Business:

Consolidated NWP by business was as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
\$ in Millions	2025	2024	Change	2025	2024	Change
USRM	\$6,909	\$7,415	(6.8%)	\$12,970	\$13,960	(7.1%)
GRS	4,290	4,062	5.6	8,995	8,438	6.6
Corporate and Other	13	(50)	NM	6	(13)	NM
Total NWP	\$11,212	\$11,427	(1.9%)	\$21,971	\$22,385	(1.8%)
Foreign exchange effect on growth			-			(0.1)
NWP growth excluding foreign exchange ¹			(1.9%)			(1.7%)

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

Consolidated Results of Operations:

	Three Months Ended June 30,			Six Months Ended June 30,		
\$ in Millions	2025	2024	Change	2025	2024	Change
Revenues	\$12,499	\$12,798	(2.3%)	\$24,985	\$25,273	(1.1%)
Underlying PTOI before limited partnerships income	2,667	2,444	9.1	5,378	4,373	23.0
Catastrophes	(808)	(1,742)	(53.6)	(2,629)	(2,569)	2.3
Net incurred losses attributable to prior years:						
- Asbestos and environmental ¹	-	-	-	-	-	-
- All other ²	241	(24)	NM	437	(18)	NM
Pre-tax operating income before limited partnerships income	2,100	678	NM	3,186	1,786	78.4
Limited partnerships income ³	410	466	(12.0)	777	625	24.3
Pre-tax operating income	2,510	1,144	119.4	3,963	2,411	64.4
Net realized losses	(123)	(162)	(24.1)	(193)	(254)	(24.0)
Acquisition & integration costs	(28)	(19)	47.4	(52)	(40)	30.0
Restructuring costs	(8)	(19)	(57.9)	(23)	(25)	(8.0)
Pre-tax income	2,351	944	149.0	3,695	2,092	76.6
Income tax expense	501	232	115.9	816	502	62.5
Consolidated net income from continuing operations	1,850	712	159.8	2,879	1,590	81.1
Discontinued operations, net of tax	-	10	(100.0)	-	673	(100.0)
Consolidated net income	1,850	722	156.2	2,879	2,263	27.2
Less: Net income attributable to non-controlling interest	5	5	-	9	11	(18.2)
Net income attributable to LMHC	1,845	717	157.3	2,870	2,252	27.4
Net income attributable to LMHC excluding unrealized impact ⁴	1,847	717	157.6	2,988	2,260	32.2
Cash flow provided by continuing operations	\$1,765	\$1,414	24.8%	\$2,204	\$2,315	(4.8%)

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 \$2 million and \$93 million for the three and six months ended June 30, 2025, and \$104 million and \$112 million for the same periods in 2024.

3 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.

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

NM = Not Meaningful

Combined Ratio:

	Three Months Ended June 30,			Six Months Ended June 30,		
CONSOLIDATED	2025	2024	Change (Points)	2025	2024	Change (Points)
Combined ratio						
Claims and claim adjustment expense ratio	53.8%	57.6%	(3.8)	53.9%	59.8%	(5.9)
Underwriting expense ratio	28.3	26.4	1.9	28.1	26.4	1.7
Underlying combined ratio	82.1	84.0	(1.9)	82.0	86.2	(4.2)
Catastrophes	7.3	15.4	(8.1)	12.0	11.3	0.7
Net incurred losses attributable to prior years:						
- Asbestos and environmental	-	-	-	-	-	-
- All other ¹	(2.2)	0.2	(2.4)	(2.1)	0.2	(2.3)
Total combined ratio	87.2%	99.6%	(12.4)	91.9%	97.7%	(5.8)

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

2 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 June 30,	As of December 31,	
\$ in Millions	2025	2024	Change
Unassigned equity	\$37,244	\$34,374	8.3%
Accumulated other comprehensive loss	(2,602)	(3,928)	(33.8)
Non-controlling interest	211	206	2.4
Total equity	\$34,853	\$30,652	13.7%

Subsequent Events

Management has assessed material subsequent events through August 6, 2025, 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 six months ended June 30, 2025 are available on the Company's Investor Relations website at www.libertymutualgroup.com/investors.

Conference Call Information

On August 7, 2025, 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 second 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=ldkOPAPX>. 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 28 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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