

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

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

Date of Report: July 27, 2020  
(Date of earliest event reported)

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

Ohio  
(State or other jurisdiction  
of incorporation)

0-4604  
(Commission  
File Number)

31-0746871  
(I.R.S. Employer  
Identification No.)

6200 S. Gilmore Road  
(Address of principal executive offices)

Fairfield, Ohio

45014-5141  
(Zip Code)

Registrant's telephone number, including area code: (513) 870-2000

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

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

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

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

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

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

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

**Item 2.02 Results of Operations and Financial Condition.**

On July 27, 2020, Cincinnati Financial Corporation issued the attached news release titled “Cincinnati Financial Reports Second-Quarter 2020 Results,” furnished as Exhibit 99.1 hereto and incorporated herein by reference. On July 27, 2020, 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.

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**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

**Exhibit 99.1** – [News release dated July 27, 2020 “Cincinnati Financial Reports Second-Quarter 2020 Results”](#)

**Exhibit 99.2** – [Supplemental Financial Data for the period ending June 30, 2020, distributed July 27, 2020.](#)

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

**Signature**

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

CINCINNATI FINANCIAL CORPORATION

Date: July 27, 2020

/s/ Michael J. Sewell

Michael J. Sewell, CPA

Chief Financial Officer, Senior Vice President and Treasurer

(Principal Accounting Officer)



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

**Investor Contact:** Dennis E. McDaniel, 513-870-2768  
CINF-IR@cinfin.com

**Media Contact:** Betsy E. Ertel, 513-603-5323  
Media\_Inquiries@cinfin.com

## Cincinnati Financial Reports Second-Quarter 2020 Results

**Cincinnati, July 27, 2020 – Cincinnati Financial Corporation (Nasdaq: CINF)** today reported:

- Second-quarter 2020 net income of \$909 million, or \$5.63 per share, compared with \$428 million, or \$2.59 per share, in the second quarter of 2019, after recognizing an \$825 million second-quarter 2020 increase in the fair value of equity securities still held.
- \$69 million or 49% decrease in non-GAAP operating income\* to \$71 million, or 44 cents per share, compared with \$140 million, or 85 cents per share, in the second quarter of last year.
- \$481 million increase in second-quarter 2020 net income, primarily due to the after-tax net effect of a \$550 million increase in net investment gains partially offset by a \$70 million decrease in after-tax property casualty underwriting income, including \$79 million from catastrophe losses related to weather or civil unrest.
- \$57.56 book value per share at June 30, 2020, down \$2.99 or 5.0% since year-end.
- Negative 3.0% value creation ratio for the first six months of 2020, compared with positive 18.6% for the same period of 2019.

### Financial Highlights

(Dollars in millions, except per share data)

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
<b>Revenue Data</b>						
Earned premiums	\$ 1,482	\$ 1,384	7	\$ 2,938	\$ 2,717	8
Investment income, net of expenses	166	160	4	331	317	4
Total revenues	2,714	1,913	42	2,615	4,072	(36)
<b>Income Statement Data</b>						
Net income (loss)	\$ 909	\$ 428	112	\$ (317)	\$ 1,123	nm
Investment gains and losses, after-tax	838	288	191	(525)	811	nm
Non-GAAP operating income*	\$ 71	\$ 140	(49)	\$ 208	\$ 312	(33)
<b>Per Share Data (diluted)</b>						
Net income (loss)	\$ 5.63	\$ 2.59	117	\$ (1.96)	\$ 6.81	nm
Investment gains and losses, after-tax	5.19	1.74	198	(3.25)	4.92	nm
Non-GAAP operating income*	\$ 0.44	\$ 0.85	(48)	\$ 1.29	\$ 1.89	(32)
Book value				\$ 57.56	\$ 55.92	3
Cash dividend declared	\$ 0.60	\$ 0.56	7	\$ 1.20	\$ 1.12	7
Diluted weighted average shares outstanding	161.5	165.2	(2)	161.5	164.9	(2)

\* 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 2Q20 Release 1

### **Insurance Operations Highlights**

- 103.1% second-quarter 2020 property casualty combined ratio, up from 96.5% for the second quarter of 2019.
- 6% growth in second-quarter net written premiums, reflecting price increases and premium growth initiatives.
- \$210 million second-quarter 2020 property casualty new business written premiums, down 1%. Agencies appointed since the beginning of 2019 contributed \$17 million or 8% of total new business written premiums.
- \$12 million second-quarter 2020 life insurance subsidiary net income, up \$4 million from the second quarter of 2019, and 9% growth in second-quarter 2020 term life insurance earned premiums.

### **Investment and Balance Sheet Highlights**

- 4% or \$6 million increase in second-quarter 2020 pretax investment income, including a 6% increase for stock portfolio dividends and a 3% increase for bond interest income.
- Three-month increase of 9% in fair value of total investments at June 30, 2020, including a 18% increase for the stock portfolio and a 5% increase for the bond portfolio.
- \$3.074 billion parent company cash and marketable securities at June 30, 2020, down 7% from year-end 2019.

### **Focused on Business Fundamentals**

Steven J. Johnston, chairman, president and CEO, commented: "Against the backdrop of a challenging second quarter, we continued to be a source of stability for our agents and policyholders.

"Our efforts, along with those of our insurance industry peers, have helped affected communities build themselves back up. Together, we are helping our policyholders quickly get back to business in the wake of weather and civil unrest-related catastrophes. These two types of catastrophes demonstrate the power of spreading risk – as insurance was designed to do. By pooling premiums for covered risks that are limited in duration and geography, the industry can help businesses and families restore lives and livelihoods.

"For our company, \$231 million of catastrophe-related losses, plus \$65 million of pandemic-related loss and expense effects, resulted in an underwriting loss of \$41 million in the second quarter. As previously announced, the impact of catastrophe losses this quarter was higher than our five-year second-quarter average of 9.8 points. Catastrophes accounted for 16.5 points of our 103.1% second-quarter combined ratio and 12.8 points of our 100.8% six-month combined ratio.

"Keeping focused on our business fundamentals allowed us to continue enhancing our core underwriting book as measured by our six-month combined ratio before catastrophe losses and before development of reserves for prior accident years. At a satisfactory 90.4%, that ratio improved 1.9 points over the same period last year.

"Through the first half of 2020 our property casualty net written premiums grew 8%, reflecting strong renewal pricing. While we continue to use sophisticated data models and experienced underwriter judgement to charge an appropriate price for each risk, on average commercial, personal and excess insurance pricing rose at a percentage in the mid-single digits."

### **Accounting Rule Creates Volatility in Results**

"Our net income for the second quarter of 2020 again experienced a dramatic swing, more than doubling our 2019 quarterly result, due mainly to an increase in the fair value of equity securities we still hold.

"To reiterate, we believe that the 2018 Financial Accounting Standards Board's rule change to include changes in unrealized investment gains of equity investment securities as a part of net income continues to produce increased volatility in the company's results and can cause confusion for investors.

"At June 30, our book value per share – at \$57.56 – is down 5.0% compared with year-end 2019. While it wasn't enough to recoup the entire effect of lower valuation in securities markets we experienced at the end of March, the rebound in our equity portfolio helped to improve book value by \$7.54 compared with March 31, 2020.

"Looking ahead, we are maintaining a long-term perspective with our investment philosophy and aren't swayed by periodic market volatility. We remain focused on our insurance business and are confident it's in excellent shape to provide cash for investment and earnings that support future shareholder dividends and add to book value. Our dedicated team, and experienced and professional claims associates coupled with our robust business continuity plans have positioned us to proactively manage risks and promptly pay covered claims, all while delivering long-term value for our shareholders."

## Insurance Operations Highlights

### Consolidated Property Casualty Insurance Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Earned premiums	\$ 1,403	\$ 1,317	7	\$ 2,792	\$ 2,584	8
Fee revenues	2	2	0	5	5	0
Total revenues	1,405	1,319	7	2,797	2,589	8
Loss and loss expenses	1,007	863	17	1,937	1,653	17
Underwriting expenses	439	408	8	877	797	10
Underwriting profit (loss)	\$ (41)	\$ 48	nm	\$ (17)	\$ 139	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	71.8 %	65.6 %	6.2	69.4 %	64.0 %	5.4
Underwriting expenses	31.3	30.9	0.4	31.4	30.8	0.6
Combined ratio	103.1 %	96.5 %	6.6	100.8 %	94.8 %	6.0
			% Change			% Change
Agency renewal written premiums	\$ 1,244	\$ 1,186	5	\$ 2,442	\$ 2,316	5
Agency new business written premiums	210	212	(1)	425	393	8
Other written premiums	105	78	35	210	148	42
Net written premiums	\$ 1,559	\$ 1,476	6	\$ 3,077	\$ 2,857	8
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	58.2 %	60.9 %	(2.7)	59.0 %	61.5 %	(2.5)
Current accident year catastrophe losses	16.9	11.1	5.8	13.2	8.4	4.8
Prior accident years before catastrophe losses	(2.9)	(5.3)	2.4	(2.4)	(5.4)	3.0
Prior accident years catastrophe losses	(0.4)	(1.1)	0.7	(0.4)	(0.5)	0.1
Loss and loss expense ratio	71.8 %	65.6 %	6.2	69.4 %	64.0 %	5.4
Current accident year combined ratio before catastrophe losses	89.5 %	91.8 %	(2.3)	90.4 %	92.3 %	(1.9)

- \$83 million or 6% growth of second-quarter 2020 property casualty net written premiums, and six-month growth of 8%, reflecting premium growth initiatives and price increases. Second-quarter growth included a contribution of 1% from the combination of Cincinnati Re<sup>®</sup> and Cincinnati Global Underwriting Ltd.<sup>SM</sup>.
- \$2 million or 1% decrease in second-quarter 2020 new business premiums written by agencies. The decrease reflected pandemic-related slowing of submissions from agents, partially offset by a \$17 million increase in standard market property casualty production from agencies appointed since the beginning of 2019.
- 95 new agency appointments in the first six months of 2020, including 23 that market only our personal lines products.
- 6.6 percentage-point increase in the second-quarter 2020 combined ratio and a 6.0 percentage-point increase for the six-month period. The higher combined ratios included increases of 6.5 points and 4.9 points for losses from catastrophes plus 4.6 points and 2.5 points of pandemic-related losses or expenses, respectively.
- 3.3 percentage-point second-quarter 2020 benefit from favorable prior accident year reserve development of \$47 million, compared with 6.4 points or \$84 million for second-quarter 2019.
- 2.8 percentage-point six-month 2020 benefit from favorable prior accident year reserve development, compared with 5.9 points for the first six months of 2019.
- 2.5 percentage-point improvement, to 59.0%, for the six-month 2020 ratio of current accident year losses and loss expenses before catastrophes, including an increase of 0.4 points in the ratio for current accident year losses of \$1 million or more per claim.
- 0.4 percentage-point increase in the second-quarter 2020 underwriting expense ratio, compared with the same period of 2019, primarily due to the \$16 million Stay-at-Home policyholder credit for personal auto policies.

## Commercial Lines Insurance Results

(Dollars in millions)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Earned premiums	\$ 870	\$ 823	6	\$ 1,733	\$ 1,633	6
Fee revenues	1	1	0	2	2	0
Total revenues	871	824	6	1,735	1,635	6
Loss and loss expenses	596	550	8	1,204	1,031	17
Underwriting expenses	267	262	2	543	516	5
Underwriting profit (loss)	\$ 8	\$ 12	(33)	\$ (12)	\$ 88	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	68.4 %	66.8 %	1.6	69.5 %	63.1 %	6.4
Underwriting expenses	30.7	31.8	(1.1)	31.3	31.6	(0.3)
Combined ratio	99.1 %	98.6 %	0.5	100.8 %	94.7 %	6.1
			% Change			% Change
Agency renewal written premiums	\$ 794	\$ 767	4	\$ 1,636	\$ 1,566	4
Agency new business written premiums	134	137	(2)	288	257	12
Other written premiums	(20)	(25)	20	(44)	(48)	8
Net written premiums	\$ 908	\$ 879	3	\$ 1,880	\$ 1,775	6
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	58.9 %	61.2 %	(2.3)	60.0 %	62.1 %	(2.1)
Current accident year catastrophe losses	14.6	12.7	1.9	12.4	8.4	4.0
Prior accident years before catastrophe losses	(4.5)	(6.1)	1.6	(2.4)	(6.5)	4.1
Prior accident years catastrophe losses	(0.6)	(1.0)	0.4	(0.5)	(0.9)	0.4
Loss and loss expense ratio	68.4 %	66.8 %	1.6	69.5 %	63.1 %	6.4
Current accident year combined ratio before catastrophe losses	89.6 %	93.0 %	(3.4)	91.3 %	93.7 %	(2.4)

- \$29 million or 3% increase in second-quarter 2020 commercial lines net written premiums, primarily due to higher renewal written premiums. Six percent increase in six-month net written premiums.
- \$27 million or 4% increase in second-quarter renewal written premiums, with commercial lines average renewal pricing increases near the low end of the mid-single-digit percent range.
- \$3 million or 2% decrease in second-quarter 2020 new business written by agencies, slowing significantly from 28% growth for the first quarter of the year. New business written premiums are largely driven by submissions from agents for us to quote premiums for policies. During the first half of the second quarter, submission volume was less than a year ago, but during the quarter's second half it was more than last year, as government restrictions eased and businesses re-opened.
- 0.5 percentage-point increase in the second-quarter 2020 combined ratio and a 6.1 percentage-point increase for the six-month period, including increases of 2.3 points and 4.4 points, respectively, for losses from catastrophes.
- 5.1 percentage-point second-quarter 2020 benefit from favorable prior accident year reserve development of \$45 million, compared with 7.1 points or \$58 million for second-quarter 2019.
- 2.9 percentage-point six-month 2020 benefit from favorable prior accident year reserve development, compared with 7.4 points for the first six months of 2019.

## Personal Lines Insurance Results

(Dollars in millions)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Earned premiums	\$ 364	\$ 348	5	\$ 723	\$ 692	4
Fee revenues	1	1	0	2	2	0
Total revenues	365	349	5	725	694	4
Loss and loss expenses	286	240	19	517	490	6
Underwriting expenses	122	104	17	230	203	13
Underwriting profit (loss)	\$ (43)	\$ 5	nm	\$ (22)	\$ 1	nm
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	78.9 %	68.9 %	10.0	71.6 %	70.7 %	0.9
Underwriting expenses	33.4	30.0	3.4	31.8	29.4	2.4
Combined ratio	112.3 %	98.9 %	13.4	103.4 %	100.1 %	3.3
			% Change			% Change
Agency renewal written premiums	\$ 387	\$ 365	6	\$ 681	\$ 647	5
Agency new business written premiums	44	47	(6)	78	82	(5)
Other written premiums	(8)	(10)	20	(17)	(18)	6
Net written premiums	\$ 423	\$ 402	5	\$ 742	\$ 711	4
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	53.8 %	62.1 %	(8.3)	56.9 %	61.4 %	(4.5)
Current accident year catastrophe losses	25.3	11.0	14.3	18.7	10.9	7.8
Prior accident years before catastrophe losses	0.0	(3.2)	3.2	(3.2)	(2.3)	(0.9)
Prior accident years catastrophe losses	(0.2)	(1.0)	0.8	(0.8)	0.7	(1.5)
Loss and loss expense ratio	78.9 %	68.9 %	10.0	71.6 %	70.7 %	0.9
Current accident year combined ratio before catastrophe losses	87.2 %	92.1 %	(4.9)	88.7 %	90.8 %	(2.1)

- \$21 million or 5% increase in second-quarter 2020 personal lines net written premiums, driven by higher renewal written premiums that benefited from rate increases averaging in the mid-single-digit percent range. Second-quarter 2020 net written premiums from our agencies' high net worth clients grew 24%, to \$144 million. Four percent increase in six-month net written premiums.
- \$3 million or 6% decrease in second-quarter 2020 new business written by agencies, in part due to underwriting and pricing discipline, particularly in select states. New business written premiums are largely driven by submissions from agents for us to quote premiums for policies. During the first half of the second quarter, submission volume was less than a year ago, but during the quarter's second half it was more than last year, as stay-at-home restrictions eased.
- 13.4 percentage-point increase in the second-quarter 2020 combined ratio and a 3.3 percentage-point increase for the six-month period, including increases of 15.1 points and 6.3 points for losses from catastrophes.
- Less than \$1 million second-quarter 2020 benefit from favorable prior accident year reserve development, compared with \$14 million for the second quarter of 2019.
- 4.0 percentage-point six-month 2020 benefit from favorable prior accident year reserve development, compared with 1.6 points for the first six months of 2019.



## Excess and Surplus Lines Insurance Results

(Dollars in millions)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Earned premiums	\$ 78	\$ 67	16	\$ 156	\$ 130	20
Fee revenues	—	—	0	1	1	0
Total revenues	78	67	16	157	131	20
Loss and loss expenses	57	29	97	102	62	65
Underwriting expenses	22	21	5	47	41	15
Underwriting profit (loss)	\$ (1)	\$ 17	nm	\$ 8	\$ 28	(71)
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Loss and loss expenses	73.6 %	45.1 %	28.5	65.5 %	48.3 %	17.2
Underwriting expenses	28.4	31.0	(2.6)	30.0	31.4	(1.4)
Combined ratio	102.0 %	76.1 %	25.9	95.5 %	79.7 %	15.8
			% Change			% Change
Agency renewal written premiums	\$ 63	\$ 54	17	\$ 125	\$ 103	21
Agency new business written premiums	32	28	14	59	54	9
Other written premiums	(4)	(4)	0	(8)	(8)	0
Net written premiums	\$ 91	\$ 78	17	\$ 176	\$ 149	18
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	59.0 %	50.8 %	8.2	57.4 %	53.1 %	4.3
Current accident year catastrophe losses	3.6	0.7	2.9	2.0	0.5	1.5
Prior accident years before catastrophe losses	11.2	(6.2)	17.4	5.9	(5.2)	11.1
Prior accident years catastrophe losses	(0.2)	(0.2)	0.0	0.2	(0.1)	0.3
Loss and loss expense ratio	73.6 %	45.1 %	28.5	65.5 %	48.3 %	17.2
Current accident year combined ratio before catastrophe losses	87.4 %	81.8 %	5.6	87.4 %	84.5 %	2.9

- \$13 million or 17% increase in second-quarter 2020 excess and surplus lines net written premiums, including higher renewal written premiums that benefited from rate increases averaging in the mid-single-digit percent range. Eighteen percent increase in six-month net written premiums.
- \$4 million or 14% increase in second-quarter new business written by agencies, as we continue to carefully underwrite each policy in a highly competitive market.
- 25.9 percentage-point increase in the second-quarter 2020 combined ratio and a 15.8 percentage-point increase for the six-month period, largely due to less favorable prior accident year reserve development.
- 4.3 percentage-point increase, to 57.4%, for the six-month 2020 ratio of current accident year losses and loss expenses before catastrophes, including an increase of 8.0 points in the ratio for incurred but not reported (IBNR) reserves that reflect more prudent reserving overall.
- \$8 million of second-quarter 2020 unfavorable prior accident year reserve development, including a \$9 million increase in IBNR reserves, compared with \$5 million of favorable development for second-quarter 2019.
- \$9 million of six-month 2020 unfavorable prior accident year reserve development, compared with favorable development of \$7 million for the first six months of 2019. The \$9 million of unfavorable development included \$11 million for accident years prior to 2017, as claims on average are remaining open longer than previously expected.

## Life Insurance Subsidiary Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Term life insurance	\$ 51	\$ 47	9	\$ 98	\$ 92	7
Universal life insurance	16	10	60	24	20	20
Other life insurance, annuity, and disability income products	12	10	20	24	21	14
Earned premiums	79	67	18	146	133	10
Investment income, net of expenses	39	38	3	78	76	3
Investment gains and losses, net	1	(1)	nm	(31)	(2)	nm
Fee revenues	1	1	0	1	2	(50)
Total revenues	120	105	14	194	209	(7)
Contract holders' benefits incurred	79	73	8	152	143	6
Underwriting expenses incurred	25	22	14	43	44	(2)
Total benefits and expenses	104	95	9	195	187	4
Net income (loss) before income tax	16	10	60	(1)	22	nm
Income tax provision	4	2	100	—	4	(100)
Net income (loss) of the life insurance subsidiary	\$ 12	\$ 8	50	\$ (1)	\$ 18	nm

- \$12 million or 18% increase in second-quarter 2020 earned premiums, including a 9% increase for term life insurance, our largest life insurance product line.
- \$19 million decrease in six-month 2020 life insurance subsidiary net income, primarily due to increased investment losses resulting from impairments of fixed-maturity securities.
- \$56 million or 5% six-month 2020 increase, to \$1.294 billion, in GAAP shareholders' equity for the life insurance subsidiary, primarily from an increase in unrealized investment gains.

## Investment and Balance Sheet Highlights

### Investments Results

(Dollars in millions)

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% Change	2020	2019	% Change
Investment income, net of expenses	\$ 166	\$ 160	4	\$ 331	\$ 317	4
Investment interest credited to contract holders	(25)	(25)	0	(51)	(49)	(4)
Investment gains and losses, net	1,060	364	191	(665)	1,027	nm
Investments profit (loss)	\$ 1,201	\$ 499	141	\$ (385)	\$ 1,295	nm
Investment income:						
Interest	\$ 114	\$ 111	3	\$ 226	\$ 222	2
Dividends	53	50	6	106	96	10
Other	2	2	0	5	5	0
Less investment expenses	3	3	0	6	6	0
Investment income, pretax	166	160	4	331	317	4
Less income taxes	25	25	0	51	49	4
Total investment income, after-tax	\$ 141	\$ 135	4	\$ 280	\$ 268	4
Investment returns:						
Average invested assets plus cash and cash equivalents	\$ 18,759	\$ 18,648		\$ 19,672	\$ 18,194	
Average yield pretax	3.54 %	3.43 %		3.37 %	3.48 %	
Average yield after-tax	3.01	2.90		2.85	2.95	
Effective tax rate	15.6	15.6		15.5	15.6	
Fixed-maturity returns:						
Average amortized cost	\$ 11,107	\$ 10,783		\$ 11,124	\$ 10,738	
Average yield pretax	4.11 %	4.12 %		4.06 %	4.13 %	
Average yield after-tax	3.42	3.43		3.39	3.45	
Effective tax rate	16.7	16.6		16.6	16.6	

- \$6 million or 4% rise in second-quarter 2020 pretax investment income, including a 6% increase in equity portfolio dividends and a 3% increase in interest income.
- \$1.566 billion second-quarter 2020 pretax total investment gains, summarized on the table below. Changes in unrealized gains or losses reported in other comprehensive income, in addition to investment gains and losses reported in net income, are useful for evaluating total investment performance over time and are major components of changes in book value and the value creation ratio.

(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Investment gains and losses on equity securities sold, net	\$ 24	\$ 11	\$ 17	\$ 23
Unrealized gains and losses on equity securities still held, net	1,044	355	(602)	999
Investment gains and losses on fixed-maturity securities, net	—	(1)	(75)	1
Other	(8)	(1)	(5)	4
Subtotal - investment gains and losses reported in net income	1,060	364	(665)	1,027
Change in unrealized investment gains and losses - fixed maturities	506	200	182	442
Total	\$ 1,566	\$ 564	\$ (483)	\$ 1,469

## Balance Sheet Highlights

(Dollars in millions, except share data)

	At June 30, 2020	At December 31, 2019
Total investments	\$ 19,487	\$ 19,746
Total assets	25,450	25,408
Short-term debt	122	39
Long-term debt	788	788
Shareholders' equity	9,258	9,864
Book value per share	57.56	60.55
Debt-to-total-capital ratio	8.9 %	7.7 %

- \$20.193 billion in consolidated cash and total investments at June 30, 2020, a decrease of 2% from \$20.513 billion at year-end 2019.
- \$11.911 billion bond portfolio at June 30, 2020, with an average rating of A3/A. Fair value increased \$571 million during the second quarter of 2020.
- \$7.317 billion equity portfolio was 37.5% of total investments, including \$3.565 billion in appreciated value before taxes at June 30, 2020. Second-quarter 2020 increase in fair value of \$1.092 billion or 18%.
- \$5.155 billion of statutory surplus for the property casualty insurance group at June 30, 2020, down \$465 million from \$5.620 billion at year-end 2019, after declaring \$225 million in dividends to the parent company. For the 12 months ended June 30, 2020, the ratio of net written premiums to surplus was 1.1-to-1, compared with 1.0-to-1 at year-end 2019.
- \$7.54 second-quarter 2020 increase in book value per share, including additions of \$0.44 from net income before investment gains, \$7.74 from investment portfolio net investment gains or changes in unrealized gains for fixed-maturity securities, partially offset by a deduction of \$0.60 from dividends declared to shareholders and \$0.04 for other items.
- Value creation ratio of negative 3.0% for the first six months of 2020, including positive 2.1% from net income before investment gains, which includes underwriting and investment income, and negative 3.9% from investment portfolio net investment losses and changes in unrealized gains for fixed-maturity securities and negative 1.2% from other items.

For additional information or to register for our conference call webcast, please visit [cinfin.com/investors](http://cinfin.com/investors).

### About Cincinnati Financial

Cincinnati Financial Corporation offers primarily 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 insurance, fixed annuities and surplus lines property and casualty insurance. For additional information about the company, please visit [cinfin.com](http://cinfin.com).

Mailing Address:      Street Address:  
P.O. Box 145496      6200 South Gilmore Road  
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 2019 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 35.

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

- Effects of the COVID-19 pandemic that could affect results for reasons such as:
  - Securities market disruption or volatility and related effects such as decreased economic activity that affect the company's investment portfolio and book value
  - An unusually high level of claims in our insurance or reinsurance operations that increase litigation-related expenses
  - An unusually high level of insurance losses, including risk of legislation or court decisions extending business interruption insurance to require coverage when there was no direct physical damage or loss to property
  - Decreased premium revenue from disruption to our distribution channel of independent agents, consumer self-isolation, travel limitations, business restrictions and decreased economic activity
  - Inability of our workforce, agencies or vendors to perform necessary business functions
- Unusually high levels of catastrophe losses due to risk concentrations, changes in weather patterns, environmental events, terrorism incidents or other causes
- Increased frequency and/or severity of claims or development of claims that are unforeseen at the time of policy issuance
- Inadequate estimates, assumptions or reliance on third-party data used for critical accounting estimates
- Declines in overall stock market values negatively affecting the company's equity portfolio and book value
- Prolonged low interest rate environment or other factors that limit the company's ability to generate growth in investment income or interest rate fluctuations that result in declining values of fixed-maturity investments, including declines in accounts in which we hold bank-owned life insurance contract assets
- Domestic and global events resulting in capital market or credit market uncertainty, followed by prolonged periods of economic instability or recession, that lead to:
  - Significant or prolonged decline in the fair value of a particular security or group of securities and impairment of the asset(s)
  - Significant decline in investment income due to reduced or eliminated dividend payouts from a particular security or group of securities
  - Significant rise in losses from surety and director and officer policies written for financial institutions or other insured entities
- Our inability to integrate Cincinnati Global and its subsidiaries into our on-going operations, or disruptions to our on-going operations due to such integration
- Recession or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Difficulties with technology or data security breaches, including cyberattacks, that could negatively affect our ability to conduct business; disrupt our relationships with agents, policyholders and others; cause reputational damage, mitigation expenses and data loss and expose us to liability under federal and state laws
- Disruption of the insurance market caused by technology innovations such as driverless cars that could decrease consumer demand for insurance products
- Delays, inadequate data developed internally or from third parties, or performance inadequacies from ongoing development and implementation of underwriting and pricing methods, including telematics and other usage-based insurance methods, or technology projects and enhancements expected to increase our pricing accuracy, underwriting profit and competitiveness
- Increased competition that could result in a significant reduction in the company's premium volume
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Inability to obtain adequate ceded reinsurance on acceptable terms, amount of reinsurance coverage purchased, financial strength of reinsurers and the potential for nonpayment or delay in payment by reinsurers
- Inability to defer policy acquisition costs for any business segment if pricing and loss trends would lead management to conclude that segment could not achieve sustainable profitability

- Inability of our subsidiaries to pay dividends consistent with current or past levels
- Events or conditions that could weaken or harm the company's relationships with its independent agencies and hamper opportunities to add new agencies, resulting in limitations on the company's opportunities for growth, such as:
  - Downgrades of the company's financial strength ratings
  - Concerns that doing business with the company is too difficult
  - Perceptions that the company's level of service, particularly claims service, is no longer a distinguishing characteristic in the marketplace
  - Inability or unwillingness to nimbly develop and introduce coverage product updates and innovations that our competitors offer and consumers expect to find in the marketplace
- Actions of insurance departments, state attorneys general or other regulatory agencies, including a change to a federal system of regulation from a state-based system, that:
  - Impose new obligations on us that increase our expenses or change the assumptions underlying our critical accounting estimates
  - Place the insurance industry under greater regulatory scrutiny or result in new statutes, rules and regulations
  - Restrict our ability to exit or reduce writings of unprofitable coverages or lines of business
  - Add assessments for guaranty funds, other insurance-related assessments or mandatory reinsurance arrangements; or that impair our ability to recover such assessments through future surcharges or other rate changes
  - Increase our provision for federal income taxes due to changes in tax law
  - Increase our other expenses
  - Limit our ability to set fair, adequate and reasonable rates
  - Place us at a disadvantage in the marketplace
  - Restrict our ability to execute our business model, including the way we compensate agents
- Adverse outcomes from litigation or administrative proceedings
- Events or actions, including unauthorized intentional circumvention of controls, that reduce the company's future ability to maintain effective internal control over financial reporting under the Sarbanes-Oxley Act of 2002
- Unforeseen departure of certain executive officers or other key employees due to retirement, health or other causes that could interrupt progress toward important strategic goals or diminish the effectiveness of certain longstanding relationships with insurance agents and others
- Events, such as an epidemic, natural catastrophe or terrorism, that could hamper our ability to assemble our workforce at our headquarters location

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

\* \* \*

**Cincinnati Financial Corporation**  
**Condensed Consolidated Balance Sheets and Statements of Income (unaudited)**

(Dollars in millions)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Investments	\$ 19,487	\$ 19,746
Cash and cash equivalents	706	767
Premiums receivable	2,051	1,777
Reinsurance recoverable	528	610
Deferred policy acquisition costs	834	774
Other assets	1,844	1,734
Total assets	<u>\$ 25,450</u>	<u>\$ 25,408</u>
<b>Liabilities</b>		
Insurance reserves	\$ 9,344	\$ 8,982
Unearned premiums	3,107	2,788
Deferred income tax	979	1,079
Long-term debt and lease obligations	845	846
Other liabilities	1,917	1,849
Total liabilities	<u>16,192</u>	<u>15,544</u>
<b>Shareholders' Equity</b>		
Common stock and paid-in capital	1,706	1,703
Retained earnings	8,745	9,257
Accumulated other comprehensive income	597	448
Treasury stock	(1,790)	(1,544)
Total shareholders' equity	<u>9,258</u>	<u>9,864</u>
Total liabilities and shareholders' equity	<u>\$ 25,450</u>	<u>\$ 25,408</u>

(Dollars in millions, except per share data)

	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
<b>Revenues</b>				
Earned premiums	\$ 1,482	\$ 1,384	\$ 2,938	\$ 2,717
Investment income, net of expenses	166	160	331	317
Investment gains and losses, net	1,060	364	(665)	1,027
Other revenues	6	5	11	11
Total revenues	<u>2,714</u>	<u>1,913</u>	<u>2,615</u>	<u>4,072</u>
<b>Benefits and Expenses</b>				
Insurance losses and contract holders' benefits	1,086	936	2,089	1,796
Underwriting, acquisition and insurance expenses	464	430	920	841
Interest expense	14	13	27	26
Other operating expenses	5	4	10	12
Total benefits and expenses	<u>1,569</u>	<u>1,383</u>	<u>3,046</u>	<u>2,675</u>
<b>Income (Loss) Before Income Taxes</b>	<u>1,145</u>	<u>530</u>	<u>(431)</u>	<u>1,397</u>
<b>Provision (Benefit) for Income Taxes</b>	<u>236</u>	<u>102</u>	<u>(114)</u>	<u>274</u>
<b>Net Income (Loss)</b>	<u>\$ 909</u>	<u>\$ 428</u>	<u>\$ (317)</u>	<u>\$ 1,123</u>
<b>Per Common Share:</b>				
Net income (loss)—basic	\$ 5.65	\$ 2.62	\$ (1.96)	\$ 6.89
Net income (loss)—diluted	5.63	2.59	(1.96)	6.81

## 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](http://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 for insurance company regulation in the United States of America as defined by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, and therefore is not reconciled to GAAP data.

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

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

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

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



## Cincinnati Financial Corporation

### Net Income Reconciliation

(Dollars in millions, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income (loss)	\$ 909	\$ 428	\$ (317)	\$ 1,123
Less:				
Investment gains and losses, net	1,060	364	(665)	1,027
Income tax on investment gains and losses	(222)	(76)	140	(216)
Investment gains and losses, after-tax	838	288	(525)	811
Non-GAAP operating income	\$ 71	\$ 140	\$ 208	\$ 312
Diluted per share data:				
Net income (loss)	\$ 5.63	\$ 2.59	\$ (1.96)	\$ 6.81
Less:				
Investment gains and losses, net	6.56	2.20	(4.12)	6.23
Income tax on investment gains and losses	(1.37)	(0.46)	0.87	(1.31)
Investment gains and losses, after-tax	5.19	1.74	(3.25)	4.92
Non-GAAP operating income	\$ 0.44	\$ 0.85	\$ 1.29	\$ 1.89

### Life Insurance Reconciliation

(Dollars in millions)	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income (loss) of the life insurance subsidiary	\$ 12	\$ 8	\$ (1)	\$ 18
Investment gains and losses, net	1	(1)	(31)	(2)
Income tax on investment gains and losses	—	—	(7)	—
Non-GAAP operating income	11	9	23	20
Investment income, net of expenses	(39)	(38)	(78)	(76)
Investment income credited to contract holders	25	25	51	49
Income tax excluding tax on investment gains and losses, net	4	2	7	4
Life insurance segment profit (loss)	\$ 1	\$ (2)	\$ 3	\$ (3)

# Property Casualty Insurance Reconciliation

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

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

(Dollars in millions)	Three months ended June 30, 2019				
	Consolidated	Commercial	Personal	E&S	Other*
<b>Premiums:</b>					
Written premiums	\$ 1,476	\$ 879	\$ 402	\$ 78	\$ 117
Unearned premiums change	(159)	(56)	(54)	(11)	(38)
Earned premiums	<u>\$ 1,317</u>	<u>\$ 823</u>	<u>\$ 348</u>	<u>\$ 67</u>	<u>\$ 79</u>
Underwriting profit	\$ 48	\$ 12	\$ 5	\$ 17	\$ 14

(Dollars in millions)	Six months ended June 30, 2019				
	Consolidated	Commercial	Personal	E&S	Other*
<b>Premiums:</b>					
Written premiums	\$ 2,857	\$ 1,775	\$ 711	\$ 149	\$ 222
Unearned premiums change	(273)	(142)	(19)	(19)	(93)
Earned premiums	<u>\$ 2,584</u>	<u>\$ 1,633</u>	<u>\$ 692</u>	<u>\$ 130</u>	<u>\$ 129</u>
Underwriting profit	\$ 139	\$ 88	\$ 1	\$ 28	\$ 22

Dollar amounts shown are rounded to millions; certain amounts may not add due to rounding. Ratios are calculated based on dollar amounts in thousands.  
 \*Included in Other are the results of Cincinnati Re and Cincinnati Global, acquired on February 28, 2019.

## Cincinnati Financial Corporation

### Other Measures

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

### Value Creation Ratio Calculations

(Dollars are per share)	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
<b>Value creation ratio:</b>				
End of period book value*	\$ 57.56	\$ 55.92	\$ 57.56	\$ 55.92
Less beginning of period book value	50.02	52.88	60.55	48.10
Change in book value	7.54	3.04	(2.99)	7.82
Dividend declared to shareholders	0.60	0.56	1.20	1.12
Total value creation	\$ 8.14	\$ 3.60	\$ (1.79)	\$ 8.94
Value creation ratio from change in book value**	15.1 %	5.7 %	(5.0) %	16.3 %
Value creation ratio from dividends declared to shareholders***	1.2	1.1	2.0	2.3
Value creation ratio	16.3 %	6.8 %	(3.0) %	18.6 %

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

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

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

# Cincinnati Financial Corporation

## Supplemental Financial Data for the period ending June 30, 2020

6200 South Gilmore Road  
Fairfield, Ohio 45014-5141

*cinfin.com*

Investor Contact:  
Dennis E. McDaniel  
513-870-2768

Media Contact:  
Betsy E. Ertel  
513-603-5323

Shareholder Contact:  
Brandon McIntosh  
513-870-2696

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

Ratings are as of July 24, 2020, under continuous review and subject to change and/or affirmation. For the current ratings, select Financial Strength on *cinfin.com*.

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

**Cincinnati Financial Corporation**  
**Supplemental Financial Data**  
**for the period ending June 30, 2020**

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

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

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

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

### Other Measures

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

**Cincinnati Financial Corporation and Subsidiaries**  
**Consolidated Statements of Income for the Six Months Ended June 30, 2020**

(Dollars in millions)	CFC	CONSOL P&C	CLIC	CFC-I	ELIM	Total
<b>Revenues</b>						
Premiums earned:						
Property casualty	\$ —	\$ 2,888	\$ —	\$ —	\$ —	\$ 2,888
Life	—	—	183	—	—	183
Premiums ceded	—	(96)	(37)	—	—	(133)
Total earned premium	—	2,792	146	—	—	2,938
Investment income, net of expenses	38	215	78	—	—	331
Investment gains and losses, net	(147)	(487)	(31)	—	—	(665)
Fee revenues	—	5	1	—	—	6
Other revenues	7	2	—	3	(7)	5
<b>Total revenues</b>	<b>\$ (102)</b>	<b>\$ 2,527</b>	<b>\$ 194</b>	<b>\$ 3</b>	<b>\$ (7)</b>	<b>\$ 2,615</b>
<b>Benefits &amp; expenses</b>						
Losses & contract holders' benefits	\$ —	\$ 1,955	\$ 185	\$ —	\$ —	\$ 2,140
Reinsurance recoveries	—	(18)	(33)	—	—	(51)
Underwriting, acquisition and insurance expenses	—	877	43	—	—	920
Interest expense	27	—	—	—	—	27
Other operating expenses	16	—	—	1	(7)	10
<b>Total expenses</b>	<b>\$ 43</b>	<b>\$ 2,814</b>	<b>\$ 195</b>	<b>\$ 1</b>	<b>\$ (7)</b>	<b>\$ 3,046</b>
<b>Income (loss) before income taxes</b>	<b>\$ (145)</b>	<b>\$ (287)</b>	<b>\$ (1)</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ (431)</b>
<b>Provision (benefit) for income taxes</b>						
Current operating income	\$ 31	\$ 125	\$ 9	\$ —	\$ —	\$ 165
Capital gains/losses	(30)	(102)	(7)	—	—	(139)
Deferred	(35)	(103)	(2)	—	—	(140)
<b>Total benefit for income taxes</b>	<b>\$ (34)</b>	<b>\$ (80)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (114)</b>
<b>Net income (loss) - current year</b>	<b>\$ (111)</b>	<b>\$ (207)</b>	<b>\$ (1)</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ (317)</b>
Net income - prior year	\$ 345	\$ 759	\$ 18	\$ 1	\$ —	\$ 1,123

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

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global, which was acquired on February 28, 2019.

**Cincinnati Financial Corporation and Subsidiaries**  
**Consolidated Statements of Income for the Three Months Ended June 30, 2020**

(Dollars in millions)	CFC	CONSOL P&C	CLIC	CFC-I	ELIM	Total
<b>Revenues</b>						
Premiums earned:						
Property casualty	\$ —	\$ 1,451	\$ —	\$ —	\$ —	\$ 1,451
Life	—	—	98	—	—	98
Premiums ceded	—	(48)	(19)	—	—	(67)
Total earned premium	—	1,403	79	—	—	1,482
Investment income, net of expenses	19	108	39	—	—	166
Investment gains and losses, net	474	585	1	—	—	1,060
Fee revenues	—	2	1	—	—	3
Other revenues	3	1	—	2	(3)	3
<b>Total revenues</b>	<b>\$ 496</b>	<b>\$ 2,099</b>	<b>\$ 120</b>	<b>\$ 2</b>	<b>\$ (3)</b>	<b>\$ 2,714</b>
<b>Benefits &amp; expenses</b>						
Losses & contract holders' benefits	\$ —	\$ 1,021	\$ 100	\$ —	\$ —	\$ 1,121
Reinsurance recoveries	—	(14)	(21)	—	—	(35)
Underwriting, acquisition and insurance expenses	—	439	25	—	—	464
Interest expense	14	—	—	—	—	14
Other operating expenses	8	—	—	—	(3)	5
<b>Total expenses</b>	<b>\$ 22</b>	<b>\$ 1,446</b>	<b>\$ 104</b>	<b>\$ —</b>	<b>\$ (3)</b>	<b>\$ 1,569</b>
<b>Income before income taxes</b>	<b>\$ 474</b>	<b>\$ 653</b>	<b>\$ 16</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ 1,145</b>
<b>Provision for income taxes</b>						
Current operating income (loss)	\$ (98)	\$ (103)	\$ 1	\$ —	\$ —	\$ (200)
Capital gains/losses	100	123	—	—	—	223
Deferred	95	115	3	—	—	213
<b>Total provision for income taxes</b>	<b>\$ 97</b>	<b>\$ 135</b>	<b>\$ 4</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 236</b>
<b>Net income - current year</b>	<b>\$ 377</b>	<b>\$ 518</b>	<b>\$ 12</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ 909</b>
<b>Net income - prior year</b>	<b>\$ 134</b>	<b>\$ 286</b>	<b>\$ 8</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 428</b>

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

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global, which was acquired on February 28, 2019.



## Consolidated Property Casualty Losses Incurred Detail

(Dollars in millions)	Three months ended							Six months ended		Nine months ended		Twelve months ended		
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
<b>Consolidated</b>														
Current accident year losses greater than \$5 million	\$ 19	\$ —	\$ 14	\$ (1)	\$ 14	\$ —			\$ 19	\$ 14	\$ 13		\$ 27	
Current accident year losses \$1 million - \$5 million	53	50	77	76	53	37			103	90	166		243	
Large loss prior accident year reserve development	7	26	(4)	33	5	16			33	21	54		50	
Total large losses incurred	\$ 79	\$ 76	\$ 87	\$ 108	\$ 72	\$ 53			\$ 155	\$ 125	\$ 233		\$ 320	
Losses incurred but not reported	134	79	41	(24)	(14)	47			213	33	9		50	
Other losses excluding catastrophe losses	409	496	512	566	547	493			905	1,039	1,606		2,118	
Catastrophe losses	226	123	42	70	128	69			349	198	268		309	
Total losses incurred	\$ 848	\$ 774	\$ 682	\$ 720	\$ 733	\$ 662			\$ 1,622	\$ 1,395	\$ 2,116		\$ 2,797	
<b>Commercial Lines</b>														
Current accident year losses greater than \$5 million	\$ 19	\$ —	\$ 14	\$ (1)	\$ 14	\$ —			\$ 19	\$ 14	\$ 13		\$ 27	
Current accident year losses \$1 million - \$5 million	45	36	62	56	41	26			81	68	124		185	
Large loss prior accident year reserve development	5	22	1	32	3	13			27	16	48		49	
Total large losses incurred	\$ 69	\$ 58	\$ 77	\$ 87	\$ 58	\$ 39			\$ 127	\$ 98	\$ 185		\$ 261	
Losses incurred but not reported	72	58	12	(22)	(7)	43			130	36	14		26	
Other losses excluding catastrophe losses	233	298	302	314	320	286			531	605	919		1,222	
Catastrophe losses	119	82	(9)	32	94	25			201	119	151		142	
Total losses incurred	\$ 493	\$ 496	\$ 382	\$ 411	\$ 465	\$ 393			\$ 989	\$ 858	\$ 1,269		\$ 1,651	
<b>Personal Lines</b>														
Current accident year losses greater than \$5 million	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —			\$ —	\$ —	\$ —		\$ —	
Current accident year losses \$1 million - \$5 million	8	12	11	20	10	10			20	19	39		51	
Large loss prior accident year reserve development	2	5	(3)	(1)	1	2			7	3	2		(1)	
Total large losses incurred	\$ 10	\$ 17	\$ 8	\$ 19	\$ 11	\$ 12			\$ 27	\$ 22	\$ 41		\$ 50	
Losses incurred but not reported	41	24	17	—	(4)	4			65	—	(1)		17	
Other losses excluding catastrophe losses	105	127	160	172	167	163			232	330	504		662	
Catastrophe losses	89	38	33	23	34	45			127	79	101		135	
Total losses incurred	\$ 245	\$ 206	\$ 218	\$ 214	\$ 208	\$ 224			\$ 451	\$ 431	\$ 645		\$ 864	
<b>Excess &amp; Surplus Lines</b>														
Current accident year losses greater than \$5 million	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —			\$ —	\$ —	\$ —		\$ —	
Current accident year losses \$1 million - \$5 million	—	2	4	—	2	1			2	3	3		7	
Large loss prior accident year reserve development	—	(1)	(2)	2	1	1			(1)	2	4		2	
Total large losses incurred	\$ —	\$ 1	\$ 2	\$ 2	\$ 3	\$ 2			\$ 1	\$ 5	\$ 7		\$ 9	
Losses incurred but not reported	21	(3)	12	(2)	(3)	—			18	(3)	(4)		7	
Other losses excluding catastrophe losses	20	29	14	25	18	19			50	36	61		76	
Catastrophe losses	3	1	1	1	—	—			3	1	1		2	
Total losses incurred	\$ 44	\$ 28	\$ 29	\$ 26	\$ 18	\$ 21			\$ 72	\$ 39	\$ 65		\$ 94	

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

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global, which was acquired on February 28, 2019.

## Consolidated Property Casualty Loss Ratio Detail

	Three months ended							Six months ended		Nine months ended		Twelve months ended		
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
Consolidated														
Current accident year losses greater than \$5 million			1.4 %	— %	1.1 %	(0.1) %	1.1 %	— %	0.7 %	0.5 %		0.3 %		0.5 %
Current accident year losses \$1 million - \$5 million			3.7	3.6	5.6	5.5	4.0	2.9	3.7	3.5		4.2		4.6
Large loss prior accident year reserve development			0.5	1.9	(0.4)	2.4	0.4	1.2	1.2	0.8		1.4		0.9
Total large loss ratio			5.6 %	5.5 %	6.3 %	7.8 %	5.5 %	4.1 %	5.6 %	4.8 %		5.9 %		6.0 %
Losses incurred but not reported			9.6	5.7	3.0	(1.8)	(1.1)	3.7	7.6	1.3		0.2		0.9
Other losses excluding catastrophe losses			29.2	35.6	37.3	41.2	41.6	38.9	32.4	40.2		40.5		39.7
Catastrophe losses			16.1	8.9	3.0	5.1	9.7	5.5	12.5	7.7		6.8		5.8
Total loss ratio			60.5 %	55.7 %	49.6 %	52.3 %	55.7 %	52.2 %	58.1 %	54.0 %		53.4 %		52.4 %
Commercial Lines														
Current accident year losses greater than \$5 million			2.2 %	— %	1.7 %	(0.1) %	1.7 %	— %	1.1 %	0.9 %		0.5 %		0.8 %
Current accident year losses \$1 million - \$5 million			5.1	4.1	7.0	6.8	5.0	3.3	4.6	4.1		5.1		5.6
Large loss prior accident year reserve development			0.6	2.6	0.2	3.8	0.4	1.6	1.6	1.0		1.9		1.5
Total large loss ratio			7.9 %	6.7 %	8.9 %	10.5 %	7.1 %	4.9 %	7.3 %	6.0 %		7.5 %		7.9 %
Losses incurred but not reported			8.3	6.8	1.5	(2.6)	(0.9)	5.4	7.5	2.2		0.6		0.8
Other losses excluding catastrophe losses			26.8	34.5	35.4	37.6	38.9	35.1	30.7	37.0		37.2		36.7
Catastrophe losses			13.6	9.5	(1.0)	3.8	11.4	3.1	11.6	7.3		6.1		4.3
Total loss ratio			56.6 %	57.5 %	44.8 %	49.3 %	56.5 %	48.5 %	57.1 %	52.5 %		51.4 %		49.7 %
Personal Lines														
Current accident year losses greater than \$5 million			— %	— %	— %	— %	— %	— %	— %	— %		— %		— %
Current accident year losses \$1 million - \$5 million			2.3	3.5	3.5	5.4	2.8	2.8	2.9	2.8		3.7		3.6
Large loss prior accident year reserve development			0.5	1.3	(1.0)	(0.2)	0.3	0.6	0.9	0.4		0.2		(0.1)
Total large loss ratio			2.8 %	4.8 %	2.5 %	5.2 %	3.1 %	3.4 %	3.8 %	3.2 %		3.9 %		3.5 %
Losses incurred but not reported			11.3	6.6	5.1	(0.1)	(1.1)	1.0	8.9	(0.1)		(0.1)		1.2
Other losses excluding catastrophe losses			28.8	35.3	44.2	48.9	48.0	47.4	32.2	47.8		48.1		47.2
Catastrophe losses			24.6	10.5	9.4	6.4	9.7	13.1	17.5	11.4		9.7		9.6
Total loss ratio			67.5 %	57.2 %	61.2 %	60.4 %	59.7 %	64.9 %	62.4 %	62.3 %		61.6 %		61.5 %
Excess & Surplus Lines														
Current accident year losses greater than \$5 million			— %	— %	— %	— %	— %	— %	— %	— %		— %		— %
Current accident year losses \$1 million - \$5 million			—	2.6	5.4	—	3.0	1.6	1.3	2.4		1.5		2.5
Large loss prior accident year reserve development			0.1	(1.5)	(2.7)	2.7	1.5	1.2	(0.7)	1.3		1.8		0.6
Total large loss ratio			0.1 %	1.1 %	2.7 %	2.7 %	4.5 %	2.8 %	0.6 %	3.7 %		3.3 %		3.1 %
Losses incurred but not reported			27.2	(4.4)	14.4	(2.6)	(4.5)	0.8	11.3	(1.9)		(2.2)		2.4
Other losses excluding catastrophe losses			25.8	37.8	20.5	34.5	26.7	29.1	31.9	27.9		30.3		27.7
Catastrophe losses			3.3	0.9	0.4	1.0	0.5	0.2	2.1	0.3		0.6		0.5
Total loss ratio			56.4 %	35.4 %	38.0 %	35.6 %	27.2 %	32.9 %	45.9 %	30.0 %		32.0 %		33.7 %

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

Consolidated property casualty data includes results from our Cincinnati Re operations and Cincinnati Global, which was acquired on February 28, 2019.

## Consolidated Property Casualty Loss Claim Count Detail

	Three months ended							Six months ended		Nine months ended		Twelve months ended		
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
<b>Consolidated</b>														
Current accident year reported losses greater than \$5 million	2	—		2	1	2	—		2	2	2		4	
Current accident year reported losses \$1 million - \$5 million	28	27		39	35	31	19		55	50	88		137	
Prior accident year reported losses on large losses	9	20		9	18	13	10		27	24	44		55	
Non-Catastrophe reported losses on large losses total	39	47		50	54	46	29		84	76	134		196	
<b>Commercial Lines</b>														
Current accident year reported losses greater than \$5 million	2	—		2	1	2	—		2	2	2		4	
Current accident year reported losses \$1 million - \$5 million	24	17		27	27	23	12		41	35	64		100	
Prior accident year reported losses on large losses	8	17		8	18	10	7		23	19	38		49	
Non-Catastrophe reported losses on large losses total	34	34		37	46	35	19		66	56	104		153	
<b>Personal Lines</b>														
Current accident year reported losses greater than \$5 million	—	—		—	—	—	—		—	—	—		—	
Current accident year reported losses \$1 million - \$5 million	4	8		8	8	6	6		12	12	21		30	
Prior accident year reported losses on large losses	—	3		1	—	1	2		3	3	3		4	
Non-Catastrophe reported losses on large losses total	4	11		9	8	7	8		15	15	24		34	
<b>Excess &amp; Surplus Lines</b>														
Current accident year reported losses greater than \$5 million	—	—		—	—	—	—		—	—	—		—	
Current accident year reported losses \$1 million - \$5 million	—	2		4	—	2	1		2	3	3		7	
Prior accident year reported losses on large losses	1	—		—	—	2	1		1	2	3		2	
Non-Catastrophe reported losses on large losses total	1	2		4	—	4	2		3	5	6		9	

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

## Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)										Nine months ended		Twelve months ended	
Three months ended								Six months ended					
12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
Commercial casualty:													
Written premiums	\$ 308	\$ 341	\$ 269	\$ 263	\$ 296	\$ 303		\$ 649	\$ 599	\$ 862		\$ 1,131	
Year over year change %-written premium	4 %	13 %	7 %	5 %	2 %	6 %		8 %	4 %	4 %		5 %	
Earned premiums	\$ 289	\$ 289	\$ 280	\$ 277	\$ 277	\$ 268		\$ 577	\$ 545	\$ 822		\$ 1,102	
Current accident year before catastrophe losses	62.6 %	65.8 %	67.5 %	66.1 %	67.4 %	66.7 %		64.1 %	67.0 %	66.7 %		66.9 %	
Current accident year catastrophe losses	—	—	—	—	—	—		—	—	—		—	
Prior accident years before catastrophe losses	(7.5)	(1.6)	(4.8)	(2.9)	(9.3)	(11.5)		(4.5)	(10.3)	(7.8)		(7.1)	
Prior accident years catastrophe losses	—	—	—	—	—	—		—	—	—		—	
Total loss and loss expense ratio	55.1 %	64.2 %	62.7 %	63.2 %	58.1 %	55.2 %		59.6 %	56.7 %	58.9 %		59.8 %	
Commercial property:													
Written premiums	\$ 260	\$ 261	\$ 246	\$ 245	\$ 247	\$ 247		\$ 521	\$ 494	\$ 739		\$ 985	
Year over year change %-written premium	5 %	6 %	10 %	6 %	3 %	4 %		5 %	3 %	4 %		6 %	
Earned premiums	\$ 254	\$ 249	\$ 249	\$ 241	\$ 234	\$ 234		\$ 504	\$ 468	\$ 709		\$ 958	
Current accident year before catastrophe losses	50.9 %	47.8 %	50.3 %	49.4 %	49.0 %	51.5 %		49.4 %	50.3 %	50.0 %		50.1 %	
Current accident year catastrophe losses	48.5	34.2	0.2	15.0	43.5	13.8		41.4	28.6	24.0		17.8	
Prior accident years before catastrophe losses	1.9	0.7	(1.3)	(1.1)	0.8	1.9		1.3	1.3	0.5		0.1	
Prior accident years catastrophe losses	(2.0)	(1.1)	(2.6)	(1.9)	(3.6)	(2.6)		(1.6)	(3.0)	(2.7)		(2.7)	
Total loss and loss expense ratio	99.3 %	81.6 %	46.6 %	61.4 %	89.7 %	64.6 %		90.5 %	77.2 %	71.8 %		65.3 %	
Commercial auto:													
Written premiums	\$ 205	\$ 208	\$ 175	\$ 176	\$ 196	\$ 188		\$ 413	\$ 384	\$ 560		\$ 735	
Year over year change %-written premium	5 %	11 %	7 %	10 %	8 %	6 %		8 %	7 %	8 %		8 %	
Earned premiums	\$ 189	\$ 185	\$ 183	\$ 179	\$ 175	\$ 170		\$ 374	\$ 345	\$ 524		\$ 707	
Current accident year before catastrophe losses	64.2 %	70.9 %	68.1 %	67.8 %	70.5 %	74.5 %		67.5 %	72.5 %	70.9 %		70.2 %	
Current accident year catastrophe losses	2.2	1.2	(0.3)	1.5	1.4	0.3		1.7	0.9	1.1		0.7	
Prior accident years before catastrophe losses	(1.1)	3.3	0.7	1.7	1.0	(6.7)		1.1	(2.9)	(1.3)		(0.8)	
Prior accident years catastrophe losses	—	(0.2)	—	(0.1)	—	—		(0.1)	—	(0.1)		—	
Total loss and loss expense ratio	65.3 %	75.2 %	68.5 %	70.9 %	72.9 %	68.1 %		70.2 %	70.5 %	70.6 %		70.1 %	
Workers' compensation:													
Written premiums	\$ 65	\$ 92	\$ 63	\$ 62	\$ 75	\$ 94		\$ 157	\$ 169	\$ 231		\$ 294	
Year over year change %-written premium	(13) %	(2) %	(6) %	(6) %	(10) %	(1) %		(7) %	(5) %	(5) %		(5) %	
Earned premiums	\$ 68	\$ 75	\$ 76	\$ 73	\$ 74	\$ 77		\$ 143	\$ 151	\$ 224		\$ 300	
Current accident year before catastrophe losses	81.8 %	81.1 %	85.4 %	81.1 %	78.0 %	78.8 %		81.4 %	78.4 %	79.3 %		80.8 %	
Current accident year catastrophe losses	—	—	—	—	—	—		—	—	—		—	
Prior accident years before catastrophe losses	(27.8)	(9.8)	(20.1)	(27.0)	(35.9)	(20.1)		(18.3)	(27.9)	(27.7)		(25.7)	
Prior accident years catastrophe losses	—	—	—	—	—	—		—	—	—		—	
Total loss and loss expense ratio	54.0 %	71.3 %	65.3 %	54.1 %	42.1 %	58.7 %		63.1 %	50.5 %	51.6 %		55.1 %	
Other commercial:													
Written premiums	\$ 70	\$ 70	\$ 66	\$ 70	\$ 65	\$ 64		\$ 140	\$ 129	\$ 199		\$ 265	
Year over year change %-written premium	8 %	9 %	16 %	8 %	10 %	10 %		9 %	10 %	9 %		10 %	
Earned premiums	\$ 70	\$ 65	\$ 64	\$ 64	\$ 63	\$ 61		\$ 135	\$ 124	\$ 188		\$ 252	
Current accident year before catastrophe losses	35.5 %	39.1 %	38.2 %	34.3 %	33.7 %	38.0 %		37.3 %	35.8 %	35.4 %		36.0 %	
Current accident year catastrophe losses	0.1	0.1	0.1	(0.2)	0.3	0.4		0.1	0.3	0.1		0.1	
Prior accident years before catastrophe losses	(1.7)	1.7	(3.3)	(2.1)	(1.9)	(4.1)		(0.1)	(3.0)	(2.7)		(2.8)	
Prior accident years catastrophe losses	—	0.2	(0.3)	0.8	—	0.2		0.1	0.1	0.3		0.2	
Total loss and loss expense ratio	33.9 %	41.1 %	34.7 %	32.8 %	32.1 %	34.5 %		37.4 %	33.2 %	33.1 %		33.5 %	

\*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		
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
<b>Personal auto:</b>														
Written premiums		\$ 169	\$ 137	\$ 141	\$ 166	\$ 173	\$ 140		\$ 306	\$ 313		\$ 479		\$ 620
Year over year change %-written premium		(2) %	(2) %	— %	(2) %	— %	— %		(2) %	— %		— %		— %
Earned premiums		\$ 154	\$ 154	\$ 155	\$ 156	\$ 155	\$ 155		\$ 308	\$ 310		\$ 466		\$ 621
Current accident year before catastrophe losses		64.7 %	69.4 %	70.8 %	70.2 %	73.8 %	76.2 %		67.0 %	75.0 %		73.4 %		72.7 %
Current accident year catastrophe losses		1.5	2.1	0.4	1.2	1.8	0.5		1.8	1.1		1.1		1.0
Prior accident years before catastrophe losses		(4.2)	(8.1)	(1.7)	(2.0)	(9.4)	(3.3)		(6.1)	(6.3)		(4.9)		(4.1)
Prior accident years catastrophe losses		(0.2)	(0.4)	—	(0.1)	(0.2)	—		(0.3)	(0.1)		(0.1)		(0.1)
Total loss and loss expense ratio		61.8 %	63.0 %	69.5 %	69.3 %	66.0 %	73.4 %		62.4 %	69.7 %		69.5 %		69.5 %
<b>Homeowner:</b>														
Written premiums		\$ 197	\$ 140	\$ 152	\$ 173	\$ 176	\$ 130		\$ 337	\$ 306		\$ 479		\$ 631
Year over year change %-written premium		12 %	8 %	8 %	7 %	8 %	7 %		10 %	8 %		7 %		7 %
Earned premiums		\$ 163	\$ 159	\$ 157	\$ 154	\$ 149	\$ 147		\$ 322	\$ 296		\$ 450		\$ 607
Current accident year before catastrophe losses		45.0 %	53.5 %	55.7 %	60.9 %	53.1 %	51.9 %		49.2 %	52.5 %		55.3 %		55.5 %
Current accident year catastrophe losses		51.7	23.8	21.7	14.0	22.6	23.2		37.9	22.9		19.9		20.3
Prior accident years before catastrophe losses		4.5	(8.7)	(2.2)	1.0	4.5	2.0		(2.0)	3.3		2.5		1.3
Prior accident years catastrophe losses		(0.1)	(2.3)	(0.5)	(0.8)	(2.2)	5.7		(1.2)	1.7		0.9		0.5
Total loss and loss expense ratio		101.1 %	66.3 %	74.7 %	75.1 %	78.0 %	82.8 %		83.9 %	80.4 %		78.6 %		77.6 %
<b>Other personal:</b>														
Written premiums		\$ 57	\$ 42	\$ 43	\$ 49	\$ 53	\$ 39		\$ 99	\$ 92		\$ 141		\$ 184
Year over year change %-written premium		8 %	8 %	5 %	7 %	15 %	10 %		8 %	13 %		11 %		10 %
Earned premiums		\$ 47	\$ 46	\$ 46	\$ 44	\$ 44	\$ 42		\$ 93	\$ 86		\$ 130		\$ 176
Current accident year before catastrophe losses		48.5 %	50.5 %	60.9 %	51.4 %	51.5 %	33.6 %		49.5 %	42.7 %		45.7 %		49.6 %
Current accident year catastrophe losses		11.8	4.6	2.9	4.3	4.7	5.6		8.2	5.1		4.8		4.3
Prior accident years before catastrophe losses		(1.4)	6.3	(5.9)	(6.4)	(7.7)	(6.1)		2.4	(6.9)		(6.7)		(6.5)
Prior accident years catastrophe losses		(0.7)	(0.6)	(0.5)	(0.7)	0.4	0.1		(0.6)	0.2		(0.1)		(0.2)
Total loss and loss expense ratio		58.2 %	60.8 %	57.4 %	48.6 %	48.9 %	33.2 %		59.5 %	41.1 %		43.7 %		47.2 %

## Quarterly Property Casualty Data - Excess & Surplus Lines

(Dollars in millions)	Three months ended							Six months ended		Nine months ended		Twelve months ended									
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19							
<b>Excess &amp; Surplus:</b>																					
Written premiums	\$	91	\$	85	\$	80	\$	74	\$	78	\$	71	\$	176	\$	149	\$	223	\$	303	
Year over year change %-written premium		17	%	20	%	23	%	25	%	22	%	16	%	18	%	19	%	21	%	22	%
Earned premiums	\$	78	\$	78	\$	76	\$	72	\$	67	\$	63	\$	156	\$	130	\$	202	\$	278	
Current accident year before catastrophe losses		59.0	%	55.7	%	54.3	%	57.6	%	50.8	%	55.5	%	57.4	%	53.1	%	54.7	%	54.6	%
Current accident year catastrophe losses		3.6		0.5		—		0.6		0.7		0.3		2.0		0.5		0.5		0.4	
Prior accident years before catastrophe losses		11.2		0.7		(0.4)		(6.0)		(6.2)		(4.2)		5.9		(5.2)		(5.5)		(4.1)	
Prior accident years catastrophe losses		(0.2)		0.5		0.5		0.5		(0.2)		(0.1)		0.2		(0.1)		0.1		0.2	
Total loss and loss expense ratio		73.6	%	57.4	%	54.4	%	52.7	%	45.1	%	51.5	%	65.5	%	48.3	%	49.8	%	51.1	%

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

## Consolidated Property Casualty Loss and Loss Expense Analysis

(Dollars in millions)				Change in	Change in	Change in	Total				Loss	
	Paid	Paid loss	Total	case	IBNR	loss	change in	Case	IBNR	expense	Total	
	losses	expense	paid	reserves	reserves	expense	reserves	incurred	incurred	incurred	incurred	
Gross loss and loss expense incurred for the six months ended June 30, 2020												
Commercial casualty	\$ 176	\$ 87	\$ 263	\$ 26	\$ 48	\$ 6	\$ 80	\$ 202	\$ 48	\$ 93	\$ 343	
Commercial property	362	34	396	30	30	14	74	392	30	48	470	
Commercial auto	193	44	237	(21)	51	(5)	25	172	51	39	262	
Workers' compensation	79	17	96	(6)	10	(7)	(3)	73	10	10	93	
Other commercial	37	8	45	(14)	4	17	7	23	4	25	52	
Total commercial lines	847	190	1,037	15	143	25	183	862	143	215	1,220	
Personal auto	147	41	188	(26)	40	(7)	7	121	40	34	195	
Homeowners	198	25	223	17	23	4	44	215	23	29	267	
Other personal	34	3	37	4	14	—	18	38	14	3	55	
Total personal lines	379	69	448	(5)	77	(3)	69	374	77	66	517	
Excess & surplus lines	38	19	57	19	18	13	50	57	18	32	107	
Other	89	3	92	(6)	25	—	19	83	25	3	111	
Total property casualty	\$ 1,353	\$ 281	\$ 1,634	\$ 23	\$ 263	\$ 35	\$ 321	\$ 1,376	\$ 263	\$ 316	\$ 1,955	
Ceded loss and loss expense incurred for the six months ended June 30, 2020												
Commercial casualty	\$ 1	\$ —	\$ 1	\$ (2)	\$ —	\$ —	\$ (2)	\$ (1)	\$ —	\$ —	\$ (1)	
Commercial property	45	1	46	(29)	(3)	—	(32)	16	(3)	1	14	
Commercial auto	—	—	—	—	—	—	—	—	—	—	—	
Workers' compensation	4	—	4	(1)	(2)	—	(3)	3	(2)	—	1	
Other commercial	2	—	2	—	—	—	—	2	—	—	2	
Total commercial lines	52	1	53	(32)	(5)	—	(37)	20	(5)	1	16	
Personal auto	1	—	1	1	(1)	—	—	2	(1)	—	1	
Homeowners	2	—	2	(2)	(1)	—	(3)	—	(1)	—	(1)	
Other personal	—	—	—	—	—	—	—	—	—	—	—	
Total personal lines	3	—	3	(1)	(2)	—	(3)	2	(2)	—	—	
Excess & surplus lines	1	—	1	3	1	—	4	4	1	—	5	
Other	8	1	9	(6)	(5)	(1)	(12)	2	(5)	—	(3)	
Total property casualty	\$ 64	\$ 2	\$ 66	\$ (36)	\$ (11)	\$ (1)	\$ (48)	\$ 28	\$ (11)	\$ 1	\$ 18	
Net loss and loss expense incurred for the six months ended June 30, 2020												
Commercial casualty	\$ 175	\$ 87	\$ 262	\$ 28	\$ 48	\$ 6	\$ 82	\$ 203	\$ 48	\$ 93	\$ 344	
Commercial property	317	33	350	59	33	14	106	376	33	47	456	
Commercial auto	193	44	237	(21)	51	(5)	25	172	51	39	262	
Workers' compensation	75	17	92	(5)	12	(7)	—	70	12	10	92	
Other commercial	35	8	43	(14)	4	17	7	21	4	25	50	
Total commercial lines	795	189	984	47	148	25	220	842	148	214	1,204	
Personal auto	146	41	187	(27)	41	(7)	7	119	41	34	194	
Homeowners	196	25	221	19	24	4	47	215	24	29	268	
Other personal	34	3	37	4	14	—	18	38	14	3	55	
Total personal lines	376	69	445	(4)	79	(3)	72	372	79	66	517	
Excess & surplus lines	37	19	56	16	17	13	46	53	17	32	102	
Other	81	2	83	—	30	1	31	81	30	3	114	
Total property casualty	\$ 1,289	\$ 279	\$ 1,568	\$ 59	\$ 274	\$ 36	\$ 369	\$ 1,348	\$ 274	\$ 315	\$ 1,937	

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

Other data includes results from our Cincinnati Re operations and Cincinnati Global, which was acquired on February 28, 2019.

## Consolidated Property Casualty Loss and Loss Expense Analysis

(Dollars in millions)				Change in	Change in	Change in	Total				Loss	
	Paid	Paid loss	Total	case	IBNR	loss	change in	Case	IBNR	expense	Total	
	losses	expense	paid	reserves	reserves	expense	reserves	incurred	incurred	incurred	incurred	
Gross loss and loss expense incurred for the three months ended June 30, 2020												
Commercial casualty	\$ 63	\$ 41	\$ 104	\$ 11	\$ 46	\$ (5)	\$ 52	\$ 74	\$ 46	\$ 36	\$ 156	
Commercial property	174	16	190	66	(10)	17	73	240	(10)	33	263	
Commercial auto	84	18	102	(9)	27	3	21	75	27	21	123	
Workers' compensation	38	7	45	(3)	4	(6)	(5)	35	4	1	40	
Other commercial	14	4	18	(3)	2	8	7	11	2	12	25	
Total commercial lines	373	86	459	62	69	17	148	435	69	103	607	
Personal auto	60	15	75	(19)	36	4	21	41	36	19	96	
Homeowners	126	13	139	19	(3)	7	23	145	(3)	20	162	
Other personal	18	2	20	—	7	—	7	18	7	2	27	
Total personal lines	204	30	234	—	40	11	51	204	40	41	285	
Excess & surplus lines	14	9	23	11	21	5	37	25	21	14	60	
Other	47	2	49	(1)	21	—	20	46	21	2	69	
Total property casualty	\$ 638	\$ 127	\$ 765	\$ 72	\$ 151	\$ 33	\$ 256	\$ 710	\$ 151	\$ 160	\$ 1,021	
Ceded loss and loss expense incurred for the three months ended June 30, 2020												
Commercial casualty	\$ 2	\$ —	\$ 2	\$ (4)	\$ —	\$ —	\$ (4)	\$ (2)	\$ —	\$ —	\$ (2)	
Commercial property	1	—	1	12	(3)	—	9	13	(3)	—	10	
Commercial auto	—	—	—	—	—	—	—	—	—	—	—	
Workers' compensation	2	—	2	1	(1)	—	—	3	(1)	—	2	
Other commercial	1	—	1	—	—	—	—	1	—	—	1	
Total commercial lines	6	—	6	9	(4)	—	5	15	(4)	—	11	
Personal auto	—	—	—	—	—	—	—	—	—	—	—	
Homeowners	1	—	1	(1)	(1)	—	(2)	—	(1)	—	(1)	
Other personal	—	—	—	—	—	—	—	—	—	—	—	
Total personal lines	1	—	1	(1)	(1)	—	(2)	—	(1)	—	(1)	
Excess & surplus lines	—	—	—	2	1	—	3	2	1	—	3	
Other	7	—	7	(6)	—	—	(6)	1	—	—	1	
Total property casualty	\$ 14	\$ —	\$ 14	\$ 4	\$ (4)	\$ —	\$ —	\$ 18	\$ (4)	\$ —	\$ 14	
Net loss and loss expense incurred for the three months ended June 30, 2020												
Commercial casualty	\$ 61	\$ 41	\$ 102	\$ 15	\$ 46	\$ (5)	\$ 56	\$ 76	\$ 46	\$ 36	\$ 158	
Commercial property	173	16	189	54	(7)	17	64	227	(7)	33	253	
Commercial auto	84	18	102	(9)	27	3	21	75	27	21	123	
Workers' compensation	36	7	43	(4)	5	(6)	(5)	32	5	1	38	
Other commercial	13	4	17	(3)	2	8	7	10	2	12	24	
Total commercial lines	367	86	453	53	73	17	143	420	73	103	596	
Personal auto	60	15	75	(19)	36	4	21	41	36	19	96	
Homeowners	125	13	138	20	(2)	7	25	145	(2)	20	163	
Other personal	18	2	20	—	7	—	7	18	7	2	27	
Total personal lines	203	30	233	1	41	11	53	204	41	41	286	
Excess & surplus lines	14	9	23	9	20	5	34	23	20	14	57	
Other	40	2	42	5	21	—	26	45	21	2	68	
Total property casualty	\$ 624	\$ 127	\$ 751	\$ 68	\$ 155	\$ 33	\$ 256	\$ 692	\$ 155	\$ 160	\$ 1,007	

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

Other data includes results from our Cincinnati Re operations and Cincinnati Global, which was acquired on February 28, 2019.



## Quarterly Property Casualty Data - Consolidated

[illegible]

losses	<b>16.5</b>	9.1	3.3	5.3	10.0	5.8	<b>12.8</b>	7.9	7.1	6.0
GAAP combined ratio excl. catastrophe losses	<b>86.6 %</b>	89.4 %	88.3 %	88.9 %	86.5 %	87.2 %	<b>88.0 %</b>	86.9 %	87.5 %	87.8 %

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

*\*nm - Not meaningful*

*\*Statutory ratios exclude the results of Cincinnati Global, which was acquired on February 28, 2019.*

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

## Quarterly Property Casualty Data - Commercial Lines

(Dollars in millions)	Three months ended						Six months ended		Nine months ended		Twelve months ended	
	12/31/2019	3/31/20	6/30/20	9/30/19	12/31/19	3/31/20	6/30/19	6/30/20	9/30/19	9/30/20	12/31/19	12/31/20
<b>Premiums</b>												
Agency renewal written premiums	\$ 794	\$ 842	\$ 719	\$ 713	\$ 767	\$ 799	\$ 1,636	\$ 1,566	\$ 2,279	\$ 2,998		
Agency new business written premiums	134	154	129	124	137	120	288	257	381	510		
Other written premiums	(20)	(24)	(29)	(21)	(25)	(23)	(44)	(48)	(69)	(98)		
Net written premiums	\$ 908	\$ 972	\$ 819	\$ 816	\$ 879	\$ 896	\$ 1,880	\$ 1,775	\$ 2,591	\$ 3,410		
Unearned premium change	(38)	(109)	33	18	(56)	(86)	(147)	(142)	(124)	(91)		
Earned premiums	\$ 870	\$ 863	\$ 852	\$ 834	\$ 823	\$ 810	\$ 1,733	\$ 1,633	\$ 2,467	\$ 3,319		
<b>Year over year change %</b>												
Agency renewal written premiums	4 %	5 %	4 %	2 %	1 %	4 %	4 %	2 %	2 %	2 %		
Agency new business written premiums	(2)	28	28	32	16	15	12	16	21	22		
Other written premiums	20	(4)	15	5	(25)	(10)	8	(17)	(10)	(1)		
Net written premiums	3	8	8	5	3	5	6	4	4	5		
<b>Paid losses and loss expenses</b>												
Losses paid	\$ 367	\$ 426	\$ 418	\$ 417	\$ 394	\$ 436	\$ 795	\$ 830	\$ 1,247	\$ 1,665		
Loss expenses paid	86	103	91	89	85	92	189	178	266	358		
Loss and loss expenses paid	\$ 453	\$ 529	\$ 509	\$ 506	\$ 479	\$ 528	\$ 984	\$ 1,008	\$ 1,513	\$ 2,023		
<b>Incurred losses and loss expenses</b>												
Loss and loss expense incurred	\$ 596	\$ 608	\$ 489	\$ 510	\$ 550	\$ 481	\$ 1,204	\$ 1,031	\$ 1,541	\$ 2,030		
Loss and loss expenses paid as a % of incurred	76.0 %	87.0 %	104.1 %	99.2 %	87.1 %	109.8 %	81.7 %	97.8 %	98.2 %	99.7 %		
<b>Statutory combined ratio</b>												
Loss ratio	56.7 %	57.5 %	44.8 %	49.3 %	56.5 %	48.5 %	57.0 %	52.5 %	51.5 %	49.7 %		
Loss adjustment expense ratio	11.8	12.9	12.6	11.9	10.3	10.9	12.4	10.6	11.0	11.5		
Net underwriting expense ratio	28.6	28.9	32.8	32.7	30.2	28.9	28.8	29.6	30.6	31.1		
Statutory combined ratio	97.1 %	99.3 %	90.2 %	93.9 %	97.0 %	88.3 %	98.2 %	92.7 %	93.1 %	92.3 %		
Contribution from catastrophe losses	14.0	9.8	(0.7)	4.1	11.7	3.3	11.9	7.5	6.4	4.5		
Statutory combined ratio excl. catastrophe losses	83.1 %	89.5 %	90.9 %	89.8 %	85.3 %	85.0 %	86.3 %	85.2 %	86.7 %	87.8 %		
<b>GAAP combined ratio</b>												
GAAP combined ratio	99.1 %	102.5 %	88.8 %	93.4 %	98.6 %	90.8 %	100.8 %	94.7 %	94.3 %	92.9 %		
Contribution from catastrophe losses	14.0	9.8	(0.7)	4.1	11.7	3.3	11.9	7.5	6.4	4.5		
GAAP combined ratio excl. catastrophe losses	85.1 %	92.7 %	89.5 %	89.3 %	86.9 %	87.5 %	88.9 %	87.2 %	87.9 %	88.4 %		

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\*nm - Not meaningful

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

## Quarterly Property Casualty Data - Personal Lines

(Dollars in millions)	Three months ended						Six months ended		Nine months ended		Twelve months ended	
	12/31/2019	3/31/20	6/30/20	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/19	3/31/20	6/30/20	9/30/20
<b>Premiums</b>												
Agency renewal written premiums	\$ 387	\$ 294	\$ 309	\$ 356	\$ 365	\$ 282	\$ 681	\$ 647	\$ 1,003	\$ 1,312		
Agency new business written premiums	44	34	36	40	47	35	78	82	122	158		
Other written premiums	(8)	(9)	(9)	(8)	(10)	(8)	(17)	(18)	(26)	(35)		
Net written premiums	\$ 423	\$ 319	\$ 336	\$ 388	\$ 402	\$ 309	\$ 742	\$ 711	\$ 1,099	\$ 1,435		
Unearned premium change	(59)	40	22	(34)	(54)	35	(19)	(19)	(53)	(31)		
Earned premiums	\$ 364	\$ 359	\$ 358	\$ 354	\$ 348	\$ 344	\$ 723	\$ 692	\$ 1,046	\$ 1,404		
<b>Year over year change %</b>												
Agency renewal written premiums	6 %	4 %	5 %	4 %	7 %	7 %	5 %	7 %	6 %	6 %		
Agency new business written premiums	(6)	(3)	(5)	(5)	2	(10)	(5)	(4)	(4)	(4)		
Other written premiums	20	(13)	(13)	(14)	(43)	(33)	6	(38)	(30)	(25)		
Net written premiums	5	3	4	3	6	4	4	5	4	4		
<b>Paid losses and loss expenses</b>												
Losses paid	\$ 203	\$ 173	\$ 205	\$ 221	\$ 217	\$ 209	\$ 376	\$ 426	\$ 647	\$ 850		
Loss expenses paid	30	40	29	29	27	31	69	58	87	116		
Loss and loss expenses paid	\$ 233	\$ 213	\$ 234	\$ 250	\$ 244	\$ 240	\$ 445	\$ 484	\$ 734	\$ 966		
<b>Incurred losses and loss expenses</b>												
Loss and loss expense incurred	\$ 286	\$ 231	\$ 251	\$ 244	\$ 240	\$ 250	\$ 517	\$ 490	\$ 734	\$ 985		
Loss and loss expenses paid as a % of incurred	81.5 %	92.2 %	93.2 %	102.0 %	101.7 %	96.0 %	86.1 %	98.8 %	100.0 %	98.1 %		
<b>Statutory combined ratio</b>												
Loss ratio	67.5 %	57.2 %	61.2 %	60.4 %	59.7 %	64.9 %	62.4 %	62.3 %	61.6 %	61.5 %		
Loss adjustment expense ratio	11.4	6.9	9.0	8.8	9.2	7.6	9.1	8.4	8.5	8.7		
Net underwriting expense ratio	29.4	32.1	30.7	28.2	27.3	30.7	30.6	28.8	28.6	29.1		
Statutory combined ratio	108.3 %	96.2 %	100.9 %	97.4 %	96.2 %	103.2 %	102.1 %	99.5 %	98.7 %	99.3 %		
Contribution from catastrophe losses	25.1	10.7	9.7	6.7	10.0	13.3	17.9	11.6	10.0	9.9		
Statutory combined ratio excl. catastrophe losses	83.2 %	85.5 %	91.2 %	90.7 %	86.2 %	89.9 %	84.2 %	87.9 %	88.7 %	89.4 %		
<b>GAAP combined ratio</b>												
GAAP combined ratio	112.3 %	94.3 %	99.3 %	99.6 %	98.9 %	101.3 %	103.4 %	100.1 %	99.9 %	99.8 %		
Contribution from catastrophe losses	25.1	10.7	9.7	6.7	10.0	13.3	17.9	11.6	10.0	9.9		
GAAP combined ratio excl. catastrophe losses	87.2 %	83.6 %	89.6 %	92.9 %	88.9 %	88.0 %	85.5 %	88.5 %	89.9 %	89.9 %		

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\*nm - Not meaningful

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

## Quarterly Property Casualty Data - Excess & Surplus Lines

(Dollars in millions)	Three months ended							Six months ended		Nine months ended		Twelve months ended	
	12/31/2019/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
<b>Premiums</b>													
Agency renewal written premiums		\$ 63	\$ 62	\$ 56	\$ 50	\$ 54	\$ 49	\$ 125	\$ 103	\$ 153		\$ 209	
Agency new business written premiums		32	27	28	28	28	26	59	54	82		110	
Other written premiums		(4)	(4)	(4)	(4)	(4)	(4)	(8)	(8)	(12)		(16)	
Net written premiums		\$ 91	\$ 85	\$ 80	\$ 74	\$ 78	\$ 71	\$ 176	\$ 149	\$ 223		\$ 303	
Unearned premium change		(13)	(7)	(4)	(2)	(11)	(8)	(20)	(19)	(21)		(25)	
Earned premiums		\$ 78	\$ 78	\$ 76	\$ 72	\$ 67	\$ 63	\$ 156	\$ 130	\$ 202		\$ 278	
<b>Year over year change %</b>													
Agency renewal written premiums		17 %	27 %	12 %	14 %	8 %	2 %	21 %	5 %	8 %		9 %	
Agency new business written premiums		14	4	47	56	65	63	9	64	61		57	
Other written premiums		—	—	—	(33)	(33)	(33)	—	(33)	(33)		(23)	
Net written premiums		17	20	23	25	22	16	18	19	21		22	
<b>Paid losses and loss expenses</b>													
Losses paid		\$ 14	\$ 23	\$ 14	\$ 16	\$ 10	\$ 18	\$ 37	\$ 28	\$ 43		\$ 57	
Loss expenses paid		9	9	9	8	7	8	19	15	23		33	
Loss and loss expenses paid		\$ 23	\$ 32	\$ 23	\$ 24	\$ 17	\$ 26	\$ 56	\$ 43	\$ 66		\$ 90	
<b>Incurred losses and loss expenses</b>													
Loss and loss expense incurred		\$ 57	\$ 45	\$ 41	\$ 39	\$ 29	\$ 33	\$ 102	\$ 62	\$ 101		\$ 142	
Loss and loss expenses paid as a % of incurred		40.4 %	71.1 %	56.1 %	63.2 %	53.5 %	78.8 %	54.9 %	68.8 %	65.3 %		63.4 %	
<b>Statutory combined ratio</b>													
Loss ratio		56.4 %	35.4 %	38.0 %	35.6 %	27.2 %	32.9 %	45.9 %	30.0 %	32.0 %		33.7 %	
Loss adjustment expense ratio		17.2	22.0	16.4	17.1	17.9	18.6	19.5	18.3	17.9		17.4	
Net underwriting expense ratio		26.6	28.8	29.1	29.6	28.5	28.5	27.7	28.4	28.8		28.9	
Statutory combined ratio		100.2 %	86.2 %	83.5 %	82.3 %	73.6 %	80.0 %	93.1 %	76.7 %	78.7 %		80.0 %	
Contribution from catastrophe losses		3.4	1.0	0.5	1.1	0.5	0.2	2.2	0.4	0.6		0.6	
Statutory combined ratio excl. catastrophe losses		96.8 %	85.2 %	83.0 %	81.2 %	73.1 %	79.8 %	90.9 %	76.3 %	78.1 %		79.4 %	
<b>GAAP combined ratio</b>													
GAAP combined ratio		102.0 %	89.1 %	82.9 %	83.2 %	76.1 %	83.5 %	95.5 %	79.7 %	80.9 %		81.5 %	
Contribution from catastrophe losses		3.4	1.0	0.5	1.1	0.5	0.2	2.2	0.4	0.6		0.6	
GAAP combined ratio excl. catastrophe losses		98.6 %	88.1 %	82.4 %	82.1 %	75.6 %	83.3 %	93.3 %	79.3 %	80.3 %		80.9 %	

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\*nm - Not meaningful

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**Consolidated Cincinnati Insurance Companies**  
**Statutory Statements of Income**

(Dollars in millions)	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2020	2019	Change	% Change	2020	2019	Change	% Change
<b>Underwriting income</b>								
Net premiums written	\$ 1,506	\$ 1,431	\$ 75	5	\$ 2,987	\$ 2,792	\$ 195	7
Unearned premium change	137	147	(10)	(7)	256	251	5	2
<b>Earned premiums</b>	<b>\$ 1,369</b>	<b>\$ 1,284</b>	<b>\$ 85</b>	<b>7</b>	<b>\$ 2,731</b>	<b>\$ 2,541</b>	<b>\$ 190</b>	<b>7</b>
Losses incurred	\$ 826	\$ 716	\$ 110	15	\$ 1,590	\$ 1,376	\$ 214	16
Defense and cost containment expenses incurred	83	60	23	38	164	132	32	24
Adjusting and other expenses incurred	76	70	6	9	150	125	25	20
Other underwriting expenses incurred	415	416	(1)	—	845	806	39	5
Workers compensation dividend incurred	2	3	(1)	(33)	5	6	(1)	(17)
<b>Total underwriting deductions</b>	<b>\$ 1,402</b>	<b>\$ 1,265</b>	<b>\$ 137</b>	<b>11</b>	<b>\$ 2,754</b>	<b>\$ 2,445</b>	<b>\$ 309</b>	<b>13</b>
<b>Net underwriting profit (loss)</b>	<b>\$ (33)</b>	<b>\$ 19</b>	<b>\$ (52)</b>	<b>nm</b>	<b>\$ (23)</b>	<b>\$ 96</b>	<b>\$ (119)</b>	<b>nm</b>
<b>Investment income</b>								
Gross investment income earned	\$ 106	\$ 102	\$ 4	4	\$ 211	\$ 204	\$ 7	3
<b>Net investment income earned</b>	<b>105</b>	<b>101</b>	<b>4</b>	<b>4</b>	<b>208</b>	<b>201</b>	<b>7</b>	<b>3</b>
Net realized capital gains and losses, net	8	2	6	300	(38)	5	(43)	nm
<b>Net investment gains (net of tax)</b>	<b>\$ 113</b>	<b>\$ 103</b>	<b>\$ 10</b>	<b>10</b>	<b>\$ 170</b>	<b>\$ 206</b>	<b>\$ (36)</b>	<b>(17)</b>
<b>Other income (loss)</b>	<b>\$ (15)</b>	<b>\$ 2</b>	<b>\$ (17)</b>	<b>nm</b>	<b>\$ (13)</b>	<b>\$ 4</b>	<b>\$ (17)</b>	<b>nm</b>
Net income before federal income taxes	\$ 65	\$ 124	\$ (59)	(48)	\$ 134	\$ 306	\$ (172)	(56)
Federal and foreign income taxes incurred	12	24	(12)	(50)	17	48	(31)	(65)
<b>Net income (statutory)</b>	<b>\$ 53</b>	<b>\$ 100</b>	<b>\$ (47)</b>	<b>(47)</b>	<b>\$ 117</b>	<b>\$ 258</b>	<b>\$ (141)</b>	<b>(55)</b>
<b>Policyholders' surplus - statutory</b>	<b>\$ 5,155</b>	<b>\$ 5,325</b>	<b>\$ (170)</b>	<b>(3)</b>	<b>\$ 5,155</b>	<b>\$ 5,325</b>	<b>\$ (170)</b>	<b>(3)</b>
<b>Fixed maturities at amortized cost - statutory</b>	<b>\$ 7,418</b>	<b>\$ 7,291</b>	<b>\$ 127</b>	<b>2</b>	<b>\$ 7,418</b>	<b>\$ 7,291</b>	<b>\$ 127</b>	<b>2</b>

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\*nm - Not meaningful

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# The Cincinnati Life Insurance Company

## Statutory Statements of Income

(Dollars in millions)	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2020	2019	Change	% Change	2020	2019	Change	% Change
Net premiums written	\$ 85	\$ 83	\$ 2	2	\$ 162	\$ 155	\$ 7	5
Net investment income	40	40	—	—	83	79	4	5
Amortization of interest maintenance reserve	—	—	—	—	—	1	(1)	nm
Commissions and expense allowances on reinsurance ceded	1	1	—	—	2	2	—	—
Income from fees associated with separate accounts	1	1	—	—	1	2	(1)	(50)
<b>Total revenues</b>	<b>\$ 127</b>	<b>\$ 125</b>	<b>\$ 2</b>	<b>2</b>	<b>\$ 248</b>	<b>\$ 239</b>	<b>\$ 9</b>	<b>4</b>
Death benefits and matured endowments	\$ 37	\$ 38	\$ (1)	(3)	\$ 68	\$ 71	\$ (3)	(4)
Annuity benefits	13	25	(12)	(48)	35	49	(14)	(29)
Disability benefits and benefits under accident and health contracts	—	—	—	—	1	1	—	—
Surrender benefits and group conversions	5	5	—	—	11	10	1	10
Interest and adjustments on deposit-type contract funds	2	2	—	—	4	4	—	—
Increase in aggregate reserves for life and accident and health contracts	37	28	9	32	58	52	6	12
<b>Total benefit expenses</b>	<b>\$ 94</b>	<b>\$ 98</b>	<b>\$ (4)</b>	<b>(4)</b>	<b>\$ 177</b>	<b>\$ 187</b>	<b>\$ (10)</b>	<b>(5)</b>
Commissions	\$ 12	\$ 13	\$ (1)	(8)	\$ 25	\$ 26	\$ (1)	(4)
General insurance expenses and taxes	12	14	(2)	(14)	25	27	(2)	(7)
Increase in loading on deferred and uncollected premiums	(3)	(2)	(1)	50	5	(2)	7	nm
Net transfers from separate accounts	(4)	(2)	(2)	100	(4)	(3)	(1)	33
<b>Total underwriting expenses</b>	<b>\$ 17</b>	<b>\$ 23</b>	<b>\$ (6)</b>	<b>(26)</b>	<b>\$ 51</b>	<b>\$ 48</b>	<b>\$ 3</b>	<b>6</b>
Federal and foreign income taxes incurred	5	2	3	150	6	3	3	100
<b>Net gain from operations before capital gains and losses</b>	<b>\$ 11</b>	<b>\$ 2</b>	<b>\$ 9</b>	<b>450</b>	<b>\$ 14</b>	<b>\$ 1</b>	<b>\$ 13</b>	<b>nm</b>
Gains and losses net of capital gains tax, net	2	1	1	100	(31)	1	(32)	nm
<b>Net income (loss) (statutory)</b>	<b>\$ 13</b>	<b>\$ 3</b>	<b>\$ 10</b>	<b>333</b>	<b>\$ (17)</b>	<b>\$ 2</b>	<b>\$ (19)</b>	<b>nm</b>
<b>Policyholders' surplus - statutory</b>	<b>\$ 208</b>	<b>\$ 188</b>	<b>20</b>	<b>11</b>	<b>\$ 208</b>	<b>\$ 188</b>	<b>\$ 20</b>	<b>11</b>
<b>Fixed maturities at amortized cost - statutory</b>	<b>\$ 3,456</b>	<b>\$ 3,351</b>	<b>\$ 105</b>	<b>3</b>	<b>\$ 3,456</b>	<b>\$ 3,351</b>	<b>\$ 105</b>	<b>3</b>

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\*nm - Not meaningful

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## Quarterly Data - Other

(Dollars in millions)	Three months ended								Six months ended		Nine months ended		Twelve months ended	
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	6/30/20	6/30/19	9/30/20	9/30/19	12/31/20	12/31/19
<b>Cincinnati Re:</b>														
Written premiums		\$ 84	\$ 105	\$ 36	\$ 35	\$ 73	\$ 84		\$ 189	\$ 157		\$ 192		\$ 228
Year over year change %-written premium		15 %	25 %	29 %	(3) %	52 %	83 %		20 %	67 %		48 %		44 %
Earned premiums		\$ 57	\$ 62	\$ 50	\$ 48	\$ 46	\$ 40		\$ 119	\$ 86		\$ 134		\$ 184
Current accident year before catastrophe losses		79.6 %	47.6 %	43.9 %	55.6 %	51.3 %	54.3 %		63.0 %	52.7 %		53.7 %		51.1 %
Current accident year catastrophe losses		—	—	20.5	17.3	—	—		—	—		6.3		10.1
Prior accident years before catastrophe losses		(0.6)	3.1	2.2	1.2	(3.7)	6.2		1.3	0.9		1.0		1.3
Prior accident years catastrophe losses		(0.1)	6.3	0.2	(7.9)	8.7	(0.3)		3.2	4.5		—		0.1
Total loss and loss expense ratio		78.9 %	57.0 %	66.8 %	66.2 %	56.3 %	60.2 %		67.5 %	58.1 %		61.0 %		62.6 %
<b>Cincinnati Global:</b>														
Written premiums		\$ 53	\$ 37	\$ 37	\$ 38	\$ 44	\$ 21		\$ 90	\$ 65		\$ 103		\$ 140
Year over year change %-written premium		20 %	76 %						38 %					
Earned premiums		\$ 34	\$ 27	\$ 38	\$ 68	\$ 33	\$ 10		\$ 61	\$ 43		\$ 111		\$ 149
Current accident year before catastrophe losses		49.6 %	63.7 %	39.6 %	44.6 %	75.5 %	103.9 %		55.6 %	82.6 %		59.3 %		54.3 %
Current accident year catastrophe losses		42.4	—	4.8	19.4	9.8	—		24.1	7.3		14.7		12.2
Prior accident years before catastrophe losses		(27.9)	(19.5)	(0.2)	(2.9)	(8.5)	(84.0)		(24.2)	(27.3)		(12.3)		(9.2)
Prior accident years catastrophe losses		1.0	(3.2)	9.1	(4.2)	(22.5)	4.3		(0.8)	(15.8)		(8.7)		(4.2)
Total loss and loss expense ratio		65.1 %	41.0 %	53.3 %	56.9 %	54.3 %	24.2 %		54.7 %	46.8 %		53.0 %		53.1 %
<b>Noninsurance operations:</b>														
Interest and fees on loans and leases		\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2		\$ 3	\$ 3		\$ 4		\$ 5
Other revenue		1	1	1	2	1	—		2	1		3		4
Interest expense		14	13	13	14	13	13		27	26		40		53
Operating expenses		5	5	6	5	4	8		10	12		17		23
Total noninsurance operations loss		\$ (16)	\$ (16)	\$ (17)	\$ (16)	\$ (15)	\$ (19)		\$ (32)	\$ (34)		\$ (50)		\$ (67)

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

\*Cincinnati Global was acquired on February 28, 2019. Noninsurance operations include the noninvestment operations of the parent company and a noninsurance subsidiary, CFC Investment Company.