

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report: July 28, 2021
(Date of earliest event reported)

CINCINNATI FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Ohio (State or other jurisdiction of incorporation)	0-4604 (Commission File Number)	31-0746871 (I.R.S. Employer Identification No.)
6200 S. Gilmore Road (Address of principal executive offices)	Fairfield, Ohio	45014-5141 (Zip Code)
Registrant's telephone number, including area code: (513) 870-2000		

N/A
(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	CINF	Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§203.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- ☐ Emerging growth company
 - ☐ If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
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Item 2.02 Results of Operations and Financial Condition.

On July 28, 2021, Cincinnati Financial Corporation issued the attached news release titled “Cincinnati Financial Reports Second-Quarter 2021 Results,” furnished as Exhibit 99.1 hereto and incorporated herein by reference. On July 28, 2021, the company also distributed the attached information titled “Supplemental Financial Data,” furnished as Exhibit 99.2 hereto and incorporated herein by reference.

This report should not be deemed an admission as to the materiality of any information contained in the news releases or supplemental financial data.

In accordance with general instruction B.2 of Form 8-K, the information furnished in this report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit 99.1 — [News release dated July 28, 2021, titled "Cincinnati Financial Reports Second-Quarter 2021 Results"](#)

Exhibit 99.2 — [Supplemental Financial Data for the period ending June 30, 2021, distributed July 28, 2021.](#)

Exhibit 104 – The cover page from this Current Report on Form 8-K, formatted as Inline XBRL

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CINCINNATI FINANCIAL CORPORATION

Date: July 28, 2021

/s/ Michael J. Sewell

Michael J. Sewell, CPA

Chief Financial Officer, Senior Vice President and Treasurer

(Principal Accounting Officer)



The Cincinnati Insurance Company n The Cincinnati Indemnity Company
The Cincinnati Casualty Company n The Cincinnati Specialty Underwriters Insurance Company
The Cincinnati Life Insurance Company n CFC Investment Company n CSU Producer Resources Inc.
Cincinnati Global Underwriting Ltd. n Cincinnati Global Underwriting Agency Ltd.

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Cincinnati Financial Reports Second-Quarter 2021 Results

Cincinnati, July 28, 2021 – Cincinnati Financial Corporation (Nasdaq: CINF) today reported:

- Second-quarter 2021 net income of \$703 million, or \$4.31 per share, compared with \$909 million, or \$5.63 per share, in the second quarter of 2020, after recognizing a \$386 million second-quarter 2021 after-tax increase in the fair value of equity securities still held.
- \$221 million or 311% increase in non-GAAP operating income* to \$292 million, or \$1.79 per share, compared with \$71 million, or 44 cents per share, in the second quarter of last year.
- \$206 million decrease in second-quarter 2021 net income, primarily due to the after-tax net effect of a \$427 million decrease in net investment gains partially offset by a \$207 million increase in after-tax property casualty underwriting income.
- \$73.57 book value per share at June 30, 2021, up \$6.53 since year-end.
- 11.6% value creation ratio for the first six months of 2021, compared with negative 3.0% for the same period of 2020.

Financial Highlights

(Dollars in millions, except per share data)

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Revenue Data						
Earned premiums	\$ 1,593	\$ 1,482	7	\$ 3,137	\$ 2,938	7
Investment income, net of expenses	175	166	5	349	331	5
Total revenues	2,295	2,714	(15)	4,522	2,615	73
Income Statement Data						
Net income (loss)	\$ 703	\$ 909	(23)	\$ 1,323	\$ (317)	nm
Investment gains and losses, after-tax	411	838	(51)	809	(525)	nm
Non-GAAP operating income*	\$ 292	\$ 71	311	\$ 514	\$ 208	147
Per Share Data (diluted)						
Net income (loss)	\$ 4.31	\$ 5.63	(23)	\$ 8.13	\$ (1.96)	nm
Investment gains and losses, after-tax	2.52	5.19	(51)	4.97	(3.25)	nm
Non-GAAP operating income*	\$ 1.79	\$ 0.44	307	\$ 3.16	\$ 1.29	145
Book value				\$ 73.57	\$ 57.56	28
Cash dividend declared	\$ 0.63	\$ 0.60	5	\$ 1.26	\$ 1.20	5
Diluted weighted average shares outstanding	162.9	161.5	1	162.7	161.5	1

* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures section defines and reconciles measures presented in this release that are not based on U.S. Generally Accepted Accounting Principles.
Forward-looking statements and related assumptions are subject to the risks outlined in the company's safe harbor statement.

CINF 2Q21 Release 1

Insurance Operations Highlights

- 85.5% second-quarter 2021 property casualty combined ratio, improved from 103.1% for the second quarter of 2020.
- 10% growth in second-quarter net written premiums, reflecting price increases and premium growth initiatives.
- \$235 million second-quarter 2021 property casualty new business written premiums, up 12%. Agencies appointed since the beginning of 2020 contributed \$17 million or 7% of total new business written premiums.
- \$14 million second-quarter 2021 life insurance subsidiary net income, up \$2 million from the second quarter of 2020, and 2% growth in second-quarter 2021 term life insurance earned premiums.

Investment and Balance Sheet Highlights

- 5% or \$9 million increase in second-quarter 2021 pretax investment income, including a 13% increase for stock portfolio dividends and a 3% increase for bond interest income.
- Three-month increase of 5% in fair value of total investments at June 30, 2021, including a 6% increase for the stock portfolio and 4% increase for the bond portfolio.
- \$4.254 billion parent company cash and marketable securities at June 30, 2021, up 13% from year-end 2020.

Property Casualty Operations Producing Results

Steven J. Johnston, chairman, president and CEO, commented: "We continued to achieve strong non-GAAP operating income results, increasing that measure 311% to \$292 million in the second quarter. Our property casualty insurance operations led the way, earning \$221 million in pretax underwriting profit for the quarter. Investment income continued its steady contribution, growing 5% compared with second-quarter 2020.

"The change in accounting rules adopted in 2018 that we've mentioned in the past continues to cause volatility in net income results as unrealized investment gains and losses flow through that number. For instance, our second-quarter net income decreased \$206 million compared to the second quarter of 2020 when stock markets were rebounding from pandemic-induced effects early last year. However, when you look at our net income for the first half of 2021 in total compared with the first half of 2020, you'll see a positive swing of \$1.640 billion.

"Looking closer at our insurance operations, property casualty underwriting produced our best results in 15 years, making strides in both our quarterly and first-half combined ratios in all of our major areas of business. Lower weather-related catastrophe losses supported by our initiatives to deepen product and geographic diversification helped our property casualty insurance operations improve our second-quarter and first-half combined ratios 17.6 points and 12.5 points, respectively, to 85.5% and 88.3%."

Getting Back to Business

"In the past few months, we've had opportunities to visit in person with the outstanding independent agencies that represent Cincinnati Insurance in their communities. Their excitement for the future is palpable.

"Property casualty new business written premiums reached another record high in the second quarter, growing 12% to \$235 million compared with last year, as production from recently appointed agencies accelerates. Our underwriters select and price new business from our agencies with confidence as we continue to hone our abilities in both pricing precision and policy segmentation.

"Total property casualty net written premium growth for the first six months returned to pre-pandemic levels, increasing 11% compared with the first half of 2020. Growth was 10% for the first-half and full-year 2019. Overall renewal pricing trends developed satisfactorily with standard commercial and personal lines policies averaging percentage increases in the mid-single-digit range and excess and surplus lines policies in the high-single-digit range.

"By seeking increased pricing on those accounts that need it most and remaining competitive on our agents' best-performing accounts, we are able to strike a nice balance between growth and profitability."

Book Value at Record High

"At June 30, our book value again reached a record high, increasing 10% since December 31, 2020. Consolidated cash and total investments also reached a new high, topping \$24 billion.

"Our ample capital allows us to execute on our long-term strategies and, at the same time, continue to pay dividends to shareholders. Our value creation ratio, which considers the dividends we pay as well as growth in book value, was 11.6% for the first half of 2021, in line with our 10% to 13% average annual target for this measure."

Insurance Operations Highlights

Consolidated Property Casualty Insurance Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Earned premiums	\$ 1,514	\$ 1,403	8	\$ 2,989	\$ 2,792	7
Fee revenues	3	2	50	5	5	0
Total revenues	1,517	1,405	8	2,994	2,797	7
Loss and loss expenses	830	1,007	(18)	1,753	1,937	(9)
Underwriting expenses	466	439	6	887	877	1
Underwriting profit (loss)	\$ 221	\$ (41)	nm	\$ 354	\$ (17)	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	54.8 %	71.8 %	(17.0)	58.6 %	69.4 %	(10.8)
Underwriting expenses	30.7	31.3	(0.6)	29.7	31.4	(1.7)
Combined ratio	85.5 %	103.1 %	(17.6)	88.3 %	100.8 %	(12.5)
			% Change			% Change
Agency renewal written premiums	\$ 1,333	\$ 1,244	7	\$ 2,609	\$ 2,442	7
Agency new business written premiums	235	210	12	455	425	7
Other written premiums	146	105	39	343	210	63
Net written premiums	\$ 1,714	\$ 1,559	10	\$ 3,407	\$ 3,077	11
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	56.8 %	58.2 %	(1.4)	57.2 %	59.0 %	(1.8)
Current accident year catastrophe losses	5.8	16.9	(11.1)	9.1	13.2	(4.1)
Prior accident years before catastrophe losses	(5.9)	(2.9)	(3.0)	(5.7)	(2.4)	(3.3)
Prior accident years catastrophe losses	(1.9)	(0.4)	(1.5)	(2.0)	(0.4)	(1.6)
Loss and loss expense ratio	54.8 %	71.8 %	(17.0)	58.6 %	69.4 %	(10.8)
Current accident year combined ratio before catastrophe losses	87.5 %	89.5 %	(2.0)	86.9 %	90.4 %	(3.5)

- \$155 million or 10% growth of second-quarter 2021 property casualty net written premiums, and six-month growth of 11%, largely reflecting premium growth initiatives and price increases. Cincinnati Re® contributed 3 percentage points to property casualty growth for the second quarter of 2021 and 5 points to six-month growth.
- \$25 million or 12% increase in second-quarter 2021 new business premiums written by agencies and six-month increase of 7%. The second-quarter growth included a \$13 million increase in standard market property casualty production from agencies appointed since the beginning of 2020.
- 151 new agency appointments in the first six months of 2021, including 30 that market only our personal lines products.
- 17.6 percentage-point second-quarter 2021 combined ratio improvement and a 12.5 percentage-point improvement for the six-month period. The lower combined ratios included decreases for losses from catastrophes of 12.6 points for the second quarter and 5.7 points for the first six months of 2021.
- 7.8 percentage-point second-quarter 2021 benefit from favorable prior accident year reserve development of \$119 million, compared with 3.3 points or \$47 million for second-quarter 2020.
- 7.7 percentage-point six-month 2021 benefit from favorable prior accident year reserve development, compared with 2.8 points for the first six months of 2020.
- 1.8 percentage-point improvement, to 57.2%, for the six-month 2021 ratio of current accident year losses and loss expenses before catastrophes, including a decrease of 0.2 points in the ratio for current accident year losses of \$1 million or more per claim.
- 0.6 percentage-point decrease in the second-quarter 2021 underwriting expense ratio, compared with the same period of 2020, primarily due to the second-quarter 2020 \$16 million Stay-at-Home policyholder credit for personal auto policies.

Commercial Lines Insurance Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Earned premiums	\$ 911	\$ 870	5	\$ 1,797	\$ 1,733	4
Fee revenues	1	1	0	2	2	0
Total revenues	912	871	5	1,799	1,735	4
Loss and loss expenses	480	596	(19)	983	1,204	(18)
Underwriting expenses	287	267	7	541	543	0
Underwriting profit (loss)	\$ 145	\$ 8	nm	\$ 275	\$ (12)	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	52.8 %	68.4 %	(15.6)	54.7 %	69.5 %	(14.8)
Underwriting expenses	31.4	30.7	0.7	30.1	31.3	(1.2)
Combined ratio	84.2 %	99.1 %	(14.9)	84.8 %	100.8 %	(16.0)
			% Change			% Change
Agency renewal written premiums	\$ 852	\$ 794	7	\$ 1,750	\$ 1,636	7
Agency new business written premiums	146	134	9	291	288	1
Other written premiums	(21)	(20)	(5)	(45)	(44)	(2)
Net written premiums	\$ 977	\$ 908	8	\$ 1,996	\$ 1,880	6
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	57.9 %	58.9 %	(1.0)	58.9 %	60.0 %	(1.1)
Current accident year catastrophe losses	4.3	14.6	(10.3)	5.2	12.4	(7.2)
Prior accident years before catastrophe losses	(8.3)	(4.5)	(3.8)	(7.9)	(2.4)	(5.5)
Prior accident years catastrophe losses	(1.1)	(0.6)	(0.5)	(1.5)	(0.5)	(1.0)
Loss and loss expense ratio	52.8 %	68.4 %	(15.6)	54.7 %	69.5 %	(14.8)
Current accident year combined ratio before catastrophe losses	89.3 %	89.6 %	(0.3)	89.0 %	91.3 %	(2.3)

- \$69 million or 8% growth in second-quarter 2021 commercial lines net written premiums, primarily due to higher agency renewal written premiums. Six percent growth in six-month net written premiums.
- \$58 million or 7% increase in second-quarter renewal written premiums, with commercial lines average renewal pricing increases in the mid-single-digit percent range.
- \$12 million or 9% increase in second-quarter 2021 new business written by agencies, and a six-month increase of 1% as first-quarter 2021 reflected weakened economic factors from pandemic effects.
- 14.9 percentage-point second-quarter 2021 combined ratio improvement and a 16.0 percentage-point improvement for the six-month period. The lower combined ratios included decreases for losses from catastrophes of 10.8 points for the second quarter and 8.2 points for the first six months of 2021.
- 9.4 percentage-point second-quarter 2021 benefit from favorable prior accident year reserve development of \$86 million, compared with 5.1 points or \$45 million for second-quarter 2020.
- 9.4 percentage-point six-month 2021 benefit from favorable prior accident year reserve development, compared with 2.9 points for the first six months of 2020.

Personal Lines Insurance Results

(Dollars in millions)	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Earned premiums	\$ 382	\$ 364	5	\$ 758	\$ 723	5
Fee revenues	1	1	0	2	2	0
Total revenues	383	365	5	760	725	5
Loss and loss expenses	241	286	(16)	514	517	(1)
Underwriting expenses	113	122	(7)	220	230	(4)
Underwriting profit (loss)	\$ 29	\$ (43)	nm	\$ 26	\$ (22)	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	63.0 %	78.9 %	(15.9)	67.8 %	71.6 %	(3.8)
Underwriting expenses	29.7	33.4	(3.7)	29.0	31.8	(2.8)
Combined ratio	92.7 %	112.3 %	(19.6)	96.8 %	103.4 %	(6.6)
			% Change			% Change
Agency renewal written premiums	\$ 397	\$ 387	3	\$ 699	\$ 681	3
Agency new business written premiums	53	44	20	99	78	27
Other written premiums	(11)	(8)	(38)	(21)	(17)	(24)
Net written premiums	\$ 439	\$ 423	4	\$ 777	\$ 742	5
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	55.3 %	53.8 %	1.5	56.3 %	56.9 %	(0.6)
Current accident year catastrophe losses	10.9	25.3	(14.4)	15.7	18.7	(3.0)
Prior accident years before catastrophe losses	(2.9)	0.0	(2.9)	(3.7)	(3.2)	(0.5)
Prior accident years catastrophe losses	(0.3)	(0.2)	(0.1)	(0.5)	(0.8)	0.3
Loss and loss expense ratio	63.0 %	78.9 %	(15.9)	67.8 %	71.6 %	(3.8)
Current accident year combined ratio before catastrophe losses	85.0 %	87.2 %	(2.2)	85.3 %	88.7 %	(3.4)

- \$16 million or 4% growth in second-quarter 2021 personal lines net written premiums, including higher renewal written premiums that benefited from rate increases averaging in the mid-single-digit percent range. Second-quarter 2021 net written premiums from our agencies' high net worth clients grew 23%, to \$177 million. Five percent growth in six-month personal lines net written premiums.
- \$9 million or 20% increase in second-quarter 2021 new business premiums written by agencies and six-month increase of 27%, largely reflecting expanded use of enhanced pricing precision tools.
- 19.6 percentage-point second-quarter 2021 combined ratio improvement and a 6.6 percentage-point improvement for the six-month period. The lower combined ratios included decreases for losses from catastrophes of 14.5 points for the second quarter and 2.7 points for the first six months of 2021.
- 3.2 percentage-point second-quarter 2021 benefit from favorable prior accident year reserve development of \$12 million, compared with 0.2 points or less than \$1 million for second-quarter 2020.
- 4.2 percentage-point six-month 2021 benefit from favorable prior accident year reserve development, compared with 4.0 points for the first six months of 2020.

Excess and Surplus Lines Insurance Results

(Dollars in millions)	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Earned premiums	\$ 95	\$ 78	22	\$ 184	\$ 156	18
Fee revenues	1	—	nm	1	1	0
Total revenues	96	78	23	185	157	18
Loss and loss expenses	58	57	2	117	102	15
Underwriting expenses	28	22	27	50	47	6
Underwriting profit (loss)	\$ 10	\$ (1)	nm	\$ 18	\$ 8	125
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	61.0 %	73.6 %	(12.6)	63.7 %	65.5 %	(1.8)
Underwriting expenses	28.5	28.4	0.1	27.0	30.0	(3.0)
Combined ratio	89.5 %	102.0 %	(12.5)	90.7 %	95.5 %	(4.8)
			% Change			% Change
Agency renewal written premiums	\$ 84	\$ 63	33	\$ 160	\$ 125	28
Agency new business written premiums	36	32	13	65	59	10
Other written premiums	(5)	(4)	(25)	(11)	(8)	(38)
Net written premiums	\$ 115	\$ 91	26	\$ 214	\$ 176	22
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	62.0 %	59.0 %	3.0	61.5 %	57.4 %	4.1
Current accident year catastrophe losses	0.4	3.6	(3.2)	0.8	2.0	(1.2)
Prior accident years before catastrophe losses	(1.5)	11.2	(12.7)	1.5	5.9	(4.4)
Prior accident years catastrophe losses	0.1	(0.2)	0.3	(0.1)	0.2	(0.3)
Loss and loss expense ratio	61.0 %	73.6 %	(12.6)	63.7 %	65.5 %	(1.8)
Current accident year combined ratio before catastrophe losses	90.5 %	87.4 %	3.1	88.5 %	87.4 %	1.1

- \$24 million or 26% growth in second-quarter 2021 excess and surplus lines net written premiums, including higher renewal written premiums that benefited from price increases averaging in the high-single-digit percent range. Twenty-two percent growth in six-month net written premiums.
- \$4 million or 13% increase in second-quarter new business written by agencies and six-month increase of 10%, as we continue to carefully underwrite each policy in a highly competitive market.
- 12.5 percentage-point second-quarter 2021 combined ratio improvement and a 4.8 percentage-point improvement for the six-month period, primarily due to more favorable reserve development on prior accident years.
- 1.4 percentage-point second-quarter 2021 benefit from favorable prior accident year reserve development of \$1 million, compared with 11.0 points or \$8 million of unfavorable development for second-quarter 2020.
- \$3 million of unfavorable prior accident year reserve development for the first six months of 2021, compared with \$9 million for the first six months of 2020. The 2021 unfavorable development was due to a first-quarter updated estimate for salaries and expenses to adjust claims.

Life Insurance Subsidiary Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Term life insurance	\$ 52	\$ 51	2	\$ 103	\$ 98	5
Universal life insurance	14	16	(13)	21	24	(13)
Other life insurance, annuity, and disability income products	13	12	8	24	24	0
Earned premiums	79	79	0	148	146	1
Investment income, net of expenses	42	39	8	83	78	6
Investment gains and losses, net	4	1	300	4	(31)	nm
Fee revenues	1	1	0	2	1	100
Total revenues	126	120	5	237	194	22
Contract holders' benefits incurred	85	79	8	165	152	9
Underwriting expenses incurred	24	25	(4)	42	43	(2)
Total benefits and expenses	109	104	5	207	195	6
Net income (loss) before income tax	17	16	6	30	(1)	nm
Income tax provision (benefit)	3	4	(25)	6	—	nm
Net income (loss) of the life insurance subsidiary	\$ 14	\$ 12	17	\$ 24	\$ (1)	nm

- Less than \$1 million increase in second-quarter 2021 earned premiums, including a 2% increase for term life insurance, our largest life insurance product line.
- \$25 million increase in six-month 2021 life insurance subsidiary net income, largely reflecting investment losses resulting from impairments of fixed-maturity securities during the first quarter of 2020, partially offset by less favorable mortality experience in the first six months of 2021 due in part to higher pandemic-related death claims incurred in the first three months of 2021.
- \$8 million or 1% six-month 2021 increase, to \$1.425 billion, in GAAP shareholders' equity for the life insurance subsidiary, primarily from net income that was partially offset by a decrease in unrealized investment gains.

Investment and Balance Sheet Highlights

Investments Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Investment income, net of expenses	\$ 175	\$ 166	5	\$ 349	\$ 331	5
Investment interest credited to contract holders	(27)	(25)	(8)	(53)	(51)	(4)
Investment gains and losses, net	520	1,060	(51)	1,024	(665)	nm
Investments profit (loss)	<u>\$ 668</u>	<u>\$ 1,201</u>	(44)	<u>\$ 1,320</u>	<u>\$ (385)</u>	nm
Investment income:						
Interest	\$ 117	\$ 114	3	\$ 235	\$ 226	4
Dividends	60	53	13	118	106	11
Other	1	2	(50)	3	5	(40)
Less investment expenses	3	3	0	7	6	17
Investment income, pretax	175	166	5	349	331	5
Less income taxes	27	25	8	54	51	6
Total investment income, after-tax	<u>\$ 148</u>	<u>\$ 141</u>	5	<u>\$ 295</u>	<u>\$ 280</u>	5
Investment returns:						
Average invested assets plus cash and cash equivalents	\$ 22,619	\$ 18,759		\$ 22,259	\$ 19,672	
Average yield pretax	3.09 %	3.54 %		3.14 %	3.37 %	
Average yield after-tax	2.62	3.01		2.65	2.85	
Effective tax rate	15.5	15.6		15.5	15.5	
Fixed-maturity returns:						
Average amortized cost	\$ 11,653	\$ 11,107		\$ 11,570	\$ 11,124	
Average yield pretax	4.02 %	4.11 %		4.06 %	4.06 %	
Average yield after-tax	3.35	3.42		3.38	3.39	
Effective tax rate	16.7	16.7		16.7	16.6	

- \$9 million or 5% rise in second-quarter 2021 pretax investment income, including a 13% increase in equity portfolio dividends and a 3% increase in interest income from fixed-maturity securities.
- \$652 million second-quarter 2021 pretax total investment gains, summarized in the table below. Changes in unrealized gains or losses reported in other comprehensive income, in addition to investment gains and losses reported in net income, are useful for evaluating total investment performance over time and are major components of changes in book value and the value creation ratio.

(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Investment gains and losses on equity securities sold, net	\$ —	\$ 24	\$ 6	\$ 17
Unrealized gains and losses on equity securities still held, net	489	1,044	974	(602)
Investment gains and losses on fixed-maturity securities, net	9	—	12	(75)
Other	22	(8)	32	(5)
Subtotal - investment gains and losses reported in net income	520	1,060	1,024	(665)
Change in unrealized investment gains and losses - fixed maturities	132	506	(64)	182
Total	<u>\$ 652</u>	<u>\$ 1,566</u>	<u>\$ 960</u>	<u>\$ (483)</u>

Balance Sheet Highlights

(Dollars in millions, except share data)

	At June 30, 2021	At December 31, 2020
Total investments	\$ 23,061	\$ 21,542
Total assets	29,677	27,542
Short-term debt	59	54
Long-term debt	789	788
Shareholders' equity	11,858	10,789
Book value per share	73.57	67.04
Debt-to-total-capital ratio	6.7 %	7.2 %

- \$24.064 billion in consolidated cash and total investments at June 30, 2021, an increase of 7% from \$22.442 billion at year-end 2020.
- \$12.789 billion bond portfolio at June 30, 2021, with an average rating of A3/A. Fair value increased \$481 million during the second quarter of 2021, including \$328 million in net purchases of fixed-maturity securities.
- \$9.897 billion equity portfolio was 42.9% of total investments, including \$5.897 billion in appreciated value before taxes at June 30, 2021. Second-quarter 2021 increase in fair value of \$537 million or 6%.
- \$4.41 second-quarter 2021 increase in book value per share, including additions of \$1.81 from net income before investment gains, \$3.09 from investment portfolio net investment gains or changes in unrealized gains for fixed-maturity securities and \$0.14 for other items, partially offset by \$0.63 from dividends declared to shareholders.
- Value creation ratio of 11.6% for the first six months of 2021, including 4.8% from net income before investment gains, which includes underwriting and investment income, and 6.8% from investment portfolio net investment gains and changes in unrealized gains for fixed-maturity securities.

For additional information or to register for our conference call webcast, please visit cinfin.com/investors.

About Cincinnati Financial

Cincinnati Financial Corporation offers primarily business, home and auto insurance through The Cincinnati Insurance Company and its two standard market property casualty companies. The same local independent insurance agencies that market those policies may offer products of our other subsidiaries, including life insurance, fixed annuities and surplus lines property and casualty insurance. For additional information about the company, please visit cinfin.com.

Mailing Address:
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Cincinnati, Ohio 45250-5496

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6200 South Gilmore Road
Fairfield, Ohio 45014-5141

Safe Harbor Statement

This is our “Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995. Our business is subject to certain risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this report. Some of those risks and uncertainties are discussed in our 2020 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 34.

Factors that could cause or contribute to such differences include, but are not limited to:

- Effects of the COVID-19 pandemic that could affect results for reasons such as:
 - Securities market disruption or volatility and related effects such as decreased economic activity that affect the company's investment portfolio and book value
 - An unusually high level of claims in our insurance or reinsurance operations that increase litigation-related expenses
 - An unusually high level of insurance losses, including risk of legislation or court decisions extending business interruption insurance in commercial property coverage forms to cover claims for pure economic loss related to the COVID-19 pandemic
 - Decreased premium revenue and cash flow from disruption to our distribution channel of independent agents, consumer self-isolation, travel limitations, business restrictions and decreased economic activity
 - Inability of our workforce, agencies or vendors to perform necessary business functions
- Ongoing developments concerning business interruption insurance claims and litigation related to the COVID-19 pandemic that affect our estimates of losses and loss adjustment expenses or our ability to reasonably estimate such losses, such as:
 - The continuing duration of the pandemic and governmental actions to limit the spread of the virus that may produce additional economic losses
 - The number of policyholders that will ultimately submit claims or file lawsuits
 - The lack of submitted proofs of loss for allegedly covered claims
 - Judicial rulings in similar litigation involving other companies in the insurance industry
 - Differences in state laws and developing case law in the relatively few decisions rendered to date
 - Litigation trends, including varying legal theories advanced by policyholders
 - Whether and to what degree any class of policyholders may be certified
 - The inherent unpredictability of litigation
- Unusually high levels of catastrophe losses due to risk concentrations, changes in weather patterns, environmental events, terrorism incidents or other causes
- Increased frequency and/or severity of claims or development of claims that are unforeseen at the time of policy issuance
- Inadequate estimates, assumptions or reliance on third-party data used for critical accounting estimates
- Declines in overall stock market values negatively affecting the company's equity portfolio and book value
- Prolonged low interest rate environment or other factors that limit the company's ability to generate growth in investment income or interest rate fluctuations that result in declining values of fixed-maturity investments, including declines in accounts in which we hold bank-owned life insurance contract assets
- Domestic and global events resulting in capital market or credit market uncertainty, followed by prolonged periods of economic instability or recession, that lead to:
 - Significant or prolonged decline in the fair value of a particular security or group of securities and impairment of the asset(s)
 - Significant decline in investment income due to reduced or eliminated dividend payouts from a particular security or group of securities
 - Significant rise in losses from surety and director and officer policies written for financial institutions or other insured entities
- Our inability to integrate Cincinnati Global and its subsidiaries into our ongoing operations, or disruptions to our ongoing operations due to such integration
- Recession or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Difficulties with technology or data security breaches, including cyberattacks, that could negatively affect our ability to conduct business; disrupt our relationships with agents, policyholders and others; cause reputational damage, mitigation expenses and data loss and expose us to liability under federal and state laws
- Disruption of the insurance market caused by technology innovations such as driverless cars that could decrease consumer demand for insurance products

- Delays, inadequate data developed internally or from third parties, or performance inadequacies from ongoing development and implementation of underwriting and pricing methods, including telematics and other usage-based insurance methods, or technology projects and enhancements expected to increase our pricing accuracy, underwriting profit and competitiveness
- Increased competition that could result in a significant reduction in the company's premium volume
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Inability to obtain adequate ceded reinsurance on acceptable terms, amount of reinsurance coverage purchased, financial strength of reinsurers and the potential for nonpayment or delay in payment by reinsurers
- Inability to defer policy acquisition costs for any business segment if pricing and loss trends would lead management to conclude that segment could not achieve sustainable profitability
- Inability of our subsidiaries to pay dividends consistent with current or past levels
- Events or conditions that could weaken or harm the company's relationships with its independent agencies and hamper opportunities to add new agencies, resulting in limitations on the company's opportunities for growth, such as:
 - Downgrades of the company's financial strength ratings
 - Concerns that doing business with the company is too difficult
 - Perceptions that the company's level of service, particularly claims service, is no longer a distinguishing characteristic in the marketplace
 - Inability or unwillingness to nimbly develop and introduce coverage product updates and innovations that our competitors offer and consumers expect to find in the marketplace
- Actions of insurance departments, state attorneys general or other regulatory agencies, including a change to a federal system of regulation from a state-based system, that:
 - Impose new obligations on us that increase our expenses or change the assumptions underlying our critical accounting estimates
 - Place the insurance industry under greater regulatory scrutiny or result in new statutes, rules and regulations
 - Restrict our ability to exit or reduce writings of unprofitable coverages or lines of business
 - Add assessments for guaranty funds, other insurance-related assessments or mandatory reinsurance arrangements; or that impair our ability to recover such assessments through future surcharges or other rate changes
 - Increase our provision for federal income taxes due to changes in tax law
 - Increase our other expenses
 - Limit our ability to set fair, adequate and reasonable rates
 - Place us at a disadvantage in the marketplace
 - Restrict our ability to execute our business model, including the way we compensate agents
- Adverse outcomes from litigation or administrative proceedings
- Events or actions, including unauthorized intentional circumvention of controls, that reduce the company's future ability to maintain effective internal control over financial reporting under the Sarbanes-Oxley Act of 2002
- Unforeseen departure of certain executive officers or other key employees due to retirement, health or other causes that could interrupt progress toward important strategic goals or diminish the effectiveness of certain longstanding relationships with insurance agents and others
- Events, such as an epidemic, natural catastrophe or terrorism, that could hamper our ability to assemble our workforce at our headquarters location

Further, the company's insurance businesses are subject to the effects of changing social, global, economic and regulatory environments. Public and regulatory initiatives have included efforts to adversely influence and restrict premium rates, restrict the ability to cancel policies, impose underwriting standards and expand overall regulation. The company also is subject to public and regulatory initiatives that can affect the market value for its common stock, such as measures affecting corporate financial reporting and governance. The ultimate changes and eventual effects, if any, of these initiatives are uncertain.

* * *

Cincinnati Financial Corporation

Condensed Consolidated Balance Sheets and Statements of Income (unaudited)

(Dollars in millions)		June 30, 2021		December 31, 2020	
Assets					
Investments		\$	23,061	\$	21,542
Cash and cash equivalents			1,003		900
Premiums receivable			2,217		1,879
Reinsurance recoverable			504		517
Deferred policy acquisition costs			924		805
Other assets			1,968		1,899
Total assets		\$	29,677	\$	27,542
Liabilities					
Insurance reserves		\$	9,999	\$	9,661
Unearned premiums			3,417		2,960
Deferred income tax			1,495		1,299
Long-term debt and lease obligations			848		845
Other liabilities			2,060		1,988
Total liabilities			17,819		16,753
Shareholders' Equity					
Common stock and paid-in capital			1,731		1,725
Retained earnings			11,205		10,085
Accumulated other comprehensive income			731		769
Treasury stock			(1,809)		(1,790)
Total shareholders' equity			11,858		10,789
Total liabilities and shareholders' equity		\$	29,677	\$	27,542
(Dollars in millions, except per share data)		Three months ended June 30,		Six months ended June 30,	
		2021	2020	2021	2020
Revenues					
Earned premiums	\$	1,593	\$ 1,482	\$ 3,137	\$ 2,938
Investment income, net of expenses		175	166	349	331
Investment gains and losses, net		520	1,060	1,024	(665)
Other revenues		7	6	12	11
Total revenues		2,295	2,714	4,522	2,615
Benefits and Expenses					
Insurance losses and contract holders' benefits		915	1,086	1,918	2,089
Underwriting, acquisition and insurance expenses		490	464	929	920
Interest expense		13	14	26	27
Other operating expenses		5	5	9	10
Total benefits and expenses		1,423	1,569	2,882	3,046
Income (Loss) Before Income Taxes		872	1,145	1,640	(431)
Provision (Benefit) for Income Taxes		169	236	317	(114)
Net Income (Loss)	\$	703	\$ 909	\$ 1,323	\$ (317)
Per Common Share:					
Net income (loss)—basic	\$	4.36	\$ 5.65	\$ 8.21	\$ (1.96)
Net income (loss)—diluted		4.31	5.63	8.13	(1.96)

Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures

(See attached tables for reconciliations; additional prior-period reconciliations available at cinfm.com/investors.)

Cincinnati Financial Corporation prepares its public financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Statutory data is prepared in accordance with statutory accounting rules for insurance company regulation in the United States of America as defined by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, and therefore is not reconciled to GAAP data.

Management uses certain non-GAAP financial measures to evaluate its primary business areas – property casualty insurance, life insurance and investments. Management uses these measures when analyzing both GAAP and non-GAAP results to improve its understanding of trends in the underlying business and to help avoid incorrect or misleading assumptions and conclusions about the success or failure of company strategies. Management adjustments to GAAP measures generally: apply to non-recurring events that are unrelated to business performance and distort short-term results; involve values that fluctuate based on events outside of management's control; supplement reporting segment disclosures with disclosures for a subsidiary company or for a combination of subsidiaries or reporting segments; or relate to accounting refinements that affect comparability between periods, creating a need to analyze data on the same basis.

- **Non-GAAP operating income:** Non-GAAP operating income is calculated by excluding investment gains and losses (defined as investment gains and losses after applicable federal and state income taxes) and other significant non-recurring items from net income. Management evaluates non-GAAP operating income to measure the success of pricing, rate and underwriting strategies. While investment gains (or losses) are integral to the company's insurance operations over the long term, the determination to realize investment gains or losses on fixed-maturity securities sold in any period may be subject to management's discretion and is independent of the insurance underwriting process. Also, under applicable GAAP accounting requirements, gains and losses are recognized from certain changes in market values of securities without actual realization. Management believes that the level of investment gains or losses for any particular period, while it may be material, may not fully indicate the performance of ongoing underlying business operations in that period.

For these reasons, many investors and shareholders consider non-GAAP operating income to be one of the more meaningful measures for evaluating insurance company performance. Equity analysts who report on the insurance industry and the company generally focus on this metric in their analyses. The company presents non-GAAP operating income so that all investors have what management believes to be a useful supplement to GAAP information.

- **Consolidated property casualty insurance results:** To supplement reporting segment disclosures related to our property casualty insurance operations, we also evaluate results for those operations on a basis that includes results for our property casualty insurance and brokerage services subsidiaries. That is the total of our commercial lines, personal lines and our excess and surplus lines segments plus our reinsurance assumed operations known as Cincinnati Re and our London-based global specialty underwriter known as Cincinnati Global.
- **Life insurance subsidiary results:** To supplement life insurance reporting segment disclosures related to our life insurance operation, we also evaluate results for that operation on a basis that includes life insurance subsidiary investment income, or investment income plus investment gains and losses, that are also included in our investments reporting segment. We recognize that assets under management, capital appreciation and investment income are integral to evaluating the success of the life insurance segment because of the long duration of life products.

Cincinnati Financial Corporation

Net Income Reconciliation

(Dollars in millions, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 703	\$ 909	\$ 1,323	\$ (317)
Less:				
Investment gains and losses, net	520	1,060	1,024	(665)
Income tax on investment gains and losses	(109)	(222)	(215)	140
Investment gains and losses, after-tax	411	838	809	(525)
Non-GAAP operating income	\$ 292	\$ 71	\$ 514	\$ 208
Diluted per share data:				
Net income (loss)	\$ 4.31	\$ 5.63	\$ 8.13	\$ (1.96)
Less:				
Investment gains and losses, net	3.19	6.56	6.29	(4.12)
Income tax on investment gains and losses	(0.67)	(1.37)	(1.32)	0.87
Investment gains and losses, after-tax	2.52	5.19	4.97	(3.25)
Non-GAAP operating income	\$ 1.79	\$ 0.44	\$ 3.16	\$ 1.29

Life Insurance Reconciliation

(Dollars in millions)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net income (loss) of the life insurance subsidiary	\$ 14	\$ 12	\$ 24	\$ (1)
Investment gains and losses, net	4	1	4	(31)
Income tax on investment gains and losses	1	—	1	(7)
Non-GAAP operating income	11	11	21	23
Investment income, net of expenses	(42)	(39)	(83)	(78)
Investment income credited to contract holders	27	25	53	51
Income tax excluding tax on investment gains and losses, net	2	4	5	7
Life insurance segment profit (loss)	\$ (2)	\$ 1	\$ (4)	\$ 3

Property Casualty Insurance Reconciliation

(Dollars in millions)					
	Three months ended June 30, 2021				
	Consolidated	Commercial	Personal	E&S	Other*
Premiums:					
Written premiums	\$ 1,714	\$ 977	\$ 439	\$ 115	183
Unearned premiums change	(200)	(66)	(57)	(20)	(57)
Earned premiums	<u>\$ 1,514</u>	<u>\$ 911</u>	<u>\$ 382</u>	<u>\$ 95</u>	<u>\$ 126</u>
Underwriting profit	\$ 221	\$ 145	\$ 29	\$ 10	\$ 37

(Dollars in millions)					
	Six months ended June 30, 2021				
	Consolidated	Commercial	Personal	E&S	Other*
Premiums:					
Written premiums	\$ 3,407	\$ 1,996	\$ 777	\$ 214	\$ 420
Unearned premiums change	(418)	(199)	(19)	(30)	(170)
Earned premiums	<u>\$ 2,989</u>	<u>\$ 1,797</u>	<u>\$ 758</u>	<u>\$ 184</u>	<u>\$ 250</u>
Underwriting profit	\$ 354	\$ 275	\$ 26	\$ 18	\$ 35

(Dollars in millions)					
	Three months ended June 30, 2020				
	Consolidated	Commercial	Personal	E&S	Other*
Premiums:					
Written premiums	\$ 1,559	\$ 908	\$ 423	\$ 91	\$ 137
Unearned premiums change	(156)	(38)	(59)	(13)	(46)
Earned premiums	<u>\$ 1,403</u>	<u>\$ 870</u>	<u>\$ 364</u>	<u>\$ 78</u>	<u>\$ 91</u>
Underwriting profit (loss)	\$ (41)	\$ 8	\$ (43)	\$ (1)	\$ (5)

(Dollars in millions)					
	Six months ended June 30, 2020				
	Consolidated	Commercial	Personal	E&S	Other*
Premiums:					
Written premiums	\$ 3,077	\$ 1,880	\$ 742	\$ 176	\$ 279
Unearned premiums change	(285)	(147)	(19)	(20)	(99)
Earned premiums	<u>\$ 2,792</u>	<u>\$ 1,733</u>	<u>\$ 723</u>	<u>\$ 156</u>	<u>\$ 180</u>
Underwriting profit (loss)	\$ (17)	\$ (12)	\$ (22)	\$ 8	\$ 9

Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding.
 *Included in Other are the results of Cincinnati Re and Cincinnati Global.

Cincinnati Financial Corporation

Other Measures

- Value creation ratio: This is a measure of shareholder value creation that management believes captures the contribution of the company's insurance operations, the success of its investment strategy and the importance placed on paying cash dividends to shareholders. The value creation ratio measure is made up of two primary components: (1) rate of growth in book value per share plus (2) the ratio of dividends declared per share to beginning book value per share. Management believes this measure is useful, providing a meaningful measure of long-term progress in creating shareholder value. It is intended to be all-inclusive regarding changes in book value per share, and uses originally reported book value per share in cases where book value per share has been adjusted, such as adoption of Accounting Standards Updates with a cumulative effect of a change in accounting.
- Written premium: Under statutory accounting rules in the U.S., property casualty written premium is the amount recorded for policies issued and recognized on an annualized basis at the effective date of the policy. Management analyzes trends in written premium to assess business efforts. The difference between written and earned premium is unearned premium.

Value Creation Ratio Calculations

dollars are per share)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Value creation ratio:				
End of period book value*	\$ 73.57	57.56	73.57	57.56
Less beginning of period book value	69.16	50.02	67.04	60.55
Change in book value	4.41	7.54	6.53	(2.99)
Dividend declared to shareholders	0.63	0.60	1.26	1.20
Total value creation	\$ 5.04	8.14	7.79	(1.79)
Value creation ratio from change in book value**	6%	15%	9%	(5.0%)
Value creation ratio from dividends declared to shareholders***	0.9	1.2	1.9	2.0
Value creation ratio	7%	16%	11%	(3.0%)

* Book value per share is calculated by dividing end of period total shareholders' equity by end of period shares outstanding

** Change in book value divided by the beginning of period book value

*** Dividend declared to shareholders divided by beginning of period book value

Cincinnati Financial Corporation

Supplemental Financial Data for the period ending June 30, 2021

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	A.M. Best Company	Fitch Ratings	Moody's Investor Service	S&P Global Ratings
Cincinnati Financial Corporation				
Corporate Debt	a	A-	A3	BBB+
The Cincinnati Insurance Companies				
Insurer Financial Strength				
Property Casualty Group				
Standard Market Subsidiaries:	A+	—	A1	A+
The Cincinnati Insurance Company	A+	A+	A1	A+
The Cincinnati Indemnity Company	A+	A+	A1	A+
The Cincinnati Casualty Company	A+	A+	A1	A+
Surplus Lines Subsidiary:				
The Cincinnati Specialty Underwriters Insurance Company	A+	—	—	—
The Cincinnati Life Insurance Company	A+	A+	—	A+

Ratings are as of July 27, 2021, under continuous review and subject to change and/or affirmation. For the current ratings, select Financial Strength on *cinfin.com*.

The consolidated financial statements and financial exhibits that follow are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes included with our periodic filings with the U.S. Securities and Exchange Commission. The results of operations for interim periods may not be indicative of results to be expected for the full year.

Cincinnati Financial Corporation
Supplemental Financial Data
for the period ending June 30, 2021

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Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures

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Management uses certain non-GAAP financial measures to evaluate its primary business areas – property casualty insurance, life insurance and investments. Management uses these measures when analyzing both GAAP and non-GAAP results to improve its understanding of trends in the underlying business and to help avoid incorrect or misleading assumptions and conclusions about the success or failure of company strategies. Management adjustments to GAAP measures generally: apply to non-recurring events that are unrelated to business performance and distort short-term results; involve values that fluctuate based on events outside of management's control; supplement reporting segment disclosures with disclosures for a subsidiary company or for a combination of subsidiaries or reporting segments; or relate to accounting refinements that affect comparability between periods, creating a need to analyze data on the same basis.

- **Non-GAAP operating income:** Non-GAAP operating income is calculated by excluding investment gains and losses (defined as investment gains and losses after applicable federal and state income taxes) and other significant non-recurring items from net income. Management evaluates non-GAAP operating income to measure the success of pricing, rate and underwriting strategies. While investment gains (or losses) are integral to the company's insurance operations over the long term, the determination to realize investment gains or losses on fixed-maturity securities sold in any period may be subject to management's discretion and is independent of the insurance underwriting process. Also, under applicable GAAP accounting requirements, gains and losses are recognized from certain changes in market values of securities without actual realization. Management believes that the level of investment gains or losses for any particular period, while it may be material, may not fully indicate the performance of ongoing underlying business operations in that period.

For these reasons, many investors and shareholders consider non-GAAP operating income to be one of the more meaningful measures for evaluating insurance company performance. Equity analysts who report on the insurance industry and the company generally focus on this metric in their analyses. The company presents non-GAAP operating income so that all investors have what management believes to be a useful supplement to GAAP information.

- **Consolidated property casualty insurance results:** To supplement reporting segment disclosures related to our property casualty insurance operations, we also evaluate results for those operations on a basis that includes results for our property casualty insurance and brokerage services subsidiaries. That is the total of our commercial lines, personal lines and our excess and surplus lines segments plus our reinsurance assumed operations known as Cincinnati Re and our London-based global specialty underwriter known as Cincinnati Global.
- **Life insurance subsidiary results:** To supplement life insurance reporting segment disclosures related to our life insurance operation, we also evaluate results for that operation on a basis that includes life insurance subsidiary investment income, or investment income plus investment gains and losses, that are also included in our investments reporting segment. We recognize that assets under management, capital appreciation and investment income are integral to evaluating the success of the life insurance segment because of the long duration of life products.

Other Measures

- **Value creation ratio:** This is a measure of shareholder value creation that management believes captures the contribution of the company's insurance operations, the success of its investment strategy and the importance placed on paying cash dividends to shareholders. The value creation ratio measure is made up of two primary components: (1) rate of growth in book value per share plus (2) the ratio of dividends declared per share to beginning book value per share. Management believes this measure is useful, providing a meaningful measure of long-term progress in creating shareholder value. It is intended to be all-inclusive regarding changes in book value per share, and uses originally reported book value per share in cases where book value per share has been adjusted, such as adoption of Accounting Standards Updates with a cumulative effect of a change in accounting.
- **Statutory accounting rules:** For public reporting, insurance companies prepare financial statements in accordance with GAAP. However, insurers also must calculate certain data according to statutory accounting rules for insurance company regulation in the United States of America as defined in the NAIC's Accounting Practices and Procedures Manual, which may be, and has been, modified by various state insurance departments and differ from GAAP. Statutory data is publicly available, and various organizations use it to calculate aggregate industry data, study industry trends and compare insurance companies.
- **Written premium:** Under statutory accounting rules in the U.S., property casualty written premium is the amount recorded for policies issued and recognized on an annualized basis at the effective date of the policy. Management analyzes trends in written premium to assess business efforts. The difference between written and earned premium is unearned premium.

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Six Months Ended June 30, 2021

(Dollars in millions)	CFC	CONSOL P&C	CLIC	CFC-I	ELIM	Total
Revenues						
Premiums earned:						
Property casualty	\$ —	\$ 3,104	\$ —	\$ —	\$ —	\$ 3,104
Life	—	—	185	—	—	185
Premiums ceded	—	(115)	(37)	—	—	(152)
Total earned premium	—	2,989	148	—	—	3,137
Investment income, net of expenses	43	223	83	—	—	349
Investment gains and losses, net	405	615	4	—	—	1,024
Fee revenues	—	5	2	—	—	7
Other revenues	8	2	—	3	(8)	5
Total revenues	\$ 456	\$ 3,834	\$ 237	\$ 3	\$ (8)	\$ 4,522
Benefits & expenses						
Losses & contract holders' benefits	\$ —	\$ 1,781	\$ 207	\$ —	\$ —	\$ 1,988
Reinsurance recoveries	—	(28)	(42)	—	—	(70)
Underwriting, acquisition and insurance expenses	—	887	42	—	—	929
Interest expense	26	—	—	—	—	26
Other operating expenses	16	—	—	1	(8)	9
Total expenses	\$ 42	\$ 2,640	\$ 207	\$ 1	\$ (8)	\$ 2,882
Income before income taxes	\$ 414	\$ 1,194	\$ 30	\$ 2	\$ —	\$ 1,640
Provision for income taxes						
Current operating income (loss)	\$ (88)	\$ (22)	\$ 6	\$ —	\$ —	\$ (104)
Capital gains/losses	85	129	1	—	—	215
Deferred	86	121	(1)	—	—	206
Total provision for income taxes	\$ 83	\$ 228	\$ 6	\$ —	\$ —	\$ 317
Net income - current year	\$ 331	\$ 966	\$ 24	\$ 2	\$ —	\$ 1,323
Net income (loss) - prior year	\$ (111)	\$ (207)	\$ (1)	\$ 2	\$ —	\$ (317)

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding.

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global.

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Three Months Ended June 30, 2021

(Dollars in millions)	CFC	CONSOL P&C	CLIC	CFC-I	ELIM	Total
Revenues						
Premiums earned:						
Property casualty	\$ —	\$ 1,574	\$ —	\$ —	\$ —	\$ 1,574
Life	—	—	98	—	—	98
Premiums ceded	—	(60)	(19)	—	—	(79)
Total earned premium	—	1,514	79	—	—	1,593
Investment income, net of expenses	22	111	42	—	—	175
Investment gains and losses, net	232	284	4	—	—	520
Fee revenues	—	3	1	—	—	4
Other revenues	4	1	—	2	(4)	3
Total revenues	\$ 258	\$ 1,913	\$ 126	\$ 2	\$ (4)	\$ 2,295
Benefits & expenses						
Losses & contract holders' benefits	\$ —	\$ 835	\$ 100	\$ —	\$ —	\$ 935
Reinsurance recoveries	—	(5)	(15)	—	—	(20)
Underwriting, acquisition and insurance expenses	—	466	24	—	—	490
Interest expense	13	—	—	—	—	13
Other operating expenses	9	—	—	—	(4)	5
Total expenses	\$ 22	\$ 1,296	\$ 109	\$ —	\$ (4)	\$ 1,423
Income before income taxes	\$ 236	\$ 617	\$ 17	\$ 2	\$ —	\$ 872
Provision for income taxes						
Current operating income (loss)	\$ (48)	\$ 11	\$ 3	\$ —	\$ —	\$ (34)
Capital gains/losses	49	59	1	—	—	109
Deferred	48	47	(1)	—	—	94
Total provision for income taxes	\$ 49	\$ 117	\$ 3	\$ —	\$ —	\$ 169
Net income - current year	\$ 187	\$ 500	\$ 14	\$ 2	\$ —	\$ 703
Net income - prior year	\$ 377	\$ 518	\$ 12	\$ 2	\$ —	\$ 909

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding.

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global.

Consolidated Property Casualty Losses Incurred Detail

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Consolidated														
Current accident year losses greater than \$5 million		\$ 38	\$ 5	\$ 10	\$ 21	\$ 19	\$ —		\$ 43	\$ 19		\$ 40		\$ 50
Current accident year losses \$1 million - \$5 million		51	31	52	46	53	50		82	103		149		202
Large loss prior accident year reserve development		13	24	13	(3)	7	26		37	33		30		42
Total large losses incurred	\$ 102	\$ 60	\$ 75	\$ 64	\$ 79	\$ 76		\$ 162	\$ 155		\$ 219		\$ 294	
Losses incurred but not reported	(37)	102	60	38	134	79		65	213		251		310	
Other losses excluding catastrophe losses	577	451	454	550	409	496		1,028	905		1,455		1,909	
Catastrophe losses	56	150	58	261	226	123		206	349		611		670	
Total losses incurred	\$ 698	\$ 763	\$ 647	\$ 913	\$ 848	\$ 774		\$ 1,461	\$ 1,622		\$ 2,536		\$ 3,183	
Commercial Lines														
Current accident year losses greater than \$5 million	\$ 38	\$ 5	\$ 10	\$ 21	\$ 19	\$ —		\$ 43	\$ 19		\$ 40		\$ 50	
Current accident year losses \$1 million - \$5 million	29	26	35	20	45	36		55	81		100		135	
Large loss prior accident year reserve development	14	26	10	(1)	5	22		40	27		27		36	
Total large losses incurred	\$ 81	\$ 57	\$ 55	\$ 40	\$ 69	\$ 58		\$ 138	\$ 127		\$ 167		\$ 221	
Losses incurred but not reported	(34)	39	50	60	72	58		5	130		190		240	
Other losses excluding catastrophe losses	326	261	255	287	233	298		587	531		817		1,073	
Catastrophe losses	27	35	23	125	119	82		62	201		327		350	
Total losses incurred	\$ 400	\$ 392	\$ 383	\$ 512	\$ 493	\$ 496		\$ 792	\$ 989		\$ 1,501		\$ 1,884	
Personal Lines														
Current accident year losses greater than \$5 million	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —		\$ —		\$ —	
Current accident year losses \$1 million - \$5 million	15	4	16	21	8	12		19	20		42		59	
Large loss prior accident year reserve development	(2)	(1)	2	(2)	2	5		(3)	7		4		6	
Total large losses incurred	\$ 13	\$ 3	\$ 18	\$ 19	\$ 10	\$ 17		\$ 16	\$ 27		\$ 46		\$ 65	
Losses incurred but not reported	(4)	41	(1)	(24)	41	24		37	65		41		39	
Other losses excluding catastrophe losses	158	130	134	156	105	127		288	232		388		523	
Catastrophe losses	39	74	8	81	89	38		113	127		208		216	
Total losses incurred	\$ 206	\$ 248	\$ 159	\$ 232	\$ 245	\$ 206		\$ 454	\$ 451		\$ 683		\$ 843	
Excess & Surplus Lines														
Current accident year losses greater than \$5 million	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —		\$ —		\$ —	
Current accident year losses \$1 million - \$5 million	7	1	1	5	—	2		8	2		7		8	
Large loss prior accident year reserve development	1	(1)	1	—	—	(1)		—	(1)		(1)		—	
Total large losses incurred	\$ 8	\$ —	\$ 2	\$ 5	\$ —	\$ 1		\$ 8	\$ 1		\$ 6		\$ 8	
Losses incurred but not reported	1	22	11	2	21	(3)		23	18		20		31	
Other losses excluding catastrophe losses	34	15	21	24	20	29		49	50		74		95	
Catastrophe losses	—	1	—	1	3	1		1	3		4		5	
Total losses incurred	\$ 43	\$ 38	\$ 34	\$ 32	\$ 44	\$ 28		\$ 81	\$ 72		\$ 104		\$ 139	

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. The sum of quarterly amounts may not equal the full year as each is computed independently.

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global.

Consolidated Property Casualty Loss Ratio Detail

Three months ended									Six months ended		Nine months ended		Twelve months ended	
12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20	
Consolidated														
Current accident year losses greater than \$5 million		2.5 %	0.3 %	0.7 %	1.5 %	1.4 %	— %	1.4 %	0.7 %		0.9 %		0.9 %	
Current accident year losses \$1 million - \$5 million		3.4	2.2	3.6	3.2	3.7	3.6	2.8	3.7		3.5		3.6	
Large loss prior accident year reserve development		0.9	1.6	0.9	(0.3)	0.5	1.9	1.2	1.2		0.8		0.7	
Total large loss ratio		6.8 %	4.1 %	5.2 %	4.4 %	5.6 %	5.5 %	5.4 %	5.6 %		5.2 %		5.2 %	
Losses incurred but not reported		(2.4)	6.9	4.1	2.6	9.6	5.7	2.2	7.6		5.9		5.5	
Other losses excluding catastrophe losses		38.0	30.5	31.3	38.0	29.2	35.6	34.4	32.4		34.3		33.4	
Catastrophe losses		3.7	10.2	4.0	18.0	16.1	8.9	6.9	12.5		14.4		11.8	
Total loss ratio		46.1 %	51.7 %	44.6 %	63.0 %	60.5 %	55.7 %	48.9 %	58.1 %		59.8 %		55.9 %	
Commercial Lines														
Current accident year losses greater than \$5 million		4.2 %	0.6 %	1.1 %	2.5 %	2.2 %	— %	2.4 %	1.1 %		1.5 %		1.4 %	
Current accident year losses \$1 million - \$5 million		3.2	2.9	4.0	2.3	5.1	4.1	3.1	4.6		3.9		4.0	
Large loss prior accident year reserve development		1.4	3.0	1.1	(0.2)	0.6	2.6	2.2	1.6		1.0		1.0	
Total large loss ratio		8.8 %	6.5 %	6.2 %	4.6 %	7.9 %	6.7 %	7.7 %	7.3 %		6.4 %		6.4 %	
Losses incurred but not reported		(3.6)	4.3	5.7	6.9	8.3	6.8	0.3	7.5		7.3		6.9	
Other losses excluding catastrophe losses		35.7	29.4	29.0	33.1	26.8	34.5	32.6	30.7		31.5		30.8	
Catastrophe losses		3.0	4.0	2.7	14.5	13.6	9.5	3.5	11.6		12.6		10.1	
Total loss ratio		43.9 %	44.2 %	43.6 %	59.1 %	56.6 %	57.5 %	44.1 %	57.1 %		57.8 %		54.2 %	
Personal Lines														
Current accident year losses greater than \$5 million		— %	— %	— %	— %	— %	— %	— %	— %		— %		— %	
Current accident year losses \$1 million - \$5 million		4.0	1.2	4.4	5.8	2.3	3.5	2.5	2.9		3.8		4.0	
Large loss prior accident year reserve development		(0.5)	(0.3)	0.6	(0.7)	0.5	1.3	(0.3)	0.9		0.4		0.4	
Total large loss ratio		3.5 %	0.9 %	5.0 %	5.1 %	2.8 %	4.8 %	2.2 %	3.8 %		4.2 %		4.4 %	
Losses incurred but not reported		(1.1)	11.0	(0.3)	(6.6)	11.3	6.6	4.9	8.9		3.7		2.7	
Other losses excluding catastrophe losses		41.4	34.4	36.0	42.5	28.8	35.3	37.9	32.2		35.6		35.8	
Catastrophe losses		10.3	19.6	2.1	22.1	24.6	10.5	14.9	17.5		19.1		14.7	
Total loss ratio		54.1 %	65.9 %	42.8 %	63.1 %	67.5 %	57.2 %	59.9 %	62.4 %		62.6 %		57.6 %	
Excess & Surplus Lines														
Current accident year losses greater than \$5 million		— %	— %	— %	— %	— %	— %	— %	— %		— %		— %	
Current accident year losses \$1 million - \$5 million		7.5	1.2	1.1	6.4	—	2.6	4.5	1.3		3.0		2.5	
Large loss prior accident year reserve development		1.3	(1.7)	1.2	0.1	0.1	(1.5)	(0.2)	(0.7)		(0.4)		—	
Total large loss ratio		8.8 %	(0.5)%	2.3 %	6.5 %	0.1 %	1.1 %	4.3 %	0.6 %		2.6 %		2.5 %	

Losses incurred but not reported	0.8	24.8	12.6	2.6	27.2	(4.4)	12.3	11.3	8.4	9.5
Other losses excluding catastrophe losses	35.0	17.8	24.3	29.5	25.8	37.8	26.8	31.9	31.0	29.3
Catastrophe losses	0.4	1.0	0.4	1.2	3.3	0.9	0.7	2.1	1.8	1.4
Total loss ratio	45.0 %	43.1 %	39.6 %	39.8 %	56.4 %	35.4 %	44.1 %	45.9 %	43.8 %	42.7 %

*Certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts.

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global.

Consolidated Property Casualty Loss Claim Count Detail

	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Consolidated														
Current accident year reported losses greater than \$5 million			6	1	2	2	2	—	7	2		5		7
Current accident year reported losses \$1 million - \$5 million			35	24	37	34	28	27	59	55		85		117
Prior accident year reported losses on large losses			12	20	14	13	9	20	32	27		41		49
Non-Catastrophe reported losses on large losses total			53	45	53	49	39	47	98	84		131		173
Commercial Lines														
Current accident year reported losses greater than \$5 million			6	1	2	2	2	—	7	2		5		7
Current accident year reported losses \$1 million - \$5 million			19	20	26	19	24	17	39	41		57		79
Prior accident year reported losses on large losses			8	18	11	12	8	17	26	23		36		41
Non-Catastrophe reported losses on large losses total			33	39	39	33	34	34	72	66		98		127
Personal Lines														
Current accident year reported losses greater than \$5 million			—	—	—	—	—	—	—	—		—		—
Current accident year reported losses \$1 million - \$5 million			11	3	10	9	4	8	14	12		21		31
Prior accident year reported losses on large losses			1	2	2	—	—	3	3	3		3		5
Non-Catastrophe reported losses on large losses total			12	5	12	9	4	11	17	15		24		36
Excess & Surplus Lines														
Current accident year reported losses greater than \$5 million			—	—	—	—	—	—	—	—		—		—
Current accident year reported losses \$1 million - \$5 million			5	1	1	6	—	2	6	2		7		7
Prior accident year reported losses on large losses			3	—	1	1	1	—	3	1		2		3
Non-Catastrophe reported losses on large losses total			8	1	2	7	1	2	9	3		9		10

*The sum of quarterly amounts may not equal the full year as each is computed independently.

Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)										Nine months ended		Twelve months ended	
Three months ended								Six months ended					
12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Commercial casualty:													
Written premiums		\$ 338	\$ 363	\$ 287	\$ 269	\$ 308	\$ 341	\$ 701	\$ 649	\$ 918		\$ 1,205	
Year over year change %-written premium		10 %	6 %	7 %	2 %	4 %	13 %	8 %	8 %	6 %		7 %	
Earned premiums		\$ 312	\$ 303	\$ 297	\$ 290	\$ 289	\$ 289	\$ 615	\$ 577	\$ 868		\$ 1,165	
Current accident year before catastrophe losses		61.5 %	64.5 %	64.5 %	63.1 %	62.6 %	65.8 %	63.0 %	64.1 %	63.8 %		64.0 %	
Current accident year catastrophe losses		—	—	—	—	—	—	—	—	—		—	
Prior accident years before catastrophe losses		(8.3)	(2.2)	(6.1)	(3.2)	(7.5)	(1.6)	(5.3)	(4.5)	(4.1)		(4.6)	
Prior accident years catastrophe losses		—	—	—	—	—	—	—	—	—		—	
Total loss and loss expense ratio		53.2 %	62.3 %	58.4 %	59.9 %	55.1 %	64.2 %	57.7 %	59.6 %	59.7 %		59.4 %	
Commercial property:													
Written premiums		\$ 275	\$ 267	\$ 246	\$ 252	\$ 260	\$ 261	\$ 542	\$ 521	\$ 773		\$ 1,019	
Year over year change %-written premium		6 %	2 %	— %	3 %	5 %	6 %	4 %	5 %	5 %		3 %	
Earned premiums		\$ 259	\$ 253	\$ 255	\$ 252	\$ 254	\$ 249	\$ 512	\$ 504	\$ 755		\$ 1,010	
Current accident year before catastrophe losses		47.3 %	53.8 %	52.9 %	53.0 %	50.9 %	47.8 %	50.5 %	49.4 %	50.6 %		51.2 %	
Current accident year catastrophe losses		14.0	20.0	13.2	50.5	48.5	34.2	16.9	41.4	44.4		36.5	
Prior accident years before catastrophe losses		(1.1)	(2.0)	(2.4)	(1.3)	1.9	0.7	(1.5)	1.3	0.5		(0.3)	
Prior accident years catastrophe losses		(3.8)	(6.3)	(2.5)	0.3	(2.0)	(1.1)	(5.0)	(1.6)	(1.0)		(1.3)	
Total loss and loss expense ratio		56.4 %	65.5 %	61.2 %	102.5 %	99.3 %	81.6 %	60.9 %	90.5 %	94.5 %		86.1 %	
Commercial auto:													
Written premiums		\$ 216	\$ 223	\$ 179	\$ 171	\$ 205	\$ 208	\$ 439	\$ 413	\$ 584		\$ 763	
Year over year change %-written premium		5 %	7 %	2 %	(3)%	5 %	11 %	6 %	8 %	4 %		4 %	
Earned premiums		\$ 198	\$ 193	\$ 192	\$ 189	\$ 189	\$ 185	\$ 391	\$ 374	\$ 563		\$ 755	
Current accident year before catastrophe losses		63.0 %	63.1 %	57.1 %	56.2 %	64.2 %	70.9 %	63.0 %	67.5 %	63.7 %		62.1 %	
Current accident year catastrophe losses		1.5	1.6	—	0.4	2.2	1.2	1.6	1.7	1.3		0.9	
Prior accident years before catastrophe losses		(6.0)	(12.4)	1.4	5.5	(1.1)	3.3	(9.2)	1.1	2.5		2.3	
Prior accident years catastrophe losses		(0.2)	(0.3)	—	(0.1)	—	(0.2)	(0.2)	(0.1)	(0.1)		(0.1)	
Total loss and loss expense ratio		58.3 %	52.0 %	58.5 %	62.0 %	65.3 %	75.2 %	55.2 %	70.2 %	67.4 %		65.2 %	
Workers' compensation:													
Written premiums		\$ 69	\$ 88	\$ 58	\$ 51	\$ 65	\$ 92	\$ 157	\$ 157	\$ 208		\$ 266	
Year over year change %-written premium		6 %	(4)%	(8)%	(18)%	(13)%	(2)%	— %	(7)%	(10)%		(10)%	
Earned premiums		\$ 68	\$ 67	\$ 64	\$ 64	\$ 68	\$ 75	\$ 135	\$ 143	\$ 207		\$ 271	
Current accident year before catastrophe losses		87.6 %	76.6 %	82.3 %	81.7 %	81.8 %	81.1 %	82.2 %	81.4 %	81.5 %		81.7 %	
Current accident year catastrophe losses		—	—	—	—	—	—	—	—	—		—	
Prior accident years before catastrophe losses		(39.2)	(37.9)	(10.4)	(9.6)	(27.8)	(9.8)	(38.6)	(18.3)	(15.7)		(14.4)	
Prior accident years catastrophe losses		—	—	—	—	—	—	—	—	—		—	
Total loss and loss expense ratio		48.4 %	38.7 %	71.9 %	72.1 %	54.0 %	71.3 %	43.6 %	63.1 %	65.8 %		67.3 %	
Other commercial:													
Written premiums		\$ 79	\$ 78	\$ 70	\$ 71	\$ 70	\$ 70	\$ 157	\$ 140	\$ 211		\$ 281	
Year over year change %-written premium		13 %	11 %	6 %	1 %	8 %	9 %	12 %	9 %	6 %		6 %	
Earned premiums		\$ 74	\$ 70	\$ 70	\$ 70	\$ 70	\$ 65	\$ 144	\$ 135	\$ 205		\$ 275	
Current accident year before catastrophe losses		38.0 %	38.2 %	38.5 %	36.0 %	35.5 %	39.1 %	38.1 %	37.3 %	36.9 %		37.3 %	
Current accident year catastrophe losses		0.1	—	—	0.3	0.1	0.1	—	0.1	0.2		0.1	
Prior accident years before catastrophe losses		(11.2)	(7.7)	(2.8)	(0.7)	(1.7)	1.7	(9.5)	(0.1)	(0.3)		(0.9)	
Prior accident years catastrophe losses		—	—	0.1	(0.1)	—	0.2	—	0.1	—		—	
Total loss and loss expense ratio		26.9 %	30.5 %	35.8 %	35.5 %	33.9 %	41.1 %	28.6 %	37.4 %	36.8 %		36.5 %	

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

Quarterly Property Casualty Data - Personal Lines

(Dollars in millions)	Three months ended							Six months ended		Nine months ended		Twelve months ended		
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Personal auto:														
Written premiums			\$ 166	\$ 136	\$ 139	\$ 166	\$ 169	\$ 137	\$ 302	\$ 306		\$ 472		\$ 611
Year over year change %- written premium			(2)%	(1)%	(1)%	— %	(2)%	(2)%	(1)%	(2)%		(1)%		(2)%
Earned premiums			\$ 152	\$ 152	\$ 153	\$ 154	\$ 154	\$ 154	\$ 305	\$ 308		\$ 462		\$ 615
Current accident year before catastrophe losses			64.5 %	66.1 %	46.6 %	48.5 %	64.7 %	69.4 %	65.3 %	67.0 %		60.9 %		57.3 %
Current accident year catastrophe losses			1.7	2.6	—	2.6	1.5	2.1	2.2	1.8		2.0		1.6
Prior accident years before catastrophe losses			(5.5)	(9.3)	2.6	0.5	(4.2)	(8.1)	(7.5)	(6.1)		(3.9)		(2.3)
Prior accident years catastrophe losses			(0.2)	(0.5)	—	—	(0.2)	(0.4)	(0.3)	(0.3)		(0.2)		(0.2)
Total loss and loss expense ratio			60.5 %	58.9 %	49.2 %	51.6 %	61.8 %	63.0 %	59.7 %	62.4 %		58.8 %		56.4 %
Homeowner:														
Written premiums			\$ 211	\$ 156	\$ 167	\$ 189	\$ 197	\$ 140	\$ 367	\$ 337		\$ 526		\$ 693
Year over year change %- written premium			7 %	11 %	10 %	9 %	12 %	8 %	9 %	10 %		10 %		10 %
Earned premiums			\$ 178	\$ 174	\$ 171	\$ 165	\$ 163	\$ 159	\$ 352	\$ 322		\$ 487		\$ 658
Current accident year before catastrophe losses			50.2 %	51.6 %	45.2 %	48.2 %	45.0 %	53.5 %	50.9 %	49.2 %		48.9 %		47.9 %
Current accident year catastrophe losses			20.7	41.1	7.5	46.1	51.7	23.8	30.8	37.9		40.7		32.1
Prior accident years before catastrophe losses			0.9	(0.5)	3.2	1.7	4.5	(8.7)	0.2	(2.0)		(0.8)		0.3
Prior accident years catastrophe losses			(0.5)	(0.7)	0.2	(1.6)	(0.1)	(2.3)	(0.6)	(1.2)		(1.3)		(1.0)
Total loss and loss expense ratio			71.3 %	91.5 %	56.1 %	94.4 %	101.1 %	66.3 %	81.3 %	83.9 %		87.5 %		79.3 %
Other personal:														
Written premiums			\$ 62	\$ 46	\$ 48	\$ 52	\$ 57	\$ 42	\$ 108	\$ 99		\$ 151		\$ 199
Year over year change %- written premium			9 %	10 %	12 %	6 %	8 %	8 %	9 %	8 %		7 %		8 %
Earned premiums			\$ 52	\$ 50	\$ 49	\$ 48	\$ 47	\$ 46	\$ 101	\$ 93		\$ 141		\$ 190
Current accident year before catastrophe losses			45.9 %	50.0 %	49.1 %	49.6 %	48.5 %	50.5 %	48.0 %	49.5 %		49.5 %		49.4 %
Current accident year catastrophe losses			3.9	3.6	(0.3)	10.6	11.8	4.6	3.7	8.2		9.0		6.6
Prior accident years before catastrophe losses			(8.6)	(3.8)	0.3	(0.7)	(1.4)	6.3	(6.2)	2.4		1.4		1.1
Prior accident years catastrophe losses			0.4	(1.5)	(0.4)	(0.2)	(0.7)	(0.6)	(0.6)	(0.6)		(0.5)		(0.4)
Total loss and loss expense ratio			41.6 %	48.3 %	48.7 %	59.3 %	58.2 %	60.8 %	44.9 %	59.5 %		59.4 %		56.7 %

Quarterly Property Casualty Data - Excess & Surplus Lines

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Excess & Surplus:														
Written premiums			\$ 115	\$ 99	\$ 92	\$ 80	\$ 91	\$ 85	\$ 214	\$ 176	\$ 256		\$ 348	
Year over year change %- written premium			26 %	16 %	15 %	8 %	17 %	20 %	22 %	18 %	15 %		15 %	
Earned premiums			\$ 95	\$ 89	\$ 87	\$ 82	\$ 78	\$ 78	\$ 184	\$ 156	\$ 238		\$ 325	
Current accident year before catastrophe losses			62.0 %	61.0 %	57.6 %	58.5 %	59.0 %	55.7 %	61.5 %	57.4 %	57.8 %		57.7 %	
Current accident year catastrophe losses			0.4	1.3	0.4	1.0	3.6	0.5	0.8	2.0	1.7		1.3	
Prior accident years before catastrophe losses			(1.5)	4.7	(1.5)	(1.5)	11.2	0.7	1.5	5.9	3.4		2.1	
Prior accident years catastrophe losses			0.1	(0.3)	0.1	0.2	(0.2)	0.5	(0.1)	0.2	0.1		0.2	
Total loss and loss expense ratio			61.0 %	66.7 %	56.6 %	58.2 %	73.6 %	57.4 %	63.7 %	65.5 %	63.0 %		61.3 %	

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

Consolidated Property Casualty Loss and Loss Expense Analysis

(Dollars in millions)												
	Paid	Paid loss	Total	Change in	Change in	Change in	Total				Loss	
	losses	expense	paid	case	IBNR	loss	change in	Case	IBNR	expense	Total	
				reserves	reserves	expense	reserves	incurred	incurred	incurred	incurred	
Gross loss and loss expense incurred for the six months ended June 30, 2021												
Commercial casualty	\$ 202	\$ 86	\$ 288	\$ 32	\$ (6)	\$ 41	\$ 67	\$ 234	\$ (6)	\$ 127	\$ 355	
Commercial property	283	32	315	(16)	23	(6)	1	267	23	26	316	
Commercial auto	178	36	214	6	13	(18)	1	184	13	18	215	
Workers' compensation	67	15	82	18	(29)	(3)	(14)	85	(29)	12	68	
Other commercial	28	5	33	9	(1)	2	10	37	(1)	7	43	
Total commercial lines	758	174	932	49	—	16	65	807	—	190	997	
Personal auto	141	33	174	4	8	(5)	7	145	8	28	181	
Homeowners	168	24	192	15	58	5	78	183	58	29	270	
Other personal	33	3	36	5	4	—	9	38	4	3	45	
Total personal lines	342	60	402	24	70	—	94	366	70	60	496	
Excess & surplus lines	42	19	61	18	24	17	59	60	24	36	120	
Other	103	5	108	(1)	60	1	60	102	60	6	168	
Total property casualty	\$ 1,245	\$ 258	\$ 1,503	\$ 90	\$ 154	\$ 34	\$ 278	\$ 1,335	\$ 154	\$ 292	\$ 1,781	
Ceded loss and loss expense incurred for the six months ended June 30, 2021												
Commercial casualty	\$ (3)	\$ —	\$ (3)	\$ 4	\$ —	\$ (1)	\$ 3	\$ 1	\$ —	\$ (1)	\$ —	
Commercial property	35	—	35	(27)	(4)	—	(31)	8	(4)	—	4	
Commercial auto	—	—	—	(1)	—	—	(1)	(1)	—	—	(1)	
Workers' compensation	5	—	5	5	—	—	5	10	—	—	10	
Other commercial	1	—	1	—	—	—	—	1	—	—	1	
Total commercial lines	38	—	38	(19)	(4)	(1)	(24)	19	(4)	(1)	14	
Personal auto	1	—	1	(2)	—	—	(2)	(1)	—	—	(1)	
Homeowners	(19)	—	(19)	4	(2)	—	2	(15)	(2)	—	(17)	
Other personal	—	—	—	—	—	—	—	—	—	—	—	
Total personal lines	(18)	—	(18)	2	(2)	—	—	(16)	(2)	—	(18)	
Excess & surplus lines	2	—	2	(1)	2	—	1	1	2	—	3	
Other	9	—	9	—	20	—	20	9	20	—	29	
Total property casualty	\$ 31	\$ —	\$ 31	\$ (18)	\$ 16	\$ (1)	\$ (3)	\$ 13	\$ 16	\$ (1)	\$ 28	
Net loss and loss expense incurred for the six months ended June 30, 2021												
Commercial casualty	\$ 205	\$ 86	\$ 291	\$ 28	\$ (6)	\$ 42	\$ 64	\$ 233	\$ (6)	\$ 128	\$ 355	
Commercial property	248	32	280	11	27	(6)	32	259	27	26	312	
Commercial auto	178	36	214	7	13	(18)	2	185	13	18	216	
Workers' compensation	62	15	77	13	(29)	(3)	(19)	75	(29)	12	58	
Other commercial	27	5	32	9	(1)	2	10	36	(1)	7	42	
Total commercial lines	720	174	894	68	4	17	89	788	4	191	983	
Personal auto	140	33	173	6	8	(5)	9	146	8	28	182	
Homeowners	187	24	211	11	60	5	76	198	60	29	287	
Other personal	33	3	36	5	4	—	9	38	4	3	45	
Total personal lines	360	60	420	22	72	—	94	382	72	60	514	
Excess & surplus lines	40	19	59	19	22	17	58	59	22	36	117	
Other	94	5	99	(1)	40	1	40	93	40	6	139	
Total property casualty	\$ 1,214	\$ 258	\$ 1,472	\$ 108	\$ 138	\$ 35	\$ 281	\$ 1,322	\$ 138	\$ 293	\$ 1,753	

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding.

Other data includes results from our Cincinnati Re operations and Cincinnati Global.

Consolidated Property Casualty Loss and Loss Expense Analysis

(Dollars in millions)												
				Change in	Change in	Change in	Total					
	Paid	Paid loss	Total	case	IBNR	loss		Case	IBNR	expense	Total	
	losses	expense	paid	reserves	reserves	expense	change in	incurred	incurred	incurred	incurred	
						reserves	reserves					
Gross loss and loss expense incurred for the three months ended June 30, 2021												
Commercial casualty	\$ 108	\$ 38	\$ 146	\$ 24	\$ (21)	\$ 6	\$ 9	\$ 132	\$ (21)	\$ 44	\$ 155	
Commercial property	143	14	157	12	(16)	(2)	(6)	155	(16)	12	151	
Commercial auto	96	16	112	(3)	5	1	3	93	5	17	115	
Workers' compensation	34	7	41	6	(3)	(4)	(1)	40	(3)	3	40	
Other commercial	14	3	17	8	(5)	1	4	22	(5)	4	21	
Total commercial lines	395	78	473	47	(40)	2	9	442	(40)	80	482	
Personal auto	75	16	91	7	(6)	—	1	82	(6)	16	92	
Homeowners	83	11	94	5	7	5	17	88	7	16	111	
Other personal	20	2	22	4	(5)	—	(1)	24	(5)	2	21	
Total personal lines	178	29	207	16	(4)	5	17	194	(4)	34	224	
Excess & surplus lines	21	8	29	22	2	7	31	43	2	15	60	
Other	48	3	51	1	16	1	18	49	16	4	69	
Total property casualty	\$ 642	\$ 118	\$ 760	\$ 86	\$ (26)	\$ 15	\$ 75	\$ 728	\$ (26)	\$ 133	\$ 835	
Ceded loss and loss expense incurred for the three months ended June 30, 2021												
Commercial casualty	\$ (3)	\$ —	\$ (3)	\$ (8)	\$ —	\$ —	\$ (8)	\$ (11)	\$ —	\$ —	\$ (11)	
Commercial property	4	—	4	2	(1)	—	1	6	(1)	—	5	
Commercial auto	—	—	—	—	—	—	—	—	—	—	—	
Workers' compensation	3	—	3	4	—	—	4	7	—	—	7	
Other commercial	—	—	—	1	—	—	1	1	—	—	1	
Total commercial lines	4	—	4	(1)	(1)	—	(2)	3	(1)	—	2	
Personal auto	—	—	—	—	—	—	—	—	—	—	—	
Homeowners	(20)	—	(20)	5	(1)	—	4	(15)	(1)	—	(16)	
Other personal	—	—	—	(1)	—	—	(1)	(1)	—	—	(1)	
Total personal lines	(20)	—	(20)	4	(1)	—	3	(16)	(1)	—	(17)	
Excess & surplus lines	2	—	2	(1)	1	—	—	1	1	—	2	
Other	7	—	7	—	11	—	11	7	11	—	18	
Total property casualty	\$ (7)	\$ —	\$ (7)	\$ 2	\$ 10	\$ —	\$ 12	\$ (5)	\$ 10	\$ —	\$ 5	
Net loss and loss expense incurred for the three months ended June 30, 2021												
Commercial casualty	\$ 111	\$ 38	\$ 149	\$ 32	\$ (21)	\$ 6	\$ 17	\$ 143	\$ (21)	\$ 44	\$ 166	
Commercial property	139	14	153	10	(15)	(2)	(7)	149	(15)	12	146	
Commercial auto	96	16	112	(3)	5	1	3	93	5	17	115	
Workers' compensation	31	7	38	2	(3)	(4)	(5)	33	(3)	3	33	
Other commercial	14	3	17	7	(5)	1	3	21	(5)	4	20	
Total commercial lines	391	78	469	48	(39)	2	11	439	(39)	80	480	
Personal auto	75	16	91	7	(6)	—	1	82	(6)	16	92	
Homeowners	103	11	114	—	8	5	13	103	8	16	127	
Other personal	20	2	22	5	(5)	—	—	25	(5)	2	22	
Total personal lines	198	29	227	12	(3)	5	14	210	(3)	34	241	
Excess & surplus lines	19	8	27	23	1	7	31	42	1	15	58	
Other	41	3	44	1	5	1	7	42	5	4	51	
Total property casualty	\$ 649	\$ 118	\$ 767	\$ 84	\$ (36)	\$ 15	\$ 63	\$ 733	\$ (36)	\$ 133	\$ 830	

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding.

Other data includes results from our Cincinnati Re operations and Cincinnati Global.

Quarterly Property Casualty Data - Consolidated

(Dollars in millions)									Six months ended		Nine months ended		Twelve months ended	
12/31/21	9/30/21	6/30/21	Three months ended					6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20	
			3/31/21	12/31/20	9/30/20	6/30/20	3/31/20							
Premiums														
Agency renewal written premiums		\$1,333	\$1,276	\$1,145	\$1,153	\$1,244	\$1,198	\$2,609	\$2,442		\$3,595		\$4,740	
Agency new business written premiums		235	220	185	189	210	215	455	425		614		799	
Other written premiums		146	197	64	51	105	105	343	210		261		325	
Net written premiums		\$1,714	\$1,693	\$1,394	\$1,393	\$1,559	\$1,518	\$3,407	\$3,077		\$4,470		\$5,864	
Unearned premium change		(200)	(218)	55	57	(156)	(129)	(418)	(285)		(228)		(173)	
Earned premiums		\$1,514	\$1,475	\$1,449	\$1,450	\$1,403	\$1,389	\$2,989	\$2,792		\$4,242		\$5,691	
Year over year change %														
Agency renewal written premiums		7 %	7 %	6 %	3 %	5 %	6 %	7 %	5 %		5 %		5 %	
Agency new business written premiums		12	2	(4)	(2)	(1)	19	7	8		5		3	
Other written premiums		39	88	106	28	35	50	63	42		39		48	
Net written premiums		10	12	7	3	6	10	11	8		6		6	
Paid losses and loss expenses														
Losses paid		\$649	\$564	\$690	\$628	\$624	\$663	\$1,214	\$1,289		\$1,917		\$2,607	
Loss expenses paid		118	141	146	151	127	154	258	279		430		576	
Loss and loss expenses paid		\$767	\$705	\$836	\$779	\$751	\$817	\$1,472	\$1,568		\$2,347		\$3,183	
Incurred losses and loss expenses														
Loss and loss expense incurred		\$830	\$923	\$829	\$1,071	\$1,007	\$930	\$1,753	\$1,937		\$3,008		\$3,837	
Loss and loss expenses paid as a % of incurred		92.4 %	76.4 %	100.8 %	72.7 %	74.6 %	87.7 %	84.0 %	80.9 %		78.0 %		83.0 %	
Statutory combined ratio														
Loss ratio		47.0 %	52.0 %	44.5 %	59.8 %	60.4 %	56.1 %	49.4 %	58.2 %		58.8 %		55.1 %	
Loss adjustment expense ratio		8.9	11.0	12.9	11.3	11.6	11.3	10.0	11.5		11.4		11.8	
Net underwriting expense ratio		29.2	26.7	31.2	30.2	28.8	29.2	28.0	29.0		29.3		29.8	
US Statutory combined ratio		85.1 %	89.7 %	88.6 %	101.3 %	100.8 %	96.6 %	87.4 %	98.7 %		99.5 %		96.7 %	
Contribution from catastrophe losses		4.6	10.1	3.6	16.0	15.8	9.3	7.3	12.6		13.7		11.2	
Statutory combined ratio excl. catastrophe losses		80.5 %	79.6 %	85.0 %	85.3 %	85.0 %	87.3 %	80.1 %	86.1 %		85.8 %		85.5 %	
GAAP combined ratio														
GAAP combined ratio		85.5 %	91.2 %	87.3 %	103.6 %	103.1 %	98.5 %	88.3 %	100.8 %		101.8 %		98.1 %	
Contribution from catastrophe losses		3.9	10.4	4.7	18.3	16.5	9.1	7.1	12.8		14.7		12.1	
GAAP combined ratio excl. catastrophe losses		81.6 %	80.8 %	82.6 %	85.3 %	86.6 %	89.4 %	81.2 %	88.0 %		87.1 %		86.0 %	

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*nm - Not meaningful

*Statutory ratios exclude the results of Cincinnati Global.

Consolidated property casualty data includes the results of Cincinnati Re and Cincinnati Global.

Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Premiums														
Agency renewal written premiums			\$ 852	\$ 898	\$ 759	\$ 727	\$ 794	\$ 842	\$ 1,750	\$ 1,636		\$ 2,363		\$ 3,122
Agency new business written premiums			146	145	113	114	134	154	291	288		402		515
Other written premiums			(21)	(24)	(32)	(27)	(20)	(24)	(45)	(44)		(71)		(103)
Net written premiums			\$ 977	\$ 1,019	\$ 840	\$ 814	\$ 908	\$ 972	\$ 1,996	\$ 1,880		\$ 2,694		\$ 3,534
Unearned premium change			(66)	(133)	38	51	(38)	(109)	(199)	(147)		(96)		(58)
Earned premiums			\$ 911	\$ 886	\$ 878	\$ 865	\$ 870	\$ 863	\$ 1,797	\$ 1,733		\$ 2,598		\$ 3,476
Year over year change %														
Agency renewal written premiums			7 %	7 %	6 %	2 %	4 %	5 %	7 %	4 %		4 %		4 %
Agency new business written premiums			9	(6)	(12)	(8)	(2)	28	1	12		6		1
Other written premiums			(5)	—	(10)	(29)	20	(4)	(2)	8		(3)		(5)
Net written premiums			8	5	3	—	3	8	6	6		4		4
Paid losses and loss expenses														
Losses paid			\$ 391	\$ 330	\$ 408	\$ 378	\$ 367	\$ 426	\$ 720	\$ 795		\$ 1,173		\$ 1,581
Loss expenses paid			78	96	98	103	86	103	174	189		291		388
Loss and loss expenses paid			\$ 469	\$ 426	\$ 506	\$ 481	\$ 453	\$ 529	\$ 894	\$ 984		\$ 1,464		\$ 1,969
Incurred losses and loss expenses														
Loss and loss expense incurred			\$ 480	\$ 503	\$ 512	\$ 620	\$ 596	\$ 608	\$ 983	\$ 1,204		\$ 1,824		\$ 2,336
Loss and loss expenses paid as a % of incurred			97.7 %	84.7 %	98.8 %	77.6 %	76.0 %	87.0 %	90.9 %	81.7 %		80.3 %		84.3 %
Statutory combined ratio														
Loss ratio			43.9 %	44.3 %	43.6 %	59.1 %	56.7 %	57.5 %	44.1 %	57.0 %		57.8 %		54.2 %
Loss adjustment expense ratio			8.8	12.4	14.8	12.5	11.8	12.9	10.6	12.4		12.4		13.0
Net underwriting expense ratio			29.9	26.2	32.0	32.0	28.6	28.9	28.0	28.8		29.7		30.3
Statutory combined ratio			82.6 %	82.9 %	90.4 %	103.6 %	97.1 %	99.3 %	82.7 %	98.2 %		99.9 %		97.5 %
Contribution from catastrophe losses			3.2	4.2	3.1	14.8	14.0	9.8	3.7	11.9		12.9		10.4
Statutory combined ratio excl. catastrophe losses			79.4 %	78.7 %	87.3 %	88.8 %	83.1 %	89.5 %	79.0 %	86.3 %		87.0 %		87.1 %
GAAP combined ratio														
GAAP combined ratio			84.2 %	85.4 %	89.2 %	102.4 %	99.1 %	102.5 %	84.8 %	100.8 %		101.3 %		98.3 %
Contribution from catastrophe losses			3.2	4.2	3.1	14.8	14.0	9.8	3.7	11.9		12.9		10.4
GAAP combined ratio excl. catastrophe losses			81.0 %	81.2 %	86.1 %	87.6 %	85.1 %	92.7 %	81.1 %	88.9 %		88.4 %		87.9 %

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*nm - Not meaningful

*Statutory data prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners and filed with the appropriate regulatory bodies.

Quarterly Property Casualty Data - Personal Lines

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Premiums														
Agency renewal written premiums			\$ 397	\$ 302	\$ 317	\$ 366	\$ 387	\$ 294	\$ 699	\$ 681		\$ 1,047		\$ 1,364
Agency new business written premiums			53	46	45	51	44	34	99	78		129		174
Other written premiums			(11)	(10)	(8)	(10)	(8)	(9)	(21)	(17)		(27)		(35)
Net written premiums			\$ 439	\$ 338	\$ 354	\$ 407	\$ 423	\$ 319	\$ 777	\$ 742		\$ 1,149		\$ 1,503
Unearned premium change			(57)	38	19	(40)	(59)	40	(19)	(19)		(59)		(40)
Earned premiums			\$ 382	\$ 376	\$ 373	\$ 367	\$ 364	\$ 359	\$ 758	\$ 723		\$ 1,090		\$ 1,463
Year over year change %														
Agency renewal written premiums			3 %	3 %	3 %	3 %	6 %	4 %	3 %	5 %		4 %		4 %
Agency new business written premiums			20	35	25	28	(6)	(3)	27	(5)		6		10
Other written premiums			(38)	(11)	11	(25)	20	(13)	(24)	6		(4)		—
Net written premiums			4	6	5	5	5	3	5	4		5		5
Paid losses and loss expenses														
Losses paid			\$ 198	\$ 162	\$ 200	\$ 200	\$ 203	\$ 173	\$ 360	\$ 376		\$ 577		\$ 778
Loss expenses paid			29	32	36	38	30	40	60	69		106		143
Loss and loss expenses paid			\$ 227	\$ 194	\$ 236	\$ 238	\$ 233	\$ 213	\$ 420	\$ 445		\$ 683		\$ 921
Incurred losses and loss expenses														
Loss and loss expense incurred			\$ 241	\$ 273	\$ 195	\$ 265	\$ 286	\$ 231	\$ 514	\$ 517		\$ 782		\$ 977
Loss and loss expenses paid as a % of incurred			94.2 %	71.1 %	121.0 %	89.8 %	81.5 %	92.2 %	81.7 %	86.1 %		87.3 %		94.3 %
Statutory combined ratio														
Loss ratio			54.1 %	65.9 %	42.8 %	63.1 %	67.5 %	57.2 %	60.0 %	62.4 %		62.6 %		57.6 %
Loss adjustment expense ratio			8.9	6.7	9.5	8.9	11.4	6.9	7.8	9.1		9.1		9.2
Net underwriting expense ratio			27.2	30.7	30.6	26.9	29.4	32.1	28.7	30.6		29.3		29.6
Statutory combined ratio			90.2 %	103.3 %	82.9 %	98.9 %	108.3 %	96.2 %	96.5 %	102.1 %		101.0 %		96.4 %
Contribution from catastrophe losses			10.6	19.8	3.4	22.5	25.1	10.7	15.2	17.9		19.5		15.4
Statutory combined ratio excl. catastrophe losses			79.6 %	83.5 %	79.5 %	76.4 %	83.2 %	85.5 %	81.3 %	84.2 %		81.5 %		81.0 %
GAAP combined ratio														
GAAP combined ratio			92.7 %	101.1 %	81.3 %	100.7 %	112.3 %	94.3 %	96.8 %	103.4 %		102.5 %		97.1 %
Contribution from catastrophe losses			10.6	19.8	3.4	22.5	25.1	10.7	15.2	17.9		19.5		15.4
GAAP combined ratio excl. catastrophe losses			82.1 %	81.3 %	77.9 %	78.2 %	87.2 %	83.6 %	81.6 %	85.5 %		83.0 %		81.7 %

*Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

*nm - Not meaningful

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Quarterly Property Casualty Data - Excess & Surplus Lines

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Premiums														
Agency renewal written premiums			\$ 84	\$ 76	\$ 69	\$ 60	\$ 63	\$ 62	\$ 160	\$ 125	\$ 185		\$ 254	
Agency new business written premiums			36	29	27	24	32	27	65	59	83		110	
Other written premiums			(5)	(6)	(4)	(4)	(4)	(4)	(11)	(8)	(12)		(16)	
Net written premiums			\$ 115	\$ 99	\$ 92	\$ 80	\$ 91	\$ 85	\$ 214	\$ 176	\$ 256		\$ 348	
Unearned premium change			(20)	(10)	(5)	2	(13)	(7)	(30)	(20)	(18)		(23)	
Earned premiums			\$ 95	\$ 89	\$ 87	\$ 82	\$ 78	\$ 78	\$ 184	\$ 156	\$ 238		\$ 325	
Year over year change %														
Agency renewal written premiums			33 %	23 %	23 %	20 %	17 %	27 %	28 %	21 %	21 %		22 %	
Agency new business written premiums			13	7	(4)	(14)	14	4	10	9	1		—	
Other written premiums			(25)	(50)	—	—	—	—	(38)	—	—		—	
Net written premiums			26	16	15	8	17	20	22	18	15		15	
Paid losses and loss expenses														
Losses paid			\$ 19	\$ 21	\$ 22	\$ 14	\$ 14	\$ 23	\$ 40	\$ 37	\$ 51		\$ 73	
Loss expenses paid			8	11	10	10	9	9	19	19	29		39	
Loss and loss expenses paid			\$ 27	\$ 32	\$ 32	\$ 24	\$ 23	\$ 32	\$ 59	\$ 56	\$ 80		\$ 112	
Incurred losses and loss expenses														
Loss and loss expense incurred			\$ 58	\$ 59	\$ 49	\$ 48	\$ 57	\$ 45	\$ 117	\$ 102	\$ 150		\$ 199	
Loss and loss expenses paid as a % of incurred			46.6 %	54.2 %	65.3 %	50.0 %	40.4 %	71.1 %	50.4 %	54.9 %	53.3 %		56.3 %	
Statutory combined ratio														
Loss ratio			45.0 %	43.1 %	39.6 %	39.8 %	56.4 %	35.4 %	44.1 %	45.9 %	43.8 %		42.7 %	
Loss adjustment expense ratio			16.0	23.6	17.0	18.5	17.2	22.0	19.6	19.5	19.2		18.6	
Net underwriting expense ratio			31.1	26.4	28.3	29.6	26.6	28.8	29.0	27.7	28.3		28.3	
Statutory combined ratio			92.1 %	93.1 %	84.9 %	87.9 %	100.2 %	86.2 %	92.7 %	93.1 %	91.3 %		89.6 %	
Contribution from catastrophe losses			0.5	1.0	0.5	1.2	3.4	1.0	0.7	2.2	1.8		1.5	
Statutory combined ratio excl. catastrophe losses			91.6 %	92.1 %	84.4 %	86.7 %	96.8 %	85.2 %	92.0 %	90.9 %	89.5 %		88.1 %	
GAAP combined ratio														
GAAP combined ratio			89.5 %	92.0 %	83.2 %	86.7 %	102.0 %	89.1 %	90.7 %	95.5 %	92.5 %		90.0 %	
Contribution from catastrophe losses			0.5	1.0	0.5	1.2	3.4	1.0	0.7	2.2	1.8		1.5	
GAAP combined ratio excl. catastrophe losses			89.0 %	91.0 %	82.7 %	85.5 %	98.6 %	88.1 %	90.0 %	93.3 %	90.7 %		88.5 %	

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*nm - Not meaningful

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Consolidated Cincinnati Insurance Companies Statutory Statements of Income

(Dollars in millions)	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2021	2020	Change	% Change	2021	2020	Change	% Change
Underwriting income								
Net premiums written	\$ 1,667	\$ 1,506	\$ 161	11	\$ 3,319	\$ 2,987	\$ 332	11
Unearned premium change	185	137	48	35	394	256	138	54
Earned premiums	\$ 1,482	\$ 1,369	\$ 113	8	\$ 2,925	\$ 2,731	\$ 194	7
Losses incurred	\$ 697	\$ 826	\$ (129)	(16)	\$ 1,447	\$ 1,590	\$ (143)	(9)
Defense and cost containment expenses incurred	54	83	(29)	(35)	134	164	(30)	(18)
Adjusting and other expenses incurred	77	76	1	1	156	150	6	4
Other underwriting expenses incurred	484	430	54	13	923	860	63	7
Workers compensation dividend incurred	2	2	—	—	4	5	(1)	(20)
Total underwriting deductions	\$ 1,314	\$ 1,417	\$ (103)	(7)	\$ 2,664	\$ 2,769	\$ (105)	(4)
Net underwriting profit (loss)	\$ 168	\$ (48)	\$ 216	nm	\$ 261	\$ (38)	\$ 299	nm
Investment income								
Gross investment income earned	\$ 116	\$ 106	\$ 10	9	\$ 225	\$ 211	\$ 14	7
Net investment income earned	113	105	8	8	220	208	12	6
Net realized capital gains and losses, net	10	8	2	25	7	(38)	45	nm
Net investment gains (net of tax)	\$ 123	\$ 113	\$ 10	9	\$ 227	\$ 170	\$ 57	34
Other income	\$ 1	\$ 1	\$ —	—	\$ 3	\$ 3	\$ —	—
Net income before federal income taxes	\$ 292	\$ 65	\$ 227	349	\$ 491	\$ 134	\$ 357	266
Federal and foreign income taxes incurred	61	12	49	408	91	17	74	435
Net income (statutory)	\$ 231	\$ 53	\$ 178	336	\$ 400	\$ 117	\$ 283	242
Policyholders' surplus - statutory	\$ 6,464	\$ 5,155	\$ 1,309	25	\$ 6,464	\$ 5,155	\$ 1,309	25
Fixed maturities at amortized cost - statutory	\$ 7,881	\$ 7,418	\$ 463	6	\$ 7,881	\$ 7,418	\$ 463	6

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*nm - Not meaningful

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The Cincinnati Life Insurance Company

Statutory Statements of Income

(Dollars in millions)	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2021	2020	Change	% Change	2021	2020	Change	% Change
Net premiums written	\$ 85	\$ 85	\$ —	—	\$ 172	\$ 162	\$ 10	6
Net investment income	45	40	5	13	88	83	5	6
Amortization of interest maintenance reserve	1	—	1	nm	1	—	1	nm
Commissions and expense allowances on reinsurance ceded	1	1	—	—	2	2	—	—
Income from fees associated with separate accounts	1	1	—	—	1	1	—	—
Total revenues	\$ 133	\$ 127	\$ 6	5	\$ 264	\$ 248	\$ 16	6
Death benefits and matured endowments	\$ 36	\$ 37	\$ (1)	(3)	\$ 85	\$ 68	\$ 17	25
Annuity benefits	17	13	4	31	31	35	(4)	(11)
Disability benefits and benefits under accident and health contracts	—	—	—	—	1	1	—	—
Surrender benefits and group conversions	5	5	—	—	13	11	2	18
Interest and adjustments on deposit-type contract funds	2	2	—	—	3	4	(1)	(25)
Increase in aggregate reserves for life and accident and health contracts	32	37	(5)	(14)	55	58	(3)	(5)
Total benefit expenses	\$ 92	\$ 94	\$ (2)	(2)	\$ 188	\$ 177	\$ 11	6
Commissions	\$ 12	\$ 12	\$ —	—	\$ 24	\$ 25	\$ (1)	(4)
General insurance expenses and taxes	14	12	2	17	26	25	1	4
Increase in loading on deferred and uncollected premiums	1	(3)	4	nm	4	5	(1)	(20)
Net transfers from separate accounts	(3)	(4)	1	25	(3)	(4)	1	25
Total underwriting expenses	\$ 24	\$ 17	\$ 7	41	\$ 51	\$ 51	\$ —	—
Federal and foreign income taxes incurred	5	5	—	—	7	6	1	17
Net gain from operations before capital gains and losses	\$ 12	\$ 11	\$ 1	9	\$ 18	\$ 14	\$ 4	29
Gains and losses net of capital gains tax, net	1	2	(1)	50	1	(31)	32	nm
Net income (loss) (statutory)	\$ 13	\$ 13	\$ —	—	\$ 19	\$ (17)	\$ 36	nm
Policyholders' surplus - statutory	\$ 253	\$ 208	45	22	\$ 253	\$ 208	45	22
Fixed maturities at amortized cost - statutory	\$ 3,676	\$ 3,456	\$ 220	6	\$ 3,676	\$ 3,456	\$ 220	6

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*nm - Not meaningful

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Quarterly Data - Other

(Dollars in millions)	Three months ended							Six months ended		Nine months ended		Twelve months ended		
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	6/30/21	6/30/20	9/30/21	9/30/20	12/31/21	12/31/20
Cincinnati Re:														
Written premiums			\$ 136	\$ 196	\$ 59	\$ 54	\$ 84	\$ 105	\$ 332	\$ 189		\$ 242		\$ 302
Year over year change %- written premium			62 %	87 %	64 %	52 %	15 %	25 %	76 %	20 %		26 %		32 %
Earned premiums			\$ 94	\$ 92	\$ 69	\$ 71	\$ 57	\$ 62	\$ 186	\$ 119		\$ 190		\$ 259
Current accident year before catastrophe losses			48.5 %	42.1 %	57.2 %	56.1 %	79.6 %	47.6 %	45.4 %	63.0 %		60.4 %		59.6 %
Current accident year catastrophe losses			(1.7)	35.4	15.4	22.3	—	—	16.7	—		8.4		10.2
Prior accident years before catastrophe losses			6.4	3.0	1.2	5.5	(0.6)	3.1	4.7	1.3		2.8		2.4
Prior accident years catastrophe losses			(0.1)	—	—	(8.6)	(0.1)	6.3	(0.1)	3.2		(1.2)		(0.9)
Total loss and loss expense ratio			53.1 %	80.5 %	73.8 %	75.3 %	78.9 %	57.0 %	66.7 %	67.5 %		70.4 %		71.3 %
Cincinnati Global:														
Written premiums			\$ 47	\$ 41	\$ 49	\$ 38	\$ 53	\$ 37	\$ 88	\$ 90		\$ 129		\$ 177
Year over year change %- written premium			(11)%	11 %	32 %	— %	20 %	76 %	(2)%	38 %		25 %		26 %
Earned premiums			\$ 32	\$ 32	\$ 42	\$ 65	\$ 34	\$ 27	\$ 64	\$ 61		\$ 126		\$ 168
Current accident year before catastrophe losses			54.4 %	30.9 %	23.7 %	62.9 %	49.6 %	63.7 %	42.9 %	55.6 %		59.4 %		50.4 %
Current accident year catastrophe losses			27.5	55.8	58.8	68.7	42.4	—	41.3	24.1		46.9		49.9
Prior accident years before catastrophe losses			(23.4)	(12.0)	(11.9)	(0.1)	(27.9)	(19.5)	(17.8)	(24.2)		(11.8)		(11.9)
Prior accident years catastrophe losses			(54.0)	(31.0)	(19.5)	(0.1)	1.0	(3.2)	(42.7)	(0.8)		(0.4)		(5.2)
Total loss and loss expense ratio			4.5 %	43.7 %	51.1 %	131.4 %	65.1 %	41.0 %	23.7 %	54.7 %		94.1 %		83.2 %
Noninsurance operations:														
Interest and fees on loans and leases			\$ 2	\$ 1	\$ 2	\$ 1	\$ 2	\$ 1	\$ 3	\$ 3		\$ 4		\$ 6
Other revenue			1	1	—	2	1	1	2	2		4		4
Interest expense			13	13	14	13	14	13	26	27		40		54
Operating expenses			5	4	5	5	5	5	9	10		15		20
Total noninsurance operations loss			\$ (15)	\$ (15)	\$ (17)	\$ (15)	\$ (16)	\$ (16)	\$ (30)	\$ (32)		\$ (47)		\$ (64)

*Dollar amounts shown are in conformity with GAAP and rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on whole dollar amounts. The sum of quarterly amounts may not equal the full year as each is computed independently.

*Noninsurance operations include the noninvestment operations of the parent company and a noninsurance subsidiary, CFC Investment Company.