

Management's Discussion & Analysis of
Financial Condition and Results of Operations

Quarter Ended September 30, 2026

Management's Discussion & Analysis of Financial Condition and Results of Operations

The following discussion highlights significant factors influencing results of operations and changes in financial position of Liberty Mutual Holding Company Inc. (the "Company" or "LMHC"), the parent corporation of the Liberty Mutual Insurance group of entities, for the three and nine months ended September 30, 2026 and 2025. This Management's Discussion & Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Company's December 31, 2025 Audited Consolidated Financial Statements and September 30, 2026 Unaudited Consolidated Financial Statements and Risk Factors located on the Company's Investor Relations website at www.libertymutualgroup.com/investors. 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. These statements speak only as of the date of this report or as of the date they are made, are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, including but not limited to, those set forth in the Company's Risk Factors and should be regarded solely as the Company's current plans, estimates and beliefs. Actual results could be materially different. 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 any forward-looking statements.

The Company's discussions related to net income are presented in conformity with US 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 www.libertymutualgroup.com/investors (or any successor site).

Throughout this MD&A, we use certain terms and abbreviations, the more commonly used are summarized in the Definitions and Acronyms section.

(Dollar amounts in millions, unless otherwise stated)

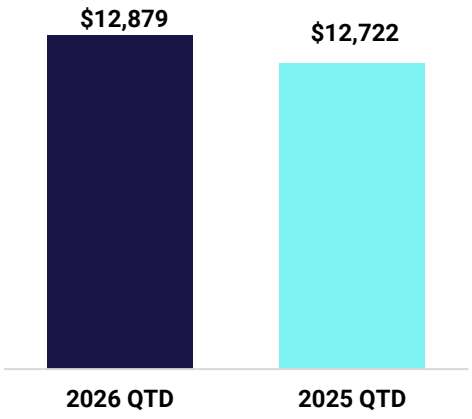
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Executive Summary

Third Quarter Financial Highlights

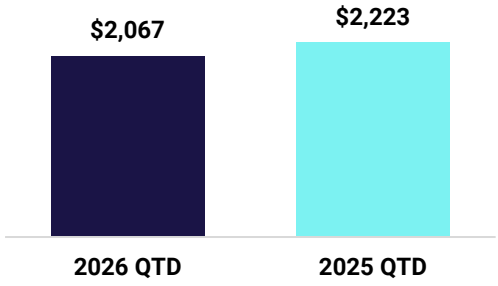
Total Revenues



Increased $157 or 1.2%

+ Favorable investment income
- Lower premiums earned

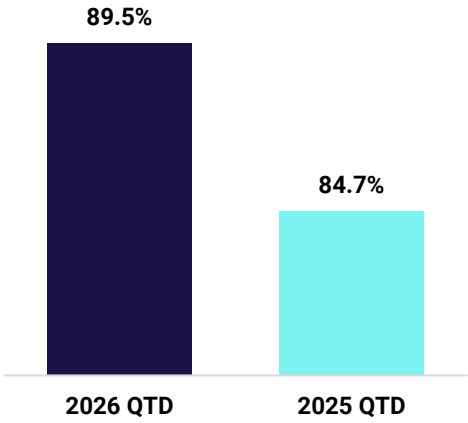
Net Income attributable to LMHC



Decreased $156 or 7.0%

- Unfavorable underwriting results
- Higher expenses
+ Favorable investment results

Combined Ratio



Increased 4.8 points

- Unfavorable catastrophe losses
- Higher expenses
+ Favorable prior year development

Year-to-Date Financial Highlights

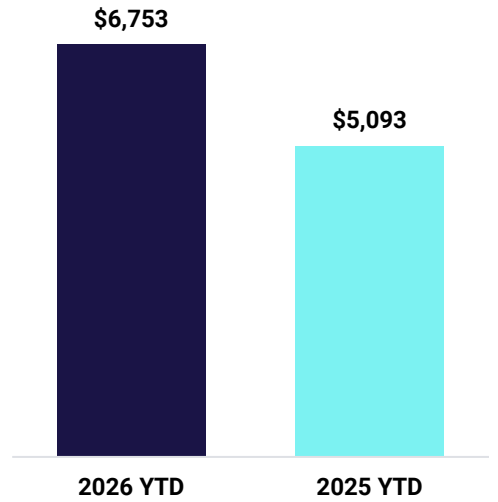
Total Revenues



Increased $1,197 or 3.2%

+ Favorable investment results
- Lower premiums earned

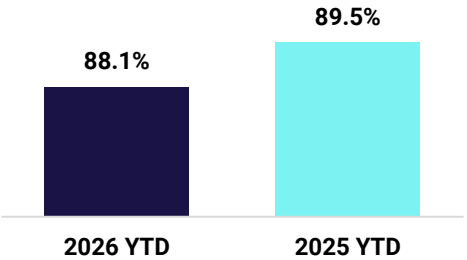
Net Income attributable to LMHC



Increased $1,660 or 32.6%

+ Favorable investment results
+ Favorable underwriting results

Combined Ratio



Decreased 1.4 points

+ Favorable catastrophe losses
+ Favorable prior year development
- Higher expenses

The following highlights do not address all of the matters covered in the other sections of Management's Discussion & Analysis of Financial Condition and Results of Operations or contain all of the information that may be important to the investing public. This summary should be read in conjunction with the other sections of Management's Discussion & Analysis of Financial Condition and Results of Operations and the Company's 2026 Unaudited Consolidated Financial Statements.

The Company's three businesses are as follows:

- USRM consists of Personal Lines and Small Commercial. US Personal Lines sells automobile, homeowners and other types of property and casualty insurance coverage to individuals in the United States. US Small Commercial Lines serves customers through an operating model that combines local underwriting, market knowledge and service with the scale advantages of a national company.
- GRS offers a wide array of products, with the largest being property, casualty, specialty, credit and financial lines distributed through multiple channels globally. GRS is organized into the following market segments: North America, LII, Liberty Mutual Reinsurance, Global Surety, and Other GRS.
- LMI manages the invested assets of Liberty Mutual Group across liquid, credit, and alternative strategies. LMI takes a disciplined, long-term approach to support Liberty's balance sheet strength, liquidity needs, and long-term insurance obligations.

Summary of Results	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Net written premium	$10,737	$11,043	(2.8%)	$32,951	$33,014	(0.2%)
Pre-tax operating income before limited partnership income[1]	2,156	2,501	(13.8)	6,720	5,687	18.2
Limited partnerships income[2]	810	594	36.4	2,276	1,371	66.0
Net realized losses	(337)	(268)	25.7	(393)	(461)	(14.8)
Acquisition & integration costs	(70)	(27)	159.3	(124)	(79)	57.0
Restructuring costs	(9)	(17)	(47.1)	(33)	(40)	(17.5)
Loss on extinguishment of debt	(5)	-	NM	(6)	-	NM
Consolidated net income	2,069	2,228	(7.1)	6,761	5,107	32.4
Less: Net income attributable to non-controlling interest	2	5	(60.0)	8	14	(42.9)
Net income attributable to LMHC	2,067	2,223	(7.0)	6,753	5,093	32.6
Net income attributable to LMHC excluding unrealized impact[3]	2,155	2,198	(2.0)	6,746	5,186	30.1
Cash flow provided by operating activities	$2,941	$3,306	(11.0%)	$5,684	$5,510	3.2%

1 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.
2 Includes direct working interest.
3 Excludes unrealized gains on equity securities and the corresponding tax impact.

	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change (Points)	2026	2025	Change (Points)
Underlying combined ratio	91.9%	87.4%	4.5	86.8%	83.8%	3.0
Combined ratio	89.5%	84.7%	4.8	88.1%	89.5%	(1.4)

	As of September 30, 2026	As of December 31, 2025	Change
Short-term debt	$227	$227	0.0%
Long-term debt	9,019	8,812	2.3
Total debt	$9,246	$9,039	2.3%
Unassigned equity	$47,919	$41,166	16.4%
Accumulated other comprehensive loss	(3,770)	(1,506)	150.3
Non-controlling interest	219	227	(3.5)
Total equity	$44,368	$39,887	11.2%

Subsequent Events

On October 14, 2026, the Company entered into an agreement to acquire Austral Seguradora, a Brazilian surety provider. The deal is subject to regulatory approval and customary closing conditions and is expected to close in 2027.

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

Material Events Affecting Operations and Financial Position

On July 30, 2026, the Company received a favorable award in arbitration against the Bolivarian Republic of Venezuela. The award is for $1,570 and there are a number of additional steps required in the process to pursue collection. Consistent with the accounting literature around gain contingencies, the Company has not recorded any receivable or related gain for this matter in its consolidated financial statements as of and for the period ended September 30, 2026.

On April 23, 2026, LMGI issued $750 of Senior Notes due 2036 (the “2036 Notes”). Interest is paid semi-annually at a fixed rate of 5.25%. The 2036 Notes mature on May 1, 2036.

On October 30, 2025, LMGI redeemed its €750 2.75% Senior Notes, due 2026 in full.

On September 26, 2025, LMGI issued €750 of Senior Notes, due 2035 (“the 2035 Notes”). Interest is payable annually at a fixed rate of 3.875%. The 2035 Notes mature on September 26, 2035.

On April 11, 2025 the Company completed the acquisition of JMalucelli Travelers Seguros in Colombia. Effective August 11, 2025, JMalucelli Travelers Seguros assumed the new name Liberty Colombia Compañía de Seguros S.A.

On March 2, 2025, the Company announced the agreement to sell its operations in Thailand (the Thailand transaction) and Vietnam (the Vietnam transaction) to Chubb Limited. The Thailand transaction closed on March 31, 2025, resulting in a gain of $150. The Vietnam transaction closed on February 2, 2026, resulting in a total loss of ($29), (including a cumulative translation adjustment loss of ($11)).

There were a series of severe wildfires that impacted areas of Southern California in January 2025. The Company’s pre-tax estimate of catastrophe losses relating to these California wildfires is $1,200. The current amount includes estimated assessments from the California FAIR Plan and reinsurance recoveries net of reinstatement premium. These values do not consider any subrogation.

Consolidated Results of Operations

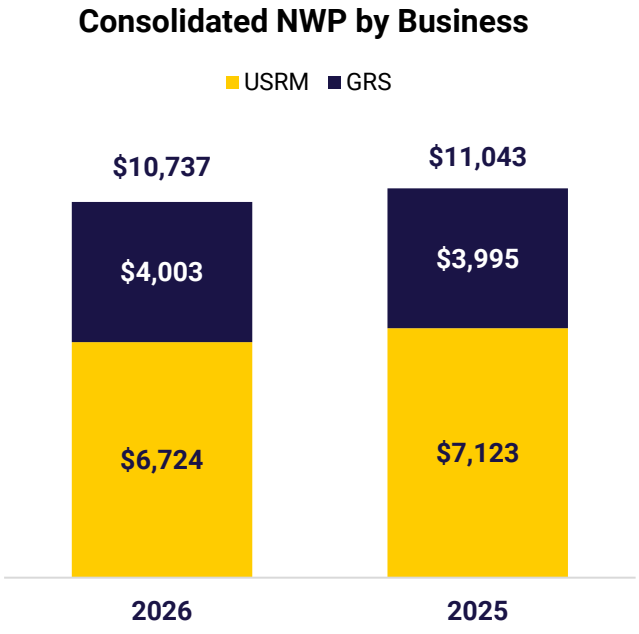
Consolidated NWP by significant line of business was as follows:

	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Property	$4,508	$4,674	(3.6%)	$13,285	$13,412	(0.9%)
Auto	2,923	3,109	(6.0)	8,894	9,385	(5.2)
Specialty - Short & Long[1]	1,050	1,039	1.1	3,175	3,152	0.7
Casualty[2]	800	870	(8.0)	2,688	2,720	(1.2)
Credit Lines	573	549	4.4	1,701	1,511	12.6
Financial Lines	262	278	(5.8)	1,145	943	21.4
Workers Compensation	403	398	1.3	1,143	1,136	0.6
Other	218	126	73.0	920	755	21.9
Total NWP	$10,737	$11,043	(2.8%)	$32,951	$33,014	(0.2%)

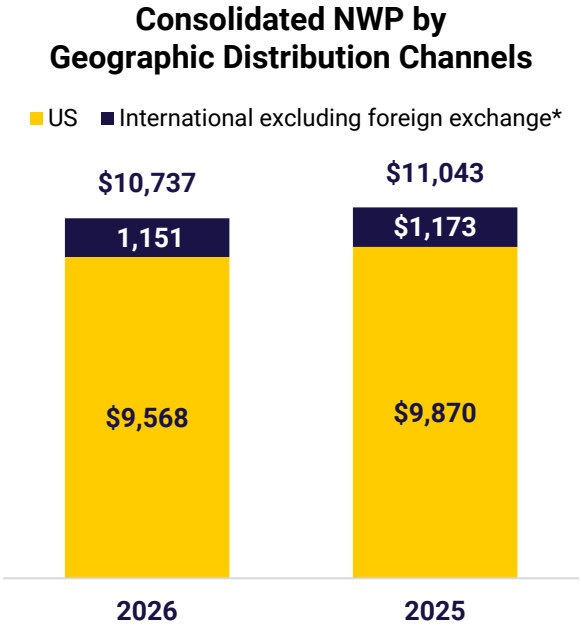
1 Specialty insurance primarily includes healthcare, personal accident, contingency, aviation, title and marine.
2 Casualty primarily includes general liability, auto, environmental and excess casualty lines of business.

Three months ended September 30, 2026 compared to the three months ended September 30, 2025:

Net written premiums decreased $306, driven by USRM decreasing $399 primarily due to small commercial middle market renewal premium and lower personal lines average written premium per policy, reflecting rate reductions and a greater mix of six-month auto policies , partially offset by small commercial new business and improvements in personal lines twelve-month auto and home retention and policies in force excluding California. GRS increased $8 driven by growth in Credit Lines and Property, with Property growth partially offset by rate decreases. These gains were largely offset by higher ceded written premium from reinsurance, primarily in Casualty; rate decreases in Financial Lines; and lower premium from targeted underwriting actions, primarily in Personal Auto.



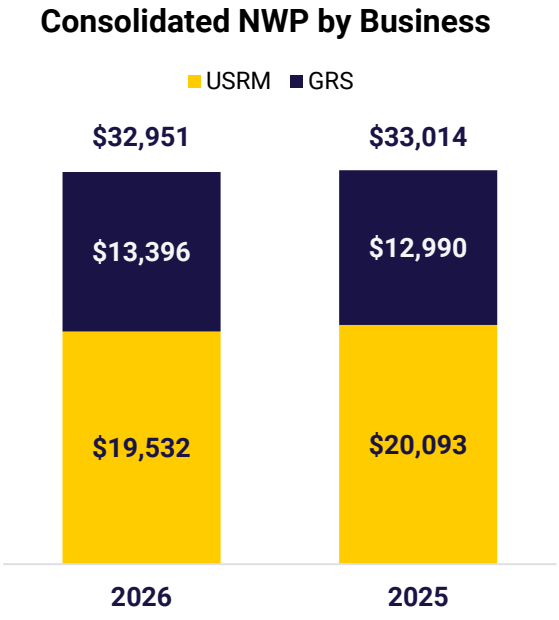
*Corporate NWP is $10 and ($75) for 2026 and 2025



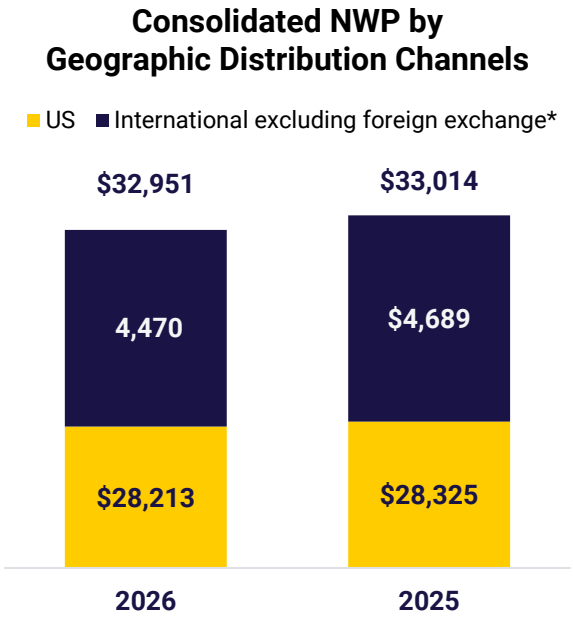
*Fx impact year over year is $18.

Nine months ended September 30, 2026 compared to the nine months ended September 30, 2025:

Net written premiums decreased $63, largely driven by a decline of $561 in USRM, primarily the result of personal lines lower average written premium per policy, reflecting rate reductions and a greater mix of auto six-month policies, and small commercial middle market renewal premium, partially offset by small commercial sharing economy premium, ceded premium driven by 2025 California wildfire reinsurance reinstatement premium not reoccurring, and a five-point improvement in personal lines twelve-month auto and home retention excluding California. GRS NWP increased $406, attributable to growth in Credit, Sharing Economy, Financial lines and Property, favorable foreign exchange, and higher rate in Casualty. These increases were partially offset by rate decreases in Property and Financial lines, and by lower premium across various lines within the Asia Pacific region, including the Thailand transaction in 2025.



*Corporate NWP is $23 and ($69) for 2026 and 2025



*Fx impact year over year is $268

For a more complete description of the Company's business operations, products and distribution channels, and other material information, please visit the Company's Investor Relations website at www.libertymutualgroup.com/investors.

Results of Operations - Consolidated	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Revenues	$12,879	$12,722	1.2%	$38,904	$37,707	3.2%
Underlying PTOI before limited partnerships income	1,901	2,199	(13.6)	7,105	7,577	(6.2)
Catastrophes	(585)	(114)	NM	(1,609)	(2,743)	(41.3)
Net incurred losses attributable to prior years:						
- Asbestos and environmental[1]	-	-	-	-	-	-
- All other[2]	840	416	101.9	1,224	853	43.5
Pre-tax operating income before limited partnership income[3]	2,156	2,501	(13.8)	6,720	5,687	18.2
Limited partnership income[4]	810	594	36.4	2,276	1,371	66.0
Pre-tax operating income	2,966	3,095	(4.2)	8,996	7,058	27.5
Net realized losses	(337)	(268)	25.7	(393)	(461)	(14.8)
Loss on extinguishment of debt	(5)	-	NM	(6)	-	NM
Acquisition & integration costs	(70)	(27)	159.3	(124)	(79)	57.0
Restructuring costs	(9)	(17)	(47.1)	(33)	(40)	(17.5)
Pre-tax income	2,545	2,783	(8.6)	8,440	6,478	30.3
Income tax expense	476	555	(14.2)	1,679	1,371	22.5
Consolidated net income from continuing operations	2,069	2,228	(7.1)	6,761	5,107	32.4
Consolidated net income	2,069	2,228	(7.1)	6,761	5,107	32.4
Less: Net income attributable to non-controlling interest	2	5	(60.0)	8	14	(42.9)
Net income attributable to LMHC	2,067	2,223	(7.0)	6,753	5,093	32.6
Net income attributable to LMHC excluding unrealized impact[5]	2,155	2,198	(2.0)	6,746	5,186	30.1
Cash flow provided by operating activities	$2,941	$3,306	(11.0%)	$5,684	$5,510	3.2%

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 ($9) and $126 for the three and nine months ended September 30, 2026, and $61 and $154 for the same periods in 2025.

3 Limited partnership 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.

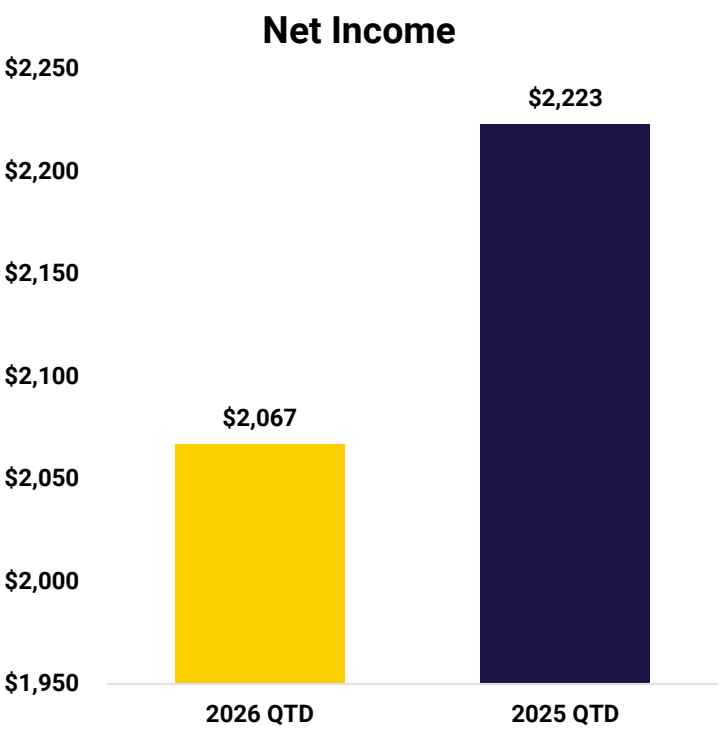
4 Includes direct working interest.

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

During the first quarter of 2026, the Company updated its allocation methodology for net investment income across business segments. As a result, prior year amounts presented herein have been adjusted to conform to the current period presentation. These changes had no impact on consolidated results, but may result in differences when compared to amounts previously reported in the Company's 2025 MD&A.

Three months ended September 30, 2026 compared to the three months ended September 30, 2025:

Net income attributable to LMHC decreased $156 primarily driven by unfavorable current year catastrophe activity, lower underlying pre-tax operating income driven by declines in USRM from higher underwriting expenses due to advertising expenditures. These losses were partially offset by favorable prior year development in USRM from personal lines auto liability trends, higher limited partnership income reflecting strong private equity and alternative investment performance, and higher net investment income.



Revenues increased $157 primarily driven by increased net investment income, partially offset by lower net premiums earned and unfavorable net realized losses.

Net investment income, excluding the impact of limited partnership income, increased $159 primarily driven by higher income from taxable fixed maturity investments reflecting growth in the invested asset base and favorable investment rates, as well as higher income from alternative credit and other investment activity, partially offset by higher investment expenses.

Limited partnership income increased $216 primarily driven by favorable valuations in private equity and equity-based alternative investments, including strong performance across several large funds, as well as higher income from alternative credit investments. These gains were partially offset by slight declines in real estate equity valuations.

Net realized losses were $69 unfavorable, driven by less favorable results in public equities. The prior-year quarter also reflected stronger unrealized gains in other investments and unrealized gains in energy holdings that did not recur.

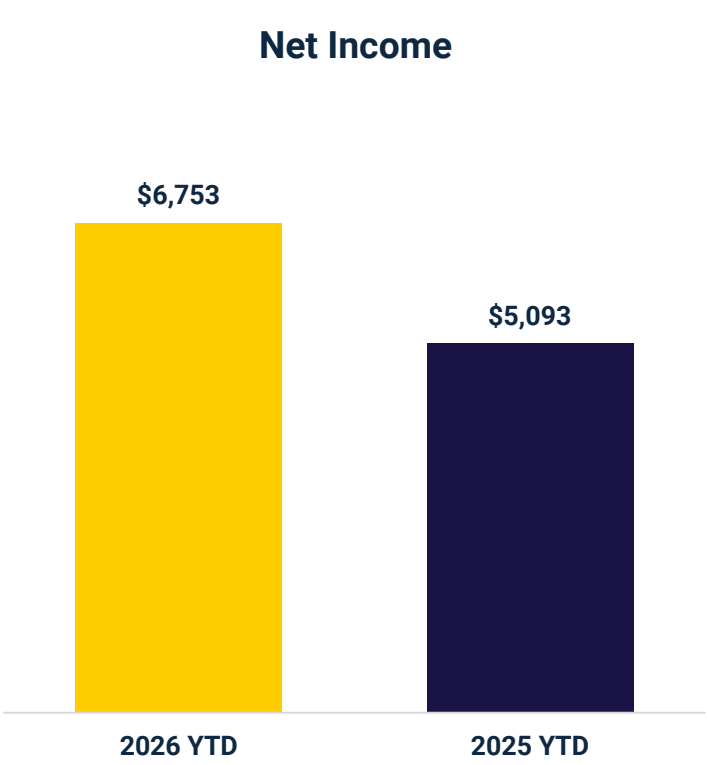
Claims and expenses increased $355 primarily driven by higher current year catastrophes reflecting higher event frequency and severity compared to the prior year, higher commissions in GRS, as well as higher underwriting expenses in USRM driven by increased advertising to stimulate growth. This unfavorability was partially offset by lower employee-related costs in Corporate.

Income tax expense decreased $79. The Company's effective tax rate for the three months ended September 30, 2026, was 18.7% compared to 19.9% for the same period in 2025. The decrease in the effective tax rate primarily reflects the tax impact of general business credits.

Cash flow provided by operating activities decreased by $365 primarily driven by higher tax payments and higher expenses, partially offset by lower claim payments.

Nine months ended September 30, 2026 compared to the nine months ended September 30, 2025:

Net income attributable to LMHC increased $1,660 primarily driven by lower catastrophes due to reduced catastrophe activity, favorable non-catastrophe losses in USRM, higher limited partnership income reflecting strong private equity and alternative investment performance, favorable prior year development in USRM from personal lines auto liability trends and higher net investment income. These gains were partially offset by lower underlying pre-tax operating income, driven by declines in USRM from higher underwriting expenses and in GRS from higher commissions, current year loss activity and higher employee-related costs.



Revenues increased $1,197 primarily driven by increased net investment income, and favorable net realized losses partially offset by lower net premiums earned.

Net investment income, excluding the impact of limited partnership income, increased $370 primarily driven by higher income from taxable fixed maturity investments reflecting growth in the invested asset base and favorable reinvestment rates, as well as higher income from alternative credit and other investment activity, partially offset by higher investment expenses.

Limited partnership income increased $905 primarily driven by favorable valuations in private equity and energy & infrastructure equity, partially offset by a decline in real estate equity valuations.

Net realized losses were $68 favorable, primarily driven by lower trading losses on fixed maturity sales and unrealized gains on other investments. This was partially offset by losses on derivatives. The prior-year also reflected unrealized losses on energy holdings that did not recur.

Claims and expenses decreased $809 primarily driven by lower current year catastrophes reflecting reduced event frequency and severity compared to the prior year, as well as favorable non-catastrophe losses in USRM from improved personal lines frequency and underwriting actions to address loss trends and book mix. Additional favorability was driven by lower employee-related costs in Corporate. These improvements were partially offset by higher underwriting expenses in USRM driven by increased advertising to stimulate growth and in GRS from higher employee-related costs and commissions, as well as higher current year loss activity in GRS, including non-catastrophe property and energy losses.

Income tax expense increased $308. The Company's effective tax rate for the nine months ended September 30, 2026, was 19.9% compared to 21.2% for the same period in 2025. The decrease in the effective tax rate primarily reflects the tax impact of general business credits.

Cash flow provided by operating activities increased $174 primarily driven by lower claim payments and partially offset by higher expenses.

Combined Ratio - Consolidated	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change (Points)	2026	2025	Change (Points)
Claims and claim adjustment expense ratio	56.5%	56.0%	0.5	54.4%	54.6%	(0.2)
Underwriting expense ratio	35.4	31.4	4.0	32.4	29.2	3.2
Underlying combined ratio	91.9	87.4	4.5	86.8	83.8	3.0
Catastrophes	5.3	1.0	4.3	4.9	8.3	(3.4)
Net incurred losses attributable to prior years						
- Asbestos and environmental	-	-	-	-	-	-
- All other[1]	(7.7)	(3.7)	(4.0)	(3.6)	(2.6)	(1.0)
Total combined ratio	89.5%	84.7%	4.8	88.1%	89.5%	(1.4)

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

Three months ended September 30, 2026 compared to the three months ended September 30, 2025:

Underlying combined ratio increased 4.5 points primarily due to an increase in the underwriting expense ratio driven by increased advertising to stimulate growth in USRM and higher commissions in GRS, partially offset by favorable earned premium in GRS.

Current accident year catastrophe losses ratio increased 4.3 points primarily due to higher event frequency and severity compared to the same period in 2025.

Prior accident year ratio decreased 4.0 points primarily due to higher personal auto reserve releases in USRM, partially offset by lower prior accident year releases in GRS.

Nine months ended September 30, 2026 compared to the nine months ended September 30, 2025:

Underlying combined ratio increased 3.0 points primarily due to an increase in the underwriting expense ratio driven by increased advertising to stimulate growth in USRM and higher commissions and employee-related costs in GRS, partially offset by higher earned premium in GRS.

Current accident year catastrophe losses ratio decreased 3.4 points primarily due to lower event frequency and severity compared to the same period in 2025 in USRM, which included the impact of the California wildfires.

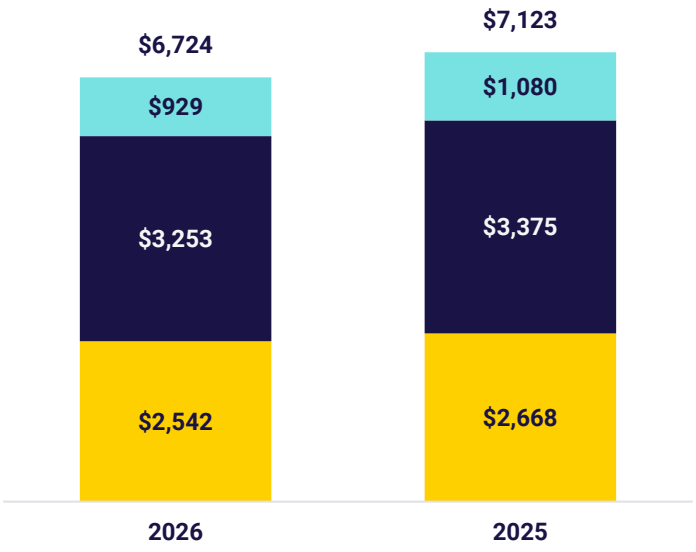
Prior accident year ratio decreased 1.0 point primarily due to favorable reserve releases in USRM related to personal lines auto liability trends, partially offset by Corporate reserve strengthening that did not occur in the prior year.

In addition to the underwriting drivers above, the underlying pre-tax operating income was impacted by favorable foreign exchange.

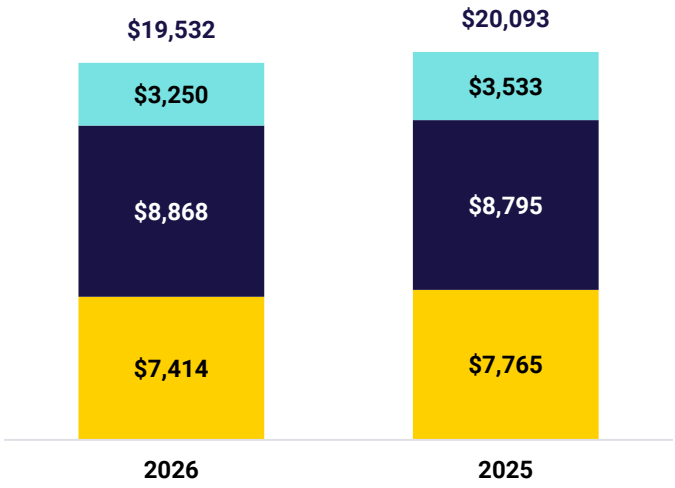
US Retail Markets

USRM consists of Personal Lines and Small Commercial Lines. US Personal Lines sells automobile, homeowners and other types of property and casualty insurance coverage to individuals in the United States. These products are distributed through approximately 1,260 licensed employee Comparion agents, 1,334 licensed telesales counselors , independent agents, third-party producers, online, and sponsored affinity groups. US Small Commercial Lines serves customers through an operating model that combines local underwriting, market knowledge and service with the scale advantages of a national company.

Three Months Ended, September 30
USRM NWP by line of business was as follows:



Nine Months Ended, September 30
USRM NWP by line of business was as follows:



Personal Auto ■ Personal Property & Specialty ■ Small Commercial

USRM NWP by line of business was as follows:	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Personal Property	$2,780	$2,909	(4.4%)	$7,524	$7,460	0.9%
Personal Auto	2,542	2,668	(4.7)	7,414	7,765	(4.5)
Personal Specialty	474	465	1.9	1,345	1,334	0.8
Commercial Multiple-Peril	392	452	(13.3)	1,225	1,357	(9.7)
Commercial Auto	145	196	(26.0)	778	856	(9.1)
Commercial Property	213	200	6.5	626	602	4.0
Commercial General Liability	98	122	(19.7)	334	387	(13.7)
Workers Compensation	53	71	(25.4)	175	209	(16.3)
Other	27	40	(32.5)	111	123	(9.8)
Total USRM NWP	$6,724	$7,123	(5.6%)	$19,532	$20,093	(2.8%)

USRM NWP by Channel was as follows:	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Direct	$1,311	$1,228	6.8%	$3,639	$3,378	7.7%
Exclusive Agency[1]	977	1,168	(16.4)	2,755	3,246	(15.1)
Independent Agent	4,436	4,727	(6.2)	13,138	13,469	(2.5)
Total NWP	$6,724	$7,123	(5.6%)	$19,532	$20,093	(2.8%)

1 Former Liberty Exclusive Agency premium is currently in runoff and now managed through Comparion.

Results of Operations – USRM	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Revenues	$7,093	$7,414	(4.3%)	$21,270	$22,060	(3.6%)
Underlying PTOI	1,151	1,665	(30.9)	4,306	5,398	(20.2)
Catastrophes	(432)	(119)	NM	(1,162)	(2,238)	(48.1)
Net incurred losses attributable to prior years[1]	746	275	171.3	1,272	641	98.4
Pre-tax operating income	$1,465	$1,821	(19.5%)	$4,416	$3,801	16.2%

1 Net of earned premium and reinstatement premium attributable to prior years of ($1) and $0 for the three and nine months ended September 30, 2026, and ($2) and ($13) for the same periods in 2025.

Combined Ratio - USRM	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change (Points)	2026	2025	Change (Points)
Claims and claim adjustment expense ratio	54.0%	53.6%	0.4	51.7%	52.6%	(0.9)
Underwriting expense ratio	33.1	27.0	6.1	30.9	25.9	5.0
Underlying combined ratio	87.1	80.6	6.5	82.6	78.5	4.1
Catastrophes	6.5	1.7	4.8	5.8	10.9	(5.1)
Net incurred losses attributable to prior years[1]	(11.2)	(4.0)	(7.2)	(6.3)	(3.3)	(3.0)
Total combined ratio	82.4%	78.3%	4.1	82.1%	86.1%	(4.0)

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

Three months ended September 30, 2026 compared to the three months ended September 30, 2025:

NWP decreased $399 primarily due to small commercial middle market renewal premium and lower personal lines average written premium per policy, reflecting rate reductions and a greater mix of six-month auto policies. This decline is partially offset by small commercial new business and improvements in personal lines twelve-month auto and home retention and policies in force excluding California.

Revenues decreased $321 primarily due to lower premiums earned from the DWP actions and lower net investment income.

Underlying combined ratio increased 6.5 points primarily due to higher underwriting expenses due to advertising expenditures to stimulate growth, and a 0.4 point increase in the claims and claim adjustment expense ratio as favorable non-catastrophe losses were more than offset by lower earned premium.

Current accident year catastrophe losses increased 4.8 points primarily due to higher current-year catastrophes reflecting higher event severity and frequency compared to the same period in 2025.

Prior accident year decreased 7.2 points primarily due to favorable personal lines auto liability trends.

Nine months ended September 30, 2026 compared to the nine months ended September 30, 2025:

NWP decreased $561 primarily due to personal lines lower average written premium per policy, reflecting rate reductions and a greater mix of auto six-month policies, and small commercial middle market renewal premium. Partially offset by small commercial sharing economy premium, ceded premium driven by 2025 California wildfire reinsurance reinstatement premium not reoccurring, and a five-point improvement in personal lines twelve-month auto and home retention excluding California.

Revenues decreased $790 primarily due to lower premiums earned from DWP actions and lower net investment income.

Underlying combined ratio increased 4.1 points primarily due to higher underwriting expenses due to advertising expenditures to stimulate growth, partially offset by lower claims and claim adjustment expenses from favorable non-catastrophe losses reflecting improved personal lines frequency and underwriting actions executed to address loss trends and book mix.

Current accident year catastrophe losses decreased 5.1 points primarily due to lower current-year catastrophes, reflecting reduced event severity compared to the same period in 2025, which included the impact of the California wildfires and other larger severe storms.

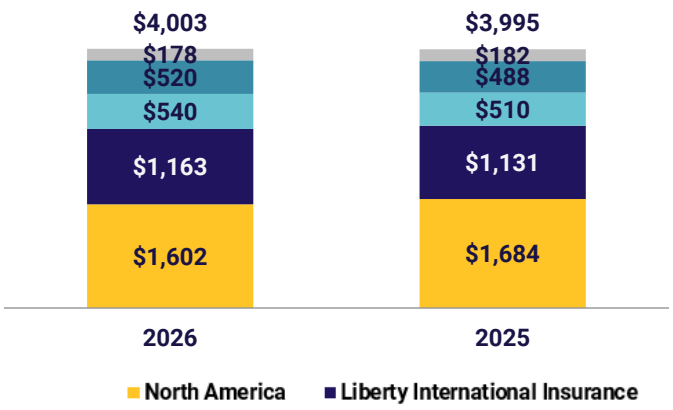
Prior accident year decreased 3.0 points primarily due to favorable personal lines auto liability trends.

Global Risk Solutions

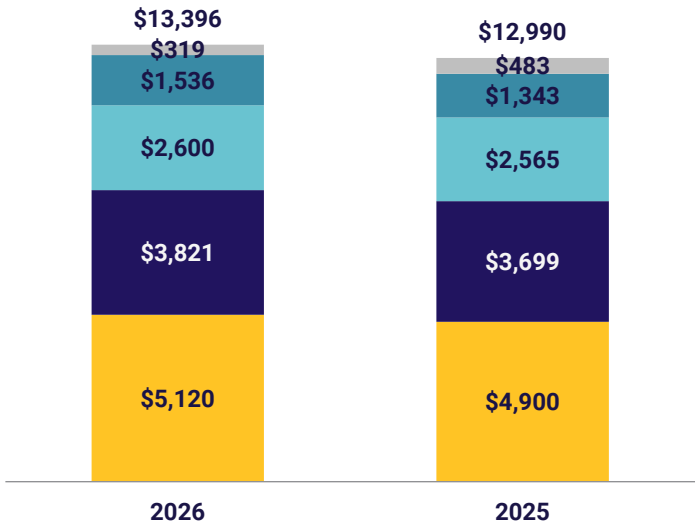
GRS offers a wide array of products, with the largest being property, casualty, specialty, credit and financial lines distributed through multiple channels globally. The segments for GRS are as follows:

- NA – North America includes admitted and non-admitted property and casualty.
- LII – Liberty International Insurance includes retail, commercial and specialty insurance businesses outside of North America.
- LM Re – Sells insurance for (Re)/insurers to transfer risk away from (Re)/insurance companies.
- Global Surety – A global leader providing surety guarantees to businesses ranging from multinational to local in most industry segments.
- Other GRS – primarily consists of internal reinsurance programs, certain run-off business activity, and a large Asurion program.

Three Months Ended, September 30
GRS NWP by segment was as follows[1,2]:



Nine Months Ended, September 30
GRS NWP by segment was as follows[1,2]:



1 Foreign exchange effect on growth was 0.5% and 2.1% for three and nine months ended September 30, 2026, compared to the three and nine months ended September 30, 2025, determined by assuming constant foreign exchange rates between periods.
2 Segments may be restated in the prior period due to re-organization.

GRS NWP by line of business was as follows:	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025[1]	Change	2026	2025[1]	Change
Property	$1,123	$1,113	0.9%	$3,910	$3,993	(2.1%)
Casualty	702	748	(6.1)	2,354	2,333	0.9
Specialty	576	574	0.3	1,830	1,818	0.7
Credit Lines	573	549	4.4	1,701	1,511	12.6
Financial Lines	262	278	(5.8)	1,145	943	21.4
Workers Compensation	342	341	0.3	935	929	0.6
Personal Auto	236	245	(3.7)	702	764	(8.1)
Sharing Economy	11	(4)	NM	321	207	55.1
Other[2]	178	151	17.9	498	492	1.2
Total NWP	$4,003	$3,995	0.2%	$13,396	$12,990	3.1%

1 Lines of business may be restated in the prior period due to reclassification or updated definitions.
2 Other primarily includes Asurion.

Results of Operations – GRS	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Revenues	$4,847	$4,800	1.0%	$14,513	$14,164	2.5%
Underlying PTOI	653	764	(14.5)	2,198	2,509	(12.4)
Catastrophes	(153)	9	NM	(447)	(379)	17.9
Net incurred losses attributable to prior years[1]	61	134	(54.5)	85	178	(52.2)
Pre-tax operating income	$561	$907	(38.1%)	$1,836	$2,308	(20.5%)

1 Net of earned premium and reinstatement premium attributable to prior years of ($8) and $126 for the three and nine months ended September 30, 2026, and $63 and $167 for the same periods in 2025.

Combined Ratio - GRS	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change (Points)	2026	2025	Change (Points)
Claims and claim adjustment expense ratio	59.4%	59.4%	-	58.4%	57.6%	0.8
Underwriting expense ratio	34.6	32.2	2.4	33.5	31.3	2.2
Dividend ratio	0.1	0.1	-	0.1	0.1	-
Underlying combined ratio	94.1	91.7	2.4	92.0	89.0	3.0
Catastrophes	3.5	(0.2)	3.7	3.5	3.1	0.4
Net incurred losses attributable to prior years[1]	(1.5)	(3.1)	1.6	(0.7)	(1.3)	0.6
Total combined ratio	96.1%	88.4%	7.7	94.8%	90.8%	4.0

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

Three months ended September 30, 2026, compared to the three months ended September 30, 2025:

NWP increased $8 driven by growth in Credit. Additional growth in Property is offset by rate decreases. These gains were mostly offset by higher ceded written premium due to reinsurance impacts, primarily in Casualty; rate decreases across Financial lines; and lower premium from targeted underwriting actions, primarily in Personal Auto.

Revenues increased $47 primarily driven by higher earned premium.

Underlying combined ratio increased by 2.4 points due to higher commissions driven by reinsurance and business mix impacts, partially offset by favorable earned premium.

Current accident year catastrophe losses increased 3.7 points primarily due to higher catastrophes in the current quarter versus minimal activity in Q3 2025.

Prior accident year increased 1.6 points primarily due to lower prior accident year releases in Q3 2026 versus Q3 2025.

Nine months ended September 30, 2026, compared to the nine months ended September 30, 2025:

NWP increased $406 primarily driven by growth in Credit, Sharing Economy, Financial lines and Property, favorable foreign exchange, and higher rate in Casualty. These increases were partially offset by rate decreases in Property and Financial lines, and by lower premium across various lines within the Asia Pacific region, including the Thailand transaction in 2025. Additionally, reinsurance changes implemented in 2026 affected premium across lines of business, with the impact most pronounced in Casualty and Financial Lines.

Revenues increased $349 driven by higher earned premium.

Underlying combined ratio increased 3.0 points primarily due to higher current year loss activity, including non-catastrophe Property and Energy losses, higher employee-related costs and commissions, partially offset by higher earned premium.

Current accident year catastrophe losses increased 0.4 points from the prior year.

Prior accident year increased 0.6 points primarily driven by lower prior accident year releases in 2026 versus 2025.

In addition to the underwriting drivers above, the underlying pre-tax operating income was impacted by favorable foreign exchange.

Investments

General

The Company's investment strategy seeks long-term returns through disciplined security selection, portfolio diversity and an integrated approach to risk management. The Company selects and monitors investments to balance the goals of safety, stability, liquidity, growth and after-tax total return with its need to comply with regulatory investment requirements. A relatively safe and stable income stream is achieved by maintaining a broadly-based portfolio of investment grade bonds. These holdings are supplemented by investments in additional asset types with the objective of further enhancing the portfolio's diversification and expected returns. These additional asset types include commercial mortgages and other real estate financing investments, non-investment grade bonds, including leveraged loans, common and preferred stock, private equity and direct investments. Risk management is accomplished through asset liability management (including both interest rate risk and foreign currency risk), diversification, credit limits and a careful analytical review of each investment decision.

The Company's investment policy and strategy are reviewed and approved by the Investment Committee of its Board of Directors, which meets on a regular basis to review and consider investment activities, tactics and new investment classes. In addition, the Company predominantly uses a subsidiary investment advisor for managing and administering the investment portfolios of its domestic and foreign insurance operations.

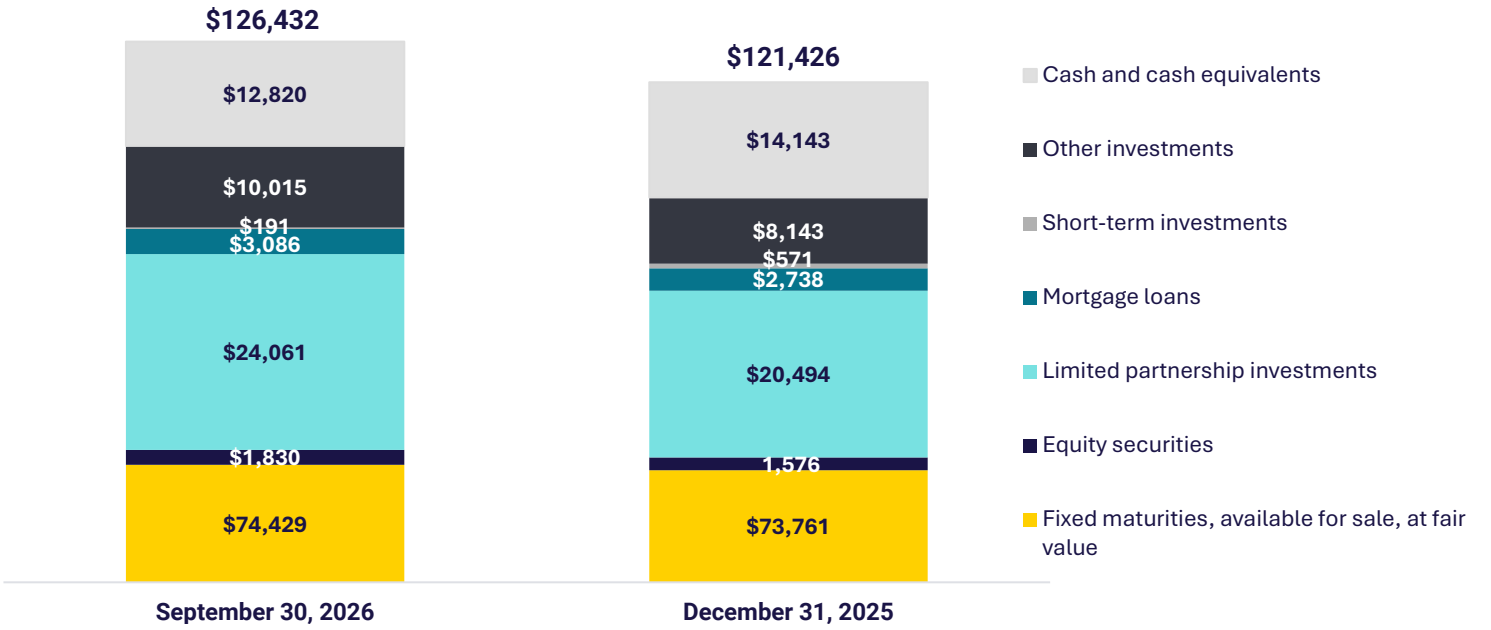
Net Investment Results	Three Months Ended, September 30		Nine Months Ended, September 30	
	2026	2025	2026	2025
Net Investment Income[1]				
Taxable interest income	$987	$870	$2,824	$2,581
Tax-exempt interest income	39	36	109	85
Dividends	20	13	55	44
Limited partnerships income[2]	813	597	2,281	1,375
Mortgage loans	51	59	151	163
Other investment income	199	129	537	375
Gross investment income	2,109	1,704	5,957	4,623
Investment expenses[3]	(140)	(110)	(401)	(342)
Total net investment income	$1,969	$1,594	$5,556	$4,281
Net Realized (Losses) Gains				
Fixed maturities	($111)	($305)	($220)	($441)
Equities	(128)	6	(1)	43
Derivatives	(58)	3	(118)	24
Other	(40)	28	(54)	(87)
Total net realized (losses) gains	($337)	($268)	($393)	($461)
Total Net Investment Results	$1,632	$1,326	$5,163	$3,820

1 Includes limited partnership income.
2 Includes income from limited partnerships, while excluding revenues and expenses associated with direct investments in natural resources.
3 Fees paid to external managers are included within the components of gross investment income.

Net Realized (Losses) Gains	Sales & Settlements	Impairments	Unrealized (Losses) Gains	Total
Three Months Ended September 30, 2026:				
Fixed maturities	($111)	$-	$-	($111)
Equities	(2)	-	(126)	(128)
Derivatives	(56)	-	(2)	(58)
Other	(34)	(24)	18	(40)
Total	($203)	($24)	($110)	($337)
Three Months Ended September 30, 2025:				
Fixed maturities	($305)	$-	$-	($305)
Equities	5	-	1	6
Derivatives	3	-	-	3
Other	(4)	-	32	28
Total	($301)	$-	$33	($268)

Net Realized (Losses) Gains	Sales & Settlements	Impairments	Unrealized (Losses) Gains	Total
Nine Months Ended September 30, 2026:				
Fixed maturities	($220)	$-	$-	($220)
Equities	71	-	(72)	(1)
Derivatives	(123)	-	5	(118)
Other	(106)	(24)	76	(54)
Total	($378)	($24)	$9	($393)
Nine Months Ended September 30, 2025:				
Fixed maturities	($441)	$-	$-	($441)
Equities	(14)	-	57	43
Derivatives	27	-	(3)	24
Other	97	(12)	(172)	(87)
Total	($331)	($12)	($118)	($461)

Invested Assets (including cash and cash equivalents)



Invested Asset by Type				
	September 30, 2026		December 31, 2025	
	Amount	Percent	Amount	Percent
Fixed maturities, available for sale, at fair value	$74,429	59.0%	$73,761	60.7%
Equity securities	1,830	1.4	1,576	1.3
Limited partnership investments	24,061	19.0	20,494	16.9
Mortgage loans	3,086	2.4	2,738	2.3
Short-term investments	191	0.2	571	0.5
Other investments	10,015	7.9	8,143	6.7
Cash and cash equivalents	12,820	10.1	14,143	11.6
Total invested assets	$126,432	100.0%	$121,426	100.0%

September 30, 2026 compared to December 31, 2025:

Total invested assets increased $5,006 or 4.1% primarily driven by increases in limited partnership and equity method investments and other invested assets, partially offset by a decrease in cash and cash equivalents and change in unrealized on AFS securities.

Fixed maturities increased $668 or 0.9% primarily driven by increases in investment grade corporate credit holdings, partially offset by decreases in Agency, tax-exempt municipal and agency RMBS holdings. The Company did not have commitments to purchase various residential mortgage-backed securities.

Equity securities increased $254 or 16.1%, primarily driven by an increase in public equity holdings.

Limited partnerships increased $3,567, primarily driven by an increase in private equity and energy & infrastructure equity due to increased valuations and net contributions to the strategies, with further growth in corporate credit and other private credit partnership strategies.

Mortgage loans as of September 30, 2026 were $3,086 (net of $74 of mortgage loan allowances, or 2.4% of the outstanding loan portfolio), an increase of $348, or 12.7%, over December 31, 2025. The increase is due to additional funding, partially offset by a $43 increase in the allowance for credit losses. The entire mortgage loan portfolio is U.S.-based. The number of loans in the portfolio decreased from 1,881 at December 31, 2025 to 1,645 at September 30, 2026.

Cash and cash equivalents decreased $1,323 or 9.4% primarily driven by decrease in investment cash and operational cash as cash was deployed into other asset classes, which was offset by higher collateral received for Security Lending.

Other invested assets increased $1,872 or 23.0% primarily driven by private loans in corporate credit and investment grade credit investments.

The following tables summarize the Company's available for sale portfolio by security type as of September 30, 2026 and December 31, 2025:

Fixed Maturities, AFS by Type						
	Amortized Cost	Credit Allowance	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% of Total Fair Value
September 30, 2026						
US government and agency securities	$10,629	$-	$2	($342)	$10,289	13.8%
Residential MBS	5,584	-	2	(374)	5,212	7.0
Commercial MBS	5,566	(52)	2	(228)	5,288	7.1
Other MBS and ABS	6,732	-	8	(142)	6,598	8.9
US state and municipal	6,008	-	15	(383)	5,640	7.6
Corporate and other	36,165	(19)	47	(1,352)	34,841	46.8
Foreign government securities	6,101	-	7	(169)	5,939	8.0
Redeemable Preferred Stock	649	(32)	7	(2)	622	0.8
Total securities available for sale	$77,434	($103)	$90	($2,992)	$74,429	100.0%
December 31, 2025						
US government and agency securities	$10,060	$-	$74	($94)	$10,040	13.6%
Residential MBS	5,924	-	34	(184)	5,774	7.8
Commercial MBS	5,611	(52)	52	(91)	5,520	7.5
Other MBS and ABS	6,660	-	40	(72)	6,628	9.0
US state and municipal	5,951	-	115	(137)	5,929	8.0
Corporate and other	33,768	(37)	536	(334)	33,933	46.0
Foreign government securities	5,576	-	48	(37)	5,587	7.6
Redeemable Preferred Stock	365	(20)	6	(1)	350	0.5
Total securities available for sale	$73,915	($109)	$905	($950)	$73,761	100.0%

The following table summarizes the Company's mortgage and asset-backed fixed maturity portfolio by credit quality as of September 30, 2026:

Mortgage & Asset-Backed Fixed Maturities by Credit Quality[1]								
	As of September 30, 2026							
	AAA	AA	A	BBB	BB	B or Lower	Total	% of Total
Residential MBS	$521	$4,629	$34	$8	$-	$20	$5,212	30.5%
Commercial MBS	1,137	3,631	326	148	33	13	5,288	30.9
Other MBS and ABS	2,513	1,281	1,657	966	120	61	6,598	38.6
Total	$4,171	$9,541	$2,017	$1,122	$153	$94	$17,098	100.0%
% of Total	24.4%	55.8%	11.8%	6.6%	0.9%	0.5%	100.0%	

1 For purposes of this disclosure, credit quality is primarily based upon average credit ratings.

Approximately 49.8% of the Company's mortgage and asset-backed fixed maturity portfolio is explicitly backed by the US government (SBA and GNMA) or by government-sponsored entities (FNMA and FHLMC). Approximately 98.6% of the holdings have investment grade ratings. Included in the commercial mortgage-backed securities on September 30, 2026, were $3,316 in Agency CMBS and $1,972 Non-agency CMBS. Included in the Other MBS and ABS on September 30, 2026 were $469 AA rated SBA Loans. The commercial mortgage-backed securities portfolio is well diversified and of high quality with approximately 96.3% rated A or above.

The following table summarizes the Company's U.S. state and municipal fixed maturity portfolio of securities which are obligations of states, municipalities, and political subdivisions (collectively referred to as U.S. state and municipal bonds) by credit quality as of September 30, 2026 and December 31, 2025:

US State and Municipal by Credit Quality[1]						
	As of September 30, 2026			As of December 31, 2025		
	Fair Value	% of Total	Average Credit Rating	Fair Value	% of Total	Average Credit Rating
State general obligation	$958	17.0%	AA	$1,018	17.3%	AA
Local general obligation	1,569	27.8	AA	1,384	23.3	AA
Revenue	3,058	54.2	AA	3,459	58.3	AA
Pre-refunded	55	1.0	AA	68	1.1	AA
Total US state and municipal	$5,640	100%	AA	$5,929	100%	AA

1 For purposes of this disclosure, credit quality is primarily based upon average credit ratings.

The municipal bond portfolio (taxable and tax-exempt) includes general obligation and revenue bonds issued by states, cities, counties, school districts, hospitals, educational institutions, and similar issuers. Included in the municipal bond portfolio at September 30, 2026 and December 31, 2025 were $55 and $68, respectively, of pre-refunded bonds, which are bonds for which states or municipalities have established irrevocable trusts, which were created to satisfy their responsibility for payments of principal and interest.

The following table summarizes the Company's allocation of fixed maturities by credit quality as of September 30, 2026 and December 31, 2025:

Fixed Maturities by Credit Quality[1]				
	As of September 30, 2026		As of December 31, 2025	
	Fair Value	% of Total	Fair Value	% of Total
AAA/AA/A	$52,424	70.4%	$53,014	71.9%
BBB	15,899	21.4	15,428	20.8
Total investment grade	68,323	91.8	68,442	92.7
BB	2,886	3.9	2,403	3.3
B	2,406	3.2	2,296	3.1
CCC or lower	515	0.7	557	0.8
Unrated[2]	299	0.4	63	0.1
Total below-investment grade	6,106	8.2	5,319	7.3
Total fixed maturities	$74,429	100.0%	$73,761	100.0%

1 For purposes of this disclosure, credit quality is primarily based upon average credit ratings.
2 Includes bank loans acquired as part of the Ironshore acquisition and externally managed convertible securities.

The Company's holdings of below investment grade securities primarily consist of an actively managed diversified portfolio of high yield securities and leveraged loans within the domestic insurance portfolios and investments in emerging market sovereign and corporate debt primarily in support of the Company's international insurance operations. Overall, the average credit quality rating stands at A as of September 30, 2026.

The following table summarizes available for sale fixed maturity securities by contractual maturity at September 30, 2026 and December 31, 2025. Actual maturities may differ from contractual maturities because certain securities may be called or prepaid with or without call or prepayment penalties. Due to the potential for prepayment on MBS and ABS, they are not categorized by contractual maturity.

Fixed Maturities by Maturity Date				
	As of September 30, 2026		As of December 31, 2025	
	Fair Value	% of Total	Fair Value	% of Total
One year or less	$1,889	2.5%	$2,587	3.5%
Over one year through five years	28,205	37.9	27,174	36.8
Over five years through ten years	17,877	24.0	18,096	24.5
Over ten years	9,360	12.6	7,982	10.9
MBS and ABS	17,098	23.0	17,922	24.3
Total fixed maturities	$74,429	100.0%	$73,761	100.0%

During 2026, after taking into consideration changes in investment opportunities and its view of the current and prospective business and economic environment, the Company has made only minor adjustments to the average duration of its investment portfolio. The average duration of the investment portfolio as of September 30, 2026 was 3.9 years versus 3.6 years as of December 31, 2025.

The following table summarizes the Company's private investment exposure as of September 30, 2026 and December 31, 2025:

	Private Investment Exposure				
As of September 30, 2026	**Limited Partnerships**	**Other Investments**	**Mortgage Loans**	**Total**	**% of IA**
Private equity	$9,449	$163	$-	$9,612	7.5%
Investment grade credit	-	3,300	2,964	6,264	5.0
Corporate credit	2,745	4,392	-	7,137	5.6
Real estate equity	3,892	-	-	3,892	3.1
Energy & Infrastructure equity	2,885	224	-	3,109	2.5
Commercial real estate credit	1,501	69	35	1,605	1.3
Energy & Infrastructure credit	539	645	20	1,204	1.0
Private credit - other	1,230	544	-	1,774	1.4
Impact & Tax credits	872	46	-	918	0.7
Other	948	632	67	1,647	1.3
Total Private Investments	$24,061	$10,015	$3,086	$37,162	29.4%
As of December 31, 2025	**Limited Partnerships**	**Other Investments**	**Mortgage Loans**	**Total**	**% of IA**
Private equity	$7,999	$159	$-	$8,158	6.7%
Investment grade credit	-	2,622	2,526	5,148	4.2
Corporate credit	2,261	3,538	-	5,799	4.8
Real estate equity	3,627	-	-	3,627	3.0
Energy & Infrastructure equity	2,227	194	-	2,421	2.0
Commercial real estate credit	1,511	42	56	1,609	1.3
Energy & Infrastructure credit	561	532	45	1,138	0.9
Private credit - other	1,118	378	-	1,496	1.2
Impact & Tax credits	616	44	-	660	0.6
Other	574	634	111	1,319	1.1
Total Private Investments	$20,494	$8,143	$2,738	$31,375	25.8%

The Company's private investment portfolio spans both equity and credit and is held through limited partnership interests, other investments, and mortgage loans to enhance portfolio diversification and expected returns consistent with a disciplined, long-term approach. As of September 30, 2026, the $24,061 in limited partnership interests primarily relates to co-mingled fund investments, with the remainder representing co-investments and single-asset interests. Other investments are predominantly composed of direct private loans and notes, with a smaller portion in direct private common stock, preferred stock, and warrants.

Unfunded commitments as of September 30, 2026 were $16,506, an increase of $3,250 over December 31, 2025. For additional discussion, please refer to footnote 11 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 10 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

The following tables summarize the Company's gross unrealized losses and fair value of fixed income securities by the length of time that individual securities have been in a continuous unrealized loss position as of September 30, 2026 and December 31, 2025 that are not deemed to be other-than-temporarily impaired:

Unrealized Losses & Fair Value by Security Type				
	Less than 12 Months		12 Months or Longer	
As of September 30, 2026	Unrealized Losses	Fair Value of Investments with Unrealized Losses	Unrealized Losses	Fair Value of Investments with Unrealized Losses
US Government and agency securities	($263)	$9,185	($79)	$800
Residential MBS	(152)	3,624	(222)	1,696
Commercial MBS	(115)	3,414	(113)	1,374
Other MBS and ABS	(70)	3,254	(72)	1,090
US state and municipal	(246)	4,430	(137)	1,063
Corporate and other	(1,073)	27,942	(279)	3,348
Foreign government securities	(143)	4,633	(26)	531
Redeemable preferred stock	(1)	269	(1)	54
Total securities available for sale	($2,063)	$56,751	($929)	$9,956
As of December 31, 2025				
US Government and agency securities	($8)	$2,618	($86)	$1,231
Residential MBS	(1)	431	(183)	2,398
Commercial MBS	(4)	872	(87)	2,205
Other MBS and ABS	(7)	1,662	(65)	1,255
US state and municipal	(3)	502	(134)	2,215
Corporate and other	(59)	4,730	(275)	5,344
Foreign government securities	(17)	1,684	(20)	714
Redeemable preferred stock	(1)	79	-	-
Total securities available for sale	($100)	$12,578	($850)	$15,362

Unrealized losses for fixed maturity securities increased from $950 as of December 31, 2025 to $2,992 as of September 30, 2026. The Company monitors the difference between the amortized cost and estimated fair value of fixed maturity securities to ascertain whether declines in value are temporary in nature. The Company currently does not have the intent to sell these securities and has determined it is not more likely than not that it would be required to sell these fixed maturity securities before they recover their fair value. The Company has concluded that the gross unrealized losses of fixed maturity securities as of September 30, 2026 are temporary.

Top 10 Issuers	As of September 30, 2026				
	Fixed Maturity	Equity	Short- Term	Total Exposure	% of Invested Assets
Government of Australia	$1,098	$-	$-	$1,098	0.88%
Government of Canada	873	-	-	873	0.69
Morgan Stanley	866	-	-	866	0.68
Government of United Kingdom	761	-	-	761	0.60
JP Morgan Chase & Co	694	-	-	694	0.55
Bank of America Corp	650	-	-	650	0.51
Goldman Sachs Group Inc	499	-	-	499	0.39
Citigroup Inc	465	-	-	465	0.37
Banco Santander S.A.	344	-	-	344	0.27
Wells Fargo & Co	338	-	1	339	0.27
Total	$6,588	$-	$1	$6,589	5.21%

The following tables summarize the Company's issuer and sector exposure[1] as of September 30, 2026:

Top 10 Sectors	As of September 30, 2026				
	Fixed Maturity	Equity	Short- Term	Total Exposure	% of Invested Assets
Banking	$7,990	$50	$78	$8,118	6.42%
Real Estate	451	6,063	-	6,514	5.15
Foreign Government	4,043	-	4	4,047	3.20
Electric Utility	2,790	1,209	5	4,004	3.17
Technology	2,260	1,715	-	3,975	3.14
Healthcare	2,655	642	-	3,297	2.61
Finance Companies	1,622	618	5	2,245	1.78
Insurance	1,581	251	-	1,832	1.45
US Municipal - Local Government	1,569	-	-	1,569	1.24
Aerospace/Defense	712	620	-	1,332	1.05
Total	$25,673	$11,168	$92	$36,933	29.21%

1 Tables exclude US Treasury and agency securities, mortgage-backed securities, ETFs, and municipal obligations that are pre-refunded or escrowed to maturity.

As of September 30, 2026, investments in the energy sector accounted for $2,636 or 2.1% of total invested assets. The energy sector is comprised of investments in the following sub-sectors: independent energy, integrated energy, midstream, oil field services, and refining (classification per Bloomberg Barclays Industry Groups). Energy investments consist of investment grade bonds of $1,893, bonds that were rated below investment grade of $702, publicly traded equity securities of $5 and natural resources partnerships and other equity method investments of $36. Agriculture and timber investments consist of natural resource partnerships of $10. In addition, the Company has direct investments in agriculture and timber of $53 and oil and gas wells of $2 which are included in other assets on the Consolidated Balance Sheets.

Corporate and Other

Corporate and Other includes the following significant items:

- Certain internal discontinued operations, which comprises: the run-off of certain commercial lines business, the run-off of the California workers compensation business of Golden Eagle Insurance Corporation and certain distribution channels related to Prudential Property and Casualty Insurance Company, Prudential General Insurance Company and Prudential Commercial Insurance Company (together, "PruPac") and Liberty Re annuity business.
- Cessions related to certain retroactive reinsurance agreements, including the NICO Reinsurance Transaction and NICO Casualty Reinsurance Transaction, which are described further in "Reinsurance".
- Effective January 1, 2015, Corporate began assuming certain pre-2014 voluntary and involuntary workers compensation claims from the businesses. The covered business materially aligns with the workers compensation business covered by the retroactive reinsurance agreement defined as the NICO Reinsurance Transaction, which is described further in "Reinsurance".
- Effective January 1, 2019, Corporate began assuming certain US workers compensation, commercial auto, and general liability claims from the businesses. The covered business materially aligns with the casualty business covered by the retroactive reinsurance agreement defined as the NICO Casualty Reinsurance Transaction, which is described further in "Reinsurance," with two notable differences: 1) the internal treaty attaches at held reserves at inception and does not include a loss corridor, and 2) the internal treaty includes umbrella claims related to Small Commercial within USRM.
- Effective September 30, 2020, Corporate began assuming certain pre-2018 construction defect liabilities from GRS.
- Reserve changes on certain other casualty and property lines of business.
- Interest expense on the Company's outstanding debt.
- Certain risks of its businesses that the Company reinsures as part of its risk management program including externally ceded catastrophe and non-catastrophe reinsurance treaties which are described further in "Reinsurance".
- The Company reports its written premium on workers compensation contracts on the "booked as billed" method. The businesses report workers compensation written premium on the "booked at inception" method. Corporate and Other results reflect the difference between these two methods.
- Costs associated with certain long-term compensation plans and other corporate costs not fully allocated to the businesses.
- Property and casualty operations' investment income is allocated to the businesses based on planned ordinary investment income returns by investment category. The difference between allocated net investment income and actual net investment income is included in Corporate and Other.
- Investment-related realized gains (losses), real estate impairments and sale of immaterial business segments.
- Income related to limited partnership investments.

Corporate and Other NWP by line of business was as follows:	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Reinsurance, net	$3	($65)	NM	($23)	($66)	(65.2%)
Workers compensation[1]	8	(14)	NM	33	(2)	NM
Other	(1)	4	NM	13	(1)	NM
Total NWP	$10	($75)	NM	$23	($69)	NM

1 Booked as billed adjustment.

Results of Operations – Corporate and Other	Three Months Ended, September 30			Nine Months Ended, September 30		
	2026	2025	Change	2026	2025	Change
Revenues	$939	$508	84.8%	$3,121	$1,483	110.5%
Underlying PTOI (PTOL) before limited partnership income	97	(230)	NM	601	(330)	NM
Catastrophes	-	(4)	(100.0)	-	(126)	(100.0)
Net incurred losses attributable to prior years:						
- Asbestos and environmental[1]	-	-	-	-	-	-
- All other[2]	33	7	NM	(133)	34	NM
Pre-tax operating income (loss) before limited partnership income[3]	130	(227)	NM	468	(422)	NM
Limited partnership income[4]	810	594	36.4	2,276	1,371	66.0
Pre-tax operating income	$940	$367	156.1%	$2,744	$949	189.1%

1 Asbestos and environmental is gross of the NICO Reinsurance Transaction, which is described further in "Reinsurance".
2 Net of earned premium attributable to prior years of $0 for the three and nine months ended September 30, 2026 and 2025.
3 Partnerships, LLC and other equity method 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 Includes direct working interest.

Three months ended September 30, 2026 compared to the three months ended September 30, 2025 :

NWP increased $85, driven by internal assumed premium in 2025 that did not recur and workers compensation booked-as-billed activity.

Revenues increased $431, driven by increased net investment income partially offset by unfavorable net realized gains.

Net investment income, excluding limited partnership income, increased $236, driven by growth in the invested asset base and favorable reinvestment rates, as well as higher income from alternative credit and other investment activity, partially offset by higher investment expenses.

Net realized losses were $76 unfavorable, driven by less favorable results in public equities. The prior year also reflected unrealized gains in other investments and energy holdings that did not recur.

Limited partnership income increased $216, driven by favorable valuations in private equity and equity-based alternative investments, including strong performance across several large funds, as well as higher income from alternative credit investments. These gains were partially offset by slight declines in real estate equity valuations.

Claims and expenses decreased $66, driven by lower employee-related costs, including benefits.

Nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 :

NWP increased $92, driven by internal assumed premium in 2025 that did not recur and workers compensation booked-as-billed activity.

Revenues increased $1,638, driven by increased net investment income and favorable net realized gains.

Net investment income, excluding limited partnership income**,** increased $598, driven by growth in the invested asset base and favorable reinvestment rates, as well as higher income from alternative credit and other investment activity, partially offset by higher investment expenses.

Net realized losses were $73 favorable, primarily driven by lower trading losses on fixed maturity sales and unrealized gains on other investments. This was partially offset by losses on derivatives. The prior-year also reflected unrealized losses on energy holdings that did not recur.

Limited partnership income increased $905, reflecting favorable valuations in private equity and energy & infrastructure equity, partially offset by a decline in real estate equity valuations.

Claims and expenses decreased $230, driven by lower employee-related costs, including benefits.

Prior accident year decreased $167 primarily driven by reserve strengthening in other liability occurrence lines.

Liquidity and Capital Resources

The liquidity requirements of the insurance subsidiaries are met primarily by funds generated from operations, asset maturities and income received on investments. Cash provided from these sources is used primarily for claims, claim adjustment expenses and operating expenses (underwriting and corporate benefit costs). There are certain cash outflows such as catastrophes and continued settlements of asbestos reserves that are unpredictable in nature and could create increased liquidity needs. The Company believes that the insurance subsidiaries' future business liquidity needs will be met from all the above sources. However, the Company maintains back-up borrowing facilities as an additional contingent source of funds. These include:

On November 5, 2024, the Company entered into a 30-year facility agreement with Beacon Funding Trust, a Delaware trust, in connection with the sale by the trust of $1,250 of pre-capitalized trust securities in a Rule 144A private placement. The trust invested the proceeds from the sale of the trust securities in a portfolio of principal and/or interest strips of US Treasury securities. The facility agreement provides the Company the right to issue and sell to the trust from time to time, up to $1,250 of the Company's 6.266% Senior Notes due August 15, 2054 in exchange for a corresponding amount of US Treasury securities held by the trust. In return, the Company agreed to pay a semiannual facility fee to the trust at a rate of 1.7787% per annum applied to the maximum amount of senior notes that the Company could issue and sell to the trust. The Company will not issue the senior notes unless and until it exercises its issuance right under such facility agreement. For more information, please refer to footnote 5 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

LMIC, PIC, LMFIC, EICOW, SICOA, OCIC are members of the FHLB. The Company has $300 of FHLB borrowings with maturity dates through 2032. As of September 30, 2026 the outstanding FHLB borrowings are fully collateralized.

SAM, SPC and RIC memberships were cancelled on August 25, 2023. Final cancellation of FHLB memberships have a five-year waiting period, so final membership expiration dates are August 25, 2028.

Net cash flows are generally invested in marketable securities while keeping a certain amount in cash and short-term investments to meet unpredictable cash obligations. The Company monitors the duration of these investments, and purchases and sales are executed with the objective of having adequate cash available to satisfy its maturing liabilities. As the Company's investment strategy focuses on overall asset and liability durations, and not specific cash flows, asset sales may be required to satisfy obligations or rebalance asset portfolios. The Company's invested assets as of September 30, 2026 (including cash and cash equivalents) totaled $126,432.

Debt outstanding as of September 30, 2026 and December 31, 2025 was as follows:

Short-term Debt:	As of September 30, 2026	As of December 31, 2025
7.875% Surplus Notes, due 2026	$227	$227
Total short-term debt	$227	$227

Long-term Debt:	As of September 30, 2026	As of December 31, 2025
7.625% Notes, due 2028	$2	$3
4.569% Notes, due 2029	1,000	1,000
4.625% €500 Notes, due 2030	568	586
3.91% - 4.25% Federal Home Loan Bank Borrowings, due 2032	300	300
7.00% Notes, due 2034	124	124
6.50% Notes, due 2035	271	271
3.875% €750 Notes, due 2035	852	881
7.50% Notes, due 2036	19	19
5.25% Notes, due 2036	750	-
6.50% Notes, due 2042	250	250
4.85% Notes, due 2044	564	564
4.50% Notes, due 2049	232	232
3.951% Notes, due 2050	1,248	1,248
4.125% Junior Subordinated Notes, due 2051	-	500
5.50% Notes, due 2052	1,000	1,000
3.95% Notes, due 2060	746	746
4.30% Junior Subordinated Notes, due 2061[1]	800	800
7.80% Junior Subordinated Notes, due 2087[2]	432	437
10.75% Junior Subordinated Notes, due 2088[3]	33	35
7.697% Surplus Notes, due 2097	260	260
Subtotal	9,451	9,256
Unamortized costs	(432)	(444)
Total long-term debt	$9,019	$8,812

1 The par value call date was February 1, 2026 after which the notes are callable at par on each subsequent interest payment date.
2 The par value call date and final fixed rate interest payment date is March 15, 2037, subject to certain requirements.
3 The par value call date and final fixed rate interest payment date is June 15, 2038, subject to certain requirements.

As part of its overall capital strategy, the Company previously announced that it may issue, repurchase or exchange debt depending on market conditions. Debt repurchases may be executed through open market or other appropriate transactions. The Company continues to evaluate market conditions and may periodically affect transactions in its debt, subject to applicable limitations.

Debt Transactions

On September 15, 2026, LMGI redeemed $500 of the 4.125% Junior Subordinated Notes due 2051, at the redemption price.

On June 4, 2026, LMGI repurchased $5 of the 7.80% Junior Subordinated Notes, due 2087. An immaterial loss was recorded on the transaction.

On April 23, 2026, LMGI issued $750 of Senior Notes due 2036 (the “2036 Notes”). Interest is payable semi-annually at a fixed rate of 5.25%. The 2036 Notes mature on May 1, 2036.

On January 23, 2026, LMGI repurchased $2 of the 10.75% Junior Subordinated Notes, due 2088. An immaterial loss was recorded on the transaction.

On October 30, 2025, LMGI redeemed its €750 2.75% Senior Notes, due 2026 in full.

On September 26, 2025, LMGI issued the 2035 Notes. Interest is payable annually at a fixed rate of 3.875%. The 2035 Notes mature on September 26, 2035.

On May 15, 2025, $140 of LMIC 8.50% Surplus Notes were paid at maturity.

Interest Expense

Consolidated interest expense for the three and nine months ended September 30, 2026 was $137 and $399, an increase of $11 and $20 from the three and nine months ended September 30, 2025.

Holding Company Liquidity and Capital Resources

The Company conducts substantially all of its operations through its wholly owned insurance and service company subsidiaries, and therefore is primarily dependent on dividends, distributions, loans or other payments of funds from these entities to meet its current and future obligations. However, the subsidiaries are separate and distinct legal entities and have no obligation to make funds available to the Company, whether in the form of loans, dividends, or other distributions. As of September 30, 2026, the Company, through its downstream subsidiary LMGI had $8,888 of debt outstanding, excluding discount and issuance costs.

The insurance subsidiaries' ability to pay dividends is restricted under applicable insurance law and regulations and may only be paid from unassigned surplus. Under the insurance laws of the domiciliary states of the insurance subsidiaries, an insurer may make an ordinary dividend payment if its surplus as regards to policyholders, following such dividend, is reasonable in relation to its outstanding liabilities, is adequate to its financial needs and does not exceed the insurer's unassigned surplus. However, no insurer may pay an extraordinary dividend without the approval or non disapproval of the domiciliary insurance regulatory authority. Insurance subsidiaries owned directly by LMGI are LMIC, LMPICO, LMFIC, EICOW and SAM. Under the insurance laws of Massachusetts, the domiciliary state of LMIC, an extraordinary dividend is defined as a dividend whose fair market value, together with other dividends made within the preceding 12 months, exceeds the greater of 10% of the insurer's surplus as regards policyholders as of the preceding December 31, or the insurer's net income for the 12-month period ending on the preceding December 31. Under the insurance laws of New Hampshire, the domiciliary state of LMPICO, an extraordinary dividend is defined as (1) a dividend whose fair market value, together with other dividends paid within the preceding 12 months, exceeds the lesser of (a) 10% of the insurer's surplus as regards policyholders as of the preceding December 31, or (b) the insurer's net income, excluding realized capital gains, for the calendar year preceding the date of the dividend, but not including pro rata distributions of any class of the insurer's own securities, or (2) the aggregate of the insurer's net income from the previous two calendar years that has not already been paid out as dividends, excluding realized capital gains and any dividends paid in the previous two calendar years. Under the insurance laws of Wisconsin, the domiciliary state of LMFIC and EICOW, an extraordinary dividend is defined as a dividend whose fair market value, together with other dividends paid within the preceding 12 months, exceeds the lesser of (a) 10% of the insurer's surplus with regard to policyholders as of the preceding December 31, or (b) the greater of (1) the insurer's net income for the calendar year preceding the date of the dividend, minus realized capital gains for that calendar year, or (2) the aggregate of the insurer's net income for the three calendar years preceding the date of the dividend, minus realized capital gains for those calendar years and minus dividends paid within the first two of the preceding three calendar years. Under the insurance laws of Ohio, the domiciliary state of SAM, an extraordinary dividend is defined as a dividend whose fair market value, together with other dividends made within the preceding 12 months, exceeds the greater of 10% of the insurer's surplus as regards policyholders as of the preceding December 31 or the insurer's net income for the 12-month period ending on the preceding December 31. Changes in the extraordinary dividend regulation of the domiciliary states of LMIC, LMPICO, LMFIC, EICOW and SAM could negatively affect LMGI's ability to pay principal and interest on its debt, as could a redomestication or merger of LMIC, LMPICO, LMFIC, EICOW or SAM to a different domiciliary state. The authorized control level risk-based capital (as of December 31, 2025) and 2026 available dividend capacity prior to needing regulatory approval for LMIC, LMFIC, EICOW and SAM were as follows:

RBC Ratios and Dividend Capacity	RBC Ratio[1]		Dividend Capacity[2]	Dividends Paid[3]
	2025	2024	2026	2026
LMIC	540%	488%	$2,907	$48
LMFIC	458%	398%	233	12
EICOW	480%	413%	268	-
SAM	1,040%	3,247%	$54	$-

1 Authorized control level risk-based capital as defined by the NAIC.
2 Represents the estimated maximum allowable dividend without prior regulatory approval in the state of domicile.
3 Dividends paid represent amounts paid during the nine months ended September 30, 2026. Available dividend capacity as of September 30, 2026 is calculated as 2026 dividend capacity less dividends paid for the preceding 12 months. Dividends paid October 1, 2025 through September 30, 2026 for LMIC, LMFIC, EICOW and SAM were $65, $15, $0 and $0 respectively.

LMGI also has access to the following sources of funding:

- An unsecured revolving credit facility of $1,000 with an expiration date of May 11, 2031. To date, no funds have been borrowed under the facility.
- A management services agreement with LMIC pursuant to which LMGI is entitled to collect certain costs plus a management fee for services rendered by LMGI employees.
- Investment management agreements with affiliated entities pursuant to which an LMGI subsidiary investment advisor is entitled to recover annual expenses for investment management services performed by its employees.
- LCS, which through its subsidiaries collects fees and other revenues, primarily for claims administration, independent policy sales commissions, agency and IT services rendered for affiliated and non-affiliated entities. For the three months and nine months ended September 30, 2026, LCS recorded $131 and $371, respectively in pre-tax income.
- Approximately $80 of annual dividends related to non-redeemable perpetual preferred stock issuances by LMIC and LMFIC.

	As of September 30, 2026	As of December 31, 2025
Total long-term debt	$9,019	$8,812
Unamortized discount and debt issuance costs	(432)	(444)
Total long-term debt excluding unamortized discount and debt issuance costs	$9,451	$9,256
Total equity excluding accumulated other comprehensive income (loss)	48,138	41,393
Total capital excluding accumulated other comprehensive income (loss) [1]	57,589	50,649
Debt-to-capital capitalization excluding accumulated other comprehensive income (loss) [1]	16.4%	18.3%
Statutory surplus	$44,485	$38,892

1 Excludes unamortized discount and debt issuance costs

The total debt-to-capital capitalization ratio excluding accumulated other comprehensive income (loss) is calculated by dividing (a) total debt excluding unamortized discount and debt issuance costs by (b) total capital excluding accumulated other comprehensive income (loss). Net unrealized gains and losses on investments can be significantly impacted by both interest rate movements and other economic factors. Accordingly, in the opinion of the Company's management, the debt-to-total capital ratio calculated on this basis provides another useful metric for investors to understand the Company's financial leverage position. The Company's ratio of debt-to-capital (excluding accumulated other comprehensive income (loss) of 16.4% at September 30, 2026 was within the Company's target range.

Reinsurance

Reinsurance Recoverables

The Company reported reinsurance recoverables of $20,814 and $20,359 at September 30, 2026 and December 31, 2025, respectively, net of allowance for credit losses of $146 and $151, respectively. Included in these balances are $1,531 and $1,350 of paid recoverables and $19,429 and $19,160 of unpaid recoverables (including retroactive reinsurance), respectively.

S&P Rating[1]	As of December 31, 2025			
	Gross Recoverables[2]	Collateral Held[3]	Net Recoverables[4]	% of Total Net Recoverables
Rated Entities				
AAA	$ -	$ -	$ -	-%
AA+, AA, AA-	7,724	8,312	3,655	30
A+, A, A-	6,027	1,381	4,709	38
BBB+, BBB, BBB-	-	-	-	-
BB+ or below	-	-	-	-
Subtotal	13,751	9,693	8,364	68
Pools & Associations				
State mandated involuntary pools and associations	3,056	-	3,056	25
Voluntary	162	128	159	1
Subtotal	3,218	128	3,215	26
Non-Rated Entities[5]				
Captives & fronting companies	2,618	2,899	298	2
Other	923	1,712	400	4
Subtotal	3,541	4,611	698	6
Grand Total	$20,510	$14,432	$12,277	100%

1 Standard & Poor's ratings are as of December 31, 2025.
2 Gross recoverables are defined as paid and unpaid claims and claim adjustment expense including IBNR and before both bad debt reserve set aside for potential uncollectible reinsurance and consideration of collateral.
3 Collateral refers to letters of credit, trust accounts, and funds held against outstanding and potential future claims and claim adjustment expenses related to reinsurance recoverable balances.
4 Net recoverables are defined as the difference between the amount of gross recoverables and collateral held for each reinsurer at the ceding entity level. If the collateral held for a reinsurer at a ceding entity level is greater than the gross recoverable, net recoverables are reported as $0.
5 Reinsurers not rated by Standard & Poor's.

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Reinsurance Groups[1]	As of December 31, 2025		
	Gross Recoverables[2]	Collateral Held[3]	Net Recoverables[4]
1. Berkshire Hathaway Insurance Group	$4,063	$7,509	$753
2. Swiss Re Group	1,756	542	1,214
3. Everest Re Group	1,309	314	995
4. Nationwide Group	967	3	964
5. Renaissance Re Holdings Group	748	394	354
6. Pacific Valley Ins Co Inc.	696	740	-
7. PartnerRe Group	676	171	505
8. Lloyd's of London	670	-	670
9. Munich Re Group	417	17	399
10. Aleka Insurance, Inc	393	510	-
11. Markel Corp	363	2	361
12. HDI Group	359	96	263
13. Stonefort Reinsurance S.A.	292	365	-
14. Longtail Re (Cayman) SPC Ltd	271	231	41
15. Exchange Indemnity Co	259	119	140
State Mandated Involuntary pools and associations	3,056	-	3,056
Voluntary pools and associations	162	128	159
All Other	4,053	3,291	2,403
Total Reinsurance Recoverables	$20,510	$14,432	$12,277

1 Reinsurance Groups are defined as all reinsurance subsidiaries owned by a common parent.
2 Gross recoverables are defined as paid and unpaid claims and claim adjustment expense including IBNR and before both bad debt reserve set aside for potential uncollectible reinsurance and consideration of collateral.
3 Collateral refers to letters of credit, trust accounts, and funds held against outstanding and potential future claims and claim adjustment expenses related to reinsurance recoverable balances.
4 Net recoverables are defined as the difference between the amount of gross recoverables and collateral held for each reinsurer at the ceding entity level. If the collateral held for a reinsurer at a ceding entity level is greater than the gross recoverable, net recoverables are reported as $0.

Approximately 95% and 94% of the Company's reinsurance recoverable balance, net of collateral held and including voluntary and involuntary pools and associations, was from reinsurers rated A- or better from A.M. Best and Standard & Poor's, respectively, at December 31, 2025. Collateral held against outstanding gross reinsurance recoverable balances was $14,432 at December 31, 2025.

The remaining 5% and 6% of the Company's net reinsurance recoverable balance is well diversified. No single reinsurer rated below A- or not rated by A.M. Best or Standard & Poor's accounts for more than 1% of GAAP equity. In addition, the average net reinsurance recoverable balance from individual reinsurers rated below A- or not rated by A.M. Best and Standard & Poor's was approximately $1 as of December 31, 2025.

The reinsurance recoverables from state mandated involuntary pools and associations primarily represent the Company's servicing carrier business. As a servicing carrier, the Company retains no direct underwriting risk but instead cedes 100% of the involuntary market premium and losses back to the pool. Payment of losses is shared by the pool participants in proportion to their pool participation. Reinsurer credit risk with respect to any such involuntary pool or association is a function of the creditworthiness of all the pool participants.

The Company's reinsurance recoverables from Nationwide Indemnity Company have been fully guaranteed by its parent, Nationwide Mutual Insurance Company, which has a financial strength rating of A+ from Standard & Poor's and A from A.M. Best.

Adverse Development Reinsurance

On November 5, 2019, LMIC entered into a reinsurance transaction with NICO, a subsidiary of Berkshire Hathaway Inc, on a combined aggregate excess of loss agreement for certain USRM Small Commercial and GRS National Insurance workers compensation, commercial auto liability and general liability excluding umbrella and warranty liabilities. The first layer of the contract attaches at $300 below applicable held reserves at inception of $8,342 of combined aggregate reserves. The second layer of the contract provides adverse development coverage for $1,000 above a retention equal to $8,742. The contract includes a sublimit of $100 for certain general liability liabilities. At the closing of the NICO Casualty Reinsurance Transaction, but effective as of January 1, 2019, the Company ceded $300 of existing undiscounted liabilities, paid NICO total consideration of $462 and recorded a pre-tax loss of $173. This contract is accounted for on a retroactive basis.

In general terms, the covered business includes post December 31, 2018 development for USRM Small Commercial and GRS National Insurance segment on: (1) certain workers compensation liabilities arising under policies on the books as of December 31, 2018 as respects injuries or accidents occurring after December 31, 2013 and prior to January 1, 2019; (2) commercial auto liabilities arising under policies on the books as of December 31, 2018 as respects injuries or accidents occurring prior to January 1, 2019; and (3) general liability excluding umbrella and warranty arising under policies as of December 31, 2018 as respects injuries or accidents occurring prior to January 1, 2019.

Since the NICO Casualty Reinsurance Transaction is accounted for as retroactive reinsurance in the Company's GAAP Consolidated Financial Statements, to the extent there is unfavorable development of losses covered by this reinsurance, an additional reinsurance benefit is recognized in the Consolidated Statements of Operations until those benefits exceed the loss on the transaction. Reinsurance benefits will be deferred and are amortized into earnings over the period when underlying claims are settled.

As the aggregate development on the contract has exceeded the original pre-tax loss of $173, deferred gains are now being recorded. The Company reported deferred gain amortization of $32 and $20 for the nine months ended September 30, 2026 and September 30, 2025, respectively. As of September 30, 2026 and December 31, 2025, deferred gains were $209 and $186. Limits remaining on the contract as of September 30, 2026 were $459.

In conjunction with the Ironshore acquisition and effective May 1, 2017, the Company entered into a reinsurance transaction with NICO on a combined aggregate excess of loss agreement providing coverage for substantially all of Ironshore's reserves related to losses occurring prior to January 1, 2017. The first layer of the contract transfers $400 of held reserves at inception, for which the Company established reinsurance recoverables on the Consolidated Balance Sheet. The second layer of the contract provides adverse development coverage for 95% of $500 above a retention equal to $3,006, minus paid losses between January 1, 2017 and May 1, 2017, which retention approximates the total held reserves on the covered business on Ironshore's opening balance sheet. The contract includes a sublimit of $277 for certain construction liability liabilities. The Company paid NICO consideration of $550, including interest accrued at the time of the settlement. The contract is accounted for on a prospective basis. Limits remaining on the contracts in total, and for construction liability liabilities, respectively, were $424 and $0 as of September 30, 2026.

On July 17, 2014, LMIC entered into a reinsurance transaction with NICO on a combined aggregate excess of loss agreement for substantially all of the Company's US workers compensation, asbestos and environmental liabilities, attaching at $12,522 of combined aggregate reserves, with an aggregate limit of $6,500 and sublimits of $3,100 for asbestos and environmental liabilities and $4,507 for certain workers compensation liabilities. At the closing of the NICO Reinsurance Transaction, but effective as of January 1, 2014, the Company ceded $3,320 of existing undiscounted liabilities under this retroactive reinsurance agreement. NICO will provide $3,180 of additional aggregate adverse development reinsurance. The Company paid NICO total consideration of $3,046 and recorded a pre-tax loss of $128. With respect to the ceded asbestos and environmental business, NICO has been given authority to handle claims, subject to the Company's oversight and control. With respect to the ceded workers compensation business, the Company will continue to handle claims. This contract is accounted for on a retroactive basis.

In general terms, the covered business includes post December 31, 2013 development on: (1) asbestos and environmental liabilities arising under policies of insurance and reinsurance with effective dates prior to January 1, 2005; and (2) workers compensation liabilities arising out of policies on the books of the Company's former Commercial Insurance Strategic Business Unit as of December 31, 2013, as respects injuries or accidents occurring prior to January 1, 2014.

The Company reported the net position of the contract as a loss of $788 and $793 as of September 30, 2026 and December 31, 2025, respectively. Limits remaining on the contract in total, and for asbestos and environmental liabilities, respectively, were $4,037 and $0 as of September 30, 2026.

Non Catastrophe Reinsurance

The Company purchases facultative and treaty reinsurance protection on a per risk, per policy, per loss and/or per occurrence basis. Treaty coverage is provided on a pro rata and excess of loss basis for portions of the Company's property, marine, terrorism, energy, third party motor, cyber, financial risk, surety, aviation and casualty lines portfolios.

Catastrophe Reinsurance

For 2026, the Company has property catastrophe reinsurance coverage for its domestic business and certain specialty operations including: (1) a North America per occurrence catastrophe excess of loss program providing a substantial portion of $2,750 of loss in excess of $1,000 of retained loss in the United States, Canada and the Caribbean, excluding certain reinsurance exposures, largely available on an All Perils basis; (2) a North America tail aggregate excess-of-loss program providing $600 of aggregate capacity, a substantial portion of which is excess of $3,150, subject to a $75 per-event deductible for USRM and a $25 per-event deductible for GRS, covering All Perils; (3) per occurrence excess of loss coverage targeting our reinsurance exposures; and (4) quota share reinsurance coverage. These programs are structured to meet the Company's established tolerances under its Enterprise Risk Management Program.

The Company purchases property catastrophe reinsurance coverage for the international property books to protect against international catastrophe events.

The Company purchases workers compensation catastrophe reinsurance, including coverage for its domestic commercial operations and certain specialty operations' US exposures. This program provides significant reinsurance protection in excess of $100 per occurrence retention, including coverage for terrorism events and/or losses for a single event at a single insured location in excess of $50.

Catastrophe Bond Reinsurance

On December 18, 2025, the Company entered into two multi-year property catastrophe reinsurance agreements, effective January 1, 2026, with Mystic Re IV Ltd. ("Mystic IV"), a Bermuda domiciled reinsurer, to provide a total of $150 of reinsurance coverage for the Company and its affiliates for named storms, earthquakes, severe weather, and fire covering the US, Canada, and Caribbean. The reinsurance agreements are fully collateralized. Such collateral is provided by Mystic IV using proceeds from issuance of certain catastrophe bonds. Both of the reinsurance agreements provide per occurrence indemnity coverage for the aforementioned perils. The Company has not recorded any recoveries under this program.

On December 23, 2024, the Company entered into three multi-year property catastrophe reinsurance agreements, effective January 1, 2025, with Mystic Re IV Ltd. ("Mystic IV"), a Bermuda domiciled reinsurer, to provide a total of $325 of reinsurance coverage for the Company and its affiliates for named storms covering the US, Canada, and Caribbean, and earthquakes covering the US, Canada, and Caribbean. The reinsurance agreements are fully collateralized. Such collateral is provided by Mystic IV using proceeds from issuance of certain catastrophe bonds. Two of the reinsurance agreements provide per occurrence indemnity coverage (with Severe Weather and Fire excluded), and one of the reinsurance agreements provides annual aggregate indemnity coverage (inclusive of Severe Weather and Fire). The Company has not recorded any recoveries under this program.

On December 19, 2023, the Company entered into a multi-year property catastrophe reinsurance agreement, effective January 1, 2024, with Mystic IV, to provide a total of $300 of reinsurance coverage for the Company and its affiliates for named storms covering the US, Puerto Rico and US Virgin Islands, and earthquakes covering the US and Canada. The reinsurance agreement is fully collateralized. Such collateral is provided by Mystic IV using proceeds from the issuance of certain catastrophe bonds. The reinsurance agreement provides per occurrence coverage based on a weighted industry insured loss index. The Company has not recorded any recoveries under this program.

Florida Hurricane Catastrophe Fund

The Company participates in the FHCF, a state-mandated catastrophe fund that provides reimbursement to insurers for a portion of their Florida hurricane losses. FHCF resources may be insufficient to meet the obligations of FHCF. Limits, premium and reimbursements from FHCF apply on a per company basis. If losses fall disproportionately on one insurance entity within the Company, recovery from FHCF could be less than anticipated. On June 1, 2026, the Company renewed coverage for 90% of approximately $54 excess of $31. Recoveries from FHCF inure to the sole benefit of the Company. If the Company fails to recover as anticipated from FHCF there could be an adverse effect on the Company's business, financial condition or results of operations.

Critical Accounting Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's principal estimates include (1) unpaid claims and claim adjustment expense reserves, (2) reinsurance recoverables and associated credit loss allowance, (3) fair value determination of the investment portfolio, (4) impairment assessments of goodwill and intangible assets, (5) deferred income tax valuation allowance, and (6) pension and postretirement benefit obligations.

While the amounts included in the Consolidated Financial Statements reflect management's best estimates and assumptions, these amounts ultimately could vary.

For additional discussion, please refer to footnote 1 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 1 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

Unpaid Claims and Claim Adjustment Expenses

Property and casualty insurance unpaid claims and claim adjustment expenses represent the Company's best estimate of amounts necessary to settle all outstanding claims, including claims that are incurred but not reported as of the reporting date. The Company's reserve projections are based primarily on detailed analysis of the facts in each case, experience with similar cases and various historical development patterns. Consideration is given to such historical patterns as field reserving trends and claims settlement practices, loss payments, pending levels of unpaid claims and product mix, as well as court decisions, economic conditions and public attitudes. All of these factors can affect the estimation of reserves.

Establishing loss reserves, including loss reserves for catastrophic events that have occurred, is an estimation process. Many factors can ultimately affect the final settlement of a claim and, therefore, the necessary reserve.

For additional discussion, please refer to footnote 6 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 6 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

Reinsurance Recoverables and Associated Credit Loss Allowance

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured business. The Company evaluates and monitors the financial condition of its reinsurers under voluntary reinsurance arrangements to minimize its exposure to significant losses from reinsurer insolvencies. The Company reports its reinsurance recoverables net of an allowance for credit losses. The allowance is based upon the Company's ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standing and other relevant factors, including information relating to past events, current conditions, and reasonable and supportable forecasts. The Company assesses allowance for credit losses by individual reinsurers and uses a probability-of-default method. Write-offs of reinsurance recoverable are recorded in the period in which they are deemed uncollectible and are recorded against allowance for credit losses. The establishment of reinsurance recoverables and the related allowance for credit losses is also an inherently uncertain process involving estimates. Changes in these estimates could result in additional charges to the accompanying Consolidated Statements of Operations.

Ceded transactions that transfer risk but are retroactive are included in reinsurance recoverables. The excess of estimated liabilities for claims and claim costs over the consideration paid net of experience adjustments is established as a deferred credit at inception. The deferred amounts are subsequently amortized using the effective interest method over the expected settlement period. The periodic amortization is reflected in the accompanying Consolidated Statements of Operations through benefits, claims and claim adjustment expenses. In transactions where the consideration paid exceeds the estimated liabilities for claims and claim costs a loss is recognized. If the adverse development net of experience adjustments exceeds the original loss, deferred gains are recorded. The deferred gains are subsequently recognized into earnings over the expected settlement period of the reserves.

For additional discussion, please refer to footnote 5 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 4 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

Fair Value Determination

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach, which generally utilizes market transaction data for identical or similar instruments.

The hierarchy level assigned to each security in the Company's investments portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. Securities are classified into three hierarchy levels: Level 1, Level 2 or Level 3.

Regarding fair value measurements, as of September 30, 2026, excluding other assets, the Company reflected $11,559 (14.5%) as level 1 (quoted prices in active markets) primarily consisting of U.S. Treasuries and common equity securities. The majority of the Company's invested assets are reported as level 2 (quoted prices from other observable inputs). As of September 30, 2026, the Company reported $63,247 (79.7%) as level 2, consisting primarily of fixed maturity securities. Finally, the Company reported $4,579 (5.8%) as level 3 (unobservable inputs), primarily consisting of international and privately held securities for which a market price is not readily observable.

For additional discussion, please refer to footnote 10 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 9 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

Impairment Losses on Investments

The Company reviews fixed maturity securities and other investments which include limited partnership and other equity method investments (primarily traditional private equity, natural resource and real estate) for impairment on a quarterly basis. These investments are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, (g) the past impairment of the security holding or the issuer, and (h) impact of foreign exchange rates on foreign currency denominated securities.

If the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, the Company utilizes both qualitative and quantitative inputs to determine if a credit loss is expected.

The Company is required to review its natural resource and other equity method investments when facts and circumstances indicate that carrying values may not be recoverable. In performing a quarterly review, the fair value of the Company's investment is estimated using indicators including, but not limited to, market comparable and analyses, commodity prices, and discounted cash flows and a realized loss is recognized for the excess, if any, of the investment's carrying value over its estimated fair value.

For additional discussion, please refer to footnote 1 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 3 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

Impairment Assessments of Goodwill and Intangible Assets

Goodwill is tested for impairment at least annually using either a qualitative or a quantitative process. Election of the approach can be made at the reporting unit level. The reporting unit has the option to skip the qualitative test and move directly to completion of the quantitative process. As of September 30, 2026, the Company has two reporting units – USRM and GRS.

Indefinite-lived intangible assets held by the Company are reviewed for impairment on at least an annual basis using a qualitative process. The classification of the asset as indefinite-lived is reassessed, and an impairment is recognized if the carrying amount of the asset exceeds its fair value.

For additional discussion, please refer to footnote 9 in the Company's December 31, 2025 Audited Consolidated Financial Statements.

Deferred Income Taxes

The income tax provision is calculated under the liability method of accounting. Deferred income tax assets and liabilities are recorded based upon the difference between the financial statement and tax bases of assets and liabilities at the enacted tax rates. The principal assets and liabilities giving rise to such differences are insurance loss reserves, unearned premiums, employee benefits, net unrealized gains and losses on investments, and deferred policy acquisition costs.

For additional discussion, please refer to footnote 8 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 7 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

Pension and Postretirement Benefit Obligations

On an annual basis, the Company reviews the discount rate assumption used to determine the benefit obligations and the composition of various yield curves to ensure that the assumed discount rate reflects the Company's best estimate of the rate of return inherent in a portfolio of high-quality debt instruments that would provide the cash flows necessary to settle the Company's projected benefit payments.

The discount rate assumption used to determine the benefit obligations was based on a yield curve approach where the cash flows related to the benefit plans' liability stream were discounted at an interest rate specifically applicable to the timing of the cash flows. The service cost is calculated by discounting the future cash flows attributable to the current year of service using spot rates specifically applicable to the timing of the cash flows. Interest cost is determined by multiplying each benefit obligation cash flow by the spot rate applicable to that timing of the cash flow.

In choosing the expected long-term rate of return on plan assets, the Company's Retirement Committee considered the historical returns of equity and fixed income markets in conjunction with current economic and financial market conditions.

For additional discussion, please refer to footnote 9 in the Company's December 31, 2025 Audited Consolidated Financial Statements and footnote 8 in the Company's September 30, 2026 Unaudited Consolidated Financial Statements.

About the Company

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 $50,000 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 $100,000 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.

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Definitions and Acronyms

Acronyms

ABS	Asset-Backed Securities
AFS	Available-for-Sale
CMBS	Commercial Mortgage-Backed Securities
CRE	Commercial Real Estate
DWP	Direct Written Premium
EICOW	Employers Insurance Company of Wausau
ETF	Exchange Traded Fund
ET&I	Energy, Transition and Infrastructure
FHCF	Florida Hurricane Catastrophe Fund
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FX	Foreign Exchange
GAAP	Generally Accepted Accounting Principles
GNMA	Government National Mortgage Association
GRS	Global Risk Solutions
IA	Invested Assets
IBNR	Incurred But Not Reported
III	Ironshore Indemnity Insurance
ISIC	Ironshore Specialty Insurance Company
LCS	Liberty Corporate Services LLC
LII	Liberty International Insurance
LLC	Limited Liability Companies
LMFIC	Liberty Mutual Fire Insurance Company
LMGI	Liberty Mutual Group Inc.
LMI	Liberty Mutual Investments
LMIC	Liberty Mutual Insurance Company
LMPICO	Liberty Mutual Personal Insurance Company
LM Re	Liberty Mutual Reinsurance
LP	Limited Partnership
LSM	Liberty Specialty Markets
MBS	Mortgage-backed securities
Mystic IV	Mystic Re IV Ltd.
NA	North America
NAIC	National Association of Insurance Commissioners
NICO	National Indemnity Company
NM	Not Meaningful
NWP	Net Written Premium
OCIC	Ohio Casualty Insurance Company
PIC	Peerless Insurance Company
PTOI/PTOL	Pre-Tax Operating Income/Loss
RBC	Risk-Based Capital
RIC	Rockhill Insurance Company
RMBS	Residential Mortgage-Backed Securities
S&P	Standard & Poor's
SAM	State Automobile Mutual Insurance Company
SBA	Small Business Administration
SICOA	Safeco Insurance Company of America
SPC	State Auto Property & Casualty Insurance Company
USRM	US Retail Markets

Pretax Operating Income ("PTOI") - The Company has identified consolidated PTOI, and PTOI before limited partnership income as non-GAAP financial measures. PTOI is defined by the Company as pre-tax income excluding net realized gains (losses), 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 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 partnership 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 partnership 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 partnership 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.

Net Written Premium ("NWP") - References to 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.

Combined Ratio - 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. 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.

Underlying Combined Ratio - The underlying combined ratio is computed as the combined ratio excluding the impact of catastrophes, prior accident year development and current accident year re-estimation. Catastrophes are defined as a natural catastrophe, civil unrest, terror event, war or conflict exceeding $25 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.