

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: October 26, 2017
(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, Fairfield, Ohio
(Address of principal executive offices)

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.)

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.

Item 2.02 Results of Operations and Financial Condition.

On October 26, 2017, Cincinnati Financial Corporation issued the attached news release titled “Cincinnati Financial Reports Third-Quarter 2017 Results,” furnished as Exhibit 99.1 hereto and incorporated herein by reference. On October 26, 2017, 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 October 26, 2017, “Cincinnati Financial Reports Third-Quarter 2017 Results”](#)

Exhibit 99.2 – [Supplemental Financial Data for the period ending September 30, 2017 distributed October 26, 2017.](#)

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: October 26, 2017

/s/ Michael J. Sewell

Michael J. Sewell, CPA

Chief Financial Officer, Senior Vice President and Treasurer
(Principal Accounting Officer)



The Cincinnati Insurance Company » The Cincinnati Indemnity Company
The Cincinnati Casualty Company » The Cincinnati Specialty Underwriters Insurance Company
The Cincinnati Life Insurance Company » CFC Investment Company » CSU Producer Resources Inc.

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Cincinnati Financial Reports Third-Quarter 2017 Results

Cincinnati, October 26, 2017 – Cincinnati Financial Corporation (Nasdaq: CINF) today reported:

- Third-quarter 2017 net income of \$102 million, or 61 cents per share, compared with \$180 million, or \$1.08 per share, in the third quarter of 2016.
- \$46 million decrease in operating income* to \$97 million, or 58 cents per share, compared with \$143 million, or 86 cents per share, in the third quarter of last year.
- \$78 million decrease in third-quarter 2017 net income, reflecting a \$51 million reduction in after-tax property casualty underwriting income and a \$32 million after-tax decrease in net realized investment gains.
- \$45.86 book value per share at September 30, 2017, up \$2.91 or 6.8 percent since year-end to a new record high.
- 10.3 percent value creation ratio for the first nine months of 2017, compared with 14.0 percent for the same period of 2016.

Financial Highlights

(Dollars in millions except per share data)

	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Revenue Data						
Earned premiums	\$ 1,247	\$ 1,191	5	\$ 3,696	\$ 3,518	5
Investment income, net of expenses	153	148	3	453	442	2
Total revenues	1,412	1,402	1	4,321	4,137	4
Income Statement Data						
Net income	\$ 102	\$ 180	(43)	\$ 403	\$ 491	(18)
Realized investment gains and losses, net	5	37	(86)	101	105	(4)
Operating income*	\$ 97	\$ 143	(32)	\$ 302	\$ 386	(22)
Per Share Data (diluted)						
Net income	\$ 0.61	\$ 1.08	(44)	\$ 2.42	\$ 2.95	(18)
Realized investment gains and losses, net	0.03	0.22	(86)	0.61	0.63	(3)
Operating income*	\$ 0.58	\$ 0.86	(33)	\$ 1.81	\$ 2.32	(22)
Book value				\$ 45.86	\$ 43.24	6
Cash dividend declared	\$ 0.50	\$ 0.48	4	\$ 1.50	\$ 1.44	4
Diluted weighted average shares outstanding	165.9	166.8	(1)	166.1	166.5	0

* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures 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 3Q17 Release 1

Insurance Operations Third-Quarter Highlights

- 99.3 percent third-quarter 2017 property casualty combined ratio, up from 92.4 percent for the third quarter of 2016.
- 3 percent growth in third-quarter net written premiums, reflecting price increases and premium growth initiatives.
- \$157 million third-quarter 2017 property casualty new business written premiums, up 5 percent. Agencies appointed since the beginning of 2016 contributed \$23 million or 15 percent of total new business written premiums.
- \$8 million of life insurance subsidiary net income, down \$2 million from third-quarter 2016, and 5 percent growth in third-quarter 2017 term life insurance earned premiums.

Investment and Balance Sheet Highlights

- 3 percent or \$5 million increase in third-quarter 2017 pretax investment income, including 10 percent growth for stock portfolio dividends and 1 percent growth for bond interest income.
- Three-month increase of 2 percent in fair value of total investments at September 30, 2017, including a 4 percent increase for the stock portfolio and an increase of less than 1 percent for the bond portfolio.
- \$2.480 billion parent company cash and marketable securities at September 30, 2017, up 16 percent from year-end 2016.

Investments Lead Profits

Steven J. Johnston, president and chief executive officer, commented: “As previously announced, hurricanes Harvey and Irma brought considerable losses to our policyholders. Confident in our balance sheet and risk management decisions, we were able to focus on what was important: outstanding claims service. I applaud the efforts of our associates who worked quickly to comfort those who had experienced loss and get them moving toward recovery.

“Investment income continued to contribute to a positive operating profit, supported by a 10 percent growth in dividends from our stock portfolio and an increase of 1 percent in the interest from our bond portfolio. Steady cash flow from 13 quarters in a row of underwriting profit from our insurance operations, including this one, helps fuel our investment approach, allowing us to continually grow our entire portfolio.

“Catastrophe events in the third quarter contributed 9.1 points to our 99.3 percent combined ratio – a catastrophe effect nearly double our 10-year average for the third quarter. With three-quarters of the year behind us, our 99.1 percent combined ratio is within our long-term target of 95 to 100 percent.

“Segmentation is key to improving our core underwriting, and we continue to refine our capabilities in that arena. With more eyes on the risks through increasing loss control inspections and improving sophistication in our data models, our associates thoroughly understand the accounts we insure and can determine the appropriate price for each risk based on its unique characteristics.

“We continued to build on our record of 28 consecutive years of overall favorable reserve development with third quarter net favorable reserve development on prior accident years. While favorable development was 1.9 points less than last year’s third quarter result, we maintained our consistently prudent approach to setting reserves, especially in the face of a recent-quarter elevation in commercial casualty large losses of \$1 million or more per claim.”

Confident in Growth Plans

“Diversification and a firm belief in our underwriting models and expertise are allowing us to grow with confidence. Property casualty net written premiums grew 6 percent in the first nine-months of the year, with Cincinnati ReSM contributing 1 percent.

“The independent agents who represent us continue to respond enthusiastically to our product and program offerings designed to meet the needs of a modern insurance buyer. Direct bill options for excess and surplus lines clients is meeting rave reviews; PillarTM – our management liability program – is attracting additional business not correlated with the weather; and our high net worth program is continuing to grow, contributing \$22 million in personal lines new business growth so far this year.

“With catastrophe loss estimates for the third quarter of 2017 indicating one of the worst quarters ever for the reinsurance industry, we experienced losses for each of the major hurricane events that were consistent with our modeled loss expectations for our assumed reinsurance portfolio. The Cincinnati Re team is well positioned to participate in what we believe will be a firming reinsurance market, considering the magnitude of losses faced by the insurance industry as a whole. Our team is highly qualified and respected in the industry. They have established relationships and proven analytics in place to understand, both quantitatively and qualitatively, the risks we accept and to price them appropriately.”

Book Value at Record High

“At September 30, our book value again reached a record high, increasing 6.8 percent since December 31, 2016, to \$45.86. Consolidated cash and total investments again topped \$17 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 10.3 percent for the first nine months, on pace to meet our 10 to 13 percent average annual target for this measure.”

Insurance Operations Highlights

Consolidated Property Casualty Insurance Results

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Earned premiums	\$ 1,191	\$ 1,133	5	\$ 3,523	\$ 3,343	5
Fee revenues	2	3	(33)	8	7	14
Total revenues	1,193	1,136	5	3,531	3,350	5
Loss and loss expenses	815	690	18	2,397	2,110	14
Underwriting expenses	367	356	3	1,094	1,044	5
Underwriting profit	\$ 11	\$ 90	(88)	\$ 40	\$ 196	(80)
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Loss and loss expenses	68.4 %	61.0 %	7.4	68.0 %	63.1 %	4.9
Underwriting expenses	30.9	31.4	(0.5)	31.1	31.3	(0.2)
Combined ratio	99.3 %	92.4 %	6.9	99.1 %	94.4 %	4.7
			% Change	% Change		
Agency renewal written premiums	\$ 1,064	\$ 1,036	3	\$ 3,211	\$ 3,121	3
Agency new business written premiums	157	149	5	475	417	14
Cincinnati Re net written premiums	24	21	14	104	56	86
Other written premiums	(37)	(31)	(19)	(80)	(78)	(3)
Net written premiums	\$ 1,208	\$ 1,175	3	\$ 3,710	\$ 3,516	6
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Current accident year before catastrophe losses	60.4 %	59.8 %	0.6	60.8 %	59.9 %	0.9
Current accident year catastrophe losses	9.6	4.7	4.9	9.9	7.8	2.1
Prior accident years before catastrophe losses	(1.1)	(3.7)	2.6	(2.1)	(4.4)	2.3
Prior accident years catastrophe losses	(0.5)	0.2	(0.7)	(0.6)	(0.2)	(0.4)
Loss and loss expense ratio	68.4 %	61.0 %	7.4	68.0 %	63.1 %	4.9
Current accident year combined ratio before catastrophe losses			91.3 %	91.2 %	0.1	91.9 %
						0.7

- \$33 million or 3 percent growth of third-quarter 2017 property casualty net written premiums, and nine-month growth of 6 percent, with Cincinnati Re contributing 1 percentage point to the nine-month period. The increase also reflected other growth initiatives, price increases and a higher level of insured exposures.
- \$8 million or 5 percent increase in third-quarter 2017 new business premiums written by agencies and nine-month growth of 14 percent. The third-quarter increase included a \$17 million increase in standard market property casualty production from agencies appointed since the beginning of 2016.
- 1,704 agency relationships in 2,237 reporting locations marketing property casualty insurance products at September 30, 2017, compared with 1,614 agency relationships in 2,090 reporting locations at year-end 2016. During the first nine months of 2017, new agency appointments included 86 agencies that market most or all of our property casualty insurance products and 92 that market only our personal lines products.
- 6.9 percentage-point increase in the third-quarter 2017 combined ratio and a 4.7 percentage-point increase for the nine-month period, including a third-quarter increase of 4.2 points and a nine-month increase of 1.7 points for losses from natural catastrophes.
- 3.6 and 1.2 percentage-point third-quarter and nine-month 2017 Cincinnati Re contribution to the ratio increase for losses from natural catastrophes.
- 1.6 percentage-point third-quarter 2017 benefit from favorable prior accident year reserve development of \$20 million, compared with 3.5 points or \$40 million for third-quarter 2016.
- 2.7 percentage-point nine-month 2017 benefit from favorable prior accident year reserve development, compared with 4.6 points for the 2016 period.
- 0.9 percentage-point increase, to 60.8 percent, for the nine-month 2017 ratio of current accident year losses and loss expenses before catastrophes, including an increase of 0.7 points in the ratio for current accident year losses of \$1 million or more per claim.

- 0.2 percentage point improvement in the nine-month 2017 underwriting expense ratio, compared with the same period of 2016, as higher earned premiums and ongoing expense management efforts offset strategic investments that include enhancement of underwriting expertise.

Commercial Lines Insurance Results

(Dollars in millions)

	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Earned premiums	\$ 792	\$ 779	2	\$ 2,369	\$ 2,310	3
Fee revenues	1	1	0	3	3	0
Total revenues	793	780	2	2,372	2,313	3
Loss and loss expenses	501	456	10	1,555	1,425	9
Underwriting expenses	253	252	0	756	740	2
Underwriting profit	\$ 39	\$ 72	(46)	\$ 61	\$ 148	(59)
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Loss and loss expenses	63.3 %	58.5 %	4.8	65.7 %	61.7 %	4.0
Underwriting expenses	31.9	32.3	(0.4)	31.9	32.0	(0.1)
Combined ratio	95.2 %	90.8 %	4.4	97.6 %	93.7 %	3.9
			% Change	% Change		
Agency renewal written premiums	\$ 707	\$ 698	1	\$ 2,208	\$ 2,174	2
Agency new business written premiums	99	101	(2)	301	281	7
Other written premiums	(28)	(22)	(27)	(53)	(54)	2
Net written premiums	\$ 778	\$ 777	0	\$ 2,456	\$ 2,401	2
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Current accident year before catastrophe losses	61.3 %	59.1 %	2.2	60.7 %	58.7 %	2.0
Current accident year catastrophe losses	4.3	3.5	0.8	7.2	8.1	(0.9)
Prior accident years before catastrophe losses	(1.8)	(4.5)	2.7	(1.6)	(5.0)	3.4
Prior accident years catastrophe losses	(0.5)	0.4	(0.9)	(0.6)	(0.1)	(0.5)
Loss and loss expense ratio	63.3 %	58.5 %	4.8	65.7 %	61.7 %	4.0
Current accident year combined ratio before catastrophe losses	93.2 %	91.4 %	1.8	92.6 %	90.7 %	1.9

- \$1 million increase in third-quarter 2017 commercial lines net written premiums, driven by higher renewal written premiums. Two percent increase in nine-month net written premiums.
- \$9 million or 1 percent rise in third-quarter renewal written premiums, with commercial lines average renewal pricing increases in the low-single-digit percent range, similar to the second quarter of 2017, and including commercial auto increases in the high-single-digit range.
- \$2 million or 2 percent decrease in third-quarter 2017 new business written by agencies, reflecting a modest decrease for each major line of business except commercial property. For the nine-month period, the increase was 7 percent.
- 4.4 and 3.9 percentage-point third-quarter and nine-month 2017 combined ratio increases, somewhat offset by decreases of 0.1 and 1.4 points for losses from natural catastrophes. The combined ratio increase for both 2017 periods was largely due to lower amounts of favorable reserve development on prior accident years.
- 2.3 percentage-point third-quarter 2017 benefit from favorable prior accident year reserve development of \$18 million, compared with 4.1 points or \$31 million for third-quarter 2016.
- 2.2 percentage-point nine-month 2017 benefit from favorable prior accident year reserve development, compared with 5.1 points for the 2016 period.

Personal Lines Insurance Results

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Earned premiums	\$ 314	\$ 293	7	\$ 921	\$ 864	7
Fee revenues	1	1	0	4	3	33
Total revenues	315	294	7	925	867	7
Loss and loss expenses	233	217	7	706	614	15
Underwriting expenses	91	85	7	267	253	6
Underwriting loss	\$ (9)	\$ (8)	13	\$ (48)	\$ —	nm
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Loss and loss expenses	74.0 %	74.2 %	(0.2)	76.6 %	71.1 %	5.5
Underwriting expenses	29.1	29.2	(0.1)	29.0	29.3	(0.3)
Combined ratio	103.1 %	103.4 %	(0.3)	105.6 %	100.4 %	5.2
			% Change	% Change		
Agency renewal written premiums	\$ 318	\$ 303	5	\$ 881	\$ 841	5
Agency new business written premiums	43	32	34	122	91	34
Other written premiums	(6)	(6)	0	(18)	(17)	(6)
Net written premiums	\$ 355	\$ 329	8	\$ 985	\$ 915	8
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Current accident year before catastrophe losses	62.2 %	63.7 %	(1.5)	63.6 %	63.2 %	0.4
Current accident year catastrophe losses	11.7	8.9	2.8	14.5	8.3	6.2
Prior accident years before catastrophe losses	0.7	2.1	(1.4)	(1.0)	(0.1)	(0.9)
Prior accident years catastrophe losses	(0.6)	(0.5)	(0.1)	(0.5)	(0.3)	(0.2)
Loss and loss expense ratio	74.0 %	74.2 %	(0.2)	76.6 %	71.1 %	5.5
Current accident year combined ratio before catastrophe losses	91.3 %	92.9 %	(1.6)	92.6 %	92.5 %	0.1

- \$26 million or 8 percent increase in third-quarter 2017 personal lines net written premiums, reflecting growth in new business and higher renewal written premiums that benefited from rate increases averaging in the mid-single-digit percent range, including personal auto increases near the low end of the high-single-digit range. Eight percent increase in nine-month net written premiums.
- \$11 million or 34 percent growth in third-quarter new business written by agencies and 34 percent growth also for the first nine months of 2017. The growth was largely due to expanding our share of business from agencies' high net worth clients, including an increase of approximately \$9 million during the third quarter of 2017.
- 0.3 percentage-point third-quarter 2017 combined ratio decrease and nine-month increase of 5.2 points, including increases of 2.7 and 6.0 points for losses from natural catastrophes.
- 0.1 percentage-point third-quarter 2017 unfavorable prior accident year reserve development of less than \$1 million, compared with 1.6 points or \$4 million of unfavorable development for third-quarter 2016.
- 1.5 percentage-point nine-month 2017 benefit from favorable prior accident year reserve development, compared with 0.4 points for the 2016 period.

Excess and Surplus Lines Insurance Results

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Earned premiums	\$ 53	\$ 48	10	\$ 153	\$ 136	13
Fee revenues	—	1	nm	1	1	0
Total revenues	53	49	8	154	137	12
Loss and loss expenses	24	15	60	58	55	5
Underwriting expenses	16	14	14	46	40	15
Underwriting profit	\$ 13	\$ 20	(35)	\$ 50	\$ 42	19
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Loss and loss expenses	45.8 %	31.9 %	13.9	38.1 %	40.5 %	(2.4)
Underwriting expenses	29.0	29.4	(0.4)	29.9	29.4	0.5
Combined ratio	74.8 %	61.3 %	13.5	68.0 %	69.9 %	(1.9)
			% Change	% Change		
Agency renewal written premiums	\$ 39	\$ 35	11	\$ 122	\$ 106	15
Agency new business written premiums	15	16	(6)	52	45	16
Other written premiums	(3)	(3)	0	(9)	(7)	(29)
Net written premiums	\$ 51	\$ 48	6	\$ 165	\$ 144	15
Ratios as a percent of earned premiums:			Pt. Change	Pt. Change		
Current accident year before catastrophe losses	49.1 %	57.2 %	(8.1)	52.8 %	58.9 %	(6.1)
Current accident year catastrophe losses	1.7	0.2	1.5	1.3	1.3	0.0
Prior accident years before catastrophe losses	(4.7)	(25.5)	20.8	(15.9)	(19.6)	3.7
Prior accident years catastrophe losses	(0.3)	0.0	(0.3)	(0.1)	(0.1)	0.0
Loss and loss expense ratio	45.8 %	31.9 %	13.9	38.1 %	40.5 %	(2.4)
Current accident year combined ratio before catastrophe losses	78.1 %	86.6 %	(8.5)	82.7 %	88.3 %	(5.6)

- \$3 million or 6 percent increase in third-quarter 2017 excess and surplus lines net written premiums, in part reflecting higher renewal written premiums that benefited from rate increases averaging in the low-single-digit percent range. Fifteen percent increase in nine-month net written premiums.
- \$1 million decrease in third-quarter new business written by agencies and 16 percent growth for the first nine months of 2017, reflecting an increase in marketing efforts while continuing to carefully underwrite each policy.
- 13.5 percentage-point increase in the third-quarter 2017 combined ratio and a 1.9 point decrease for the nine-month period, driven by less favorable prior accident year reserve development for the third quarter and more favorable current accident year loss experience before catastrophe losses for the nine-month period.
- 5.0 percentage-point third-quarter 2017 benefit from favorable prior accident year reserve development of \$3 million, compared with 25.5 points or \$12 million for third-quarter 2016.
- 16.0 percentage-point nine-month 2017 benefit from favorable prior accident year reserve development, compared with 19.7 points for the 2016 period.

Life Insurance Subsidiary Results

(Dollars in millions)

	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Term life insurance	\$ 39	\$ 37	5	\$ 118	\$ 112	5
Universal life insurance	7	13	(46)	28	34	(18)
Other life insurance, annuity, and disability income products	10	8	25	27	29	(7)
Earned premiums	56	58	(3)	173	175	(1)
Investment income, net of expenses	39	40	(3)	117	117	0
Realized investment gains and losses, net	1	3	(67)	4	4	0
Fee revenues	1	2	(50)	4	4	0
Total revenues	97	103	(6)	298	300	(1)
Contract holders' benefits incurred	59	63	(6)	184	188	(2)
Underwriting expenses incurred	26	24	8	63	62	2
Total benefits and expenses	85	87	(2)	247	250	(1)
Net income before income tax	12	16	(25)	51	50	2
Income tax	4	6	(33)	18	18	0
Net income of the life insurance subsidiary	\$ 8	\$ 10	(20)	\$ 33	\$ 32	3

- \$2 million or 3 percent decrease in third-quarter 2017 earned premiums, including a 5 percent increase for term life insurance, our largest life insurance product line. Third-quarter 2017 term life insurance premium growth was offset by a decline in universal life insurance premiums due to unlocking of actuarial assumptions that slowed amortization of unearned front-end loads.
- \$1 million improvement in nine-month 2017 life insurance subsidiary net income, largely due to more favorable mortality experience.
- \$52 million or 6 percent nine-month 2017 increase to \$991 million in GAAP shareholders' equity for the life insurance subsidiary, largely reflecting net income of \$33 million.

Investment and Balance Sheet Highlights

Investments Results

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Investment income, net of expenses	\$ 153	\$ 148	3	\$ 453	\$ 442	2
Investment interest credited to contract holders'	(24)	(23)	(4)	(70)	(67)	(4)
Realized investment gains and losses, net	7	56	nm	156	161	(3)
Investments profit	<u>\$ 136</u>	<u>\$ 181</u>	(25)	<u>\$ 539</u>	<u>\$ 536</u>	1
Investment income:						
Interest	\$ 112	\$ 111	1	\$ 334	\$ 330	1
Dividends	43	39	10	124	117	6
Other	1	1	0	3	2	50
Less investment expenses	3	3	0	8	7	14
Investment income, pretax	153	148	3	453	442	2
Less income taxes	35	35	0	106	105	1
Total investment income, after-tax	<u>\$ 118</u>	<u>\$ 113</u>	4	<u>\$ 347</u>	<u>\$ 337</u>	3
Investment returns:						
Average invested assets plus cash and cash equivalents	\$ 16,769	\$ 15,564		\$ 16,462	\$ 15,192	
Average yield pretax	3.65%	3.80%		3.67%	3.88%	
Average yield after-tax	2.81	2.90		2.81	2.96	
Effective tax rate	23.4	23.9		23.5	23.8	
Fixed-maturity returns:						
Average amortized cost	\$ 10,121	\$ 9,588		\$ 9,967	\$ 9,491	
Average yield pretax	4.43%	4.63%		4.47%	4.64%	
Average yield after-tax	3.25	3.37		3.27	3.37	
Effective tax rate	26.6	27.3		26.8	27.3	

- \$5 million or 3 percent rise in third-quarter 2017 pretax investment income, including 10 percent growth in equity portfolio dividends and 1 percent growth in interest income.
- \$189 million or 6 percent third-quarter 2017 increase in pretax net unrealized investment portfolio gains, including a \$180 million increase for the equity portfolio. The total increase included the offsetting effect of \$4 million of pretax net realized gains from investment portfolio security sales or called bonds during the third quarter of 2017, including \$1 million from the equity portfolio.

Balance Sheet Highlights

(Dollars in millions except share data)

	At September 30, 2017	At December 31, 2016
Total investments	\$ 16,664	\$ 15,500
Total assets	21,592	20,386
Short-term debt	17	20
Long-term debt	787	787
Shareholders' equity	7,523	7,060
Book value per share	45.86	42.95
Debt-to-total-capital ratio	9.7%	10.3%

- \$17.338 billion in consolidated cash and total investments at September 30, 2017, up 7 percent from \$16.277 billion at year-end 2016.
- \$10.540 billion bond portfolio at September 30, 2017, with an average rating of A2/A. Fair value increased \$38 million during the third quarter of 2017, including \$70 million in net purchases of fixed-maturity securities.
- \$6.025 billion equity portfolio was 36.2 percent of total investments, including \$2.761 billion in pretax net unrealized gains at September 30, 2017. Third-quarter 2017 increase in fair value of \$226 million or 4 percent.
- \$4.846 billion of statutory surplus for the property casualty insurance group at September 30, 2017, up \$160 million from \$4.686 billion at year-end 2016, after declaring \$290 million in dividends to the parent company. For the 12 months ended September 30, 2017, the ratio of net written premiums to surplus was 1.0-to-1, matching year-end 2016.
- \$0.89 three-month 2017 increase in book value per share, including additions of \$0.59 from net income before realized gains, \$0.77 from investment portfolio realized gains and changes in unrealized gains and \$0.03 for other items that were partially offset by deductions of \$0.50 from dividends declared to shareholders.
- Value creation ratio of 10.3 percent for the first nine months of 2017, including 4.3 percent from net income before net realized investment gains, which includes underwriting and investment income, and 6.4 percent from investment portfolio realized gains and changes in unrealized gains.

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

About Cincinnati Financial

Cincinnati Financial Corporation offers business, home and auto insurance, our main business, 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 and disability income insurance, fixed annuities and surplus lines property and casualty insurance. For additional information about the company, please visit cinfm.com.

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Cincinnati, Ohio 45250-5496	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 2016 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 29.

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

- 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
- 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 and our relationships with agents, policyholders and others
- 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)	September 30, 2017		December 31, 2016					
Assets								
Investments	\$	16,664	\$	15,500				
Cash and cash equivalents		674		777				
Premiums receivable		1,640		1,533				
Reinsurance recoverable		522		545				
Deferred policy acquisition costs		676		637				
Other assets		1,416		1,394				
Total assets	\$	21,592	\$	20,386				
Liabilities								
Insurance reserves	\$	8,066	\$	7,756				
Unearned premiums		2,475		2,307				
Deferred income tax		1,087		865				
Long-term debt and capital lease obligations		826		826				
Other liabilities		1,615		1,572				
Total liabilities		14,069		13,326				
Shareholders' Equity								
Common stock and paid-in capital		1,653		1,649				
Retained earnings		5,193		5,037				
Accumulated other comprehensive income		2,047		1,693				
Treasury stock		(1,370)		(1,319)				
Total shareholders' equity		7,523		7,060				
Total liabilities and shareholders' equity	\$	21,592	\$	20,386				
(Dollars in millions except per share data)								
	Three months ended September 30,		Nine months ended September 30,					
	2017	2016	2017	2016				
Revenues								
Earned premiums	\$	1,247	\$	1,191	\$	3,696	\$	3,518
Investment income, net of expenses		153		148		453		442
Realized investment gains and losses, net		7		56		156		161
Other revenues		5		7		16		16
Total revenues		1,412		1,402		4,321		4,137
Benefits and Expenses								
Insurance losses and contract holders' benefits		874		753		2,581		2,298
Underwriting, acquisition and insurance expenses		393		380		1,157		1,106
Interest expense		13		13		39		39
Other operating expenses		3		3		11		10
Total benefits and expenses		1,283		1,149		3,788		3,453
Income Before Income Taxes		129		253		533		684
Provision for Income Taxes		27		73		130		193
Net Income	\$	102	\$	180	\$	403	\$	491
Per Common Share:								
Net income—basic	\$	0.62	\$	1.09	\$	2.45	\$	2.98
Net income—diluted		0.61		1.08		2.42		2.95

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

(See attached tables for reconciliations; additional prior-period reconciliations available at cinfin.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 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 and non-statutory 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 measures 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.

- **Operating income:** Operating income is calculated by excluding net realized investment gains and losses (defined as realized investment gains and losses after applicable federal and state income taxes) from net income. Management evaluates operating income to measure the success of pricing, rate and underwriting strategies. While realized investment gains (or losses) are integral to the company's insurance operations over the long term, the determination to realize investment gains or losses 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 can be recognized from certain changes in market values of securities without actual realization. Management believes that the level of realized 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 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 operating income so that all investors have what management believes to be a useful supplement to GAAP information.

- **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 non-GAAP measure is a useful supplement to GAAP information, 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.
- **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 segment plus our reinsurance assumed operations.
- **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 net realized investment gains, 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.
- **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 as defined in the NAIC's Accounting Practices and Procedures Manual, which may be, and has been, modified by various state insurance departments. 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, 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. Earned premium, used in both statutory and GAAP accounting, is calculated ratably over the policy term. The difference between written and earned premium is unearned premium.

Cincinnati Financial Corporation

Balance Sheet Reconciliation

(Dollars are per share)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Value creation ratio:				
End of period book value	\$ 45.86	\$ 43.24	\$ 45.86	\$ 43.24
Less beginning of period book value	44.97	42.37	42.95	39.20
Change in book value	0.89	0.87	2.91	4.04
Dividend declared to shareholders	0.50	0.48	1.50	1.44
Total value creation	\$ 1.39	\$ 1.35	\$ 4.41	\$ 5.48
Value creation ratio from change in book value*	2.0%	2.1%	6.8%	10.3%
Value creation ratio from dividends declared to shareholders**	1.1	1.1	3.5	3.7
Value creation ratio	3.1%	3.2%	10.3%	14.0%

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

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

Net Income Reconciliation

(Dollars in millions except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income	\$ 102	\$ 180	\$ 403	\$ 491
Less:				
Realized investment gains and losses, net	7	56	156	161
Income tax on realized investment gains	(2)	(19)	(55)	(56)
Realized investment gains and losses, after-tax	5	37	101	105
Operating income	\$ 97	\$ 143	\$ 302	\$ 386
Diluted per share data:				
Net income	\$ 0.61	\$ 1.08	\$ 2.42	\$ 2.95
Less:				
Realized investment gains and losses, net	0.04	0.34	0.94	0.97
Income tax on realized investment gains	(0.01)	(0.12)	(0.33)	(0.34)
Realized investment gains and losses, after-tax	0.03	0.22	0.61	0.63
Operating income	\$ 0.58	\$ 0.86	\$ 1.81	\$ 2.32

Cincinnati Financial Corporation

Life Insurance Reconciliation

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income of the life insurance subsidiary	\$ 8	\$ 10	\$ 33	\$ 32
Realized investment gains, net	1	3	4	4
Income tax on realized investment gains	1	1	2	1
Operating income	8	8	31	29
Investment income, net of expenses	(39)	(40)	(117)	(117)
Investment income credited to contract holders'	24	23	70	67
Income tax on investment income and investment income credited to contract holders'	3	5	16	17
Life insurance segment loss	\$ (4)	\$ (4)	\$ —	\$ (4)

Cincinnati Financial Corporation
Property Casualty Insurance Reconciliation

(Dollars in millions)	Three months ended September 30, 2017				
	Consolidated	Commercial	Personal	E&S	Cincinnati Re
Premiums:					
Written premiums	\$ 1,208	\$ 778	\$ 355	\$ 51	\$ 24
Unearned premiums change	(17)	14	(41)	2	8
Earned premiums	<u>\$ 1,191</u>	<u>\$ 792</u>	<u>\$ 314</u>	<u>\$ 53</u>	<u>\$ 32</u>
Statutory ratios:					
Combined ratio	99.1 %	95.8 %	100.9 %	77.4 %	208.0 %
Contribution from catastrophe losses	9.1	3.8	11.1	1.4	137.2
Combined ratio excluding catastrophe losses	<u>90.0 %</u>	<u>92.0 %</u>	<u>89.8 %</u>	<u>76.0 %</u>	<u>70.8 %</u>
Commission expense ratio	18.8 %	19.0 %	16.9 %	27.8 %	19.8 %
Other underwriting expense ratio	11.9	13.5	10.0	3.8	8.3
Total expense ratio	<u>30.7 %</u>	<u>32.5 %</u>	<u>26.9 %</u>	<u>31.6 %</u>	<u>28.1 %</u>
GAAP ratios:					
Combined ratio	99.3 %	95.2 %	103.1 %	74.8 %	207.4 %
Contribution from catastrophe losses	9.1	3.8	11.1	1.4	137.2
Prior accident years before catastrophe losses	(1.1)	(1.8)	0.7	(4.7)	1.6
Current accident year combined ratio before catastrophe losses	<u>91.3 %</u>	<u>93.2 %</u>	<u>91.3 %</u>	<u>78.1 %</u>	<u>68.6 %</u>
(Dollars in millions)	Nine months ended September 30, 2017				
	Consolidated	Commercial	Personal	E&S	Cincinnati Re
Premiums:					
Written premiums	\$ 3,710	\$ 2,456	\$ 985	\$ 165	\$ 104
Unearned premiums change	(187)	(87)	(64)	(12)	(24)
Earned premiums	<u>\$ 3,523</u>	<u>\$ 2,369</u>	<u>\$ 921</u>	<u>\$ 153</u>	<u>\$ 80</u>
Statutory ratios:					
Combined ratio	98.3 %	96.7 %	104.6 %	69.0 %	128.3 %
Contribution from catastrophe losses	9.3	6.6	14.0	1.2	52.6
Combined ratio excluding catastrophe losses	<u>89.0 %</u>	<u>90.1 %</u>	<u>90.6 %</u>	<u>67.8 %</u>	<u>75.7 %</u>
Commission expense ratio	18.3 %	17.8 %	17.5 %	27.1 %	24.5 %
Other underwriting expense ratio	12.0	13.2	10.5	3.8	7.1
Total expense ratio	<u>30.3 %</u>	<u>31.0 %</u>	<u>28.0 %</u>	<u>30.9 %</u>	<u>31.6 %</u>
GAAP ratios:					
Combined ratio	99.1 %	97.6 %	105.6 %	68.0 %	129.4 %
Contribution from catastrophe losses	9.3	6.6	14.0	1.2	52.6
Prior accident years before catastrophe losses	(2.1)	(1.6)	(1.0)	(15.9)	(3.2)
Current accident year combined ratio before catastrophe losses	<u>91.9 %</u>	<u>92.6 %</u>	<u>92.6 %</u>	<u>82.7 %</u>	<u>80.0 %</u>

Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on dollar amounts in thousands.

Cincinnati Financial Corporation

Supplemental Financial Data

for the period ending September 30, 2017

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	A.M. Best	Fitch	Moody's	S&P
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 October 25, 2017, 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 September 30, 2017

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Definitions of Non-GAAP Information and

Reconciliation to Comparable GAAP Measures

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- **Operating income:** Operating income is calculated by excluding net realized investment gains and losses (defined as realized investment gains and losses after applicable federal and state income taxes) from net income. Management evaluates operating income to measure the success of pricing, rate and underwriting strategies. While realized investment gains (or losses) are integral to the company's insurance operations over the long term, the determination to realize investment gains or losses 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 can be recognized from certain changes in market values of securities without actual realization. Management believes that the level of realized 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.

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- **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 segment plus our reinsurance assumed operations.
- **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 net realized investment gains, 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.
- **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 as defined in the NAIC's Accounting Practices and Procedures Manual, which may be, and has been, modified by various state insurance departments. 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, 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. Earned premium, used in both statutory and GAAP accounting, is calculated ratably over the policy term. The difference between written and earned premium is unearned premium.

Cincinnati Financial Corporation
Quick Reference — Third Quarter 2017

(all data shown is for the three months ended or as of September 30, 2017)

(Dollars in millions except per share data)					
	9/30/2017	Year over year change %		9/30/2017	Year over year change %
Revenues:			Benefits and expenses:		
Commercial lines net written premiums	\$ 778	0	Commercial lines loss and loss expenses	\$ 501	10
Personal lines net written premiums	355	8	Personal lines loss and loss expenses	233	7
Excess & surplus lines net written premiums	51	6	Excess & surplus lines loss and loss expenses	24	60
Cincinnati Re net written premiums	24	14	Cincinnati Re loss and loss expenses	57	nm
Property casualty net written premiums	\$ 1,208	3	Life and health contract holders' benefits incurred	59	(6)
Life and accident and health net written premiums	\$ 63	11	Underwriting, acquisition and insurance expenses	393	3
Annuity net written premiums	6	(38)	Interest expenses	13	0
Life, annuity and accident and health net written premiums	\$ 69	3	Other operating expenses	3	0
Commercial lines net earned premiums	\$ 792	2	Total benefits & expenses	\$ 1,283	12
Personal lines net earned premiums	314	7	Income before income taxes	129	(49)
Excess & surplus lines net earned premiums	53	10	Total income tax	27	(63)
Cincinnati Re net earned premiums	32	146			
Property casualty net earned premiums	\$ 1,191	5	Balance Sheet:		
Life and accident and health net earned premiums	56	(3)	Fixed maturity investments	\$ 10,540	
Investment income	153	3	Equity securities	6,025	
Realized investment gains and losses, net	7	nm	Other investments	99	
Fee revenue	3	(40)	Total invested assets	\$ 16,664	
Other revenue	2	0			
Total revenues	1,412	1	Loss and loss expense reserves	\$ 5,350	
			Life policy and investment contract reserves	2,716	
			Long-term debt and capital lease obligations	826	
			Shareholders' equity	7,523	
Income:			Key ratios:		
Net income	\$ 102	(43)	Commercial lines GAAP combined ratio	95.2%	
Realized investment gains and losses, net	7	(88)	Personal lines GAAP combined ratio	103.1	
Income tax on realized investment gains	(2)	89	Excess & surplus lines GAAP combined ratio	74.8	
Realized investment gains and losses, after tax	5	(86)	Cincinnati Re GAAP combined ratio	207.4	
Operating income	97	(32)	Property casualty GAAP combined ratio	99.3	
			Commercial lines STAT combined ratio	95.8%	
			Personal lines STAT combined ratio	100.9	
			Excess & surplus lines STAT combined ratio	77.4	
			Cincinnati Re STAT combined ratio	208.0	
			Property casualty STAT combined ratio	99.1	
			Value creation ratio	3.1%	
Per share (diluted):					
Net income	\$ 0.61	(44)			
Realized investment gains and losses, net	0.04	(88)			
Income tax on realized investment gains	(0.01)	92			
Realized investment gains and losses, after tax	0.03	(86)			
Operating income	0.58	(33)			
Book value	45.86	6			
Weighted average shares outstanding	165.9	(1)			

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Nine Months Ended September 30, 2017

(Dollars in millions)

	CFC	CONSOL P&C	CLIC	CFC-I	ELIM	Total
Revenues						
Premiums earned:						
Property casualty	\$ —	\$ 3,646	\$ —	\$ —	\$ —	\$ 3,646
Life	—	—	223	—	—	223
Premiums ceded	—	(123)	(50)	—	—	(173)
Total earned premium	—	3,523	173	—	—	3,696
Investment income, net of expenses	43	293	117	—	—	453
Realized investment gains, net	51	100	4	—	1	156
Fee revenues	—	8	4	—	—	12
Other revenues	11	1	—	3	(11)	4
Total revenues	\$ 105	\$ 3,925	\$ 298	\$ 3	\$ (10)	\$ 4,321
Benefits & expenses						
Losses & contract holders' benefits	\$ —	\$ 2,415	\$ 236	\$ —	\$ —	\$ 2,651
Reinsurance recoveries	—	(18)	(52)	—	—	(70)
Underwriting, acquisition and insurance expenses	—	1,094	63	—	—	1,157
Interest expense	39	—	—	—	—	39
Other operating expenses	21	—	—	1	(11)	11
Total expenses	\$ 60	\$ 3,491	\$ 247	\$ 1	\$ (11)	\$ 3,788
Income before income taxes	\$ 45	\$ 434	\$ 51	\$ 2	\$ 1	\$ 533
Provision (benefit) for income taxes						
Current operating income	\$ (15)	\$ 57	\$ —	\$ 1	\$ —	\$ 43
Capital gains/losses	18	35	2	—	—	55
Deferred	3	13	16	—	—	32
Total provision for income taxes	\$ 6	\$ 105	\$ 18	\$ 1	\$ —	\$ 130
Net income - current year	\$ 39	\$ 329	\$ 33	\$ 1	\$ 1	\$ 403
Net income - prior year	\$ 29	\$ 427	\$ 32	\$ 2	\$ 1	\$ 491

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

Cincinnati Financial Corporation and Subsidiaries
Consolidated Statements of Income for the Three Months Ended September 30, 2017

(Dollars in millions)

	CFC	CONSOL P&C	CLIC	CFC-I	ELIM	Total
Revenues						
Premiums earned:						
Property casualty	\$ —	\$ 1,234	\$ —	\$ —	\$ —	\$ 1,234
Life	—	—	72	—	—	72
Premiums ceded	—	(43)	(16)	—	—	(59)
Total earned premium	—	1,191	56	—	—	1,247
Investment income, net of expenses	14	100	39	—	—	153
Realized investment gains, net	4	2	1	—	—	7
Fee revenues	—	2	1	—	—	3
Other revenues	4	—	—	1	(3)	2
Total revenues	\$ 22	\$ 1,295	\$ 97	\$ 1	\$ (3)	\$ 1,412
Benefits & expenses						
Losses & contract holders' benefits	\$ —	\$ 822	\$ 73	\$ —	\$ —	\$ 895
Reinsurance recoveries	—	(7)	(14)	—	—	(21)
Underwriting, acquisition and insurance expenses	—	367	26	—	—	393
Interest expense	13	—	—	—	—	13
Other operating expenses	6	—	—	—	(3)	3
Total expenses	\$ 19	\$ 1,182	\$ 85	\$ —	\$ (3)	\$ 1,283
Income before income taxes	\$ 3	\$ 113	\$ 12	\$ 1	\$ —	\$ 129
Provision (benefit) for income taxes						
Current operating income	\$ (7)	\$ 30	\$ —	\$ 1	\$ —	\$ 24
Capital gains/losses	2	—	1	—	—	3
Deferred	3	(6)	3	—	—	—
Total provision (benefit) for income taxes	\$ (2)	\$ 24	\$ 4	\$ 1	\$ —	\$ 27
Net income - current year	\$ 5	\$ 89	\$ 8	\$ —	\$ —	\$ 102
Net income - prior year	\$ 15	\$ 153	\$ 10	\$ 1	\$ 1	\$ 180

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

Cincinnati Financial Corporation Insurance Subsidiaries
Selected Balance Sheet Data

(Dollars in millions)

	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016						
Cincinnati Insurance Consolidated														
Fixed maturities (fair value)	\$	7,082	\$	7,041	\$	6,866	\$	6,715	\$	6,843	\$	6,758	\$	6,607
Equities (fair value)		3,792		3,658		3,592		3,474		3,474		3,443		3,222
Fixed maturities - pretax net unrealized gain		255		247		188		163		384		414		301
Equities - pretax net unrealized gain		1,805		1,713		1,615		1,577		1,438		1,395		1,302
Loss and loss expense reserves - Statutory		5,025		4,935		4,836		4,742		4,639		4,611		4,480
Shareholders' equity - GAAP		6,041		5,979		5,870		5,746		5,926		5,848		5,655
Policyholders' surplus - Statutory		4,846		4,790		4,763		4,686		4,679		4,600		4,534
The Cincinnati Life Insurance Company														
Fixed maturities (fair value)	\$	3,413	\$	3,409	\$	3,381	\$	3,316	\$	3,354	\$	3,320	\$	3,215
Equities (fair value)		9		9		9		9		9		9		9
Fixed maturities - pretax net unrealized gain		148		145		127		107		196		186		124
Equities - pretax net unrealized gain		4		4		4		4		4		4		4
Shareholders' equity - GAAP		991		981		958		939		979		962		911
Policyholders' surplus - Statutory		210		202		199		200		202		205		207

Consolidated Cincinnati Insurance Companies
Statutory Statements of Income

(Dollars in millions)	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2017	2016	Change	% Change	2017	2016	Change	% Change
Underwriting income								
Net premiums written	\$ 1,208	\$ 1,175	\$ 33	3	\$ 3,710	\$ 3,516	\$ 194	6
Unearned premiums increase	17	42	(25)	(60)	187	173	14	8
Earned premiums	\$ 1,191	\$ 1,133	\$ 58	5	\$ 3,523	\$ 3,343	\$ 180	5
Losses incurred	\$ 679	\$ 571	\$ 108	19	\$ 1,994	\$ 1,777	\$ 217	12
Defense and cost containment expenses incurred	62	54	8	15	198	138	60	43
Adjusting and other expenses incurred	74	65	9	14	205	195	10	5
Other underwriting expenses incurred	368	359	9	3	1,112	1,051	61	6
Workers compensation dividend incurred	3	5	(2)	(40)	10	12	(2)	(17)
Total underwriting deductions	\$ 1,186	\$ 1,054	\$ 132	13	\$ 3,519	\$ 3,173	\$ 346	11
Net underwriting profit	\$ 5	\$ 79	\$ (74)	(94)	\$ 4	\$ 170	\$ (166)	(98)
Investment income								
Gross investment income earned	\$ 101	\$ 98	\$ 3	3	\$ 299	\$ 292	\$ 7	2
Net investment income earned	100	96	4	4	295	287	8	3
Net realized capital gains and losses, net	—	22	(22)	nm	79	81	(2)	(2)
Net investment gains (net of tax)	\$ 100	\$ 118	\$ (18)	(15)	\$ 374	\$ 368	\$ 6	2
Other income	\$ 2	\$ 2	\$ —	—	\$ 7	\$ 5	\$ 2	40
Net income before federal income taxes	\$ 107	\$ 199	\$ (92)	(46)	\$ 385	\$ 543	\$ (158)	(29)
Federal and foreign income taxes incurred	\$ 28	\$ 52	\$ (24)	(46)	\$ 71	\$ 140	\$ (69)	(49)
Net income (statutory)	\$ 79	\$ 147	\$ (68)	(46)	\$ 314	\$ 403	\$ (89)	(22)

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

*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.

Consolidated Cincinnati Insurance Companies

Losses Incurred Detail

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Consolidated														
Current accident year losses greater than \$5 million	\$ 6	\$ —	\$ 28	\$ (7)	\$ 10	\$ 23	\$ —		\$ 28	\$ 23	\$ 34	\$ 33	\$ 26	
Current accident year losses \$1 million - \$5 million	75	48	29	63	46	34	42		77	76	152	122	185	
Large loss prior accident year reserve development	4	21	17	(10)	1	3	—		38	3	42	4	(6)	
Total large losses incurred	\$ 85	\$ 69	\$ 74	\$ 46	\$ 57	\$ 60	\$ 42		\$ 143	\$ 102	\$ 228	\$ 159	\$ 205	
Losses incurred but not reported	(9)	(1)	4	64	(7)	34	73		3	107	(6)	100	164	
Other losses excluding catastrophe losses	499	487	467	430	467	399	402		954	801	1,453	1,269	1,699	
Catastrophe losses	104	112	103	78	53	163	33		215	196	319	249	327	
Total losses incurred	\$ 679	\$ 667	\$ 648	\$ 618	\$ 570	\$ 656	\$ 550		\$ 1,315	\$ 1,206	\$ 1,994	\$ 1,777	\$ 2,395	
Commercial Lines														
Current accident year losses greater than \$5 million	\$ 6	\$ —	\$ 28	\$ (7)	\$ 10	\$ 23	\$ —		\$ 28	\$ 23	\$ 34	\$ 33	\$ 26	
Current accident year losses \$1 million - \$5 million	56	33	26	59	34	33	36		59	69	115	103	162	
Large loss prior accident year reserve development	1	19	17	(6)	5	4	(1)		36	3	37	8	2	
Total large losses incurred	\$ 63	\$ 52	\$ 71	\$ 46	\$ 49	\$ 60	\$ 35		\$ 123	\$ 95	\$ 186	\$ 144	\$ 190	
Losses incurred but not reported	1	21	(5)	55	4	2	64		16	66	17	70	125	
Other losses excluding catastrophe losses	313	292	306	269	287	244	255		598	499	911	786	1,055	
Catastrophe losses	27	64	58	35	28	126	25		122	151	149	179	214	
Total losses incurred	\$ 404	\$ 429	\$ 430	\$ 405	\$ 368	\$ 432	\$ 379		\$ 859	\$ 811	\$ 1,263	\$ 1,179	\$ 1,584	
Personal Lines														
Current accident year losses greater than \$5 million	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —	\$ —	\$ —	\$ —	
Current accident year losses \$1 million - \$5 million	19	15	3	3	10	—	6		18	6	37	16	19	
Large loss prior accident year reserve development	3	1	—	(3)	(3)	(2)	1		1	(1)	4	(4)	(7)	
Total large losses incurred	\$ 22	\$ 16	\$ 3	\$ —	\$ 7	\$ (2)	\$ 7		\$ 19	\$ 5	\$ 41	\$ 12	\$ 12	
Losses incurred but not reported	(17)	(12)	10	10	(9)	23	11		(2)	34	(19)	25	35	
Other losses excluding catastrophe losses	164	164	144	150	168	141	133		308	274	472	442	592	
Catastrophe losses	34	47	46	39	25	35	8		93	43	127	68	107	
Total losses incurred	\$ 203	\$ 215	\$ 203	\$ 199	\$ 191	\$ 197	\$ 159		\$ 418	\$ 356	\$ 621	\$ 547	\$ 746	
Excess & Surplus Lines														
Current accident year losses greater than \$5 million	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —	\$ —	\$ —	\$ —	
Current accident year losses \$1 million - \$5 million	—	—	—	—	2	1	—		—	1	—	3	3	
Large loss prior accident year reserve development	—	1	—	—	(1)	1	—		1	1	1	—	—	
Total large losses incurred	\$ —	\$ 1	\$ —	\$ —	\$ 1	\$ 2	\$ —		\$ 1	\$ 2	\$ 1	\$ 3	\$ 3	
Losses incurred but not reported	7	(10)	(1)	—	(2)	9	(2)		(11)	7	(4)	5	5	
Other losses excluding catastrophe losses	8	19	8	6	11	5	9		27	14	35	25	31	
Catastrophe losses	1	1	—	1	—	2	—		1	2	2	2	3	
Total losses incurred	\$ 16	\$ 11	\$ 7	\$ 7	\$ 10	\$ 18	\$ 7		\$ 18	\$ 25	\$ 34	\$ 35	\$ 42	

*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.

Consolidated Cincinnati Insurance Companies

Loss Ratio Detail

	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Consolidated														
Current accident year losses greater than \$5 million		0.5 %	— %	2.4 %	(0.6)%	0.9 %	2.0 %	— %	1.2 %	1.0 %	1.0 %	1.0 %		0.6 %
Current accident year losses \$1 million - \$5 million		6.4	4.1	2.5	5.6	4.1	3.1	3.8	3.3	3.5	4.3	3.6		4.1
Large loss prior accident year reserve development		0.3	1.8	1.5	(0.9)	0.2	0.3	—	1.6	0.1	1.2	0.1		(0.1)
Total large loss ratio		7.2 %	5.9 %	6.4 %	4.1 %	5.2 %	5.4 %	3.8 %	6.1 %	4.6 %	6.5 %	4.7 %		4.6 %
Losses incurred but not reported		(0.7)	(0.1)	0.4	5.7	(0.7)	3.1	6.6	0.1	4.8	(0.2)	3.0		3.7
Other losses excluding catastrophe losses		41.7	41.3	40.5	37.5	41.3	35.7	36.8	40.9	36.2	41.2	38.1		37.8
Catastrophe losses		8.8	9.4	9.0	6.9	4.7	14.6	3.0	9.3	8.9	9.1	7.4		7.3
Total loss ratio		57.0 %	56.5 %	56.3 %	54.2 %	50.5 %	58.8 %	50.2 %	56.4 %	54.5 %	56.6 %	53.2 %		53.4 %
Commercial Lines														
Current accident year losses greater than \$5 million		0.8 %	— %	3.6 %	(0.9)%	1.3 %	2.9 %	— %	1.8 %	1.5 %	1.5 %	1.4 %		0.8 %
Current accident year losses \$1 million - \$5 million		7.2	4.2	3.3	7.7	4.4	4.2	4.8	3.7	4.5	4.8	4.4		5.3
Large loss prior accident year reserve development		0.1	2.3	2.2	(0.8)	0.8	0.6	(0.2)	2.3	0.2	1.6	0.4		0.1
Total large loss ratio		8.1 %	6.5 %	9.1 %	6.0 %	6.5 %	7.7 %	4.6 %	7.8 %	6.2 %	7.9 %	6.2 %		6.2 %
Losses incurred but not reported		—	2.7	(0.6)	7.1	0.4	0.3	8.4	1.0	4.3	0.7	3.0		4.0
Other losses excluding catastrophe losses		39.6	36.5	39.2	34.4	36.7	31.6	33.6	37.9	32.6	38.4	34.1		34.2
Catastrophe losses		3.4	8.1	7.4	4.4	3.7	16.4	3.3	7.7	9.9	6.3	7.8		6.9
Total loss ratio		51.1 %	53.8 %	55.1 %	51.9 %	47.3 %	56.0 %	49.9 %	54.4 %	53.0 %	53.3 %	51.1 %		51.3 %
Personal Lines														
Current accident year losses greater than \$5 million		— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %		— %
Current accident year losses \$1 million - \$5 million		6.0	4.8	1.0	1.2	3.5	—	1.9	2.9	1.0	4.0	1.8		1.7
Large loss prior accident year reserve development		1.0	0.6	(0.2)	(1.2)	(1.1)	(0.7)	0.5	0.2	(0.1)	0.4	(0.4)		(0.6)
Total large loss ratio		7.0 %	5.4 %	0.8 %	— %	2.4 %	(0.7)%	2.4 %	3.1 %	0.9 %	4.4 %	1.4 %		1.1 %
Losses incurred but not reported		(5.3)	(4.0)	3.3	3.5	(3.2)	8.1	3.8	(0.4)	6.0	(2.1)	2.9		3.0
Other losses excluding catastrophe losses		52.1	53.7	47.9	50.2	57.7	48.9	47.1	50.9	47.9	51.3	51.2		51.0
Catastrophe losses		10.8	15.2	15.5	13.3	8.2	12.2	2.9	15.3	7.6	13.8	7.8		9.2
Total loss ratio		64.6 %	70.3 %	67.5 %	67.0 %	65.1 %	68.5 %	56.2 %	68.9 %	62.4 %	67.4 %	63.3 %		64.3 %
Excess & Surplus Lines														
Current accident year losses greater than \$5 million		— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %		— %
Current accident year losses \$1 million - \$5 million		—	—	—	(0.1)	4.4	2.2	—	—	1.1	—	2.3		1.7
Large loss prior accident year reserve development		(0.3)	2.3	(0.3)	(0.1)	(2.0)	1.7	(0.4)	1.1	0.7	0.6	(0.3)		(0.3)
Total large loss ratio		(0.3)%	2.3 %	(0.3)%	(0.2)%	2.4 %	3.9 %	(0.4)%	1.1 %	1.8 %	0.6 %	2.0 %		1.4 %
Losses incurred but not reported		13.8	(20.2)	(1.6)	(0.6)	(2.9)	20.3	(5.4)	(11.3)	7.8	(2.4)	4.1		2.9
Other losses excluding catastrophe losses		15.3	37.0	17.0	12.6	21.8	12.7	20.8	27.4	16.6	23.1	18.4		16.8
Catastrophe losses		1.3	1.2	0.8	2.4	0.1	3.1	0.1	1.0	1.7	1.1	1.1		1.5
Total loss ratio		30.1 %	20.3 %	15.9 %	14.2 %	21.4 %	40.0 %	15.1 %	18.2 %	27.9 %	22.4 %	25.6 %		22.6 %

*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.

Consolidated Cincinnati Insurance Companies

Loss Claim Count Detail

	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Consolidated														
Current accident year reported losses greater than \$5 million		1	—	5	—	1	3	—	5	3	6	4		3
Current accident year reported losses \$1 million - \$5 million		43	31	22	38	29	15	27	55	46	100	76		113
Prior accident year reported losses on large losses		12	15	14	8	2	17	10	30	27	42	26		36
Non-Catastrophe reported losses on large losses total		56	46	41	46	32	35	37	90	76	148	106		152
Commercial Lines														
Current accident year reported losses greater than \$5 million		1	—	5	—	1	3	—	5	3	6	4		3
Current accident year reported losses \$1 million - \$5 million		34	20	20	36	21	14	23	42	41	77	62		97
Prior accident year reported losses on large losses		10	12	13	8	1	15	8	26	23	35	23		33
Non-Catastrophe reported losses on large losses total		45	32	38	44	23	32	31	73	67	118	89		133
Personal Lines														
Current accident year reported losses greater than \$5 million		—	—	—	—	—	—	—	—	—	—	—		—
Current accident year reported losses \$1 million - \$5 million		9	11	2	2	6	—	4	13	4	23	11		13
Prior accident year reported losses on large losses		2	2	—	—	—	1	2	2	3	5	2		2
Non-Catastrophe reported losses on large losses total		11	13	2	2	6	1	6	15	7	28	13		15
Excess & Surplus Lines														
Current accident year reported losses greater than \$5 million		—	—	—	—	—	—	—	—	—	—	—		—
Current accident year reported losses \$1 million - \$5 million		—	—	—	—	2	1	—	—	1	—	3		3
Prior accident year reported losses on large losses		—	1	1	—	1	1	—	2	1	2	1		1
Non-Catastrophe reported losses on large losses total		—	1	1	—	3	2	—	2	2	2	4		4

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

Consolidated Cincinnati Insurance Companies

Direct Written Premiums by Risk State by Line of Business for the Nine Months Ended September 30, 2017

Risk State	Commercial Lines					Personal Lines			E & S	Consolidated		Comm'l Change %	Personal Change %	E & S Change %	Consol Change %
	Comm Casualty	Comm Property	Comm Auto	Workers' Comp	Other Comm	Personal Auto	Home Owner	Other Personal	All Lines	2017	2016				
										Total	Total				
OH	\$ 119.5	\$ 110.2	\$ 68.5	\$ —	\$ 29.0	\$ 102.9	\$ 84.1	\$ 26.6	\$ 11.9	\$ 552.7	\$ 546.1	1.9	0.1	2.7	1.2
IL	51.3	44.2	25.1	36.3	10.1	22.4	22.0	6.0	11.6	229.0	232.0	(1.1)	(5.5)	18.6	(1.3)
GA	34.4	36.6	25.0	11.5	9.7	40.3	37.5	9.1	12.1	216.2	198.4	6.8	9.8	25.0	8.9
IN	43.2	43.6	24.8	20.8	9.7	25.5	26.4	5.9	8.9	208.8	212.9	(1.8)	(4.1)	9.0	(2.0)
NC	39.5	44.6	19.7	13.7	9.7	28.6	25.1	6.8	7.5	195.2	184.5	6.1	3.8	18.7	5.8
PA	50.2	37.3	31.3	32.5	8.4	10.8	8.9	3.4	8.0	190.8	189.8	(0.5)	3.2	14.6	0.5
MI	35.6	31.7	19.5	11.7	8.6	45.1	27.2	4.5	5.3	189.2	187.7	(1.3)	4.4	(7.1)	0.8
TN	32.9	35.3	18.5	8.3	8.3	15.4	18.8	4.6	4.6	146.7	142.1	3.7	1.0	12.0	3.2
KY	21.4	28.8	16.9	2.8	5.1	23.8	22.1	5.1	4.5	130.5	125.9	3.7	3.7	7.4	3.8
AL	21.3	26.0	10.8	0.7	5.7	19.6	27.2	5.6	6.8	123.7	116.5	6.5	5.3	11.4	6.3
VA	26.6	24.1	18.5	13.5	7.5	10.5	8.9	3.0	3.9	116.5	115.1	0.4	4.0	8.0	1.3
TX	38.7	22.0	25.4	1.1	4.0	0.7	1.2	0.5	15.5	109.1	105.5	(0.8)	nm	13.2	3.2
MO	25.6	27.9	13.7	11.1	4.3	7.7	9.6	2.1	6.7	108.7	101.4	3.9	22.8	11.7	7.3
MN	22.3	18.8	8.8	6.9	3.9	15.9	16.0	4.3	6.0	102.9	106.4	(9.2)	4.8	19.3	(3.3)
WI	23.4	20.7	11.5	20.6	4.6	7.5	7.5	2.9	3.5	102.2	105.7	(4.7)	0.5	11.1	(3.4)
NY	29.3	15.2	10.5	3.5	3.5	8.9	11.9	4.3	2.6	89.7	72.1	9.8	83.8	36.1	24.5
MD	16.5	10.6	13.2	8.5	3.1	10.4	8.1	2.2	2.1	74.7	71.4	(2.3)	26.7	11.9	4.7
AR	9.3	17.8	10.4	1.8	3.0	8.8	9.2	2.3	3.0	65.6	61.8	4.0	7.6	29.2	6.0
FL	24.9	12.0	9.5	1.2	2.6	3.7	1.9	0.7	8.6	65.1	54.8	15.1	20.3	43.0	18.6
IA	13.4	15.9	6.5	11.6	4.7	4.0	4.4	1.2	1.5	63.2	61.1	4.7	(0.5)	(4.6)	3.6
AZ	15.7	9.0	11.6	4.6	2.3	5.8	4.6	1.8	2.5	57.9	52.1	8.3	23.0	5.3	11.0
SC	11.3	10.3	7.3	2.6	2.6	9.8	7.5	1.6	3.4	56.4	51.7	3.9	15.7	34.9	9.1
UT	15.7	8.0	10.1	0.7	2.4	7.1	3.9	1.0	3.0	51.9	49.9	2.6	5.4	16.3	4.0
CO	15.8	8.7	11.2	0.9	1.9	0.4	0.9	0.2	6.2	46.2	39.2	15.6	325.3	12.3	17.9
KS	9.5	12.5	5.7	4.5	2.3	3.5	5.4	1.0	1.5	45.9	44.1	5.8	(0.4)	3.3	4.3
OR	12.2	7.2	9.0	0.1	1.8	4.4	1.9	0.6	4.4	41.6	35.6	14.4	32.7	9.6	16.6
MT	14.8	9.8	8.4	0.1	1.6	2.2	2.3	0.5	1.2	40.9	39.0	4.6	2.0	53.3	5.2
ID	10.6	7.4	6.3	0.4	1.5	3.0	2.0	0.6	1.4	33.2	32.4	2.4	3.9	10.4	3.0
NE	7.8	9.0	5.0	6.1	1.9	0.7	0.9	0.2	1.8	33.4	33.8	(2.8)	4.8	17.5	(1.5)
CT	3.9	3.6	2.0	1.9	0.6	6.8	5.8	2.1	1.2	27.9	19.0	8.2	115.3	10.6	46.9
WV	6.9	7.3	5.9	0.9	1.0	—	0.3	0.1	2.3	24.7	24.1	3.4	(13.8)	(1.0)	2.6
WA	7.9	4.5	5.5	—	1.2	—	—	—	1.8	20.9	17.5	19.8	nm	13.9	20.0
VT	3.8	4.7	2.6	4.3	1.4	1.3	1.4	0.4	1.1	21.0	19.8	4.8	7.6	30.2	6.3
NM	7.1	4.3	5.5	0.5	1.2	—	—	—	1.2	19.8	17.5	10.9	(34.1)	75.6	13.5
CA	0.6	0.3	0.7	1.2	0.2	2.6	7.4	1.9	0.5	15.4	3.9	(7.7)	nm	232.2	296.7
ND	5.3	3.6	3.0	—	0.7	0.6	0.7	0.2	0.6	14.7	15.5	(8.4)	0.9	134.6	(5.3)
NH	3.3	2.8	1.6	2.0	0.7	1.4	1.5	0.4	0.8	14.5	13.9	2.7	(0.2)	54.1	4.0
DE	4.0	2.4	2.4	1.6	0.8	—	—	—	0.5	11.7	12.8	(9.4)	2.4	3.4	(8.9)
SD	2.4	3.0	1.8	1.7	0.9	—	—	—	0.6	10.4	10.1	2.4	2.6	12.2	2.9
WY	2.0	1.9	1.1	—	0.3	—	—	—	0.6	5.9	5.7	5.2	3.4	4.5	5.1
NJ	0.6	0.3	0.4	1.4	0.3	0.7	1.2	0.6	0.2	5.7	3.9	0.4	232.2	9.7	44.3
All Other	2.6	1.9	2.2	2.4	1.5	0.1	0.2	—	1.9	12.8	10.7	15.2	139.5	25.6	17.7
Total	\$ 843.1	\$ 745.8	\$ 497.4	\$ 256.0	\$ 174.6	\$ 462.9	\$ 425.9	\$ 114.3	\$173.3	\$3,693.3	\$3,543.4	3.3	7.4	18.7	5.0
Other Direct	—	2.0	2.8	5.0	—	8.1	0.1	0.3	—	18.3	17.9	0.1	63.2	—	2.3
Total Direct	\$ 843.1	\$ 747.8	\$ 500.2	\$ 261.0	\$ 174.6	\$ 471.0	\$ 426.0	\$ 114.6	\$173.3	\$3,711.6	\$3,561.3	2.3	7.5	15.1	4.2

*Dollar amounts shown are rounded to the nearest hundred thousand; certain amounts may not add due to rounding. Percentage changes are calculated based on whole dollar amounts.

*nm - Not meaningful

Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)									Three months ended		Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16		
Commercial casualty:																
Written premiums		\$ 257	\$ 280	\$ 297	\$ 239	\$ 259	\$ 278	\$ 285	\$ 577	\$ 563	\$ 834	\$ 822		\$ 1,061		
Year over year change %- written premium		(1)%	1 %	4 %	— %	5 %	1 %	7 %	2 %	4 %	1 %	4 %		4 %		
Earned premiums		\$ 268	\$ 271	\$ 265	\$ 265	\$ 265	\$ 263	\$ 257	\$ 536	\$ 520	\$ 804	\$ 785		\$ 1,050		
Current accident year before catastrophe losses		63.1 %	60.1 %	60.7 %	61.1 %	57.4 %	58.7 %	60.2 %	60.4 %	59.5 %	61.3 %	58.8 %		59.4 %		
Current accident year catastrophe losses		—	—	—	—	—	—	—	—	—	—	—		—		
Prior accident years before catastrophe losses		0.1	(2.5)	5.6	3.7	(2.6)	(7.5)	(1.2)	1.5	(4.4)	1.0	(3.8)		(1.9)		
Prior accident years catastrophe losses		—	—	—	—	—	—	—	—	—	—	—		—		
Total loss and loss expense ratio		63.2 %	57.6 %	66.3 %	64.8 %	54.8 %	51.2 %	59.0 %	61.9 %	55.1 %	62.3 %	55.0 %		57.5 %		
Commercial property:																
Written premiums		\$ 230	\$ 233	\$ 239	\$ 208	\$ 224	\$ 223	\$ 225	\$ 472	\$ 448	\$ 702	\$ 672		\$ 880		
Year over year change %- written premium		3 %	4 %	6 %	2 %	3 %	2 %	9 %	5 %	6 %	4 %	5 %		4 %		
Earned premiums		\$ 225	\$ 226	\$ 223	\$ 221	\$ 217	\$ 215	\$ 214	\$ 449	\$ 429	\$ 674	\$ 646		\$ 867		
Current accident year before catastrophe losses		48.6 %	49.7 %	50.2 %	51.3 %	47.7 %	36.3 %	51.4 %	50.0 %	43.8 %	49.4 %	45.2 %		46.6 %		
Current accident year catastrophe losses		14.5	29.1	29.3	17.4	11.5	57.6	13.6	29.2	35.7	24.3	27.5		25.0		
Prior accident years before catastrophe losses		(1.1)	(1.2)	(0.7)	(0.6)	(2.7)	(5.4)	(1.7)	(1.0)	(3.6)	(1.0)	(3.3)		(2.6)		
Prior accident years catastrophe losses		(1.9)	(0.8)	(3.8)	(1.3)	1.6	(1.0)	(2.2)	(2.3)	(1.6)	(2.1)	(0.5)		(0.7)		
Total loss and loss expense ratio		60.1 %	76.8 %	75.0 %	66.8 %	58.1 %	87.5 %	61.1 %	75.9 %	74.3 %	70.6 %	68.9 %		68.3 %		
Commercial auto:																
Written premiums		\$ 157	\$ 167	\$ 174	\$ 146	\$ 151	\$ 156	\$ 158	\$ 341	\$ 314	\$ 498	\$ 465		\$ 611		
Year over year change %- written premium		4 %	7 %	10 %	4 %	10 %	5 %	6 %	9 %	5 %	7 %	7 %		6 %		
Earned premiums		\$ 159	\$ 158	\$ 155	\$ 152	\$ 151	\$ 147	\$ 144	\$ 313	\$ 291	\$ 472	\$ 442		\$ 594		
Current accident year before catastrophe losses		80.2 %	76.4 %	80.7 %	76.6 %	76.9 %	76.3 %	77.5 %	78.6 %	76.9 %	79.1 %	76.9 %		76.8 %		
Current accident year catastrophe losses		0.7	1.7	1.2	—	0.8	2.2	0.6	1.4	1.4	1.2	1.2		0.9		
Prior accident years before catastrophe losses		5.1	6.0	6.7	3.7	2.8	9.1	5.7	6.3	7.4	5.9	5.9		5.3		
Prior accident years catastrophe losses		—	—	(0.2)	—	—	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		—		
Total loss and loss expense ratio		86.0 %	84.1 %	88.4 %	80.3 %	80.5 %	87.6 %	83.7 %	86.2 %	85.6 %	86.1 %	83.9 %		83.0 %		
Workers' compensation:																
Written premiums		\$ 75	\$ 79	\$ 99	\$ 78	\$ 83	\$ 86	\$ 105	\$ 178	\$ 191	\$ 253	\$ 274		\$ 352		
Year over year change %- written premium		(10)%	(8)%	(6)%	(4)%	— %	(3)%	1 %	(7)%	(1)%	(8)%	(1)%		(1)%		
Earned premiums		\$ 84	\$ 86	\$ 84	\$ 86	\$ 90	\$ 89	\$ 89	\$ 170	\$ 178	\$ 254	\$ 268		\$ 354		
Current accident year before catastrophe losses		71.6 %	68.9 %	69.8 %	68.4 %	72.5 %	70.9 %	73.3 %	69.3 %	72.2 %	70.1 %	72.2 %		71.3 %		
Current accident year catastrophe losses		—	—	—	—	—	—	—	—	—	—	—		—		
Prior accident years before catastrophe losses		(16.6)	(14.3)	(21.6)	(19.4)	(18.1)	(25.5)	(14.5)	(17.9)	(20.1)	(17.5)	(19.4)		(19.4)		
Prior accident years catastrophe losses		—	—	—	—	—	—	—	—	—	—	—		—		
Total loss and loss expense ratio		55.0 %	54.6 %	48.2 %	49.0 %	54.4 %	45.4 %	58.8 %	51.4 %	52.1 %	52.6 %	52.8 %		51.9 %		
Other commercial:																
Written premiums		\$ 59	\$ 54	\$ 56	\$ 50	\$ 60	\$ 54	\$ 54	\$ 110	\$ 108	\$ 169	\$ 168		\$ 218		
Year over year change %- written premium		(2)%	— %	4 %	— %	— %	(2)%	(7)%	2 %	(4)%	1 %	(3)%		(2)%		
Earned premiums		\$ 56	\$ 55	\$ 54	\$ 55	\$ 56	\$ 57	\$ 56	\$ 109	\$ 113	\$ 165	\$ 169		\$ 224		
Current accident year before catastrophe losses		25.5 %	35.3 %	40.2 %	41.8 %	41.5 %	37.8 %	46.3 %	37.7 %	42.1 %	33.6 %	41.9 %		41.9 %		
Current accident year catastrophe losses		—	1.8	1.9	2.1	1.6	3.8	0.6	1.8	2.2	1.2	2.0		2.0		
Prior accident years before catastrophe losses		0.6	(20.0)	(14.8)	(8.6)	(19.1)	(28.2)	(22.9)	(17.4)	(25.5)	(11.3)	(23.4)		(19.8)		
Prior accident years catastrophe losses		0.3	0.1	(0.5)	—	0.2	1.3	0.2	(0.2)	0.7	—	0.5		0.4		
Total loss and loss expense ratio		26.4 %	17.2 %	26.8 %	35.3 %	24.2 %	14.7 %	24.2 %	21.9 %	19.5 %	23.5 %	21.0 %		24.5 %		

*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	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Personal auto:														
Written premiums		\$ 165	\$ 165	\$ 132	\$ 132	\$ 154	\$ 154	\$ 123	\$ 297	\$ 277	\$ 462	\$ 431		\$ 563
Year over year change %- written premium		7 %	7 %	7 %	7 %	7 %	8 %	8 %	7 %	8 %	7 %	8 %		7 %
Earned premiums		\$ 148	\$ 144	\$ 141	\$ 140	\$ 137	\$ 135	\$ 131	\$ 285	\$ 266	\$ 433	\$ 403		\$ 543
Current accident year before catastrophe losses		79.8 %	78.1 %	82.4 %	79.0 %	79.6 %	79.5 %	79.1 %	80.2 %	79.3 %	80.1 %	79.4 %		79.3 %
Current accident year catastrophe losses		1.6	2.4	2.4	0.1	1.1	1.9	1.0	2.4	1.4	2.1	1.3		1.0
Prior accident years before catastrophe losses		1.1	(0.3)	(1.1)	2.2	6.8	10.6	(6.3)	(0.7)	2.3	(0.1)	3.8		3.4
Prior accident years catastrophe losses		(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)	(0.3)	(0.1)	(0.2)	(0.1)	(0.2)		(0.2)
Total loss and loss expense ratio		82.4 %	80.1 %	83.5 %	81.2 %	87.3 %	91.9 %	73.5 %	81.8 %	82.8 %	82.0 %	84.3 %		83.5 %
Homeowner:														
Written premiums		\$ 150	\$ 150	\$ 110	\$ 119	\$ 138	\$ 140	\$ 103	\$ 260	\$ 243	\$ 410	\$ 381		\$ 500
Year over year change %- written premium		9 %	7 %	7 %	6 %	5 %	6 %	5 %	7 %	6 %	8 %	5 %		5 %
Earned premiums		\$ 131	\$ 128	\$ 125	\$ 124	\$ 122	\$ 121	\$ 119	\$ 253	\$ 240	\$ 384	\$ 362		\$ 486
Current accident year before catastrophe losses		46.7 %	48.4 %	48.4 %	47.0 %	46.8 %	49.1 %	51.5 %	48.5 %	50.3 %	47.8 %	49.1 %		48.6 %
Current accident year catastrophe losses		24.5	34.1	33.1	31.7	19.5	25.4	6.4	33.6	16.0	30.5	17.1		20.9
Prior accident years before catastrophe losses		(0.2)	(1.9)	(2.6)	1.1	0.5	(0.8)	(5.2)	(2.3)	(3.0)	(1.5)	(1.8)		(1.1)
Prior accident years catastrophe losses		(1.4)	(0.5)	(0.5)	(0.7)	(0.9)	0.8	(1.6)	(0.5)	(0.4)	(0.8)	(0.5)		(0.6)
Total loss and loss expense ratio		69.6 %	80.1 %	78.4 %	79.1 %	65.9 %	74.5 %	51.1 %	79.3 %	62.9 %	76.0 %	63.9 %		67.8 %
Other personal:														
Written premiums		\$ 40	\$ 42	\$ 31	\$ 32	\$ 37	\$ 36	\$ 30	\$ 73	\$ 66	\$ 113	\$ 103		\$ 135
Year over year change %- written premium		8 %	12 %	3 %	3 %	3 %	3 %	3 %	11 %	3 %	10 %	3 %		4 %
Earned premiums		\$ 35	\$ 35	\$ 34	\$ 32	\$ 34	\$ 32	\$ 33	\$ 69	\$ 65	\$ 104	\$ 99		\$ 132
Current accident year before catastrophe losses		46.7 %	68.3 %	45.6 %	48.2 %	60.2 %	42.0 %	44.2 %	57.1 %	43.1 %	53.5 %	48.9 %		48.7 %
Current accident year catastrophe losses		6.2	4.5	9.3	5.5	2.6	4.7	5.8	6.9	5.2	6.7	4.4		4.7
Prior accident years before catastrophe losses		2.4	(0.1)	(11.2)	(9.4)	(11.5)	(13.5)	(4.6)	(5.6)	(9.0)	(2.9)	(9.9)		(9.8)
Prior accident years catastrophe losses		—	(0.9)	(0.7)	(0.4)	(0.4)	—	0.3	(0.8)	0.1	(0.5)	(0.1)		(0.2)
Total loss and loss expense ratio		55.3 %	71.8 %	43.0 %	43.9 %	50.9 %	33.2 %	45.7 %	57.6 %	57.2 %	56.8 %	43.3 %		43.4 %

Quarterly Property Casualty Data - Excess & Surplus Lines

(Dollars in millions)		Three months ended							Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Excess & Surplus:														
Written premiums		\$ 51	\$ 61	\$ 53	\$ 45	\$ 48	\$ 51	\$ 45	\$ 114	\$ 96	\$ 165	\$ 144		\$ 189
Year over year change %- written premium		6 %	20 %	18 %	2 %	12 %	11 %	7 %	19 %	9 %	15 %	10 %		9 %
Earned premiums		\$ 53	\$ 52	\$ 48	\$ 47	\$ 48	\$ 45	\$ 43	\$ 100	\$ 88	\$ 153	\$ 136		\$ 183
Current accident year before catastrophe losses		49.1 %	54.2 %	55.5 %	41.4 %	57.2 %	56.7 %	63.1 %	54.8 %	59.8 %	52.8 %	58.9 %		54.4 %
Current accident year catastrophe losses		1.7	0.9	1.2	2.6	0.2	3.2	0.3	1.1	1.9	1.3	1.3		1.6
Prior accident years before catastrophe losses		(4.7)	(17.0)	(27.4)	(14.7)	(25.5)	(1.9)	(31.5)	(22.0)	(16.4)	(15.9)	(19.6)		(18.3)
Prior accident years catastrophe losses		(0.3)	0.4	(0.4)	—	—	—	(0.2)	—	(0.1)	(0.1)	(0.1)		(0.1)
Total loss and loss expense ratio		45.8 %	38.5 %	28.9 %	29.3 %	31.9 %	58.0 %	31.7 %	33.9 %	45.2 %	38.1 %	40.5 %		37.6 %

*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 Cincinnati Insurance Companies

Loss and Loss Expense Analysis

(Dollars in millions)

	Paid losses	Paid loss expense	Total paid	Change in case reserves	Change in IBNR reserves	Change in loss expense reserves	Total change in reserves	Case incurred	IBNR incurred	Loss expense incurred	Total incurred
Gross loss and loss expense incurred for the nine months ended September 30, 2017											
Commercial casualty	\$ 280	\$ 124	\$ 404	\$ 28	\$ 33	\$ 32	\$ 93	\$ 308	\$ 33	\$ 156	\$ 497
Commercial property	433	39	472	17	(18)	3	2	450	(18)	42	474
Commercial auto	278	52	330	24	36	17	77	302	36	69	407
Workers' compensation	123	26	149	17	(27)	—	(10)	140	(27)	26	139
Other commercial	34	14	48	—	(4)	(14)	(18)	34	(4)	—	30
Total commercial lines	1,148	255	1,403	86	20	38	144	1,234	20	293	1,547
Personal auto	274	52	326	9	19	2	30	283	19	54	356
Homeowners	279	25	304	10	(25)	3	(12)	289	(25)	28	292
Other personal	46	4	50	14	(5)	—	9	60	(5)	4	59
Total personal lines	599	81	680	33	(11)	5	27	632	(11)	86	707
Excess & surplus lines	36	18	55	12	(4)	7	15	48	(4)	25	69
Cincinnati Re	11	2	13	8	70	1	79	19	70	3	92
Total property casualty	\$ 1,794	\$ 356	\$ 2,151	\$ 139	\$ 75	\$ 51	\$ 265	\$ 1,933	\$ 75	\$ 407	\$ 2,415
Ceded loss and loss expense incurred for the nine months ended September 30, 2017											
Commercial casualty	\$ —	\$ —	\$ —	\$ (4)	\$ —	\$ —	\$ (4)	\$ (4)	\$ —	\$ —	\$ (4)
Commercial property	13	—	13	(16)	—	—	(16)	(3)	—	—	(3)
Commercial auto	1	—	1	—	—	—	—	1	—	—	1
Workers' compensation	13	1	14	(6)	(1)	(1)	(8)	7	(1)	—	6
Other commercial	(6)	1	(5)	(3)	—	—	(3)	(9)	—	1	(8)
Total commercial lines	21	2	23	(29)	(1)	(1)	(31)	(8)	(1)	1	(8)
Personal auto	2	—	2	—	—	—	—	2	—	—	2
Homeowners	—	—	—	(1)	—	—	(1)	(1)	—	—	(1)
Other personal	—	—	—	—	—	—	—	—	—	—	—
Total personal lines	2	—	2	(1)	—	—	(1)	1	—	—	1
Excess & surplus lines	7	1	8	3	—	—	3	10	—	1	11
Cincinnati Re	3	1	4	3	6	1	10	6	6	2	14
Total property casualty	\$ 33	\$ 4	\$ 37	\$ (24)	\$ 5	\$ —	\$ (19)	\$ 9	\$ 5	\$ 4	\$ 18
Net loss and loss expense incurred for the nine months ended September 30, 2017											
Commercial casualty	\$ 280	\$ 124	\$ 404	\$ 32	\$ 33	\$ 32	\$ 97	\$ 312	\$ 33	\$ 156	\$ 501
Commercial property	420	39	459	33	(18)	3	18	453	(18)	42	477
Commercial auto	277	52	329	24	36	17	77	301	36	69	406
Workers' compensation	110	25	135	23	(26)	1	(2)	133	(26)	26	133
Other commercial	40	13	53	3	(4)	(14)	(15)	43	(4)	(1)	38
Total commercial lines	1,127	253	1,380	115	21	39	175	1,242	21	292	1,555
Personal auto	272	52	324	9	19	2	30	281	19	54	354
Homeowners	279	25	304	11	(25)	3	(11)	290	(25)	28	293
Other personal	46	4	50	14	(5)	—	9	60	(5)	4	59
Total personal lines	597	81	678	34	(11)	5	28	631	(11)	86	706
Excess & surplus lines	29	17	47	9	(4)	7	12	38	(4)	24	58
Cincinnati Re	8	1	9	5	64	—	69	13	64	1	78
Total property casualty	\$ 1,761	\$ 352	\$ 2,114	\$ 163	\$ 70	\$ 51	\$ 284	\$ 1,924	\$ 70	\$ 403	\$ 2,397

Consolidated Cincinnati Insurance Companies

Loss and Loss Expense Analysis

(Dollars in millions)

	Paid losses	Paid loss expense	Total paid	Change in case reserves	Change in IBNR reserves	Change in loss expense reserves	Total change in reserves	Case incurred	IBNR incurred	Loss expense incurred	Total incurred
Gross loss and loss expense incurred for the three months ended September 30, 2017											
Commercial casualty	\$ 103	\$ 42	\$ 145	\$ (2)	\$ 17	\$ 9	\$ 24	\$ 101	\$ 17	\$ 51	\$ 169
Commercial property	137	13	150	(2)	(20)	3	(19)	135	(20)	16	131
Commercial auto	92	18	110	5	16	7	28	97	16	25	138
Workers' compensation	38	8	46	16	(15)	2	3	54	(15)	10	49
Other commercial	14	3	17	5	(2)	(8)	(5)	19	(2)	(5)	12
Total commercial lines	384	84	468	22	(4)	13	31	406	(4)	97	499
Personal auto	94	17	111	3	6	3	12	97	6	20	123
Homeowners	108	8	116	(2)	(23)	1	(24)	106	(23)	9	92
Other personal	17	2	19	3	(3)	—	—	20	(3)	2	19
Total personal lines	219	27	246	4	(20)	4	(12)	223	(20)	31	234
Excess & surplus lines	9	6	16	5	6	2	13	14	6	8	28
Cincinnati Re	5	1	6	3	52	—	55	8	52	1	61
Total property casualty	\$ 617	\$ 118	\$ 736	\$ 34	\$ 34	\$ 19	\$ 87	\$ 651	\$ 34	\$ 137	\$ 822
Ceded loss and loss expense incurred for the three months ended September 30, 2017											
Commercial casualty	\$ —	\$ —	\$ —	\$ (1)	\$ —	\$ —	\$ (1)	\$ (1)	\$ —	\$ —	\$ (1)
Commercial property	5	—	5	(8)	—	—	(8)	(3)	—	—	(3)
Commercial auto	—	—	—	—	—	—	—	—	—	—	—
Workers' compensation	3	1	4	—	—	—	—	3	—	1	4
Other commercial	—	—	—	(2)	—	—	(2)	(2)	—	—	(2)
Total commercial lines	8	1	9	(11)	—	—	(11)	(3)	—	1	(2)
Personal auto	1	—	1	—	—	—	—	1	—	—	1
Homeowners	—	—	—	—	—	—	—	—	—	—	—
Other personal	—	—	—	—	—	—	—	—	—	—	—
Total personal lines	1	—	1	—	—	—	—	1	—	—	1
Excess & surplus lines	—	—	—	4	—	—	4	4	—	—	4
Cincinnati Re	1	—	1	1	2	—	3	2	2	—	4
Total property casualty	\$ 10	\$ 1	\$ 11	\$ (6)	\$ 2	\$ —	\$ (4)	\$ 4	\$ 2	\$ 1	\$ 7
Net loss and loss expense incurred for the three months ended September 30, 2017											
Commercial casualty	\$ 103	\$ 42	\$ 145	\$ (1)	\$ 17	\$ 9	\$ 25	\$ 102	\$ 17	\$ 51	\$ 170
Commercial property	132	13	145	6	(20)	3	(11)	138	(20)	16	134
Commercial auto	92	18	110	5	16	7	28	97	16	25	138
Workers' compensation	35	7	42	16	(15)	2	3	51	(15)	9	45
Other commercial	14	3	17	7	(2)	(8)	(3)	21	(2)	(5)	14
Total commercial lines	376	83	459	33	(4)	13	42	409	(4)	96	501
Personal auto	93	17	110	3	6	3	12	96	6	20	122
Homeowners	108	8	116	(2)	(23)	1	(24)	106	(23)	9	92
Other personal	17	2	19	3	(3)	—	—	20	(3)	2	19
Total personal lines	218	27	245	4	(20)	4	(12)	222	(20)	31	233
Excess & surplus lines	9	6	16	1	6	2	9	10	6	8	24
Cincinnati Re	4	1	5	2	50	—	52	6	50	1	57
Total property casualty	\$ 607	\$ 117	\$ 725	\$ 40	\$ 32	\$ 19	\$ 91	\$ 647	\$ 32	\$ 136	\$ 815

Consolidated Cincinnati Insurance Companies

Quarterly Property Casualty Data

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Premiums														
Agency renewal written premiums		\$ 1,064	\$ 1,090	\$ 1,057	\$ 951	\$ 1,036	\$ 1,057	\$ 1,028	\$ 2,147	\$ 2,085	\$ 3,211	\$ 3,121	\$ 4,072	
Agency new business written premiums		157	165	153	134	149	143	125	318	268	475	417	551	
Cincinnati Re net written premiums		24	40	40	15	21	16	19	80	35	104	56	71	
Other written premiums		(37)	(24)	(19)	(36)	(31)	(22)	(25)	(43)	(47)	(80)	(78)	(114)	
Net written premiums – statutory*		\$ 1,208	\$ 1,271	\$ 1,231	\$ 1,064	\$ 1,175	\$ 1,194	\$ 1,147	\$ 2,502	\$ 2,341	\$ 3,710	\$ 3,516	\$ 4,580	
Unearned premium change		(17)	(90)	(80)	75	(42)	(80)	(51)	(170)	(131)	(187)	(173)	(98)	
Earned premiums		\$ 1,191	\$ 1,181	\$ 1,151	\$ 1,139	\$ 1,133	\$ 1,114	\$ 1,096	\$ 2,332	\$ 2,210	\$ 3,523	\$ 3,343	\$ 4,482	
Year over year change %														
Agency renewal written premiums		3 %	3 %	3%	3 %	4%	4 %	5%	3%	4%	3 %	4%	4%	
Agency new business written premiums		5	15	22	(4)	8	4	8	19	6	14	6	4	
Cincinnati Re net written premiums		14	150	111	(55)	nm	nm	—	129	nm	86	nm	115	
Other written premiums		(19)	(9)	24	16	21	(57)	24	9	—	(3)	9	12	
Net written premiums – statutory*		3	6	7	1	7	5	8	7	6	6	6	5	
Paid losses and loss expenses														
Losses paid		\$ 607	\$ 587	\$ 567	\$ 540	\$ 553	\$ 522	\$ 457	\$ 1,154	\$ 979	\$ 1,761	\$ 1,532	\$ 2,072	
Loss expenses paid		118	108	127	110	109	107	105	235	212	353	321	431	
Loss and loss expenses paid		\$ 725	\$ 695	\$ 694	\$ 650	\$ 662	\$ 629	\$ 562	\$ 1,389	\$ 1,191	\$ 2,114	\$ 1,853	\$ 2,503	
Incurred losses and loss expenses														
Loss and loss expense incurred		\$ 815	\$ 794	\$ 788	\$ 751	\$ 690	\$ 759	\$ 661	\$ 1,582	\$ 1,420	\$ 2,397	\$ 2,110	\$ 2,861	
Loss and loss expenses paid as a % of incurred		89.0 %	87.5 %	88.1%	86.6 %	95.9%	82.9 %	85.0%	87.8%	83.9%	88.2 %	87.8%	87.5%	
Statutory combined ratio														
Loss ratio		57.0 %	56.5 %	56.3%	54.2 %	50.5%	58.8 %	50.2%	56.4%	54.5%	56.6 %	53.2%	53.4%	
Loss adjustment expense ratio		11.4	10.8	12.1	11.7	10.5	9.4	10.1	11.4	9.7	11.4	9.9	10.4	
Net underwriting expense ratio		30.7	29.9	30.2	32.0	30.9	29.7	29.9	30.1	29.9	30.3	30.3	30.7	
Statutory combined ratio		99.1 %	97.2 %	98.6%	97.9 %	91.9%	97.9 %	90.2%	97.9%	94.1%	98.3 %	93.4%	94.5%	
Contribution from catastrophe losses		9.1	9.8	9.2	7.1	4.9	14.8	3.1	9.5	9.0	9.3	7.6	7.5	
Statutory combined ratio excl. catastrophe losses		90.0 %	87.4 %	89.4%	90.8 %	87.0%	83.1 %	87.1%	88.4%	85.1%	89.0 %	85.8%	87.0%	
GAAP combined ratio														
GAAP combined ratio		99.3 %	98.3 %	99.7%	96.2 %	92.4%	99.3 %	91.4%	99.0%	95.4%	99.1 %	94.4%	94.8%	
Contribution from catastrophe losses		9.1	9.8	9.2	7.1	4.9	14.8	3.1	9.5	9.0	9.3	7.6	7.5	
GAAP combined ratio excl. catastrophe losses		90.2 %	88.5 %	90.5%	89.1 %	87.5%	84.5 %	88.3%	89.5%	86.4%	89.8 %	86.8%	87.3%	

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*nm - Not meaningful

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Cincinnati Insurance Companies

Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Premiums														
Agency renewal written premiums		\$ 707	\$ 729	\$ 772	\$ 658	\$ 698	\$ 718	\$ 758	\$ 1,501	\$ 1,476	\$ 2,208	\$ 2,174		\$ 2,832
Agency new business written premiums		99	99	103	91	101	93	87	202	180	301	281		372
Other written premiums		(28)	(15)	(10)	(28)	(22)	(14)	(18)	(25)	(32)	(53)	(54)		(82)
Net written premiums – statutory*		\$ 778	\$ 813	\$ 865	\$ 721	\$ 777	\$ 797	\$ 827	\$ 1,678	\$ 1,624	\$ 2,456	\$ 2,401		\$ 3,122
Unearned premium change		14	(17)	(84)	58	2	(26)	(67)	(101)	(93)	(87)	(91)		(33)
Earned premiums		\$ 792	\$ 796	\$ 781	\$ 779	\$ 779	\$ 771	\$ 760	\$ 1,577	\$ 1,531	\$ 2,369	\$ 2,310		\$ 3,089
Year over year change %														
Agency renewal written premiums		1 %	2 %	2%	1 %	3%	3 %	4%	2%	3 %	2%	3%		3%
Agency new business written premiums		(2)	6	18	(6)	5	—	10	12	5	7	5		2
Other written premiums		(27)	(7)	44	18	29	(180)	31	22	(3)	2	13		15
Net written premiums – statutory*		—	2	5	1	5	1	6	3	3	2	4		3
Paid losses and loss expenses														
Losses paid		\$ 376	\$ 370	\$ 381	\$ 344	\$ 373	\$ 342	\$ 300	\$ 751	\$ 642	\$ 1,127	\$ 1,015		\$ 1,359
Loss expenses paid		84	79	91	81	80	78	76	170	154	254	234		316
Loss and loss expenses paid		\$ 460	\$ 449	\$ 472	\$ 425	\$ 453	\$ 420	\$ 376	\$ 921	\$ 796	\$ 1,381	\$ 1,249		\$ 1,675
Incurred losses and loss expenses														
Loss and loss expense incurred		\$ 501	\$ 519	\$ 535	\$ 503	\$ 456	\$ 500	\$ 469	\$ 1,054	\$ 969	\$ 1,555	\$ 1,425		\$ 1,928
Loss and loss expenses paid as a % of incurred		91.8 %	86.5 %	88.2%	84.5 %	99.3%	84.0 %	80.2%	87.4%	82.1 %	88.8%	87.6%		86.9%
Statutory combined ratio														
Loss ratio		51.1 %	53.8 %	55.0%	51.9 %	47.3%	56.0 %	49.9%	54.5%	53.0 %	53.4%	51.1%		51.3%
Loss adjustment expense ratio		12.2	11.4	13.5	12.7	11.2	8.9	11.8	12.4	10.3	12.3	10.6		11.1
Net underwriting expense ratio		32.5	31.2	29.7	33.0	32.6	30.9	29.7	30.4	30.3	31.0	31.0		31.5
Statutory combined ratio		95.8 %	96.4 %	98.2%	97.6 %	91.1%	95.8 %	91.4%	97.3%	93.6 %	96.7%	92.7%		93.9%
Contribution from catastrophe losses		3.8	8.5	7.6	4.7	3.9	16.6	3.4	8.1	10.0	6.6	8.0		7.1
Statutory combined ratio excl. catastrophe losses		92.0 %	87.9 %	90.6%	92.9 %	87.2%	79.2 %	88.0%	89.2%	83.6 %	90.1%	84.7%		86.8%
GAAP combined ratio														
GAAP combined ratio		95.2 %	97.1 %	100.4%	95.7 %	90.8%	96.8 %	93.6%	98.8%	95.2 %	97.6%	93.7%		94.2%
Contribution from catastrophe losses		3.8	8.5	7.6	4.7	3.9	16.6	3.4	8.1	10.0	6.6	8.0		7.1
GAAP combined ratio excl. catastrophe losses		91.4 %	88.6 %	92.8%	91.0 %	86.9%	80.2 %	90.2%	90.7%	85.2 %	91.0%	85.7%		87.1%

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*nm - Not meaningful

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Cincinnati Insurance Companies

Quarterly Property Casualty Data - Personal Lines

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Premiums														
Agency renewal written premiums	\$ 318	\$ 318	\$ 245	\$ 258	\$ 303	\$ 302	\$ 236	\$ 563	\$ 538	\$ 881	\$ 841	\$ 1,099		
Agency new business written premiums	43	45	34	31	32	34	25	79	59	122	91	122		
Other written premiums	(6)	(6)	(6)	(6)	(6)	(6)	(5)	(12)	(11)	(18)	(17)	(23)		
Net written premiums – statutory*	\$ 355	\$ 357	\$ 273	\$ 283	\$ 329	\$ 330	\$ 256	\$ 630	\$ 586	\$ 985	\$ 915	\$ 1,198		
Unearned premium change	(41)	(50)	27	14	(36)	(42)	27	(23)	(15)	(64)	(51)	(37)		
Earned premiums	\$ 314	\$ 307	\$ 300	\$ 297	\$ 293	\$ 288	\$ 283	\$ 607	\$ 571	\$ 921	\$ 864	\$ 1,161		
Year over year change %														
Agency renewal written premiums	5%	5%	4 %	5%	5%	6%	6%	5 %	6%	5 %	6%	6%		
Agency new business written premiums	34	32	36	15	7	13	4	34	9	34	8	10		
Other written premiums	—	—	(20)	—	—	—	17	(9)	8	(6)	6	4		
Net written premiums – statutory*	8	8	7	6	5	7	6	8	7	8	6	6		
Paid losses and loss expenses														
Losses paid	\$ 218	\$ 205	\$ 174	\$ 186	\$ 173	\$ 168	\$ 151	\$ 379	\$ 319	\$ 597	\$ 492	\$ 678		
Loss expenses paid	27	24	30	23	24	23	24	54	47	81	71	93		
Loss and loss expenses paid	\$ 245	\$ 229	\$ 204	\$ 209	\$ 197	\$ 191	\$ 175	\$ 433	\$ 366	\$ 678	\$ 563	\$ 771		
Incurred losses and loss expenses														
Loss and loss expense incurred	\$ 233	\$ 242	\$ 231	\$ 226	\$ 217	\$ 224	\$ 173	\$ 473	\$ 397	\$ 706	\$ 614	\$ 840		
Loss and loss expenses paid as a % of incurred	105.2%	94.6%	88.3 %	92.5%	90.8%	85.3%	101.2%	91.5 %	92.2%	96.0 %	91.7%	91.8%		
Statutory combined ratio														
Loss ratio	64.5%	70.3%	67.5 %	67.0%	65.1%	68.5%	56.2%	68.9 %	62.4%	67.4 %	63.3%	64.3%		
Loss adjustment expense ratio	9.5	8.8	9.3	9.1	9.1	9.5	4.7	9.1	7.1	9.2	7.8	8.1		
Net underwriting expense ratio	26.9	26.7	31.2	29.2	27.1	27.2	31.1	28.6	28.9	28.0	28.2	28.4		
Statutory combined ratio	100.9%	105.8%	108.0 %	105.3%	101.3%	105.2%	92.0%	106.6 %	98.4%	104.6 %	99.3%	100.8%		
Contribution from catastrophe losses	11.1	15.4	15.6	13.6	8.4	12.4	3.0	15.5	7.7	14.0	8.0	9.4		
Statutory combined ratio excl. catastrophe losses	89.8%	90.4%	92.4 %	91.7%	92.9%	92.8%	89.0%	91.1 %	90.7%	90.6 %	91.3%	91.4%		
GAAP combined ratio														
GAAP combined ratio	103.1%	108.4%	105.5 %	104.4%	103.4%	107.5%	90.1%	107.0 %	98.9%	105.6 %	100.4%	101.4%		
Contribution from catastrophe losses	11.1	15.4	15.6	13.6	8.4	12.4	3.0	15.5	7.7	14.0	8.0	9.4		
GAAP combined ratio excl. catastrophe losses	92.0%	93.0%	89.9 %	90.8%	95.0%	95.1%	87.1%	91.5 %	91.2%	91.6 %	92.4%	92.0%		

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Cincinnati Insurance Companies
Quarterly Property Casualty Data - Excess & Surplus Lines

(Dollars in millions)										Three months ended		Six months ended		Nine months ended		Twelve months ended	
	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16		6/30/17	6/30/16	6/30/17	6/30/16	9/30/17	9/30/16	12/31/17	12/31/16
Premiums																	
Agency renewal written premiums		\$ 39	\$ 43	\$ 40	\$ 35	\$ 35	\$ 37	\$ 34		\$ 83	\$ 71			\$ 122	\$ 106		\$ 141
Agency new business written premiums		15	21	16	12	16	16	13		37	29			52	45		57
Other written premiums		(3)	(3)	(3)	(2)	(3)	(2)	(2)		(6)	(4)			(9)	(7)		(9)
Net written premiums – statutory*		\$ 51	\$ 61	\$ 53	\$ 45	\$ 48	\$ 51	\$ 45		\$ 114	\$ 96			\$ 165	\$ 144		\$ 189
Unearned premium change		2	(9)	(5)	2	—	(6)	(2)		(14)	(8)			(12)	(8)		(6)
Earned premiums		\$ 53	\$ 52	\$ 48	\$ 47	\$ 48	\$ 45	\$ 43		\$ 100	\$ 88			\$ 153	\$ 136		\$ 183
Year over year change %																	
Agency renewal written premiums		11 %	16 %	18 %	13 %	6 %	9 %	13 %		17 %	11 %			15 %	9 %		10 %
Agency new business written premiums		(6)	31	23	(25)	33	7	0		28	4			16	13		2
Other written premiums		—	(50)	(50)	33	(50)	33	(100)		(50)	0			(29)	(17)		—
Net written premiums – statutory*		6	20	18	2	12	11	7		19	9			15	10		9
Paid losses and loss expenses																	
Losses paid		\$ 8	\$ 11	\$ 10	\$ 9	\$ 7	\$ 12	\$ 6		\$ 21	\$ 18			\$ 29	\$ 25		\$ 34
Loss expenses paid		6	5	6	5	6	5	5		11	10			17	16		21
Loss and loss expenses paid		\$ 14	\$ 16	\$ 16	\$ 14	\$ 13	\$ 17	\$ 11		\$ 32	\$ 28			\$ 46	\$ 41		\$ 55
Incurred losses and loss expenses																	
Loss and loss expense incurred		\$ 24	\$ 20	\$ 14	\$ 13	\$ 15	\$ 27	\$ 13		\$ 34	\$ 40			\$ 58	\$ 55		\$ 68
Loss and loss expenses paid as a % of incurred		58.3 %	80.0 %	114.3 %	107.7 %	86.7 %	63.0 %	84.6 %		94.1 %	70.0 %			79.3 %	74.5 %		80.9 %
Statutory combined ratio																	
Loss ratio		30.1 %	20.3 %	15.8 %	14.2 %	21.4 %	40.0 %	15.1 %		18.2 %	27.9 %			22.4 %	25.6 %		22.6 %
Loss adjustment expense ratio		15.7	18.2	13.1	15.1	10.5	18.0	16.6		15.7	17.3			15.7	14.9		15.0
Net underwriting expense ratio		31.6	28.6	32.8	30.9	30.8	29.9	30.3		30.6	30.1			30.9	30.4		30.5
Statutory combined ratio		77.4 %	67.1 %	61.7 %	60.2 %	62.7 %	87.9 %	62.0 %		64.5 %	75.3 %			69.0 %	70.9 %		68.1 %
Contribution from catastrophe losses		1.4	1.3	0.8	2.6	0.2	3.2	0.2		1.1	1.8			1.2	1.2		1.5
Statutory combined ratio excl. catastrophe losses		76.0 %	65.8 %	60.9 %	57.6 %	62.5 %	84.7 %	61.8 %		63.4 %	73.5 %			67.8 %	69.7 %		66.6 %
GAAP combined ratio																	
GAAP combined ratio		74.8 %	66.2 %	62.3 %	58.7 %	61.3 %	87.4 %	61.1 %		64.3 %	74.6 %			68.0 %	69.9 %		67.0 %
Contribution from catastrophe losses		1.4	1.3	0.8	2.6	0.2	3.2	0.2		1.1	1.8			1.2	1.2		1.5
GAAP combined ratio excl. catastrophe losses		73.4 %	64.9 %	61.5 %	56.1 %	61.1 %	84.2 %	60.9 %		63.2 %	72.8 %			66.8 %	68.7 %		65.5 %

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The Cincinnati Life Insurance Company
Statutory Statements of Income

(Dollars in millions)	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2017	2016	Change	% Change	2017	2016	Change	% Change
Net premiums written	\$ 67	\$ 66	\$ 1	2	\$ 201	\$ 206	\$ (5)	(2)
Net investment income	40	40	—	—	122	119	3	3
Amortization of interest maintenance reserve	2	2	—	—	4	4	—	—
Commissions and expense allowances on reinsurance ceded	1	1	—	—	4	4	—	—
Income from fees associated with separate accounts	1	1	—	—	4	4	—	—
Total revenues	\$ 111	\$ 110	\$ 1	1	\$ 335	\$ 337	\$ (2)	(1)
Death benefits and matured endowments	\$ 25	\$ 28	\$ (3)	(11)	\$ 75	\$ 81	\$ (6)	(7)
Annuity benefits	20	15	5	33	59	49	10	20
Disability benefits and benefits under accident and health contracts	1	1	—	—	2	2	—	—
Surrender benefits and group conversions	4	5	(1)	(20)	15	14	1	7
Interest and adjustments on deposit-type contract funds	2	2	—	—	6	6	—	—
Increase in aggregate reserves for life and accident and health contracts	28	43	(15)	(35)	103	136	(33)	(24)
Total benefit expenses	\$ 80	\$ 94	\$ (14)	(15)	\$ 260	\$ 288	\$ (28)	(10)
Commissions	\$ 11	\$ 11	\$ —	—	\$ 33	\$ 31	\$ 2	6
General insurance expenses and taxes	12	11	1	9	35	33	2	6
Increase in loading on deferred and uncollected premiums	1	(1)	2	nm	(1)	(4)	3	75
Net transfers from separate accounts	—	(2)	2	nm	(2)	(6)	4	67
Total underwriting expenses	\$ 24	\$ 19	\$ 5	26	\$ 65	\$ 54	\$ 11	20
Federal and foreign income tax benefit	(1)	—	(1)	nm	(2)	(2)	—	—
Net gain (loss) from operations before realized capital gains	\$ 8	\$ (3)	\$ 11	nm	\$ 12	\$ (3)	\$ 15	nm
Realized gains and losses net of capital gains tax, net	(1)	3	(4)	nm	(4)	5	(9)	nm
Net income (statutory)	\$ 7	\$ —	\$ 7	nm	\$ 8	\$ 2	\$ 6	300

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

*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.