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

FORM 10-Q

(Mark one)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2024.

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from ____________________ to ____________________.

Commission file number 0-4604

CINCINNATI FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Ohio	31-0746871
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6200 S. Gilmore Road, Fairfield, Ohio	45014-5141
(Address of principal executive offices)	(Zip code)

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

N/A

(Former name, former address and former fiscal year, 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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☑Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a nonaccelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☑ Large accelerated filer ☐ Accelerated filer ☐ Nonaccelerated filer ☐ Smaller reporting company

☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

☐Yes ☑ No

As of October 18, 2024, there were 156,315,102 shares of common stock outstanding.

CINCINNATI FINANCIAL CORPORATION AND SUBSIDIARIES
FORM 10-Q FOR THE QUARTER ENDED September 30, 2024

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Part I – Financial Information

Item 1. Financial Statements (unaudited)

Cincinnati Financial Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(Dollars in millions, except per share data)	September 30, 2024	December 31, 2023
Assets		
Investments		
Fixed maturities, at fair value (amortized cost: 2024—$16,074; 2023—$14,361)	**$ 15,871**	$ 13,791
Equity securities, at fair value (cost: 2024—$4,034; 2023—$4,282)	**11,570**	10,989
Other invested assets	**663**	577
Total investments	**28,104**	25,357
Cash and cash equivalents	**1,752**	907
Investment income receivable	**199**	192
Finance receivable	**116**	108
Premiums receivable	**3,012**	2,592
Reinsurance recoverable	**548**	651
Prepaid reinsurance premiums	**94**	55
Deferred policy acquisition costs	**1,241**	1,093
Land, building and equipment, net, for company use (accumulated depreciation: 2024—$342; 2023—$337)	**215**	208
Other assets	**785**	681
Separate accounts	**943**	925
Total assets	**$ 37,009**	$ 32,769
Liabilities		
Insurance reserves		
Loss and loss expense reserves	**$ 9,928**	$ 9,050
Life policy and investment contract reserves	**3,069**	3,068
Unearned premiums	**4,874**	4,119
Other liabilities	**1,917**	1,311
Deferred income tax	**1,600**	1,324
Note payable	**25**	25
Long-term debt and lease obligations	**849**	849
Separate accounts	**943**	925
Total liabilities	**23,205**	20,671
Commitments and contingent liabilities (Note 12)		
Shareholders' Equity		
Common stock, par value—$2 per share; (authorized: 2024 and 2023—500 million shares; issued: 2024 and 2023—198.3 million shares)	**397**	397
Paid-in capital	**1,482**	1,437
Retained earnings	**14,591**	13,084
Accumulated other comprehensive loss	**(150)**	(435)
Treasury stock at cost (2024—42.0 million shares and 2023—41.3 million shares)	**(2,516)**	(2,385)
Total shareholders' equity	**13,804**	12,098
Total liabilities and shareholders' equity	**$ 37,009**	$ 32,769

Accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Cincinnati Financial Corporation and Subsidiaries
Condensed Consolidated Statements of Income

(Dollars in millions, except per share data)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenues				
Earned premiums	**$ 2,297**	$ 2,033	**$ 6,524**	$ 5,894
Investment income, net of expenses	**258**	225	**745**	655
Investment gains and losses, net	**758**	(456)	**1,507**	84
Fee revenues	**4**	6	**13**	16
Other revenues	**3**	3	**10**	8
Total revenues	**3,320**	1,811	**8,799**	6,657
Benefits and Expenses				
Insurance losses and contract holders' benefits	**1,578**	1,332	**4,407**	4,070
Underwriting, acquisition and insurance expenses	**683**	609	**1,954**	1,744
Interest expense	**13**	13	**40**	40
Other operating expenses	**6**	5	**19**	17
Total benefits and expenses	**2,280**	1,959	**6,420**	5,871
Income (Loss) Before Income Taxes	**1,040**	(148)	**2,379**	786
Provision (Benefit) for Income Taxes				
Current	**171**	57	**293**	124
Deferred	**49**	(106)	**199**	2
Total provision (benefit) for income taxes	**220**	(49)	**492**	126
Net Income (Loss)	**$ 820**	$ (99)	**$ 1,887**	$ 660
Per Common Share				
Net income (loss) — basic	**$ 5.25**	$ (0.63)	**$ 12.06**	$ 4.20
Net income (loss) — diluted	**5.20**	(0.63)	**11.97**	4.17

Accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Cincinnati Financial Corporation and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Net Income (Loss)	**$ 820**	$ (99)	**$ 1,887**	$ 660
Other Comprehensive Income (Loss)				
Change in unrealized gains and losses on investments, net of tax (benefit) of $106, $(79), $78 and $(76), respectively	**391**	(290)	**289**	(284)
Amortization of pension actuarial loss (gain) and prior service cost, net of tax (benefit) of $0, $0, $0 and $(2), respectively	**—**	—	**1**	(5)
Change in life policy reserves, reinsurance recoverable and other, net of tax (benefit) of $(20), $22, $(2) and $19, respectively	**(71)**	89	**(5)**	76
Other comprehensive income (loss)	**320**	(201)	**285**	(213)
Comprehensive Income (Loss)	**$ 1,140**	$ (300)	**$ 2,172**	$ 447

Accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Cincinnati Financial Corporation and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Common Stock				
Beginning of period	**$ 397**	$ 397	**$ 397**	$ 397
Share-based awards	**—**	—	**—**	—
End of period	**397**	397	**397**	397
Paid-In Capital				
Beginning of period	**1,466**	1,410	**1,437**	1,392
Share-based awards	**4**	1	**4**	(5)
Share-based compensation	**10**	9	**36**	31
Other	**2**	2	**5**	4
End of period	**1,482**	1,422	**1,482**	1,422
Retained Earnings				
Beginning of period	**13,897**	12,235	**13,084**	11,711
Net income (loss)	**820**	(99)	**1,887**	660
Dividends declared	**(126)**	(118)	**(380)**	(353)
End of period	**14,591**	12,018	**14,591**	12,018
Accumulated Other Comprehensive Loss				
Beginning of period	**(470)**	(626)	**(435)**	(614)
Other comprehensive income (loss)	**320**	(201)	**285**	(213)
End of period	**(150)**	(827)	**(150)**	(827)
Treasury Stock				
Beginning of period	**(2,513)**	(2,386)	**(2,385)**	(2,324)
Share-based awards	**3**	1	**15**	8
Shares acquired - share repurchase authorization	**—**	—	**(121)**	(67)
Shares acquired - share-based compensation plans	**(7)**	(2)	**(26)**	(5)
Other	**1**	1	**1**	2
End of period	**(2,516)**	(2,386)	**(2,516)**	(2,386)
Total Shareholders' Equity	**$ 13,804**	$ 10,624	**$ 13,804**	$ 10,624
(In millions, except per common share)				
Common Stock - Shares Outstanding				
Beginning of period	**156.2**	156.8	**157.0**	157.1
Share-based awards	**0.1**	—	**0.5**	0.3
Shares acquired - share repurchase authorization	**—**	—	**(1.1)**	(0.6)
Shares acquired - share-based compensation plans	**(0.1)**	—	**(0.2)**	—
Other	**0.1**	0.1	**0.1**	0.1
End of period	**156.3**	156.9	**156.3**	156.9
Dividends declared per common share	**$ 0.81**	$ 0.75	**$ 2.43**	$ 2.25

Accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Cincinnati Financial Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows

(Dollars in millions)	Nine months ended September 30, 2024	2023
Cash Flows From Operating Activities		
Net income	$ 1,887	$ 660
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other	115	88
Investment gains and losses, net	(1,499)	(69)
Interest credited to contract holders	34	33
Deferred income tax expense	199	2
Changes in:		
Premiums and reinsurance receivable	(356)	(392)
Deferred policy acquisition costs	(148)	(88)
Other assets	(8)	(30)
Loss and loss expense reserves	878	677
Life policy and investment contract reserves	54	73
Unearned premiums	755	506
Other liabilities	55	8
Current income tax receivable/payable	41	7
Net cash provided by operating activities	2,007	1,475
Cash Flows From Investing Activities		
Sale, call or maturity of fixed maturities	2,354	826
Sale of equity securities	1,332	68
Purchase of fixed maturities	(3,797)	(1,853)
Purchase of equity securities	(282)	(157)
Changes in finance receivables	(10)	(10)
Investment in building and equipment	(18)	(10)
Change in other invested assets, net	(68)	(102)
Net cash used in investing activities	(489)	(1,238)
Cash Flows From Financing Activities		
Payment of cash dividends to shareholders	(365)	(338)
Shares acquired - share repurchase authorization	(121)	(67)
Changes in note payable	—	(25)
Proceeds from stock options exercised	7	7
Contract holders' funds deposited	58	67
Contract holders' funds withdrawn	(152)	(165)
Other	(100)	(81)
Net cash used in financing activities	(673)	(602)
Net change in cash and cash equivalents	845	(365)
Cash and cash equivalents at beginning of year	907	1,264
Cash and cash equivalents at end of period	$ 1,752	$ 899
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 27	$ 28
Income taxes paid	221	94
Noncash Activities		
Equipment acquired under finance lease obligations	$ 13	$ 10
Share-based compensation	41	15
Other assets and other liabilities	562	120

Accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 — Accounting Policies

The condensed consolidated financial statements include the accounts of Cincinnati Financial Corporation and its consolidated subsidiaries, each of which is wholly owned. These statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP). All intercompany balances and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Our actual results could differ from those estimates. Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, but that is not required for interim reporting purposes, has been condensed or omitted.

Our September 30, 2024, condensed consolidated financial statements are unaudited. We believe that we have made all adjustments, consisting only of normal recurring accruals, that are necessary for fair presentation. These condensed consolidated financial statements should be read in conjunction with our consolidated financial statements included in our 2023 Annual Report on Form 10-K. The results of operations for interim periods do not necessarily indicate results to be expected for the full year.

Pending Accounting Updates

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* ASU 2023-07 enhances reportable segment disclosures by requiring entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within the reported measure of profit or loss. This ASU also requires disclosure of the title and position of the CODM as well as a description of how the reported measure of profit or loss is used to assess segment performance and allocate resources. The effective date of ASU 2023-07 is for annual reporting periods beginning after December 15, 2023, and interim reporting periods within annual periods beginning after December 15, 2024, and should be applied retrospectively to all prior periods presented. The ASU has not yet been adopted and will not have a material impact on our company's consolidated financial position, results of operations or cash flows, but the ASU will require additional disclosures in our annual and interim financial statements.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures by requiring entities to disclose specific categories within their rate reconciliation as well as additional items within those categories above a prescribed threshold. This ASU also requires disclosure of the amount of income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes as well as additional items within those categories above a prescribed threshold. The effective date of ASU 2023-09 is for annual reporting periods beginning after December 15, 2024, and should be applied prospectively with retrospective application permitted. The ASU has not yet been adopted and will not have a material impact on our company's consolidated financial position, results of operations or cash flows, but the ASU will require additional disclosures in our annual financial statements.

NOTE 2 – Investments

The following table provides amortized cost, gross unrealized gains, gross unrealized losses and fair value for our fixed-maturity securities:

(Dollars in millions) **At September 30, 2024**	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Fixed-maturity securities:				
Corporate	**$ 8,407**	**$ 150**	**$ 218**	**$ 8,339**
States, municipalities and political subdivisions	**4,944**	**41**	**176**	**4,809**
Government-sponsored enterprises	**2,147**	**5**	**1**	**2,151**
Asset-backed	**317**	**4**	**7**	**314**
United States government	**228**	**1**	**2**	**227**
Foreign government	**31**	**—**	**—**	**31**
Total	**$ 16,074**	**$ 201**	**$ 404**	**$ 15,871**
At December 31, 2023				
Fixed-maturity securities:				
Corporate	$ 7,836	$ 70	$ 454	$ 7,452
States, municipalities and political subdivisions	4,867	44	208	4,703
Government-sponsored enterprises	1,227	3	6	1,224
Asset-backed	203	—	16	187
United States government	203	—	3	200
Foreign government	25	—	—	25
Total	$ 14,361	$ 117	$ 687	$ 13,791

The decrease in net unrealized investment losses in our fixed-maturity portfolio at September 30, 2024, is primarily due to a decrease in U.S. Treasury yields and a tightening of corporate credit spreads as well as realized losses on sales of some lower-yielding fixed maturities.
Our asset-backed securities had an average rating of Aa2/AA- and Aa3/AA- at September 30, 2024, and December 31, 2023, respectively.

The table below provides fair values and gross unrealized losses by investment category and by the duration of the securities' continuous unrealized loss positions:

(Dollars in millions)	Less than 12 months		12 months or more		Total	
At September 30, 2024	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Fixed-maturity securities:						
Corporate	**$ 402**	**$ 5**	**$ 3,937**	**$ 213**	**$ 4,339**	**$ 218**
States, municipalities and political subdivisions	**287**	**4**	**2,000**	**172**	**2,287**	**176**
Government-sponsored enterprises	**715**	**1**	**128**	**—**	**843**	**1**
Asset-backed	**48**	**—**	**99**	**7**	**147**	**7**
United States government	**—**	**—**	**103**	**2**	**103**	**2**
Foreign government	**—**	**—**	**5**	**—**	**5**	**—**
Total	**$ 1,452**	**$ 10**	**$ 6,272**	**$ 394**	**$ 7,724**	**$ 404**
At December 31, 2023						
Fixed-maturity securities:						
Corporate	$ 379	$ 13	$ 5,560	$ 441	$ 5,939	$ 454
States, municipalities and political subdivisions	313	2	1,932	206	2,245	208
Government-sponsored enterprises	652	3	113	3	765	6
Asset-backed	5	—	172	16	177	16
United States government	32	—	129	3	161	3
Foreign government	3	—	6	—	9	—
Total	$ 1,384	$ 18	$ 7,912	$ 669	$ 9,296	$ 687

Contractual maturity dates for fixed-maturities securities were:

(Dollars in millions) At September 30, 2024	Amortized cost	Fair value	% of fair value
Maturity dates:			
Due in one year or less	$ 1,198	$ 1,194	7.5 %
Due after one year through five years	4,011	3,993	25.2
Due after five years through ten years	3,554	3,542	22.3
Due after ten years	7,311	7,142	45.0
Total	$ 16,074	$ 15,871	100.0 %

Actual maturities may differ from contractual maturities when there is a right to call or prepay obligations with or without call or prepayment penalties.

The following table provides investment income and investment gains and losses, net:

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Investment income:				
Interest	**$ 187**	$ 154	**$ 529**	$ 441
Dividends	**68**	69	**209**	205
Other	**7**	5	**18**	18
Total	**262**	228	**756**	664
Less investment expenses	**4**	3	**11**	9
Total	**$ 258**	$ 225	**$ 745**	$ 655
Investment gains and losses, net:				
Equity securities:				
Investment gains and losses on securities sold, net	**$ 24**	$ (5)	**$ 146**	$ 2
Unrealized gains and losses on securities still held, net	**817**	(458)	**1,446**	99
Subtotal	**841**	(463)	**1,592**	101
Fixed-maturity securities:				
Gross realized gains	**1**	1	**5**	2
Gross realized losses	**(87)**	(1)	**(94)**	(2)
Change in allowance for credit losses, net	**—**	1	**(25)**	(2)
Write-down of impaired securities with intent to sell	**—**	—	**—**	(4)
Subtotal	**(86)**	1	**(114)**	(6)
Other	**3**	6	**29**	(11)
Total	**$ 758**	$ (456)	**$ 1,507**	$ 84

The fair value of our equity portfolio was $11.570 billion and $10.989 billion at September 30, 2024, and December 31, 2023, respectively. Apple, Inc. (Nasdaq:AAPL) and Microsoft Corporation (Nasdaq:MSFT), equity holdings, were our largest single investment holdings with a fair value of $885 million and $842 million, which was 7.9% and 7.9% of our publicly traded common equities portfolio and 3.2% and 3.4% of the total investment portfolio at September 30, 2024, and December 31, 2023, respectively.

The allowance for credit losses on fixed-maturity securities was $39 million and $18 million at September 30, 2024, and December 31, 2023, respectively.

There were 2,495 and 2,840 fixed-maturity securities in a total unrealized loss position of $404 million and $687 million at September 30, 2024, and December 31, 2023, respectively. Of those totals, 5 and 20 fixed-maturity securities had fair values below 70% of amortized cost at September 30, 2024, and December 31, 2023, respectively.

NOTE 3 – Fair Value Measurements

In accordance with accounting guidance for fair value measurements and disclosures, we categorized our financial instruments, based on the priority of the observable and market-based data for the valuation technique used, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices with readily available independent data in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable market inputs (Level 3). When various inputs for measurement fall within different levels of the fair value hierarchy, the lowest observable input that has a significant impact on fair value measurement is used. Our valuation techniques have not changed from those used at December 31, 2023, and ultimately management determines fair value. See our 2023 Annual Report on Form 10-K, Item 8, Note 3, Fair Value Measurements, Page 139, for information on characteristics and valuation techniques used in determining fair value.

Fair Value Disclosures for Assets

The following tables illustrate the fair value hierarchy for those assets measured at fair value on a recurring basis at September 30, 2024, and December 31, 2023. We do not have any liabilities carried at fair value.

(Dollars in millions)

At September 30, 2024	Level 1	Level 2	Level 3	Total
Fixed maturities, available for sale:				
Corporate	**$ —**	**$ 8,339**	**$ —**	**$ 8,339**
States, municipalities and political subdivisions	**—**	**4,809**	**—**	**4,809**
Government-sponsored enterprises	**—**	**2,151**	**—**	**2,151**
Asset-backed	**—**	**314**	**—**	**314**
United States government	**227**	**—**	**—**	**227**
Foreign government	**—**	**31**	**—**	**31**
Subtotal	**227**	**15,644**	**—**	**15,871**
Common equities	**11,200**	**—**	**—**	**11,200**
Nonredeemable preferred equities	**—**	**370**	**—**	**370**
Separate accounts taxable fixed maturities	**—**	**894**	**—**	**894**
Top Hat savings plan mutual funds and common equity (included in Other assets)	**84**	**—**	**—**	**84**
Total	**$ 11,511**	**$ 16,908**	**$ —**	**$ 28,419**
At December 31, 2023				
Fixed maturities, available for sale:				
Corporate	$ —	$ 7,452	$ —	$ 7,452
States, municipalities and political subdivisions	—	4,703	—	4,703
Government-sponsored enterprises	—	1,224	—	1,224
Asset-backed	—	187	—	187
United States government	200	—	—	200
Foreign government	—	25	—	25
Subtotal	200	13,591	—	13,791
Common equities	10,641	—	—	10,641
Nonredeemable preferred equities	—	348	—	348
Separate accounts taxable fixed maturities	—	854	—	854
Top Hat savings plan mutual funds and common equity (included in Other assets)	67	—	—	67
Total	$ 10,908	$ 14,793	$ —	$ 25,701

We also held Level 1 cash and cash equivalents of $1.752 billion and $907 million at September 30, 2024, and December 31, 2023, respectively.

Fair Value Disclosures for Assets and Liabilities Not Carried at Fair Value

The disclosures below are presented to provide information about the effects of current market conditions on financial instruments that are not reported at fair value in our condensed consolidated financial statements.

This table summarizes the book value and principal amounts of our long-term debt:

(Dollars in millions)			Book value		Principal amount	
Interest rate	Year of issue		**September 30, 2024**	December 31, 2023	**September 30, 2024**	December 31, 2023
6.900%	1998	Senior debentures, due 2028	**$ 27**	$ 27	**$ 28**	$ 28
6.920%	2005	Senior debentures, due 2028	**391**	391	**391**	391
6.125%	2004	Senior notes, due 2034	**372**	372	**374**	374
Total			**$ 790**	$ 790	**$ 793**	$ 793

The following table shows fair values of our note payable and long-term debt:

(Dollars in millions)				
At September 30, 2024	Level 1	Level 2	Level 3	Total
Note payable	**$ —**	**$ 25**	**$ —**	**$ 25**
6.900% senior debentures, due 2028	**—**	**30**	**—**	**30**
6.920% senior debentures, due 2028	**—**	**427**	**—**	**427**
6.125% senior notes, due 2034	**—**	**407**	**—**	**407**
Total	**$ —**	**$ 889**	**$ —**	**$ 889**
At December 31, 2023				
Note payable	$ —	$ 25	$ —	$ 25
6.900% senior debentures, due 2028	—	29	—	29
6.920% senior debentures, due 2028	—	420	—	420
6.125% senior notes, due 2034	—	394	—	394
Total	$ —	$ 868	$ —	$ 868

The following table shows the fair value of our life policy loans included in other invested assets and the fair values of our deferred annuities and structured settlements included in life policy and investment contract reserves:

(Dollars in millions)				
At September 30, 2024	Level 1	Level 2	Level 3	Total
Life policy loans	**$ —**	**$ —**	**$ 41**	**$ 41**
Deferred annuities	**$ —**	**$ —**	**$ 576**	**$ 576**
Structured settlements	**—**	**136**	**—**	**136**
Total	**$ —**	**$ 136**	**$ 576**	**$ 712**
At December 31, 2023				
Life policy loans	$ —	$ —	$ 39	$ 39
Deferred annuities	$ —	$ —	$ 603	$ 603
Structured settlements	—	141	—	141
Total	$ —	$ 141	$ 603	$ 744

Outstanding principal and interest for these life policy loans totaled $35 million and $33 million at September 30, 2024, and December 31, 2023, respectively.

Recorded reserves for the deferred annuities were $605 million and $656 million at September 30, 2024, and December 31, 2023, respectively. Recorded reserves for the structured settlements were $118 million and $123 million at September 30, 2024, and December 31, 2023, respectively.

NOTE 4 – Property Casualty Loss and Loss Expenses

This table summarizes activity for our consolidated property casualty loss and loss expense reserves:

(Dollars in millions)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Gross loss and loss expense reserves, beginning of period	**$ 9,494**	$ 8,807	**$ 8,975**	$ 8,336
Less reinsurance recoverable	**303**	424	**362**	405
Net loss and loss expense reserves, beginning of period	**9,191**	8,383	**8,613**	7,931
Net incurred loss and loss expenses related to:				
Current accident year	**1,570**	1,314	**4,392**	4,053
Prior accident years	**(71)**	(53)	**(211)**	(213)
Total incurred	**1,499**	1,261	**4,181**	3,840
Net paid loss and loss expenses related to:				
Current accident year	**574**	597	**1,262**	1,286
Prior accident years	**540**	461	**1,956**	1,899
Total paid	**1,114**	1,058	**3,218**	3,185
Net loss and loss expense reserves, end of period	**9,576**	8,586	**9,576**	8,586
Plus reinsurance recoverable	**290**	419	**290**	419
Gross loss and loss expense reserves, end of period	**$ 9,866**	$ 9,005	**$ 9,866**	$ 9,005

We use actuarial methods, models and judgment to estimate, as of a financial statement date, the property casualty loss and loss expense reserves required to pay for and settle all outstanding insured claims, including incurred but not reported (IBNR) claims, as of that date. The actuarial estimate is subject to review and adjustment by an inter-departmental committee that includes actuarial, claims, underwriting, loss prevention and accounting management. This committee is familiar with relevant company and industry business, claims and underwriting trends, as well as general economic and legal trends that could affect future loss and loss expense payments. The amount we will actually have to pay for claims can be highly uncertain. This uncertainty, together with the size of our reserves, makes the loss and loss expense reserves our most significant estimate. The reserve for loss and loss expenses in the condensed consolidated balance sheets also included $62 million and $72 million at September 30, 2024, and 2023, respectively, for certain life and health loss and loss expense reserves.

We experienced $71 million of favorable development on prior accident years, including $50 million of favorable development in commercial lines, less than $1 million of unfavorable development in personal lines and $5 million of unfavorable development in excess and surplus lines for the three months ended September 30, 2024. Within commercial lines, we recognized favorable reserve development of $33 million for the commercial property line and $16 million for the workers' compensation line due to reduced uncertainty of prior accident year loss and loss adjustment expense for these lines.

We experienced $211 million of favorable development on prior accident years, including $117 million of favorable development in commercial lines, $27 million of favorable development in personal lines and $5 million of unfavorable development in excess and surplus lines for the nine months ended September 30, 2024. Within commercial lines, we recognized favorable reserve development of $76 million for the commercial property line, $56 million for the workers' compensation line and $10 million for the commercial auto line due to reduced uncertainty of prior accident year loss and loss adjustment expense for these lines. This was partially offset by unfavorable reserve development of $27 million for the commercial casualty line. Within personal lines, we recognized favorable reserve development of $37 million for the homeowner line.

We experienced $53 million of favorable development on prior accident years, including $34 million of favorable development in commercial lines, $8 million of favorable development in personal lines and no net development in excess and surplus lines for the three months ended September 30, 2023. Within commercial lines, we recognized favorable reserve development of $20 million for the workers' compensation line and $11 million for the commercial property line due to reduced uncertainty of prior accident year loss and loss adjustment expense for these lines.

We experienced $213 million of favorable development on prior accident years, including $125 million of favorable development in commercial lines, $54 million of favorable development in personal lines and $14 million of favorable development in excess and surplus lines for the nine months ended September 30, 2023. Within commercial lines, we recognized favorable reserve development of $46 million for the workers' compensation line and $36 million for both the commercial property and commercial casualty lines due to reduced uncertainty of prior accident year loss and loss adjustment expense for these lines. Within personal lines, we recognized favorable reserve development of $44 million for the homeowner line and $12 million for the personal auto line.

NOTE 5 – Life Policy and Investment Contract Reserves

We establish the reserves for traditional life policies including term, whole life and other products based on the present value of future benefits and claim expenses less the present value of future net premiums. Net premium is the portion of gross premium required to provide for all benefits and claim expenses. We estimate future benefits and claim expenses and net premium using certain cash flow assumptions including mortality, morbidity and lapse rates as well as a discount rate assumption. The cash flow assumptions are established based on our current expectations and are reviewed annually to determine any necessary updates. These assumptions are also updated on an interim basis if evidence suggests that they should be revised. We use both our own experience and industry experience, adjusted for historical trends, in arriving at our cash flow assumptions. The discount rate assumption is based on upper-medium grade fixed-income instrument yields (market value discount rates) and is updated quarterly. Certain assumptions, including the mortality, lapse and long-term interest rate reversion targets, were updated in the second quarter of 2024 as part of our annual assumption unlocking. Changes in the inputs, judgments and assumptions during the period and the related measurement impact on the liability are reflected in the below tables.

We establish reserves for our universal life, deferred annuity and other investment contracts equal to the cumulative account balances, which include premium deposits plus credited interest less charges and withdrawals. Some of our universal life policies contain no-lapse guarantee provisions. For these policies, we establish a reserve in addition to the account balance, based on expected no-lapse guarantee benefits and expected policy assessments.

The following table summarizes our life policy and investment contract reserves and provides a reconciliation of the balances described in the below tables to those in the condensed consolidated balance sheets:

(Dollars in millions)	September 30, 2024	December 31, 2023
Life policy reserves:		
Term	$ 1,108	$ 1,066
Whole life	441	434
Other	100	97
Subtotal	1,649	1,597
Investment contract reserves:		
Deferred annuities	605	656
Universal life	590	585
Structured settlements	118	123
Other	107	107
Subtotal	1,420	1,471
Total life policy and investment contract reserves	$ 3,069	$ 3,068

The balances and changes in the term and whole life policy reserves included in life policy and investment contract reserves is as follows:

(Dollars in millions)	Three months ended September 30, 2024 Term	2024 Whole life	2023 Term	2023 Whole life
Present value of expected net premiums:				
Balance, beginning of period	**$ 1,620**	**$ 215**	$ 1,664	$ 212
Beginning balance at original discount rate	**1,701**	**225**	1,712	219
Effect of changes in cash flow assumptions	**(1)**	**(1)**	—	(1)
Effect of actual variances from expected experience	**(4)**	**—**	(3)	2
Adjusted beginning of period balance	**1,696**	**224**	1,709	220
Issuances	**34**	**9**	33	7
Interest accrual	**20**	**2**	18	3
Net premiums collected	**(45)**	**(8)**	(45)	(7)
Ending balance at original discount rate	**1,705**	**227**	1,715	223
Effect of changes in discount rate assumptions	**3**	**—**	(133)	(17)
Balance, end of period	**1,708**	**227**	1,582	206
Present value of expected future policy benefits:				
Balance, beginning of period	**2,634**	**619**	2,662	633
Beginning balance at original discount rate	**2,772**	**636**	2,737	615
Effect of changes in cash flow assumptions	**(1)**	**(2)**	—	—
Effect of actual variances from expected experience	**(7)**	**(1)**	(6)	2
Adjusted beginning of period balance	**2,764**	**633**	2,731	617
Issuances	**34**	**8**	33	7
Interest accrual	**32**	**8**	30	8
Benefits paid	**(48)**	**(8)**	(39)	(9)
Ending balance at original discount rate	**2,782**	**641**	2,755	623
Effect of changes in discount rate assumptions	**12**	**27**	(234)	(37)
Balance, end of period	**2,794**	**668**	2,521	586
Net liability for future policy benefits:				
Present value of expected future policy benefits less expected net premiums	**1,086**	**441**	939	380
Impact of flooring at cohort level	**22**	**—**	17	1
Net life policy reserves	**1,108**	**441**	956	381
Less reinsurance recoverable at original discount rate	**(92)**	**(25)**	(99)	(25)
Less effect of discount rate assumption changes on reinsurance recoverable	**(10)**	**(5)**	(7)	(3)
Net life policy reserves, after reinsurance recoverable	**$ 1,006**	**$ 411**	$ 850	$ 353
Weighted-average duration of the net life policy reserves in years	**11**	**16**	11	16

(Dollars in millions)	Nine months ended September 30,			
	2024		2023	
	Term	Whole life	Term	Whole life
Present value of expected net premiums:				
Balance, beginning of period	**$ 1,700**	**$ 223**	$ 1,643	$ 208
Beginning balance at original discount rate	**1,712**	**225**	1,708	217
Effect of changes in cash flow assumptions	**(13)**	**—**	(5)	(7)
Effect of actual variances from expected experience	**(23)**	**(3)**	(15)	3
Adjusted beginning of period balance	**1,676**	**222**	1,688	213
Issuances	**110**	**20**	111	24
Interest accrual	**56**	**7**	53	7
Net premiums collected	**(137)**	**(22)**	(137)	(21)
Ending balance at original discount rate	**1,705**	**227**	1,715	223
Effect of changes in discount rate assumptions	**3**	**—**	(133)	(17)
Balance, end of period	**1,708**	**227**	1,582	206
Present value of expected future policy benefits:				
Balance, beginning of period	**2,751**	**657**	2,584	614
Beginning balance at original discount rate	**2,765**	**628**	2,692	607
Effect of changes in cash flow assumptions	**(30)**	**—**	5	(10)
Effect of actual variances from expected experience	**(35)**	**(5)**	(19)	3
Adjusted beginning of period balance	**2,700**	**623**	2,678	600
Issuances	**110**	**20**	111	24
Interest accrual	**94**	**24**	90	23
Benefits paid	**(122)**	**(26)**	(124)	(24)
Ending balance at original discount rate	**2,782**	**641**	2,755	623
Effect of changes in discount rate assumptions	**12**	**27**	(234)	(37)
Balance, end of period	**2,794**	**668**	2,521	586
Net liability for future policy benefits:				
Present value of expected future policy benefits less expected net premiums	**1,086**	**441**	939	380
Impact of flooring at cohort level	**22**	**—**	17	1
Net life policy reserves	**1,108**	**441**	956	381
Less reinsurance recoverable at original discount rate	**(92)**	**(25)**	(99)	(25)
Less effect of discount rate assumption changes on reinsurance recoverable	**(10)**	**(5)**	(7)	(3)
Net life policy reserves, after reinsurance recoverable	**$ 1,006**	**$ 411**	$ 850	$ 353
Weighted-average duration of the net life policy reserves in years	**11**	**16**	11	16

The total impact of flooring at cohort level in the above tables includes the effect of discount rate assumption changes of $3 million and $5 million at September 30, 2024 and 2023, respectively.

The following table shows the amount of undiscounted and discounted expected future benefit payments and expected gross premiums for our term and whole life policies:

(Dollars in millions)	At September 30, 2024		2023	
	Undiscounted	Discounted	Undiscounted	Discounted
Term				
Expected future benefit payments	**$ 4,840**	**$ 2,794**	$ 4,768	$ 2,521
Expected future gross premiums	**4,524**	**2,736**	4,364	2,464
Whole life				
Expected future benefit payments	**$ 1,702**	**$ 668**	$ 1,631	$ 586
Expected future gross premiums	**687**	**428**	653	379

The following table shows the amount of revenue and interest recognized in the condensed consolidated statements of income related to our term and whole life policies:

(Dollars in millions)	Three months ended September 30, 2024	2023	Nine months ended September 30, 2024	2023
Gross premiums				
Term	**$ 72**	$ 71	**$ 221**	$ 217
Whole life	**15**	14	**41**	39
Total	**$ 87**	$ 85	**$ 262**	$ 256
Interest accretion				
Term	**$ 12**	$ 13	**$ 38**	$ 37
Whole life	**6**	5	**17**	16
Total	**$ 18**	$ 18	**$ 55**	$ 53

Adverse development that resulted in an immediate charge to income due to net premiums exceeding gross premiums was immaterial for the nine months ended September 30, 2024, and 2023.

The following table shows the weighted-average interest rate for our term and whole life products:

	At September 30, 2024	2023
Term		
Interest accretion rate	**5.21 %**	5.29 %
Current discount rate	**4.53**	5.73
Whole life		
Interest accretion rate	**5.89 %**	5.92 %
Current discount rate	**5.14**	5.95

The discount rate assumption was developed by calculating forward rates from market yield curves of upper-medium grade fixed-income instruments.

The following table shows the balances and changes in policyholders' account balances included in investment contract reserves:

(Dollars in millions)	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		**2024**		2023	
	Deferred annuity	Universal life	Deferred annuity	Universal life	Deferred annuity	Universal life	Deferred annuity	Universal life
Balance, beginning of period	**$ 618**	**$ 456**	$ 696	$ 456	**$ 656**	**$ 457**	$ 734	$ 457
Premiums received	**10**	**9**	13	8	**29**	**28**	38	28
Policy charges	**—**	**(10)**	—	(9)	**—**	**(30)**	—	(29)
Surrenders and withdrawals	**(25)**	**(2)**	(32)	(2)	**(88)**	**(9)**	(100)	(9)
Benefit payments	**(4)**	**(1)**	(3)	(1)	**(9)**	**(4)**	(9)	(5)
Interest credited	**6**	**4**	6	4	**17**	**14**	17	14
Balance, end of period	**$ 605**	**$ 456**	$ 680	$ 456	**$ 605**	**$ 456**	$ 680	$ 456
Weighted average crediting rate	**3.64 %**	**4.36 %**	3.45 %	4.29 %	**3.64 %**	**4.36 %**	3.45 %	4.29 %
Net amount at risk	**$ —**	**$ 3,865**	$ —	$ 3,989	**$ —**	**$ 3,865**	$ —	$ 3,989
Cash surrender value	**599**	**426**	675	424	**599**	**426**	675	424

The net amount at risk above represents the guaranteed benefit amount in excess of the current account balances.

The following table shows the balance of account values by range of guaranteed minimum crediting rates, in basis points, and the related range of the difference between rates being credited to policyholders and the respective guaranteed minimums for our deferred annuity and universal life contracts:

(Dollars in millions) **At September 30, 2024**	At guaranteed minimum	1 to 50 basis points above	51-150 basis points above	Greater than 150 basis points	Total
Deferred annuity					
1.00-3.00%	**$ 4**	**$ 309**	**$ 14**	**$ 231**	**$ 558**
3.01-4.00%	**47**	**—**	**—**	**—**	**47**
Total	**$ 51**	**$ 309**	**$ 14**	**$ 231**	**$ 605**
Universal life					
1.00-3.00%	**$ —**	**$ 55**	**$ 64**	**$ 5**	**$ 124**
3.01-4.00%	**50**	**—**	**4**	**—**	**54**
Greater than 4.00%	**278**	**—**	**—**	**—**	**278**
Total	**$ 328**	**$ 55**	**$ 68**	**$ 5**	**$ 456**
At September 30, 2023					
Deferred annuity					
1.00-3.00%	$ 5	$ 380	$ 16	$ 229	$ 630
3.01-4.00%	50	—	—	—	50
Total	$ 55	$ 380	$ 16	$ 229	$ 680
Universal life					
1.00-3.00%	$ 60	$ —	$ 57	$ 3	$ 120
3.01-4.00%	54	—	—	—	54
Greater than 4.00%	282	—	—	—	282
Total	$ 396	$ —	$ 57	$ 3	$ 456

The following table shows the balances and changes in the other additional liability related to the no-lapse guarantees contained within our universal life contracts:

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Balance, beginning of period	**$ 128**	$ 122	**$ 128**	$ 121
Balance, beginning of period before shadow reserve adjustments	**130**	124	**129**	123
Effect of changes in cash flow assumptions	**—**	—	**(2)**	(5)
Effect of actual variances from expected experience	**—**	2	**—**	1
Adjusted beginning of period balance	**130**	126	**127**	119
Interest accrual	**1**	1	**3**	3
Excess death benefits	**(2)**	(4)	**(5)**	(6)
Attributed assessments	**3**	3	**9**	9
Effect of changes in interest rate assumptions	**3**	(5)	**1**	(4)
Balance, end of period before shadow reserve adjustments	**135**	121	**135**	121
Shadow reserve adjustments	**(1)**	(2)	**(1)**	(2)
Balance, end of period	**134**	119	**134**	119
Less reinsurance recoverable, end of period	**6**	7	**6**	7
Net other additional liability, after reinsurance recoverable	**$ 140**	$ 126	**$ 140**	$ 126
Weighted-average duration of the other additional liability in years	**29**	32	**29**	32

The following table shows balances and changes in separate accounts balances during the period:

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Balance, beginning of period	**$ 948**	$ 911	**$ 925**	$ 892
Interest credited before policy charges	**10**	11	**31**	31
Benefit payments	**—**	(3)	**(3)**	(6)
Other	**(15)**	(1)	**(10)**	1
Balance, end of period	**$ 943**	$ 918	**$ 943**	$ 918
Cash surrender value	**$ 941**	$ 912	**$ 941**	$ 912

NOTE 6 – Deferred Policy Acquisition Costs

Expenses directly related to successfully acquired insurance policies – primarily commissions, premium taxes and underwriting costs – are deferred and amortized over the terms of the policies. We update our acquisition cost assumptions periodically to reflect actual experience. For property casualty, we evaluate the costs for recoverability. No premium deficiencies were recorded in the condensed consolidated statements of income, as the sum of the anticipated loss and loss expenses, policyholder dividends and unamortized deferred acquisition expenses did not exceed the related unearned premiums and anticipated investment income.

The table below shows the deferred policy acquisition costs and asset reconciliation.

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Property casualty:				
Deferred policy acquisition costs asset, beginning of period	**$ 878**	$ 771	**$ 749**	$ 682
Capitalized deferred policy acquisition costs	**436**	355	**1,318**	1,134
Amortized deferred policy acquisition costs	**(427)**	(366)	**(1,180)**	(1,056)
Deferred policy acquisition costs asset, end of period	**$ 887**	$ 760	**$ 887**	$ 760
Life:				
Deferred policy acquisition costs asset, beginning of period	**$ 351**	$ 338	**$ 344**	$ 331
Capitalized deferred policy acquisition costs	**11**	10	**33**	32
Amortized deferred policy acquisition costs	**(8)**	(7)	**(23)**	(22)
Deferred policy acquisition costs asset, end of period	**$ 354**	$ 341	**$ 354**	$ 341
Consolidated:				
Deferred policy acquisition costs asset, beginning of period	**$ 1,229**	$ 1,109	**$ 1,093**	$ 1,013
Capitalized deferred policy acquisition costs	**447**	365	**1,351**	1,166
Amortized deferred policy acquisition costs	**(435)**	(373)	**(1,203)**	(1,078)
Deferred policy acquisition costs asset, end of period	**$ 1,241**	$ 1,101	**$ 1,241**	$ 1,101

The table below shows the life deferred policy acquisition costs asset by product:

(Dollars in millions)

Three months ended September 30, 2024	Term	Whole life	Deferred annuity	Universal life	Total
Balance, beginning of period	**$ 241**	**$ 50**	**$ 8**	**$ 52**	**$ 351**
Capitalized deferred policy acquisition costs	**9**	**1**	**—**	**1**	**11**
Amortized deferred policy acquisition costs	**(7)**	**—**	**—**	**(1)**	**(8)**
Balance, end of period	**$ 243**	**$ 51**	**$ 8**	**$ 52**	**$ 354**
Three months ended September 30, 2023					
Balance, beginning of period	$ 233	$ 45	$ 8	$ 52	$ 338
Capitalized deferred policy acquisition costs	8	2	—	—	10
Amortized deferred policy acquisition costs	(7)	—	—	—	(7)
Balance, end of period	$ 234	$ 47	$ 8	$ 52	$ 341

(Dollars in millions)

Nine months ended September 30, 2024	Term	Whole life	Deferred annuity	Universal life	Total
Balance, beginning of period	**$ 236**	**$ 48**	**$ 8**	**$ 52**	**$ 344**
Capitalized deferred policy acquisition costs	**25**	**5**	**1**	**2**	**33**
Amortized deferred policy acquisition costs	**(18)**	**(2)**	**(1)**	**(2)**	**(23)**
Balance, end of period	**$ 243**	**$ 51**	**$ 8**	**$ 52**	**$ 354**
Nine months ended September 30, 2023					
Balance, beginning of period	$ 228	$ 43	$ 7	$ 53	$ 331
Capitalized deferred policy acquisition costs	24	6	1	1	32
Amortized deferred policy acquisition costs	(18)	(2)	—	(2)	(22)
Balance, end of period	$ 234	$ 47	$ 8	$ 52	$ 341

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NOTE 7 – Accumulated Other Comprehensive Income

Accumulated other comprehensive income (AOCI) includes changes in unrealized gains and losses on investments, changes in pension obligations and changes in life policy reserves, reinsurance recoverable and other as follows:

(Dollars in millions)	Three months ended September 30,					
	2024			2023		
	Before tax	Income tax	Net	Before tax	Income tax	Net
Investments:						
AOCI, beginning of period	**$ (700)**	**$ (151)**	**$ (549)**	$ (838)	$ (179)	$ (659)
OCI before investment gains and losses, net, recognized in net income	**411**	**88**	**323**	(369)	(79)	(290)
Investment gains and losses, net, recognized in net income	**86**	**18**	**68**	—	—	—
OCI	**497**	**106**	**391**	(369)	(79)	(290)
AOCI, end of period	**$ (203)**	**$ (45)**	**$ (158)**	$ (1,207)	$ (258)	$ (949)
Pension obligations:						
AOCI, beginning of period	**$ 31**	**$ 8**	**$ 23**	$ 29	$ 7	$ 22
OCI excluding amortization recognized in net income	**—**	**—**	**—**	—	—	—
Amortization recognized in net income	**—**	**—**	**—**	—	—	—
OCI	**—**	**—**	**—**	—	—	—
AOCI, end of period	**$ 31**	**$ 8**	**$ 23**	$ 29	$ 7	$ 22
Life policy reserves, reinsurance recoverable and other:						
AOCI, beginning of period	**$ 71**	**$ 15**	**$ 56**	$ 13	$ 2	$ 11
OCI before investment gains and losses, net, recognized in net income	**(91)**	**(20)**	**(71)**	111	22	89
Investment gains and losses, net, recognized in net income	**—**	**—**	**—**	—	—	—
OCI	**(91)**	**(20)**	**(71)**	111	22	89
AOCI, end of period	**$ (20)**	**$ (5)**	**$ (15)**	$ 124	$ 24	$ 100
Summary of AOCI:						
AOCI, beginning of period	**$ (598)**	**$ (128)**	**$ (470)**	$ (796)	$ (170)	$ (626)
Investments OCI	**497**	**106**	**391**	(369)	(79)	(290)
Pension obligations OCI	**—**	**—**	**—**	—	—	—
Life policy reserves, reinsurance recoverable and other OCI	**(91)**	**(20)**	**(71)**	111	22	89
Total OCI	**406**	**86**	**320**	(258)	(57)	(201)
AOCI, end of period	**$ (192)**	**$ (42)**	**$ (150)**	$ (1,054)	$ (227)	$ (827)

(Dollars in millions)	Nine months ended September 30,					
	2024			2023		
	Before tax	Income tax	Net	Before tax	Income tax	Net
Investments:						
AOCI, beginning of period	**$ (570)**	**$ (123)**	**$ (447)**	$ (847)	$ (182)	$ (665)
OCI before investment gains and losses, net, recognized in net income	**253**	**54**	**199**	(364)	(77)	(287)
Investment gains and losses, net, recognized in net income	**114**	**24**	**90**	4	1	3
OCI	**367**	**78**	**289**	(360)	(76)	(284)
AOCI, end of period	**$ (203)**	**$ (45)**	**$ (158)**	$ (1,207)	$ (258)	$ (949)
Pension obligations:						
AOCI, beginning of period	**$ 30**	**$ 8**	**$ 22**	$ 36	$ 9	$ 27
OCI excluding amortization recognized in net income	**—**	**—**	**—**	(5)	(2)	(3)
Amortization recognized in net income	**1**	**—**	**1**	(2)	—	(2)
OCI	**1**	**—**	**1**	(7)	(2)	(5)
AOCI, end of period	**$ 31**	**$ 8**	**$ 23**	$ 29	$ 7	$ 22
Life policy reserves, reinsurance recoverable and other:						
AOCI, beginning of period	**$ (13)**	**$ (3)**	**$ (10)**	$ 29	$ 5	$ 24
OCI before investment gains and losses, net, recognized in net income	**(7)**	**(2)**	**(5)**	95	19	76
Investment gains and losses, net, recognized in net income	**—**	**—**	**—**	—	—	—
OCI	**(7)**	**(2)**	**(5)**	95	19	76
AOCI, end of period	**$ (20)**	**$ (5)**	**$ (15)**	$ 124	$ 24	$ 100
Summary of AOCI:						
AOCI, beginning of period	**$ (553)**	**$ (118)**	**$ (435)**	$ (782)	$ (168)	$ (614)
Investments OCI	**367**	**78**	**289**	(360)	(76)	(284)
Pension obligations OCI	**1**	**—**	**1**	(7)	(2)	(5)
Life policy reserves, reinsurance recoverable and other OCI	**(7)**	**(2)**	**(5)**	95	19	76
Total OCI	**361**	**76**	**285**	(272)	(59)	(213)
AOCI, end of period	**$ (192)**	**$ (42)**	**$ (150)**	$ (1,054)	$ (227)	$ (827)

Investment gains and losses, net, and other investment gains and losses, net, are recorded in the investment gains and losses, net, line item in the condensed consolidated statements of income. Amortization of pension obligations is recorded in the insurance losses and contract holders' benefits and underwriting, acquisition and insurance expenses line items in the condensed consolidated statements of income.

NOTE 8 – Reinsurance

Primary components of our property casualty reinsurance assumed operations include involuntary and voluntary assumed as well as contracts from our reinsurance assumed operations, known as Cincinnati Re. Primary components of our ceded reinsurance include a property per risk treaty, property excess treaty, casualty per occurrence treaty, casualty excess treaty, property catastrophe treaty and retrocessions on our reinsurance assumed operations. Management's decisions about the appropriate level of risk retention are affected by various factors, including changes in our underwriting practices, capacity to retain risks and reinsurance market conditions.

The table below summarizes our consolidated property casualty insurance net written premiums, earned premiums and incurred loss and loss expenses:

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Direct written premiums	**$ 2,285**	$ 1,939	**$ 6,772**	$ 5,869
Assumed written premiums	**102**	89	**577**	527
Ceded written premiums	**(94)**	(71)	**(349)**	(270)
Net written premiums	**$ 2,293**	$ 1,957	**$ 7,000**	$ 6,126
Direct earned premiums	**$ 2,179**	$ 1,912	**$ 6,128**	$ 5,478
Assumed earned premiums	**159**	142	**466**	435
Ceded earned premiums	**(121)**	(97)	**(310)**	(252)
Earned premiums	**$ 2,217**	$ 1,957	**$ 6,284**	$ 5,661
Direct incurred loss and loss expenses	**$ 1,415**	$ 1,220	**$ 3,960**	$ 3,784
Assumed incurred loss and loss expenses	**103**	82	**242**	216
Ceded incurred loss and loss expenses	**(19)**	(41)	**(21)**	(160)
Incurred loss and loss expenses	**$ 1,499**	$ 1,261	**$ 4,181**	$ 3,840

Our life insurance company purchases reinsurance for protection of a portion of the risks that are written. Primary components of our life reinsurance program include individual mortality coverage, aggregate catastrophe and accidental death coverage in excess of certain deductibles.

The table below summarizes our consolidated life insurance earned premiums and contract holders' benefits incurred:

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Direct earned premiums	**$ 101**	$ 97	**$ 301**	$ 293
Ceded earned premiums	**(21)**	(21)	**(61)**	(60)
Earned premiums	**$ 80**	$ 76	**$ 240**	$ 233
Direct contract holders' benefits incurred	**$ 92**	$ 92	**$ 262**	$ 289
Ceded contract holders' benefits incurred	**(13)**	(21)	**(36)**	(59)
Contract holders' benefits incurred	**$ 79**	$ 71	**$ 226**	$ 230

The ceded benefits incurred can vary depending on the type of life insurance policy held and the year the policy was issued.

The allowance for uncollectible property casualty premiums was $17 million and $16 million at September 30, 2024, and December 31, 2023, respectively. The allowances for credit losses on other premiums receivable and reinsurance recoverable assets were immaterial at September 30, 2024, and December 31, 2023.

NOTE 9 – Income Taxes

The differences between the 21% statutory federal income tax rate and our effective income tax rate were as follows:

(Dollars in millions)	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		**2024**		2023	
Tax at statutory rate:	**$ 219**	**21.0 %**	$ (31)	21.0 %	**$ 500**	**21.0 %**	$ 165	21.0 %
Increase (decrease) resulting from:								
Tax-exempt income from municipal bonds	**(5)**	**(0.5)**	(5)	3.4	**(16)**	**(0.7)**	(15)	(1.9)
Dividend received exclusion	**(6)**	**(0.6)**	(5)	3.4	**(16)**	**(0.7)**	(16)	(2.0)
Other	**12**	**1.3**	(8)	5.3	**24**	**1.1**	(8)	(1.1)
Provision (benefit) for income taxes	**$ 220**	**21.2 %**	$ (49)	33.1 %	**$ 492**	**20.7 %**	$ 126	16.0 %

The provision (benefit) for federal income taxes is based upon filing a consolidated income tax return for the company and its domestic subsidiaries.

We continue to believe that after considering all positive and negative evidence of taxable income in the carryback and carryforward periods as permitted by law, it is more likely than not that all of the deferred tax assets on our U.S. domestic operations and those related to Cincinnati Global Underwriting Ltd.SM (Cincinnati Global) will be realized. As a result, we have no valuation allowance for our U.S. domestic operations or Cincinnati Global at both September 30, 2024, and December 31, 2023.

During the third quarter of 2024, we were notified by the Internal Revenue Service (IRS) that the audit of tax years ended December 31, 2021 and 2020, has concluded. Despite this, the statute of limitations remains open through September of 2025.

Cincinnati Global

Cincinnati Global had no operating loss carryforwards in the United States and $85 million and $100 million in the United Kingdom at September 30, 2024, and December 31, 2023, respectively. These Cincinnati Global losses can only be utilized within the Cincinnati Global group.

NOTE 10 – Net Income (Loss) Per Common Share

Basic earnings per share are computed based on the weighted average number of common shares outstanding. Diluted earnings per share are computed based on the weighted average number of common and dilutive potential common shares outstanding using the treasury stock method. The table shows calculations for basic and diluted earnings per share:

(In millions, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Numerator:				
Net income (loss)—basic and diluted	**$ 820**	$ (99)	**$ 1,887**	$ 660
Denominator:				
Basic weighted-average common shares outstanding	**156.2**	156.9	**156.5**	157.0
Effect of share-based awards:				
Stock options	**0.9**	—	**0.7**	0.7
Nonvested shares	**0.6**	—	**0.5**	0.5
Diluted weighted-average shares	**157.7**	156.9	**157.7**	158.2
Earnings (loss) per share:				
Basic	**$ 5.25**	$ (0.63)	**$ 12.06**	$ 4.20
Diluted	**$ 5.20**	$ (0.63)	**$ 11.97**	$ 4.17
Number of anti-dilutive share-based awards	**0.6**	2.4	**1.3**	1.3

The source of dilution of our common shares are certain equity-based awards. See our 2023 Annual Report on Form 10-K, Item 8, Note 17, Share-Based Associate Compensation Plans, Page 177, for information about share-based awards. The above table shows the number of anti-dilutive share-based awards for the three and nine months ended September 30, 2024 and 2023. In accordance with Accounting Standards Codification 260, *Earnings per Share*, the assumed exercise of share-based awards was excluded from the computation of diluted loss per share for the three months ended September 30, 2023 because their exercise would have anti-dilutive effects.

NOTE 11 – Employee Retirement Benefits

The following summarizes the components of net periodic benefit for our qualified and supplemental pension plans:

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Service cost	**$ 1**	$ 1	**$ 4**	$ 4
Non-service (benefit) costs:				
Interest cost	**4**	3	**10**	9
Expected return on plan assets	**(5)**	(5)	**(16)**	(15)
Amortization of actuarial loss (gain) and prior service cost	**—**	—	**1**	(2)
Other	**—**	—	**—**	(5)
Total non-service benefit	**(1)**	(2)	**(5)**	(13)
Net periodic benefit	**$ —**	$ (1)	**$ (1)**	$ (9)

See our 2023 Annual Report on Form 10-K, Item 8, Note 13, Employee Retirement Benefits, Page 170, for information on our retirement benefits. The net periodic benefit is allocated in the same proportion primarily to the underwriting, acquisition and insurance expenses line item with the remainder allocated to the insurance losses and contract holders' benefits line item on the condensed consolidated statements of income for both 2024 and 2023.

We made matching contributions totaling $7 million and $6 million to our 401(k) and Top Hat savings plans during the third quarter of 2024 and 2023, respectively, and contributions of $23 million and $20 million for the first nine months of 2024 and 2023, respectively.

We made no contributions to our qualified pension plan during the first nine months of 2024.

NOTE 12 – Commitments and Contingent Liabilities

The company, through its insurance subsidiaries, is involved in claims litigation arising in the ordinary course of conducting its business, both as a liability insurer defending or providing indemnity for third-party claims brought against insureds and as an insurer defending coverage claims brought against it. The company accounts for such activity through the establishment of unpaid loss and loss expense reserves. Subject to the uncertainties discussed in Note 4, Property Casualty Loss and Loss Expenses, and in the discussion in the balance of this Note, we believe that the ultimate liability, if any, with respect to such ordinary-course claims litigation, after consideration of provisions made for potential losses, costs of defense, and reinsurance recoveries, is immaterial to our consolidated financial position, results of operations and cash flows.

The company and its subsidiaries also are occasionally involved in other legal and regulatory proceedings, some of which assert claims for substantial amounts. These actions include, among others, putative class actions seeking certification of state or national classes. Such proceedings have alleged, for example, improper depreciation of labor costs in repair estimates. The company's insurance subsidiaries also are occasionally parties to individual actions in which extra-contractual damages, punitive damages or penalties are sought, such as claims alleging bad faith handling of insurance claims or writing unauthorized coverage or claims alleging discrimination by former or current associates.

On a quarterly basis, we review these outstanding matters. Under current accounting guidance, we establish accruals when it is probable that a covered loss has been incurred and we can reasonably estimate its potential exposure. The company accounts for such probable and estimable losses, if any, through the establishment of legal expense reserves. Based on our quarterly review, we believe that our accruals for probable and estimable losses are reasonable and that the amounts accrued do not have a material effect on our consolidated financial position, results of operations and cash flows. However, if any one or more of these matters results in a judgment against us or settlement for an amount that is significantly greater than the amount accrued, the resulting liability could have a material effect on the company's consolidated financial position, results of operations and cash flows. Based on our most recent review, our estimate for any other matters for which the risk of loss is not probable, but more than remote, is immaterial.

NOTE 13 – Segment Information

We operate primarily in two industries, property casualty insurance and life insurance. Our CODM regularly reviews our reporting segments to make decisions about allocating resources and assessing performance. Our reporting segments are:

- Commercial lines insurance
- Personal lines insurance
- Excess and surplus lines insurance
- Life insurance
- Investments

We report as Other the noninvestment operations of the parent company and its noninsurer subsidiary, CFC Investment Company. We also report as Other the underwriting results of Cincinnati Re and Cincinnati Global. See our 2023 Annual Report on Form 10-K, Item 8, Note 18, Segment Information, Page 180, for a description of revenue, income or loss before income taxes and identifiable assets for each of the five segments.

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Segment information is summarized in the following table:

(Dollars in millions)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenues:				
Commercial lines insurance				
Commercial casualty	**$ 381**	$ 365	**$ 1,118**	$ 1,115
Commercial property	**361**	321	**1,045**	933
Commercial auto	**231**	216	**679**	644
Workers' compensation	**61**	66	**182**	212
Other commercial	**103**	94	**302**	280
Commercial lines insurance premiums	**1,137**	1,062	**3,326**	3,184
Fee revenues	**1**	1	**3**	3
Total commercial lines insurance	**1,138**	1,063	**3,329**	3,187
Personal lines insurance				
Personal auto	**242**	185	**674**	524
Homeowner	**352**	271	**981**	755
Other personal	**84**	71	**242**	205
Personal lines insurance premiums	**678**	527	**1,897**	1,484
Fee revenues	**2**	1	**4**	3
Total personal lines insurance	**680**	528	**1,901**	1,487
Excess and surplus lines insurance	**157**	135	**447**	394
Fee revenues	**—**	1	**2**	2
Total excess and surplus lines insurance	**157**	136	**449**	396
Life insurance premiums	**80**	76	**240**	233
Fee revenues	**1**	3	**4**	8
Total life insurance	**81**	79	**244**	241
Investments				
Investment income, net of expenses	**258**	225	**745**	655
Investment gains and losses, net	**758**	(456)	**1,507**	84
Total investment revenue	**1,016**	(231)	**2,252**	739
Other				
Premiums	**245**	233	**614**	599
Other	**3**	3	**10**	8
Total other revenues	**248**	236	**624**	607
Total revenues	**$ 3,320**	$ 1,811	**$ 8,799**	$ 6,657
Income (loss) before income taxes:				
Insurance underwriting results				
Commercial lines insurance	**$ 81**	$ 52	**$ 130**	$ 83
Personal lines insurance	**(69)**	1	**(74)**	(92)
Excess and surplus lines insurance	**8**	14	**28**	38
Life insurance	**10**	17	**42**	38
Investments	**984**	(262)	**2,158**	648
Other	**26**	30	**95**	71
Total income (loss) before income taxes	**$ 1,040**	$ (148)	**$ 2,379**	$ 786

Identifiable assets:	September 30, 2024	December 31, 2023
Property casualty insurance	**$ 6,223**	$ 5,294
Life insurance	**1,654**	1,562
Investments	**27,640**	24,999
Other	**1,492**	914
Total	**$ 37,009**	$ 32,769

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion highlights significant factors influencing the condensed consolidated results of operations and financial position of Cincinnati Financial Corporation. It should be read in conjunction with the consolidated financial statements and related notes included in our 2023 Annual Report on Form 10-K. Unless otherwise noted, the industry data is prepared by A.M. Best Co., a leading insurance industry statistical, analytical and financial strength rating organization. Information from A.M. Best is presented on a statutory basis for insurance company regulation in the United States of America. When we provide our results on a comparable statutory basis, we label it as such; all other company data is presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

We present per share data on a diluted basis unless otherwise noted, adjusting those amounts for all stock splits and dividends. Dollar amounts are rounded to millions; calculations of percent changes are based on dollar amounts rounded to the nearest million. Certain percentage changes are identified as not meaningful (nm).

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 2023 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 30.

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

- Effects of any future pandemic, or the resurgence 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 and continued supply chain disruptions that affect our 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 court decisions extending business interruption insurance in commercial property coverage forms to cover claims for pure economic loss related to such pandemic
  - Decreased premium revenue and cash flow from disruption to our distribution channel of independent agents, consumer self-isolation, travel limitations, business restrictions and decreased economic activity
  - Inability of our workforce, agencies or vendors to perform necessary business functions
- Unusually high levels of catastrophe losses due to risk concentrations, changes in weather patterns (whether as a result of global climate change or otherwise), environmental events, war or political unrest, terrorism incidents, cyberattacks, civil unrest or other causes
- Increased frequency and/or severity of claims or development of claims that are unforeseen at the time of policy issuance, due to inflationary trends or other causes
- Inadequate estimates or assumptions, or reliance on third-party data used for critical accounting estimates
- Declines in overall stock market values negatively affecting our equity portfolio and book value
- Interest rate fluctuations or other factors that could significantly affect:
  - Our ability to generate growth in investment income
  - Values of our fixed-maturity investments, including accounts in which we hold bank-owned life insurance contract assets
  - Our traditional life policy reserves
- Domestic and global events, such as Russia's invasion of Ukraine, war in the Middle East and disruptions in the banking and financial services industry, resulting in insurance losses, 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 or director and officer policies written for financial institutions or other insured entities or in losses from policies written by Cincinnati Re or Cincinnati Global
- Our inability to manage Cincinnati Global or other subsidiaries to produce related business opportunities and growth prospects for our ongoing operations
- Recession, prolonged elevated inflation or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Ineffective information technology systems or discontinuing to develop and implement improvements in technology may impact our success and profitability
- Difficulties with technology or data security breaches, including cyberattacks, that could negatively affect our or our agents' 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
- Difficulties with our operations and technology that may negatively impact our ability to conduct business, including cloud-based data information storage, data security, cyberattacks, remote working capabilities, and/or outsourcing relationships and third-party operations and data security
- 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
- Intense competition, and the impact of innovation, technological change and changing customer preferences on the insurance industry and the markets in which we operate, could harm our ability to maintain or increase our business volumes and profitability
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies 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 our relationships with our independent agencies and hamper opportunities to add new agencies, resulting in limitations on our opportunities for growth, such as:
    - Downgrades of our financial strength ratings
    - Concerns that doing business with us is too difficult
    - Perceptions that our 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, including effects of social inflation and third-party litigation funding on the size of litigation awards
- Events or actions, including unauthorized intentional circumvention of controls, that reduce our 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
- Our inability, or the inability of our independent agents, to attract and retain personnel in a competitive labor market, impacting the customer experience and altering our competitive advantages
- Events, such as an epidemic, natural catastrophe or terrorism, that could hamper our ability to assemble our workforce at our headquarters location or work effectively in a remote environment

Further, our 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. We also are subject to public and regulatory initiatives that can affect the market value for our common stock, such as measures affecting corporate financial reporting and governance. The ultimate changes and eventual effects, if any, of these initiatives are uncertain.

CORPORATE FINANCIAL HIGHLIGHTS

Net Income and Comprehensive Income Data

(Dollars in millions, except per share data)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Earned premiums	**$ 2,297**	$ 2,033	13	**$ 6,524**	$ 5,894	11
Investment income, net of expenses (pretax)	**258**	225	15	**745**	655	14
Investment gains and losses, net (pretax)	**758**	(456)	nm	**1,507**	84	nm
Total revenues	**3,320**	1,811	83	**8,799**	6,657	32
Net income (loss)	**820**	(99)	nm	**1,887**	660	186
Comprehensive income	**1,140**	(300)	nm	**2,172**	447	386
Net income (loss) per share—diluted	**5.20**	(0.63)	nm	**11.97**	4.17	187
Cash dividends declared per share	**0.81**	0.75	8	**2.43**	2.25	8
Diluted weighted average shares outstanding	**157.7**	156.9	1	**157.7**	158.2	0

Total revenues increased $1.509 billion for the third quarter of 2024, compared with the third quarter of 2023, including higher earned premiums, investment income and net investment gains. For the first nine months of 2024, compared with the same period of 2023, total revenues increased $2.142 billion, including higher earned premiums, investment income and net investment gains. Premium and investment revenue trends are discussed further in the respective sections of Financial Results.

Investment gains and losses are recognized on the sales of investments, on certain changes in fair values of securities even though we continue to hold the securities or as otherwise required by GAAP. We have substantial discretion in the timing of investment sales, and that timing generally is independent of the insurance underwriting process. The change in fair value of securities is also generally independent of the insurance underwriting process.

Net income for the third quarter of 2024, compared with the third quarter of 2023, increased $919 million, including increases of $956 million in after-tax net investment gains and losses and $26 million in after-tax investment income, partially offset by a $40 million decrease in after-tax property casualty underwriting income. Catastrophe losses for the third quarter of 2024, mostly weather related, were $86 million higher after taxes and unfavorably affected both net income and property casualty underwriting income. Life insurance segment results decreased by $7 million on a pretax basis.

For the first nine months of 2024, net income increased $1.227 billion, compared with the first nine months of 2023, including increases of $1.120 billion in after-tax investment gains and losses, $62 million in after-tax property casualty underwriting income and $71 million in after-tax investment income. Catastrophe losses for the first nine months of 2024, mostly weather related, matched the same period in 2023. Life insurance segment results increased by $4 million on a pretax basis.

Performance by segment is discussed below in Financial Results. As discussed in our 2023 Annual Report on Form 10-K, Item 7, Executive Summary, Page 48, there are several reasons why our performance during 2024 may ultimately be below our long-term targets.

The board of directors is committed to rewarding shareholders directly through cash dividends and through share repurchase authorizations. Through 2023, the company had increased the annual cash dividend rate for 63 consecutive years, a record we believe is matched by only seven other U.S. publicly traded companies. In January 2024, the board of directors increased the regular quarterly dividend to 81 cents per share, setting the stage for our 64th consecutive year of increasing cash dividends. During the first nine months of 2024, cash dividends declared by the company increased 8% compared with the same period of 2023. Our board regularly evaluates relevant factors in decisions related to dividends and share repurchases. The 2024 dividend increase reflected our strong operating performance and signaled management's and the board's positive outlook and confidence in our outstanding capital, liquidity and financial flexibility.

Balance Sheet Data and Performance Measures

(Dollars in millions, except share data)	At September 30, 2024	At December 31, 2023
Total investments	**$ 28,104**	$ 25,357
Total assets	**37,009**	32,769
Short-term debt	**25**	25
Long-term debt	**790**	790
Shareholders' equity	**13,804**	12,098
Book value per share	**88.32**	77.06
Debt-to-total-capital ratio	**5.6 %**	6.3 %

Total assets at September 30, 2024, increased 13% compared with year-end 2023, and included an 11% increase in total investments that reflected net purchases and higher fair values for many securities in our equity portfolio. Shareholders' equity increased 14% and book value per share increased 15% during the first nine months of 2024. Our debt-to-total-capital ratio (capital is the sum of debt plus shareholders' equity) decreased compared with year-end 2023.

Our value creation ratio is our primary performance metric. As shown in the tables below, that ratio was 17.8% for the first nine months of 2024, better than 4.4% for the same period in 2023, primarily due to a higher amount in overall net gains from our investment portfolio. Book value per share increased $11.26 during the first nine months of 2024 and contributed 14.6 percentage points to the value creation ratio, while dividends declared at $2.43 per share contributed 3.2 points. Value creation ratio major contributors and in total, along with calculations from per-share amounts, are shown in the tables below.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Value creation ratio major contributors:				
Net income before investment gains	**1.7 %**	2.4 %	**5.8 %**	5.6 %
Change in fixed-maturity securities, realized and unrealized gains	**2.5**	(2.6)	**1.6**	(2.7)
Change in equity securities, investment gains	**5.2**	(3.3)	**10.4**	0.8
Other	**(0.4)**	0.9	**0.0**	0.7
Value creation ratio	**9.0 %**	(2.6)%	**17.8 %**	4.4 %

(Dollars are per share)	Three months ended September 30, 2024	2023	Nine months ended September 30, 2024	2023
Value creation ratio:				
End of period book value*	**$ 88.32**	$ 67.72	**$ 88.32**	$ 67.72
Less beginning of period book value	**81.79**	70.33	**77.06**	67.01
Change in book value	**6.53**	(2.61)	**11.26**	0.71
Dividend declared to shareholders	**0.81**	0.75	**2.43**	2.25
Total value creation	**$ 7.34**	$ (1.86)	**$ 13.69**	$ 2.96
Value creation ratio from change in book value**	**8.0 %**	(3.7)%	**14.6 %**	1.1 %
Value creation ratio from dividends declared to shareholders***	**1.0**	1.1	**3.2**	3.3
Value creation ratio	**9.0 %**	(2.6)%	**17.8 %**	4.4 %

* 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

DRIVERS OF LONG-TERM VALUE CREATION

Operating through The Cincinnati Insurance Company, Cincinnati Financial Corporation is one of the 25 largest property casualty insurers in the nation, based on 2023 net written premiums for approximately 2,000 U.S. stock and mutual insurer groups. We market our insurance products through a select group of independent insurance agencies as discussed in our 2023 Annual Report on Form 10-K, Item 1, Our Business and Our Strategy, Page 6. At September 30, 2024, we actively marketed through 2,196 agencies located in 46 states. We maintain a long-term perspective that guides us in addressing immediate challenges or opportunities while focusing on the major decisions that best position our company for success through all market cycles.

To measure our long-term progress in creating shareholder value, our value creation ratio is our primary financial performance target. As discussed in our 2023 Annual Report on Form 10-K, Item 7, Executive Summary, Page 48, management believes this measure is a meaningful indicator of our long-term progress in creating shareholder value and has three primary performance drivers:

- Premium growth – We believe our agency relationships and initiatives can lead to a property casualty written premium growth rate over any five-year period that exceeds the industry average. For the first nine months of 2024, our consolidated property casualty net written premium year-over-year growth was 14%, comparing favorably with the industry's 10% growth rate reported by A.M. Best for the first six months of 2024. For the five-year period 2019 through 2023, our growth rate exceeded that of the industry. The industry's growth rate excludes its mortgage and financial guaranty lines of business.
- Combined ratio – We believe our underwriting philosophy and initiatives can generate an average GAAP combined ratio over any five-year period that is consistently within the range of 92% to 98%. For the first nine months of 2024, our GAAP combined ratio was 96.5%, including 11.2 percentage points of current accident year catastrophe losses partially offset by 3.3 percentage points of favorable loss reserve development on prior accident years. Our statutory combined ratio was 95.7% for the first nine months of 2024, comparing favorably with the industry's 97.7% reported by A.M. Best for the first six months of 2024. The industry's ratio again excludes its mortgage and financial guaranty lines of business.
- Investment contribution – We believe our investment philosophy and initiatives can drive investment income growth and lead to a total return on our equity investment portfolio over a five-year period that exceeds the five-year return of the Standard & Poor's 500 Index. For the first nine months of 2024, pretax investment income was $745 million, up 14% compared with the same period in 2023. We believe our investment portfolio mix provides an appropriate balance of income stability and growth with capital appreciation potential.

Financial Strength

An important part of our long-term strategy is financial strength, which is described in our 2023 Annual Report on Form 10-K, Item 1, Our Business and Our Strategy, Financial Strength, Page 8. One aspect of our financial strength is prudent use of reinsurance ceded to help manage financial performance variability due to catastrophe loss experience. A description of how we use reinsurance ceded is included in our 2023 Annual Report on Form 10-K, Item 7, Liquidity and Capital Resources, 2024 Reinsurance Ceded Programs, Page 105. Another aspect of our financial strength is our investment portfolio, which remains well-diversified as discussed in this quarterly report in Item 3, Quantitative and Qualitative Disclosures About Market Risk. Our strong parent-company liquidity and financial strength increase our flexibility to maintain a cash dividend through all periods and to continue to invest in and expand our insurance operations.

At September 30, 2024, we held $5.419 billion of our cash and cash equivalents and invested assets at the parent-company level, of which $4.639 billion, or 85.6%, was invested in common stocks, and $645 million, or 11.9%, was cash or cash equivalents. Our debt-to-total-capital ratio was 5.6% at September 30, 2024. Another important indicator of financial strength is our ratio of property casualty net written premiums to statutory surplus, which was 1.0-to-1 for the 12 months ended September 30, 2024, matching year-end 2023.

Financial strength ratings assigned to us by independent rating firms also are important. In addition to rating our parent company's senior debt, four firms award insurer financial strength ratings to one or more of our insurance subsidiary companies based on their quantitative and qualitative analyses. These ratings primarily assess an insurer's ability to meet financial obligations to policyholders and do not necessarily address all of the matters that may be important to investors. Ratings are under continuous review and subject to change or withdrawal at any time by the rating agency. Each rating should be evaluated independently of any other rating; please see each rating agency's website for its most recent report on our ratings.

At October 23, 2024, our insurance subsidiaries continued to be highly rated.

Insurer Financial Strength Ratings

Rating agency	Standard market property casualty insurance subsidiaries			Life insurance subsidiary			Excess and surplus lines insurance subsidiary			Outlook
			Rating tier			Rating tier			Rating tier	
A.M. Best Co. *ambest.com*	A+	Superior	2 of 16	A+	Superior	2 of 16	A+	Superior	2 of 16	Stable
Fitch Ratings *fitchratings.com*	A+	Strong	5 of 21	A+	Strong	5 of 21	-	-	-	Positive
Moody's Investors Service *moodys.com*	A1	Good	5 of 21	-	-	-	-	-	-	Stable
S&P Global Ratings *spratings.com*	A+	Strong	5 of 21	A+	Strong	5 of 21	-	-	-	Stable

CONSOLIDATED PROPERTY CASUALTY INSURANCE HIGHLIGHTS

Consolidated property casualty insurance results include premiums and expenses for our standard market insurance segments (commercial lines and personal lines), our excess and surplus lines segment, Cincinnati Re® and our London-based global specialty underwriter Cincinnati Global Underwriting Ltd.SM (Cincinnati Global).

(Dollars in millions)	Three months ended September 30, 2024	2023	% Change	Nine months ended September 30, 2024	2023	% Change
Earned premiums	**$ 2,217**	$ 1,957	13	**$ 6,284**	$ 5,661	11
Fee revenues	**3**	3	0	**9**	8	13
Total revenues	**2,220**	1,960	13	**6,293**	5,669	11
Loss and loss expenses from:						
Current accident year before catastrophe losses	**1,264**	1,130	12	**3,683**	3,380	9
Current accident year catastrophe losses	**306**	184	66	**709**	673	5
Prior accident years before catastrophe losses	**(53)**	(48)	(10)	**(140)**	(178)	21
Prior accident years catastrophe losses	**(18)**	(5)	(260)	**(71)**	(35)	(103)
Loss and loss expenses	**1,499**	1,261	19	**4,181**	3,840	9
Underwriting expenses	**659**	587	12	**1,884**	1,680	12
Underwriting profit	**$ 62**	$ 112	(45)	**$ 228**	$ 149	53
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**57.0 %**	57.7 %	(0.7)	**58.6 %**	59.7 %	(1.1)
Current accident year catastrophe losses	**13.8**	9.4	4.4	**11.2**	11.9	(0.7)
Prior accident years before catastrophe losses	**(2.4)**	(2.4)	0.0	**(2.2)**	(3.2)	1.0
Prior accident years catastrophe losses	**(0.8)**	(0.3)	(0.5)	**(1.1)**	(0.6)	(0.5)
Loss and loss expenses	**67.6**	64.4	3.2	**66.5**	67.8	(1.3)
Underwriting expenses	**29.8**	30.0	(0.2)	**30.0**	29.7	0.3
Combined ratio	**97.4 %**	94.4 %	3.0	**96.5 %**	97.5 %	(1.0)
Combined ratio	**97.4 %**	94.4 %	3.0	**96.5 %**	97.5 %	(1.0)
Contribution from catastrophe losses and prior years reserve development	**10.6**	6.7	3.9	**7.9**	8.1	(0.2)
Combined ratio before catastrophe losses and prior years reserve development	**86.8 %**	87.7 %	(0.9)	**88.6 %**	89.4 %	(0.8)

Our consolidated property casualty insurance operations generated an underwriting profit of $62 million for the third quarter and $228 million for the first nine months of 2024. The third-quarter 2024 underwriting profit decrease of $50 million, compared with third-quarter 2023, included an unfavorable increase of $109 million in losses from catastrophes, mostly caused by severe weather. The third-quarter 2024 change in underwriting profitability also included higher current accident year loss and loss expenses before catastrophe losses that grew slower than earned premiums and higher amounts of favorable reserve development on prior accident years. The nine-month 2024 underwriting profit increase of $79 million, compared with the first nine months of 2023, included losses from catastrophes that matched. In addition, the nine-month 2024 period experienced higher current accident year loss and loss expenses before catastrophe losses that grew slower than earned premiums and a lower amount of favorable reserve development on prior accident years before catastrophe losses.

Underwriting results for the third quarter and first nine months of 2024 included improved current accident year loss experience before catastrophe losses, as price increases have helped to offset recent-year elevated paid losses reflecting economic or other forms of inflation. Elevated inflation was a driver of higher losses and loss expenses in both 2024 and 2023 as costs have increased significantly to repair damaged autos or other property that we insure. We also experienced higher losses for liability coverages for some of our lines of business. Due to increased uncertainty regarding ultimate losses, we intend to remain prudent in reserving for estimated ultimate losses until longer-term loss cost trends become more clear. The higher loss experience is discussed in Financial Results by property casualty insurance segment. We believe future property casualty underwriting results will continue to benefit from price increases and our ongoing initiatives to improve pricing precision and loss experience related to claims and loss control practices.

For all property casualty lines of business in aggregate, net loss and loss expense reserves at September 30, 2024, were $963 million, or 11%, higher than at year-end 2023, including an increase of $917 million for the incurred but not reported (IBNR) portion.

We measure and analyze property casualty underwriting results primarily by the combined ratio and its component ratios. The GAAP-basis combined ratio is the percentage of incurred losses plus all expenses per each earned premium dollar – the lower the ratio, the better the performance. An underwriting profit results when the combined ratio is below 100%. A combined ratio above 100% indicates that an insurance company's losses and expenses exceeded premiums.

Our consolidated property casualty combined ratio for the third quarter of 2024 increased by 3.0 percentage points, compared with the same period of 2023, including an increase of 3.9 points from catastrophe losses and loss expenses. For the first nine months of 2024, compared with the 2023 nine-month period, our combined ratio improved by 1.0 percentage points, including a decrease of 1.2 points from catastrophe losses and loss expenses. Other combined ratio components that changed are discussed below and in further detail in Financial Results by property casualty insurance segment.
The combined ratio can be affected significantly by natural catastrophe losses and other large losses as discussed in detail below. The combined ratio can also be affected by updated estimates of loss and loss expense reserves established for claims that occurred in prior periods, referred to as prior accident years. Net favorable development on prior accident year reserves, including reserves for catastrophe losses, benefited the combined ratio by 3.3 percentage points in the first nine months of 2024, compared with 3.8 percentage points in the same period of 2023. Net favorable development is discussed in further detail in Financial Results by property casualty insurance segment.

The ratio for current accident year loss and loss expenses before catastrophe losses improved in the first nine months of 2024. That 58.6% ratio was 1.1 percentage points lower, compared with the 59.7% accident year 2023 ratio measured as of September 30, 2023, including a decrease of 1.2 points in the ratio for large losses of $2 million or more per claim, discussed below. The ratio improvement of 1.1 percentage points included an increase of 1.1 points for the IBNR portion and a decrease of 2.2 points for the case incurred portion.

The underwriting expense ratio decreased for the third quarter and increased for the first nine months of 2024, compared with the same periods a year ago. The third-quarter 2024 decrease was largely due to a decrease in profit-sharing commissions for agencies. The nine-month 2024 increase was largely due to increases in profit-sharing commissions for agencies and employee-related expenses. The ratios also included ongoing expense management efforts and higher earned premiums.

Consolidated Property Casualty Insurance Premiums

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Agency renewal written premiums	**$ 1,795**	$ 1,549	16	**$ 5,321**	$ 4,727	13
Agency new business written premiums	**406**	313	30	**1,159**	867	34
Other written premiums	**92**	95	(3)	**520**	532	(2)
Net written premiums	**2,293**	1,957	17	**7,000**	6,126	14
Unearned premium change	**(76)**	—	nm	**(716)**	(465)	(54)
Earned premiums	**$ 2,217**	$ 1,957	13	**$ 6,284**	$ 5,661	11

The trends in net written premiums and earned premiums summarized in the table above include the effects of price increases. Price change trends that heavily influence renewal written premium increases or decreases, along with other premium growth drivers for 2024, are discussed in more detail by segment below in Financial Results.

Consolidated property casualty net written premiums for the third quarter and nine months ended September 30, 2024, grew $336 million and $874 million compared with the same periods of 2023. Our premium growth initiatives from prior years have provided an ongoing favorable effect on growth during the current year, particularly as newer agency relationships mature over time.

Consolidated property casualty agency new business written premiums increased by $93 million and $292 million for the third quarter and first nine months of 2024, compared with the same periods of 2023. New agency appointments during 2024 and 2023 produced a $82 million increase in standard lines new business for the first nine months of 2024 compared with the same period of 2023. As we appoint new agencies that choose to move accounts to us, we report these accounts as new business. While this business is new to us, in many cases it is not new to the agent. We believe these seasoned accounts tend to be priced more accurately than business that may be less familiar to our agent upon obtaining it from a competing agent.

Net written premiums for Cincinnati Re, included in other written premiums, increased by $4 million in the third quarter and $6 million for the nine months ended September 30, 2024, compared with the same periods of 2023, to $89 million and $498 million, respectively. Cincinnati Re assumes risks through reinsurance treaties and in some cases cedes part of the risk and related premiums to one or more unaffiliated reinsurance companies through transactions known as retrocessions.

Cincinnati Global is also included in other written premiums. Net written premiums for Cincinnati Global increased by $8 million in the third quarter and $11 million for the nine months ended September 30, 2024, to $77 million and $226 million, respectively, compared with the same periods of 2023.

Other written premiums include premiums ceded to reinsurers as part of our reinsurance ceded program. An increase in ceded premiums reduced net written premiums by $16 million and $32 million for the third quarter and first nine months of 2024, compared with the same period of 2023.

Catastrophe losses and loss expenses typically have a material effect on property casualty results and can vary significantly from period to period. Losses from catastrophes contributed 13.0 and 10.1 percentage points to the combined ratio in the third quarter and first nine months of 2024, compared with 9.1 and 11.3 percentage points in the same period of 2023.

Effective June 1, 2024, we restructured our reinsurance program for Cincinnati Re only, providing retrocession coverages with various triggers, exclusions and unique features. That program included property catastrophe excess of loss coverage with a total available aggregate limit of $60 million in excess of $80 million per occurrence. Coverage for Cincinnati Re only with a total available aggregate limit of $20 million in excess of $80 million per occurrence expired during the second quarter of 2024. That expiration also included the shared coverage for Cincinnati Re and the direct business applying to catastrophe losses in excess of $600 million. Ceded premiums for the one-year renewal period of coverage from the treaty effective June 1, 2024, are estimated to be approximately $16 million.

The following table shows consolidated property casualty insurance catastrophe losses and loss expenses incurred, net of reinsurance, as well as the effect of loss development on prior period catastrophe events. We individually list declared catastrophe events for which our incurred losses reached or exceeded $25 million.

Consolidated Property Casualty Insurance Catastrophe Losses and Loss Expenses Incurred

(Dollars in millions, net of reinsurance)		Three months ended September 30,					Nine months ended September 30,				
		Comm.	Pers.	E&S			Comm.	Pers.	E&S		
Dates	Region	lines	lines	lines	Other	Total	lines	lines	lines	Other	Total
2024											
Mar. 12-17	Midwest, South	**$ (4)**	**$ 4**	**$ —**	**$ —**	**$ —**	**$ 30**	**$ 32**	**$ —**	**$ —**	**$ 62**
Mar. 31 - Apr. 4	Midwest, Northeast, South	**(4)**	**2**	**—**	**—**	**(2)**	**10**	**24**	**—**	**—**	**34**
May 6-10	Midwest, South	**—**	**2**	**1**	**—**	**3**	**19**	**30**	**1**	**—**	**50**
May 25-26	Midwest, South	**2**	**1**	**1**	**—**	**4**	**38**	**29**	**2**	**—**	**69**
Jul. 13-18	Midwest, Northeast	**18**	**11**	**—**	**—**	**29**	**18**	**11**	**—**	**—**	**29**
Sep. 25 - 28	Midwest, South (Helene)	**35**	**117**	**—**	**26**	**178**	**35**	**117**	**—**	**26**	**178**
All other 2024 catastrophes		**18**	**49**	**—**	**27**	**94**	**101**	**153**	**3**	**30**	**287**
Development on 2023 and prior catastrophes		**(5)**	**(5)**	**—**	**(8)**	**(18)**	**(20)**	**(32)**	**—**	**(19)**	**(71)**
Calendar year incurred total		**$ 60**	**$ 181**	**$ 2**	**$ 45**	**$ 288**	**$ 231**	**$ 364**	**$ 6**	**$ 37**	**$ 638**
2023											
Mar. 1-4	Midwest, Northeast, South	$ (1)	$ (3)	$ —	$ —	$ (4)	$ 27	$ 27	$ —	$ 2	$ 56
Mar. 23-28	Midwest, Northeast, South	(2)	(3)	—	—	(5)	20	24	—	—	44
Mar. 30 - Apr. 1	Midwest, Northeast, South	(1)	—	—	—	(1)	62	33	—	—	95
Apr. 3-7	Midwest, Northeast, South	2	2	—	—	4	12	32	—	—	44
May 2-9	Midwest, South	(1)	(1)	—	—	(2)	23	7	—	—	30
Jun. 21-27	Midwest, Northeast, South, West	14	4	—	—	18	23	17	—	—	40
Jun. 28 - Jul. 4	Midwest, Northeast, South, West	8	11	—	—	19	10	16	—	—	26
All other 2023 catastrophes		53	69	(1)	34	155	125	171	3	39	338
Development on 2022 and prior catastrophes		(1)	(6)	(1)	3	(5)	(2)	(42)	(1)	10	(35)
Calendar year incurred total		$ 71	$ 73	$ (2)	$ 37	$ 179	$ 300	$ 285	$ 2	$ 51	$ 638

The following table includes data for losses incurred of $2 million or more per claim, net of reinsurance.

Consolidated Property Casualty Insurance Losses Incurred by Size

(Dollars in millions, net of reinsurance)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Current accident year losses greater than $5 million	**$ 18**	$ 24	(25)	**$ 49**	$ 103	(52)
Current accident year losses $2 million - $5 million	**51**	52	(2)	**101**	102	(1)
Large loss prior accident year reserve development	**19**	32	(41)	**56**	60	(7)
Total large losses incurred	**88**	108	(19)	**206**	265	(22)
Losses incurred but not reported	**185**	150	23	**601**	474	27
Other losses excluding catastrophe losses	**711**	639	11	**2,129**	1,906	12
Catastrophe losses	**282**	170	66	**621**	614	1
Total losses incurred	**$ 1,266**	$ 1,067	19	**$ 3,557**	$ 3,259	9
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year losses greater than $5 million	**0.9 %**	1.2 %	(0.3)	**0.8 %**	1.8 %	(1.0)
Current accident year losses $2 million - $5 million	**2.3**	2.7	(0.4)	**1.6**	1.8	(0.2)
Large loss prior accident year reserve development	**0.8**	1.6	(0.8)	**0.9**	1.1	(0.2)
Total large loss ratio	**4.0**	5.5	(1.5)	**3.3**	4.7	(1.4)
Losses incurred but not reported	**8.4**	7.6	0.8	**9.6**	8.4	1.2
Other losses excluding catastrophe losses	**32.0**	32.7	(0.7)	**33.8**	33.7	0.1
Catastrophe losses	**12.7**	8.7	4.0	**9.9**	10.8	(0.9)
Total loss ratio	**57.1 %**	54.5 %	2.6	**56.6 %**	57.6 %	(1.0)

We believe the inherent variability of aggregate loss experience for our portfolio of larger policies is greater than that of our portfolio of smaller policies, and we continue to monitor the variability in addition to general inflationary trends in loss costs. Our analysis continues to indicate no unexpected concentration of large losses and case reserve increases by risk category, geographic region, policy inception, agency or field marketing territory. The third-quarter 2024 property casualty total large losses incurred of $88 million, net of reinsurance, was lower than the $95 million quarterly average during full-year 2023 and the $108 million experienced for the third quarter of 2023. The ratio for these large losses was 1.5 percentage points lower compared with last year's third quarter. The third-quarter 2024 amount of total large losses incurred helped contribute to the decrease in the nine-month 2024 total large loss ratio, compared with 2023, in addition to a first-half 2024 ratio that was 1.4 points lower than the first half of 2023. We believe results for the three- and nine-month periods largely reflected normal fluctuations in loss patterns and normal variability in large case reserves for claims above $2 million. Losses by size are discussed in further detail in results of operations by property casualty insurance segment.

FINANCIAL RESULTS

Consolidated results reflect the operating results of each of our five segments along with the parent company, Cincinnati Re, Cincinnati Global and other activities reported as "Other." The five segments are:

- Commercial lines insurance
- Personal lines insurance
- Excess and surplus lines insurance
- Life insurance
- Investments

COMMERCIAL LINES INSURANCE RESULTS

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Earned premiums	**$ 1,137**	$ 1,062	7	**$ 3,326**	$ 3,184	4
Fee revenues	**1**	1	0	**3**	3	0
Total revenues	**1,138**	1,063	7	**3,329**	3,187	4
Loss and loss expenses from:						
Current accident year before catastrophe losses	**691**	642	8	**2,037**	1,959	4
Current accident year catastrophe losses	**65**	72	(10)	**251**	302	(17)
Prior accident years before catastrophe losses	**(45)**	(33)	(36)	**(97)**	(123)	21
Prior accident years catastrophe losses	**(5)**	(1)	(400)	**(20)**	(2)	(900)
Loss and loss expenses	**706**	680	4	**2,171**	2,136	2
Underwriting expenses	**351**	331	6	**1,028**	968	6
Underwriting profit	**$ 81**	$ 52	56	**$ 130**	$ 83	57
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**60.7 %**	60.5 %	0.2	**61.3 %**	61.6 %	(0.3)
Current accident year catastrophe losses	**5.8**	6.8	(1.0)	**7.5**	9.5	(2.0)
Prior accident years before catastrophe losses	**(4.0)**	(3.2)	(0.8)	**(2.9)**	(3.9)	1.0
Prior accident years catastrophe losses	**(0.4)**	(0.1)	(0.3)	**(0.6)**	(0.1)	(0.5)
Loss and loss expenses	**62.1**	64.0	(1.9)	**65.3**	67.1	(1.8)
Underwriting expenses	**30.9**	31.2	(0.3)	**30.9**	30.4	0.5
Combined ratio	**93.0 %**	95.2 %	(2.2)	**96.2 %**	97.5 %	(1.3)
Combined ratio	**93.0 %**	95.2 %	(2.2)	**96.2 %**	97.5 %	(1.3)
Contribution from catastrophe losses and prior years reserve development	**1.4**	3.5	(2.1)	**4.0**	5.5	(1.5)
Combined ratio before catastrophe losses and prior years reserve development	**91.6 %**	91.7 %	(0.1)	**92.2 %**	92.0 %	0.2

Overview

Performance highlights for the commercial lines segment include:

- Premiums – Earned premiums and net written premiums for the commercial lines segment grew during the third quarter and first nine months of 2024, compared with the same periods a year ago, due to agency renewal written premium growth that continued to include higher average pricing as well as growth in agency new business written premiums. The table below analyzes the primary components of premiums. We continue to use predictive analytics tools to improve pricing precision and segmentation while leveraging our local relationships with agents through the efforts of our teams that work closely with them. We seek to maintain appropriate pricing discipline for both new and renewal business as our agents and underwriters assess account quality to make careful decisions on a policy-by-policy basis whether to write or renew a policy.

  Agency renewal written premiums increased 8% for the third quarter and 5% for the first nine months of 2024, compared with the same periods of 2023, including price increases. During the third quarter of 2024, our overall standard commercial lines policies averaged estimated renewal price increases at percentages in the high-single-digit range. We continue to segment commercial lines policies, emphasizing identification and retention of those we believe have relatively stronger pricing. Conversely, we have been seeking stricter renewal terms and conditions on policies we believe have relatively weaker pricing, thus retaining fewer of those policies. We measure average changes in commercial lines renewal pricing as the percentage rate of change in renewal premium for the new policy period compared with the premium for the expiring policy period, assuming no change in the level of insured exposures or policy coverage between those periods for the respective policies.

Our average overall commercial lines renewal pricing change includes the impact of flat pricing for certain coverages within package policies written for a three-year term that were in force but did not expire during the period being measured. Therefore, our reported change in average commercial lines renewal pricing reflects a blend of three-year policies that did not expire and other policies that did expire during the measurement period. For commercial lines policies that did expire and were then renewed during the third quarter of 2024, we estimate that our average percentage price increases were in the high-single-digit range for our commercial casualty, commercial property and commercial auto lines of business. The estimated average percentage price change for workers' compensation was a decrease in the mid-single-digit range.

Our commercial lines segment's increase in agency renewal written premiums for the first nine months of 2024 also included changes in the level of insured exposures. Part of the insured exposure increase reflects our response to inflation effects that increase the cost of building materials to repair damaged commercial structures. We use building valuation software to automate much of that underwriting process and may also manually adjust premiums to reflect property costs.

Renewal premiums for certain policies, primarily our commercial casualty and workers' compensation lines of business, include the results of policy audits that adjust initial premium amounts based on differences between estimated and actual sales or payroll related to a specific policy. Audits completed during the first nine months of 2024 contributed $81 million to net written premiums, compared with $105 million for the same period of 2023.

New business written premiums for commercial lines increased $39 million and $131 million during the third quarter and first nine months of 2024, compared with the same periods of 2023, as we continued to carefully underwrite each policy in a highly competitive market. Trend analysis for year-over-year comparisons of individual quarters is more difficult to assess for commercial lines new business written premiums, due to inherent variability. That variability is often driven by larger policies with annual premiums greater than $100,000.

Other written premiums include premiums ceded to reinsurers as part of our reinsurance ceded program. For our commercial lines insurance segment, an increase in ceded premiums reduced net written premiums by $5 million and $11 million for the third quarter and first nine months of 2024, compared with the same periods of 2023.

Commercial Lines Insurance Premiums

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Agency renewal written premiums	**$ 987**	$ 914	8	**$ 3,086**	$ 2,940	5
Agency new business written premiums	**187**	148	26	**562**	431	30
Other written premiums	**(36)**	(33)	(9)	**(101)**	(95)	(6)
Net written premiums	**1,138**	1,029	11	**3,547**	3,276	8
Unearned premium change	**(1)**	33	nm	**(221)**	(92)	(140)
Earned premiums	**$ 1,137**	$ 1,062	7	**$ 3,326**	$ 3,184	4

- Combined ratio – The third-quarter 2024 commercial lines combined ratio improved by 2.2 percentage points, compared with the third quarter of 2023, including a decrease of 1.3 points in losses from catastrophes. The third-quarter combined ratio increased by 0.2 points from current accident year loss and loss expenses before catastrophe losses, including an increase of 2.9 points for the IBNR portion and a decrease of 2.7 points for the case incurred portion. For the first nine months of 2024, the combined ratio improved by 1.3 percentage points, compared with the same period a year ago, including a decrease of 2.5 points in losses from catastrophes. The nine-month 2024 combined ratio also included a decrease of 0.3 points from current accident year loss and loss expenses before catastrophe losses, including an increase of 2.4 points in the IBNR portion and a decrease of 2.7 points for the case incurred portion. Underwriting results also included higher third-quarter 2024 and lower nine-month 2024 levels of favorable reserve development on prior accident years, as discussed below. The current accident year ratios were measured as of September 30 of the respective years and included a decrease of 1.5 percentage points for the first nine months of 2024 in the ratio for large losses of $2 million or more per claim, discussed below.

  When estimating the ultimate cost of total loss and loss expenses, we consider many factors, including trends for inflation, historical paid and reported losses, large loss activity and other data or information for the industry or our company. Elevated inflation in recent years has been a driver of higher losses and loss expenses as costs have increased significantly to repair damaged business property or autos that we insure, in addition to

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higher losses for liability coverages for some of our lines of business. Due to increased uncertainty regarding ultimate losses, we intend to remain prudent in reserving for estimated ultimate losses until longer-term loss cost trends become more clear.

Catastrophe losses and loss expenses accounted for 5.4 and 6.9 percentage points of the combined ratio for the third quarter and first nine months of 2024, compared with 6.7 and 9.4 percentage points for the same periods a year ago. Through 2023, the 10-year annual average for that catastrophe measure for the commercial lines segment was 5.9 percentage points, and the five-year annual average was 6.5 percentage points.

The net effect of reserve development on prior accident years during the third quarter and first nine months of 2024 was favorable for commercial lines overall by $50 million and $117 million, compared with $34 million and $125 million for the same periods in 2023. For the first nine months of 2024, our commercial property and workers' compensation lines of business were the main contributors to the commercial lines net favorable reserve development. The net favorable reserve development recognized during the first nine months of 2024 for our commercial lines insurance segment was mainly for accident years 2023 and 2022 and was primarily due to lower-than-anticipated loss emergence on known claims. Our commercial casualty line of business included $27 million of unfavorable reserve development on prior accident years for the first nine months of 2024. Reserve estimates are inherently uncertain as described in our 2023 Annual Report on Form 10-K, Item 7, Critical Accounting Estimates, Property Casualty Insurance Loss and Loss Expense Reserves, Page 53.

The commercial lines underwriting expense ratio decreased for the third quarter and increased for the first nine months of 2024, compared with the same periods a year ago. The third-quarter 2024 decrease was largely due to a decrease in profit-sharing commissions for agencies. The nine-month 2024 increase was primarily due to an increase in profit-sharing commissions for agencies and employee-related expenses. The ratios also included ongoing expense management efforts and higher earned premiums.

Commercial Lines Insurance Losses Incurred by Size

(Dollars in millions, net of reinsurance)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Current accident year losses greater than $5 million	**$ 11**	$ 18	(39)	**$ 42**	$ 76	(45)
Current accident year losses $2 million - $5 million	**36**	28	29	**58**	68	(15)
Large loss prior accident year reserve development	**20**	30	(33)	**54**	52	4
Total large losses incurred	**67**	76	(12)	**154**	196	(21)
Losses incurred but not reported	**117**	88	33	**365**	242	51
Other losses excluding catastrophe losses	**337**	336	0	**1,089**	1,055	3
Catastrophe losses	**58**	67	(13)	**223**	288	(23)
Total losses incurred	**$ 579**	$ 567	2	**$ 1,831**	$ 1,781	3
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year losses greater than $5 million	**1.0 %**	1.7 %	(0.7)	**1.3 %**	2.4 %	(1.1)
Current accident year losses $2 million - $5 million	**3.2**	2.6	0.6	**1.7**	2.1	(0.4)
Large loss prior accident year reserve development	**1.7**	2.8	(1.1)	**1.6**	1.6	0.0
Total large loss ratio	**5.9**	7.1	(1.2)	**4.6**	6.1	(1.5)
Losses incurred but not reported	**10.3**	8.3	2.0	**11.0**	7.6	3.4
Other losses excluding catastrophe losses	**29.7**	31.7	(2.0)	**32.8**	33.2	(0.4)
Catastrophe losses	**5.1**	6.3	(1.2)	**6.7**	9.0	(2.3)
Total loss ratio	**51.0 %**	53.4 %	(2.4)	**55.1 %**	55.9 %	(0.8)

We continue to monitor new losses and case reserve increases greater than $2 million for trends in factors such as initial reserve levels, loss cost inflation and claim settlement expenses. Our analysis continues to indicate no unexpected concentration of these large losses and case reserve increases by risk category, geographic region, policy inception, agency or field marketing territory. The third-quarter 2024 commercial lines total large losses incurred of $67 million, net of reinsurance, was lower than the quarterly average of $74 million during full-year 2023 and the $76 million of total large losses incurred for the third quarter of 2023. The decrease in commercial lines large losses for the first nine months of 2024 was primarily due to our commercial property line of business. The third-quarter 2024 ratio for commercial lines total large losses was 1.2 percentage points lower than last year's third-quarter ratio. The third-quarter 2024 amount of total large losses incurred helped contribute to the decrease in the nine-month 2024 total large loss ratio, compared with 2023, in addition to a first-half 2024 ratio that was 1.7 points lower than the first half of 2023. We believe results for the three- and nine-month periods largely reflected normal fluctuations in loss patterns and normal variability in large case reserves for claims above $2 million.

PERSONAL LINES INSURANCE RESULTS

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Earned premiums	**$ 678**	$ 527	29	**$ 1,897**	$ 1,484	28
Fee revenues	**2**	1	100	**4**	3	33
Total revenues	**680**	528	29	**1,901**	1,487	28
Loss and loss expenses from:						
Current accident year before catastrophe losses	**367**	297	24	**1,052**	865	22
Current accident year catastrophe losses	**186**	79	135	**396**	327	21
Prior accident years before catastrophe losses	**5**	(2)	nm	**5**	(12)	nm
Prior accident years catastrophe losses	**(5)**	(6)	17	**(32)**	(42)	24
Loss and loss expenses	**553**	368	50	**1,421**	1,138	25
Underwriting expenses	**196**	159	23	**554**	441	26
Underwriting profit (loss)	**$ (69)**	$ 1	nm	**$ (74)**	$ (92)	20
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**54.0 %**	56.3 %	(2.3)	**55.4 %**	58.3 %	(2.9)
Current accident year catastrophe losses	**27.4**	15.1	12.3	**20.9**	22.0	(1.1)
Prior accident years before catastrophe losses	**0.9**	(0.4)	1.3	**0.3**	(0.8)	1.1
Prior accident years catastrophe losses	**(0.8)**	(1.2)	0.4	**(1.7)**	(2.8)	1.1
Loss and loss expenses	**81.5**	69.8	11.7	**74.9**	76.7	(1.8)
Underwriting expenses	**28.8**	30.1	(1.3)	**29.2**	29.7	(0.5)
Combined ratio	**110.3 %**	99.9 %	10.4	**104.1 %**	106.4 %	(2.3)
Combined ratio	**110.3 %**	99.9 %	10.4	**104.1 %**	106.4 %	(2.3)
Contribution from catastrophe losses and prior years reserve development	**27.5**	13.5	14.0	**19.5**	18.4	1.1
Combined ratio before catastrophe losses and prior years reserve development	**82.8 %**	86.4 %	(3.6)	**84.6 %**	88.0 %	(3.4)

Overview

Performance highlights for the personal lines segment include:

- Premiums – Personal lines earned premiums and net written premiums continued to grow during the third quarter and first nine months of 2024, including increased agency new business and renewal written premiums that included higher average pricing. Cincinnati Private Client[SM] net written premiums included in the personal lines insurance segment results totaled approximately $479 million and $1.281 billion for the third quarter and first nine months of 2024, compared with $356 million and $938 million for the same periods of 2023. Cincinnati

Private Client net written premiums for the respective periods included excess and surplus lines homeowner policies with premiums totaling $46 million in the third quarter and $131 million in the first nine months of 2024, compared with $34 million in the third quarter and $85 million in the first nine months of 2023. The table below analyzes the primary components of premiums.

Agency renewal written premiums increased 28% and 27% for the third quarter and first nine months of 2024, reflecting rate increases in selected states, a higher level of insured exposures and other factors such as changes in policy deductibles or mix of business. Part of the insured exposure increase reflects our response to inflation effects that increase the cost of building materials used to repair damaged homes.

We estimate that premium rates for our personal auto line of business increased at average percentages in the low-double-digit range during the first nine months of 2024. For our homeowner line of business, we estimate that premium rates for the first nine months of 2024 increased at average percentages in the high-single-digit range. For both our personal auto and homeowner lines of business, some individual policies experienced lower or higher rate changes based on each risk's specific characteristics and enhanced pricing precision enabled by predictive models.

Personal lines new business written premiums increased $43 million or 35% for the third quarter of 2024, compared with the same period of 2023, including approximately $18 million from Cincinnati Private Client policies and $25 million from middle-market policies. For the first nine months of 2024, compared with the same period of 2023, personal lines new business written premiums increased $143 million or 47%, including approximately $58 million from Cincinnati Private Client policies and $85 million from middle-market policies. We believe we maintained underwriting and pricing discipline across all personal lines markets as we expanded use of enhanced pricing precision tools.

Other written premiums include premiums ceded to reinsurers as part of our reinsurance ceded program. For our personal lines insurance segment, an increase in 2024 ceded premiums reduced net written premiums by approximately $10 million and $20 million for the third quarter and first nine months of 2024, compared with the same periods of 2023.

Personal Lines Insurance Premiums

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Agency renewal written premiums	**$ 695**	$ 542	28	**$ 1,870**	$ 1,471	27
Agency new business written premiums	**165**	122	35	**450**	307	47
Other written premiums	**(28)**	(18)	(56)	**(74)**	(55)	(35)
Net written premiums	**832**	646	29	**2,246**	1,723	30
Unearned premium change	**(154)**	(119)	(29)	**(349)**	(239)	(46)
Earned premiums	**$ 678**	$ 527	29	**$ 1,897**	$ 1,484	28

- Combined ratio – Our personal lines combined ratio for the third quarter of 2024 increased by 10.4 percentage points, compared with third-quarter 2023, primarily due to an increase of 12.7 points in losses from catastrophes. The third-quarter 2024 combined ratio also included a decrease of 2.3 percentage points from current accident year loss and loss expenses before catastrophe losses, including an increase of 5.0 points for the IBNR portion and a decrease of 7.3 points for the case incurred portion. For the first nine months of 2024, the combined ratio improved by 2.3 percentage points, compared with the same period a year ago, including no change in the net ratio for losses from catastrophes. The nine-month 2024 combined ratio also included a decrease of 2.9 points from current accident year loss and loss expenses before catastrophe losses, including an increase of 2.1 points in the IBNR portion and a decrease of 5.0 points for the case incurred portion. Those current accident year ratios were measured as of September 30 of the respective years and included a decrease of 1.6 percentage points for the first nine months of 2024 in the ratio for large losses of $2 million or more per claim, discussed below.

  When estimating the ultimate cost of total loss and loss expenses, we consider many factors, including trends in inflation, historical paid and reported losses, large loss activity and other data or information for the industry or our company. Elevated inflation in recent years has been a driver of higher losses and loss expenses as costs have increased significantly to repair damaged autos or homes that we insure. Due to increased uncertainty regarding ultimate losses, we intend to remain prudent in reserving for estimated ultimate losses until longer-term loss cost trends become more clear.

Catastrophe losses and loss expenses accounted for 26.6 and 19.2 percentage points of the combined ratio for the third quarter and first nine months of 2024, compared with 13.9 and 19.2 points for the same periods a year ago. The 10-year annual average catastrophe loss ratio for the personal lines segment through 2023 was 11.4 percentage points, and the five-year annual average was 13.2 percentage points.

In addition to the average rate increases discussed above, we continue to refine our pricing to better match premiums to the risk of loss on individual policies. Improved pricing precision and broad-based rate increases are expected to help position the combined ratio at a profitable level over the long term. In addition, greater geographic diversification is expected to reduce the volatility of homeowner loss ratios attributable to weather-related catastrophe losses over time.

The net effect of reserve development on prior accident years during the third quarter of 2024 was unfavorable by less than $1 million but favorable by $27 million for the first nine months of 2024 for personal lines overall, compared with $8 million and $54 million of favorable development for the same periods of 2023. Our homeowner line of business was the primary contributor to the personal lines net favorable reserve development for the first nine months of 2024. The net favorable reserve development was primarily due to lower-than-anticipated loss emergence on known claims. Reserve estimates are inherently uncertain as described in our 2023 Annual Report on Form 10-K, Item 7, Critical Accounting Estimates, Property Casualty Insurance Loss and Loss Expense Reserves, Page 53.

The personal lines underwriting expense ratio decreased for the third quarter and first nine months of 2024, compared with the same periods a year ago. The decreases were primarily due to premium growth outpacing growth in various expenses. The ratios also included ongoing expense management efforts.

Personal Lines Insurance Losses Incurred by Size

(Dollars in millions, net of reinsurance)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Current accident year losses greater than $5 million	**$ 7**	$ 6	17	**$ 7**	$ 27	(74)
Current accident year losses $2 million - $5 million	**13**	24	(46)	**39**	34	15
Large loss prior accident year reserve development	**(1)**	2	nm	**2**	9	(78)
Total large losses incurred	**19**	32	(41)	**48**	70	(31)
Losses incurred but not reported	**33**	7	371	**86**	60	43
Other losses excluding catastrophe losses	**256**	210	22	**743**	591	26
Catastrophe losses	**178**	71	151	**357**	277	29
Total losses incurred	**$ 486**	$ 320	52	**$ 1,234**	$ 998	24
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year losses greater than $5 million	**1.1 %**	1.1 %	0.0	**0.4 %**	1.8 %	(1.4)
Current accident year losses $2 million - $5 million	**2.0**	4.7	(2.7)	**2.1**	2.3	(0.2)
Large loss prior accident year reserve development	**(0.2)**	0.4	(0.6)	**0.1**	0.6	(0.5)
Total large loss ratio	**2.9**	6.2	(3.3)	**2.6**	4.7	(2.1)
Losses incurred but not reported	**5.0**	1.2	3.8	**4.6**	4.0	0.6
Other losses excluding catastrophe losses	**37.6**	39.9	(2.3)	**39.0**	39.9	(0.9)
Catastrophe losses	**26.2**	13.4	12.8	**18.8**	18.7	0.1
Total loss ratio	**71.7 %**	60.7 %	11.0	**65.0 %**	67.3 %	(2.3)

We continue to monitor new losses and case reserve increases greater than $2 million for trends in factors such as initial reserve levels, loss cost inflation and claim settlement expenses. Our analysis continues to indicate no unexpected concentration of these large losses and case reserve increases by risk category, geographic region, policy inception, agency or field marketing territory. In the third quarter of 2024, the personal lines total large loss ratio, net of reinsurance, was 3.3 percentage points lower than last year's third quarter. The decrease in personal lines total large losses incurred for the first nine months of 2024 occurred primarily for our homeowner line of business. The third-quarter 2024 amount of total large losses incurred helped contribute to the decrease in the nine-month 2024 total large loss ratio, compared with 2023, in addition to a first-half 2024 ratio that was 1.6 points lower than the first half of 2023. We believe results for the three- and nine-month periods largely reflected normal fluctuations in loss patterns and normal variability in large case reserves for claims above $2 million.

EXCESS AND SURPLUS LINES INSURANCE RESULTS

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Earned premiums	**$ 157**	$ 135	16	**$ 447**	$ 394	13
Fee revenues	**—**	1	(100)	**2**	2	0
Total revenues	**157**	136	15	**449**	396	13
Loss and loss expenses from:						
Current accident year before catastrophe losses	**100**	88	14	**288**	268	7
Current accident year catastrophe losses	**2**	(1)	nm	**6**	3	100
Prior accident years before catastrophe losses	**5**	1	400	**5**	(13)	nm
Prior accident years catastrophe losses	**—**	(1)	100	**—**	(1)	100
Loss and loss expenses	**107**	87	23	**299**	257	16
Underwriting expenses	**42**	35	20	**122**	101	21
Underwriting profit	**$ 8**	$ 14	(43)	**$ 28**	$ 38	(26)
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year before catastrophe losses	**64.2 %**	64.8 %	(0.6)	**64.6 %**	67.9 %	(3.3)
Current accident year catastrophe losses	**1.7**	(0.6)	2.3	**1.4**	0.8	0.6
Prior accident years before catastrophe losses	**2.9**	0.9	2.0	**1.0**	(3.3)	4.3
Prior accident years catastrophe losses	**(0.2)**	(0.2)	0.0	**0.0**	(0.2)	0.2
Loss and loss expenses	**68.6**	64.9	3.7	**67.0**	65.2	1.8
Underwriting expenses	**26.7**	25.6	1.1	**27.3**	25.7	1.6
Combined ratio	**95.3 %**	90.5 %	4.8	**94.3 %**	90.9 %	3.4
Combined ratio	**95.3 %**	90.5 %	4.8	**94.3 %**	90.9 %	3.4
Contribution from catastrophe losses and prior years reserve development	**4.4**	0.1	4.3	**2.4**	(2.7)	5.1
Combined ratio before catastrophe losses and prior years reserve development	**90.9 %**	90.4 %	0.5	**91.9 %**	93.6 %	(1.7)

Overview

Performance highlights for the excess and surplus lines segment include:

- Premiums – Excess and surplus lines earned premiums and net written premiums continued to grow during the third quarter and first nine months of 2024, compared with the same periods a year ago, including increases in both agency renewal and new business written premiums. Renewal written premiums rose 22% for the third quarter and 16% for the nine months ended September 30, 2024, compared with the same periods of 2023, largely due to higher renewal pricing. For both 2024 periods, excess and surplus lines policy renewals experienced estimated average price increases at percentages in the high-single-digit range. We measure average changes in excess and surplus lines renewal pricing as the percentage rate of change in renewal premium for the new policy period compared with the premium for the expiring policy period, assuming no change in the level of insured exposures or policy coverage between those periods for respective policies.

  New business written premiums produced by agencies increased by 26% for the third quarter and 14% for the first nine months of 2024 compared with the same periods of 2023, as we continued to carefully underwrite each policy in a highly competitive market. Some of what we report as new business came from accounts that were not new to our agents. We believe our agents' seasoned accounts tend to be priced more accurately than business that may be less familiar to them.

Excess and Surplus Lines Insurance Premiums

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Agency renewal written premiums	**$ 113**	$ 93	22	**$ 365**	$ 316	16
Agency new business written premiums	**54**	43	26	**147**	129	14
Other written premiums	**(10)**	(8)	(25)	**(29)**	(25)	(16)
Net written premiums	**157**	128	23	**483**	420	15
Unearned premium change	**—**	7	(100)	**(36)**	(26)	(38)
Earned premiums	**$ 157**	$ 135	16	**$ 447**	$ 394	13

- Combined ratio – The excess and surplus lines combined ratio increased by 4.8 percentage points for the third quarter and 3.4 points for the first nine months of 2024, compared with the same periods of 2023. The increases were largely due to unfavorable reserve development on prior accident year loss and loss expenses for the three and nine months ended September 30, 2024, compared with a smaller amount of unfavorable reserve development for third-quarter 2023 and favorable reserve development for the first nine months of 2023. Higher catastrophe losses for both 2024 periods also contributed to the combined ratio increases.

  The 64.2% third-quarter 2024 ratio for current accident year loss and loss expenses before catastrophe losses was 0.6 percentage points lower, compared with the 64.8% accident year 2023 ratio measured as of September 30, 2023, including an increase of 2.7 points for the IBNR portion and a decrease of 3.3 points for the case incurred portion. The 64.6% nine-month 2024 ratio for current accident year loss and loss expenses before catastrophe losses was 3.3 percentage points lower, compared with the 67.9% accident year 2023 ratio measured as of September 30, 2023, including a decrease of 5.3 points for the IBNR portion and an increase of 2.0 points for the case incurred portion.

  Excess and surplus lines net reserve development on prior accident years, as a ratio to earned premiums, was unfavorable by 2.7% for the third quarter and 1.0% for the first nine months of 2024, compared with unfavorable 0.7% for third-quarter 2023 and favorable 3.5% for the first nine months of 2023. Reserve estimates are inherently uncertain as described in our 2023 Annual Report on Form 10-K, Item 7, Critical Accounting Estimates, Property Casualty Insurance Loss and Loss Expense Reserves, Page 53.

  The excess and surplus lines underwriting expense ratio increased for the third quarter and first nine months of 2024, compared with the same periods a year ago. The increases were largely due to increases in profit-sharing commissions for agencies and employee-related expenses. The ratio for both periods also benefited from ongoing expense management efforts and premium growth.

Excess and Surplus Lines Insurance Losses Incurred by Size

(Dollars in millions, net of reinsurance)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Current accident year losses greater than $5 million	**$ —**	$ —	nm	**$ —**	$ —	nm
Current accident year losses $2 million - $5 million	**2**	—	nm	**4**	—	nm
Large loss prior accident year reserve development	**—**	—	nm	**—**	(1)	100
Total large losses incurred	**2**	—	nm	**4**	(1)	nm
Losses incurred but not reported	**12**	16	(25)	**59**	63	(6)
Other losses excluding catastrophe losses	**55**	45	22	**143**	118	21
Catastrophe losses	**2**	(1)	nm	**6**	2	200
Total losses incurred	**$ 71**	$ 60	18	**$ 212**	$ 182	16
Ratios as a percent of earned premiums:			Pt. Change			Pt. Change
Current accident year losses greater than $5 million	**— %**	— %	0.0	**— %**	— %	0.0
Current accident year losses $2 million - $5 million	**1.3**	—	1.3	**0.9**	—	0.9
Large loss prior accident year reserve development	**—**	—	0.0	**—**	(0.2)	0.2
Total large loss ratio	**1.3**	—	1.3	**0.9**	(0.2)	1.1
Losses incurred but not reported	**7.1**	11.9	(4.8)	**13.2**	15.9	(2.7)
Other losses excluding catastrophe losses	**35.4**	33.2	2.2	**32.1**	29.9	2.2
Catastrophe losses	**1.5**	(0.9)	2.4	**1.3**	0.5	0.8
Total loss ratio	**45.3 %**	44.2 %	1.1	**47.5 %**	46.1 %	1.4

We continue to monitor new losses and case reserve increases greater than $2 million for trends in factors such as initial reserve levels, loss cost inflation and claim settlement expenses. Our analysis continues to indicate no unexpected concentration of these large losses and case reserve increases by risk category, geographic region, policy inception, agency or field marketing territory. In the third quarter of 2024, the excess and surplus lines total ratio for large losses, net of reinsurance, was 1.3 percentage points higher than last year's third quarter. The third-quarter 2024 amount of total large losses incurred contributed unfavorably to the increase in the nine-month 2024 total large loss ratio, compared with 2023, in addition to a first-half 2024 ratio that was 1.0 points higher than the first half of 2023. We believe results for the three- and nine-month periods largely reflected normal fluctuations in loss patterns and normal variability in large case reserves for claims above $2 million.

LIFE INSURANCE RESULTS

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Earned premiums	**$ 80**	$ 76	5	**$ 240**	$ 233	3
Fee revenues	**1**	3	(67)	**4**	8	(50)
Total revenues	**81**	79	3	**244**	241	1
Contract holders' benefits incurred	**79**	71	11	**226**	230	(2)
Investment interest credited to contract holders	**(32)**	(31)	(3)	**(94)**	(91)	(3)
Underwriting expenses incurred	**24**	22	9	**70**	64	9
Total benefits and expenses	**71**	62	15	**202**	203	0
Life insurance segment profit	**$ 10**	$ 17	(41)	**$ 42**	$ 38	11

Overview

Performance highlights for the life insurance segment include:

- Revenues – Revenues increased for the nine months ended September 30, 2024, compared with the same period a year ago, driven by higher earned premiums from term life insurance, our largest life insurance product line.

  Net in-force life insurance policy face amounts increased 2% to $83.664 billion at September 30, 2024, from $82.361 billion at year-end 2023.

  Fixed annuity deposits received for the three and nine months ended September 30, 2024, were $10 million and $29 million, compared with $13 million and $38 million for the same periods of 2023. Fixed annuity deposits have a minimal impact to earned premiums because deposits received are initially recorded as liabilities. Profit is earned over time by way of interest rate spreads. We do not write variable or equity-indexed annuities.

Life Insurance Premiums

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Term life insurance	**$ 58**	$ 56	4	**$ 174**	$ 170	2
Whole life insurance	**13**	12	8	**39**	37	5
Universal life and other	**9**	8	13	**27**	26	4
Net earned premiums	**$ 80**	$ 76	5	**$ 240**	$ 233	3

- Profitability – Our life insurance segment typically reports a smaller profit compared with the life insurance subsidiary because profits from investment income spreads are included in our investments segment results. We include only investment income credited to contract holders (including interest assumed in life insurance policy reserve calculations) in our life insurance segment results. A profit of $42 million for our life insurance segment in the first nine months of 2024, compared with a profit of $38 million for the same period of 2023, was primarily due to more favorable mortality experience.

  Life insurance segment benefits and expenses consist principally of contract holders' (policyholders') benefits incurred related to traditional life and interest-sensitive products and operating expenses incurred, net of deferred acquisition costs. Total benefits decreased in the first nine months of 2024 primarily due to more favorable mortality experience.

  Underwriting expenses for the first nine months of 2024 increased compared with the same period a year ago, largely due to higher general insurance expense levels compared to the same period of 2023.

  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.

On a basis that includes investment income and investment gains or losses from life-insurance-related invested assets, the life insurance subsidiary reported net income of $20 million and $63 million for the three and nine months ended September 30, 2024, compared with $25 million and $65 million for the three and nine months ended September 30, 2023. The life insurance subsidiary portfolio had net after-tax investment losses of less than $1 million and $7 million for the three and nine months ended September 30, 2024, compared with less than $1 million of net after-tax gains and $1 million of net after-tax investment losses for the three and nine months ended September 30, 2023.

INVESTMENTS RESULTS

Overview

The investments segment contributes investment income and investment gains and losses to results of operations. Investments traditionally are our primary source of pretax and after-tax profits.

Investment Income

Pretax investment income grew 15% for the third quarter and 14% for the first nine months of 2024, compared with the same periods of 2023. Interest income increased by $33 million and $88 million for the three and nine months ended September 30, 2024, as net purchases of fixed-maturity securities in recent quarters and higher bond yields are working to generally offset effects of the low interest rate environment of the past several years. Net purchases of fixed-maturity securities totaled $672 million for the third quarter and $1.443 billion for the first nine months of 2024. Sales of selected equity securities, discussed below, contributed to the relatively larger amount of third-quarter 2024 net purchases as proceeds from those sales were reinvested in fixed-maturity securities. Bond purchases in the third quarter helped increase the yield of the overall investment portfolio as we target what we believe to be optimal risk-adjusted after-tax yields. Dividend income decreased by $1 million in the third quarter and increased by $4 million for the first nine months of 2024. In addition to dividend rates generally increasing more slowly in recent quarters, net sales of equity securities totaled $959 million for the third quarter and $1.050 billion for the first nine months of 2024. Most of the equity security sales involved trimming or exiting positions for selected common stocks. Minor asset allocation adjustments in our equity portfolio in recent quarters partially offset other factors that unfavorably affected dividend income. Our investment approach remains the same as we focus on balancing near-term income generation with long-term book value growth potential.

Investments Results

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Total investment income, net of expenses	**$ 258**	$ 225	15	**$ 745**	$ 655	14
Investment interest credited to contract holders	**(32)**	(31)	(3)	**(94)**	(91)	(3)
Investment gains and losses, net	**758**	(456)	nm	**1,507**	84	nm
Investments profit (loss), pretax	**$ 984**	$ (262)	nm	**$ 2,158**	$ 648	233

We continue to consider the low interest rate environment that prevailed in recent years as well as the potential for a continuation of both elevated inflation and higher bond yields as we position our portfolio. As bonds in our generally laddered portfolio mature or are called over the near term, we will reinvest with a balanced approach, keeping in mind our long-term strategy and pursuing attractive risk-adjusted after-tax yields. The table below shows the average pretax yield-to-amortized cost associated with expected principal redemptions for our fixed-maturity portfolio. The expected principal redemptions are based on par amounts and include dated maturities, calls and prefunded municipal bonds that we expect will be called during each respective time period.

(Dollars in millions) At September 30, 2024	% Yield	Principal redemptions
Fixed-maturity pretax yield profile:		
Expected to mature during the remainder of 2024	5.02 %	$ 494
Expected to mature during 2025	4.71	1,388
Expected to mature during 2026	5.06	1,188
Average yield and total expected maturities from the remainder of 2024 through 2026	4.90	$ 3,070

The table below shows the average pretax yield-to-amortized cost for fixed-maturity securities acquired during the periods indicated. The average yield for total fixed-maturity securities acquired during the first nine months of 2024 was higher than the 4.60% average yield-to-amortized cost of the fixed-maturity securities portfolio at the end of 2023. Our fixed-maturity portfolio's average yield of 4.63% for the first nine months of 2024, from the investment income table below, was also higher than the 4.60% yield for the year-end 2023 fixed-maturities portfolio.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Average pretax yield-to-amortized cost on new fixed-maturities:				
Acquired taxable fixed-maturities	**5.63 %**	6.60 %	**5.81 %**	6.41 %
Acquired tax-exempt fixed-maturities	**4.09**	4.34	**4.12**	4.24
Average total fixed-maturities acquired	**5.53**	6.40	**5.68**	6.15

While our bond portfolio more than covers our insurance reserve liabilities, we believe our diversified common stock portfolio of mainly blue chip, dividend-paying companies represents one of our best investment opportunities for the long term. We discussed our portfolio strategies in our 2023 Annual Report on Form 10-K, Item 1, Investments Segment, Page 21, and Item 7, Investments Outlook, Page 91. We discuss risks related to our investment income and our fixed-maturity and equity investment portfolios in this quarterly report Item 3, Quantitative and Qualitative Disclosures About Market Risk.

The table below provides details about investment income. Average yields in this table are based on the average invested asset and cash amounts indicated in the table, using fixed-maturity securities valued at amortized cost and all other securities at fair value.

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Investment income:						
Interest	**$ 187**	$ 154	21	**$ 529**	$ 441	20
Dividends	**68**	69	(1)	**209**	205	2
Other	**7**	5	40	**18**	18	0
Less investment expenses	**4**	3	33	**11**	9	22
Investment income, pretax	**258**	225	15	**745**	655	14
Less income taxes	**44**	37	19	**125**	106	18
Total investment income, after-tax	**$ 214**	$ 188	14	**$ 620**	$ 549	13
Investment returns:						
Average invested assets plus cash and cash equivalents	**$ 29,107**	$ 25,490		**$ 28,447**	$ 25,025	
Average yield pretax	**3.55 %**	3.53 %		**3.49 %**	3.49 %	
Average yield after-tax	**2.94**	2.95		**2.91**	2.93	
Effective tax rate	**16.9**	16.3		**16.8**	16.2	
Fixed-maturity returns:						
Average amortized cost	**$ 15,592**	$ 13,879		**$ 15,218**	$ 13,515	
Average yield pretax	**4.80 %**	4.44 %		**4.63 %**	4.35 %	
Average yield after-tax	**3.93**	3.66		**3.80**	3.59	
Effective tax rate	**18.1**	17.6		**18.0**	17.4	

Total Investment Gains and Losses

Investment gains and losses are recognized on the sale of investments, for certain changes in fair values of securities even though we continue to hold the securities or as otherwise required by GAAP. The change in fair value for equity securities still held is included in investment gains and losses and also in net income. The change in unrealized gains or losses for fixed-maturity securities is included as a component of other comprehensive income (OCI). Accounting requirements for the allowance for credit losses for the fixed-maturity portfolio are disclosed in our 2023 Annual Report on Form 10-K, Item 8, Note 1, Summary of Significant Accounting Policies, Page 128.

The table below summarizes total investment gains and losses, before taxes.

(Dollars in millions)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Investment gains and losses:				
Equity securities:				
Investment gains and losses on securities sold, net	**$ 24**	$ (5)	**$ 146**	$ 2
Unrealized gains and losses on securities still held, net	**817**	(458)	**1,446**	99
Subtotal	**841**	(463)	**1,592**	101
Fixed maturities:				
Gross realized gains	**1**	1	**5**	2
Gross realized losses	**(87)**	(1)	**(94)**	(2)
Change in allowance for credit losses, net	**—**	1	**(25)**	(2)
Write-down of impaired securities with intent to sell	**—**	—	**—**	(4)
Subtotal	**(86)**	1	**(114)**	(6)
Other	**3**	6	**29**	(11)
Total investment gains and losses reported in net income	**758**	(456)	**1,507**	84
Change in unrealized investment gains and losses:				
Fixed maturities	**497**	(369)	**367**	(360)
Total	**$ 1,255**	$ (825)	**$ 1,874**	$ (276)

Of the 4,988 fixed-maturity securities in the portfolio, five securities were trading below 70% of amortized cost at September 30, 2024. Our asset impairment committee regularly monitors the portfolio, including a quarterly review of the entire portfolio for potential credit losses. We believe that if liquidity in the markets were to significantly deteriorate or economic conditions were to significantly weaken, we could experience declines in portfolio values and possibly increases in the allowance for credit losses or write-downs to fair value.

OTHER

We report as Other the noninvestment operations of the parent company and a noninsurance subsidiary, CFC Investment Company. We also report as Other the underwriting results of Cincinnati Re and Cincinnati Global, including earned premiums, loss and loss expenses and underwriting expenses in the table below.

Total revenues for the first nine months of 2024 for our Other operations increased, compared with the same period of 2023, primarily due to earned premiums from Cincinnati Re and Cincinnati Global, with increases of $5 million and $10 million, respectively. Cincinnati Re had $411 million of earned premiums for the first nine months of 2024 and generated an underwriting profit of $76 million. Cincinnati Global had $203 million of earned premiums for the first nine months of 2024 and generated an underwriting profit of $68 million. Total expenses for Other decreased for the first nine months of 2024, primarily due to lower loss and loss expenses from Cincinnati Re and Cincinnati Global.

Other income in the table below represents profit before income taxes. For all periods shown, total other income was driven by underwriting profit from Cincinnati Re and Cincinnati Global.

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Interest and fees on loans and leases	**$ 3**	$ 2	50	**$ 7**	$ 5	40
Earned premiums	**245**	233	5	**614**	599	3
Other revenues	**—**	1	(100)	**3**	3	0
Total revenues	**248**	236	5	**624**	607	3
Interest expense	**13**	13	0	**40**	40	0
Loss and loss expenses	**133**	126	6	**290**	309	(6)
Underwriting expenses	**70**	62	13	**180**	170	6
Operating expenses	**6**	5	20	**19**	17	12
Total expenses	**222**	206	8	**529**	536	(1)
Total other income	**$ 26**	$ 30	(13)	**$ 95**	$ 71	34

TAXES

We had $220 million and $492 million of income tax expense for the three and nine months ended September 30, 2024, compared with $49 million of income tax benefit and $126 million of income tax expense for the same periods of 2023. The effective tax rate for the three and nine months ended September 30, 2024, was 21.2% and 20.7% compared with 33.1% and 16.0% for the same periods last year. The change in our effective tax rate between periods was primarily due to large changes in our net investment gains and losses included in income for the periods and changes in underwriting income and investment income.

Historically, we have pursued a strategy of investing some portion of cash flow in tax-advantaged fixed-maturity and equity securities to minimize our overall tax liability and maximize after-tax earnings. See Tax-Exempt Fixed Maturities in this quarterly report Item 3, Quantitative and Qualitative Disclosures About Market Risk for further discussion on municipal bond purchases in our fixed-maturity investment portfolio. For tax years after 2017, for our property casualty insurance subsidiaries, approximately 75% of interest from tax-advantaged, fixed-maturity investments and approximately 40% of dividends from qualified equities are exempt from federal tax after applying proration. For our noninsurance companies, the dividend received deduction exempts 50% of dividends from qualified equities. Our life insurance company does not own tax-advantaged, fixed-maturity investments or equities subject to the dividend received deduction. Details about our effective tax rate are in this quarterly report Item 1, Note 9, Income Taxes.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2024, shareholders' equity was $13.804 billion, compared with $12.098 billion at December 31, 2023. Total debt was $815 million at September 30, 2024, unchanged from December 31, 2023. At September 30, 2024, cash and cash equivalents totaled $1.752 billion, compared with $907 million at December 31, 2023. During the third quarter of 2024, net sales of equity securities were $959 million, primarily from trimming or exiting positions for selected common stocks. Proceeds from the sales of those equity securities were used to purchase fixed maturities during the third quarter of 2024, with plans to purchase additional fixed maturities in the fourth quarter of 2024, thereby reducing our cash balance at September 30, 2024.

In addition to our historically positive operating cash flow to meet the needs of operations, we have the ability to slow investing activities or sell a portion of our high-quality, liquid investment portfolio if such need arises. We also have additional capacity to borrow on our revolving short-term line of credit, as described further below.

SOURCES OF LIQUIDITY

Subsidiary Dividends

Our lead insurance subsidiary declared dividends of $290 million to the parent company in the first nine months of 2024, compared with $426 million for the same period of 2023. For full-year 2023, our lead insurance subsidiary paid dividends totaling $526 million to the parent company. State of Ohio regulatory requirements restrict the dividends our insurance subsidiary can pay. For full-year 2024, total dividends that our insurance subsidiary can pay to our parent company without regulatory approval are approximately $729 million.

Investing Activities

Investment income is a source of liquidity for both the parent company and its insurance subsidiaries. We continue to focus on portfolio strategies to balance near-term income generation and long-term book value growth.

Parent company obligations can be funded with income on investments held at the parent-company level or through sales of securities in that portfolio, although our investment philosophy seeks to compound cash flows over the long term. These sources of capital can help minimize subsidiary dividends to the parent company, protecting insurance subsidiary capital.

For a discussion of our historic investment strategy, portfolio allocation and quality, see our 2023 Annual Report on Form 10-K, Item 1, Investments Segment, Page 21.

Insurance Underwriting

Our property casualty and life insurance underwriting operations provide liquidity because we generally receive premiums before paying losses under the policies purchased with those premiums. After satisfying our cash requirements, we use excess cash flows for investment, increasing future investment income.

Historically, cash receipts from property casualty and life insurance premiums, along with investment income, have been more than sufficient to pay claims, operating expenses and dividends to the parent company.

The table below shows a summary of the operating cash flow for property casualty insurance (direct method):

(Dollars in millions)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	**2024**	2023	% Change
Premiums collected	**$ 2,343**	$ 2,025	16	**$ 6,593**	$ 5,806	14
Loss and loss expenses paid	**(1,114)**	(1,058)	(5)	**(3,218)**	(3,185)	(1)
Commissions and other underwriting expenses paid	**(585)**	(516)	(13)	**(2,008)**	(1,772)	(13)
Cash flow from underwriting	**644**	451	43	**1,367**	849	61
Investment income received	**192**	151	27	**533**	447	19
Cash flow from operations	**$ 836**	$ 602	39	**$ 1,900**	$ 1,296	47

Collected premiums for property casualty insurance rose $787 million during the first nine months of 2024, compared with the same period in 2023. Loss and loss expenses paid for the 2024 period increased $33 million. Commissions and other underwriting expenses paid increased $236 million.

We discuss our future obligations for claims payments and for underwriting expenses in our 2023 Annual Report on Form 10-K, Item 7, Obligations, Page 97.

Capital Resources

At September 30, 2024, our debt-to-total-capital ratio was 5.6%, considerably below our 35% covenant threshold, with $790 million in long-term debt and $25 million in borrowing on our revolving short-term line of credit. At September 30, 2024, $275 million was available for future cash management needs as part of the general provisions of the line of credit agreement, with another $300 million available as part of an accordion feature. Based on our capital requirements at September 30, 2024, we do not anticipate a material increase in debt levels exceeding the available line of credit amount during the year. As a result, we expect changes in our debt-to-total-capital ratio to continue to be largely a function of the contribution of unrealized investment gains or losses to shareholders' equity. On September 12, 2024, we terminated our unsecured letter of credit agreement, which provided a portion of the capital needed to support Cincinnati Global's obligations at Lloyd's. The amount of the unsecured letter of credit agreement was $94 million, with no amount drawn. We replaced the letter of credit agreement with common equities, bringing total common equities held in Lloyd's trust accounts to $219 million.

We provide details of our three long-term notes in this quarterly report Item 1, Note 3, Fair Value Measurements. None of the notes are encumbered by rating triggers.

Four independent ratings firms award insurer financial strength ratings to our property casualty insurance companies and three firms rate our life insurance company. Those firms made no changes to our parent company debt ratings during the first nine months of 2024. On October 16, 2024, Fitch Ratings revised our Rating Outlook to Positive from Stable for all ratings. Our debt ratings are discussed in our 2023 Annual Report on Form 10-K, Item 7, Liquidity and Capital Resources, Long-Term Debt, Page 96.

Off-Balance Sheet Arrangements

We do not use any special-purpose financing vehicles or have any undisclosed off-balance sheet arrangements (as that term is defined in applicable SEC rules) that are reasonably likely to have a current or future material effect on the company's financial condition, results of operation, liquidity, capital expenditures or capital resources. Similarly, the company holds no fair-value contracts for which a lack of marketplace quotations would necessitate the use of fair-value techniques.

USES OF LIQUIDITY

Our parent company and insurance subsidiary have contractual obligations and other commitments. In addition, one of our primary uses of cash is to enhance shareholder return.

Contractual Obligations

We estimated our future contractual obligations as of December 31, 2023, in our 2023 Annual Report on Form 10-K, Item 7, Contractual Obligations, Page 97. There have been no material changes to our estimates of future contractual obligations since our 2023 Annual Report on Form 10-K.

Other Commitments

In addition to our contractual obligations, we have other property casualty operational commitments:

- Commissions – Commissions paid were $1.310 billion in the first nine months of 2024. Commission payments generally track with written premiums, except for annual profit-sharing commissions typically paid during the first quarter of the year.
- Other underwriting expenses – Many of our underwriting expenses are not contractual obligations, but reflect the ongoing expenses of our business. Noncommission underwriting expenses paid were $698 million in the first nine months of 2024.

There were no contributions to our qualified pension plan during the first nine months of 2024.

Investing Activities

After fulfilling operating requirements, we invest cash flows from underwriting, investment and other corporate activities in fixed-maturity and equity securities on an ongoing basis to help achieve our portfolio objectives. We discuss our investment strategy and certain portfolio attributes in this quarterly report Item 3, Quantitative and Qualitative Disclosures About Market Risk.

Uses of Capital

Uses of cash to enhance shareholder return include dividends to shareholders and shares acquired under our repurchase program. In January 2024, the board of directors declared regular quarterly cash dividends of 81 cents per share for an indicated annual rate of $3.24 per share. During the first nine months of 2024, we used $365 million to pay cash dividends to shareholders.

PROPERTY CASUALTY INSURANCE LOSS AND LOSS EXPENSE RESERVES

For the business lines in the commercial and personal lines insurance segments, and in total for the excess and surplus lines insurance segment and other property casualty insurance operations, the following table details gross reserves among case, IBNR (incurred but not reported) and loss expense reserves, net of salvage and subrogation reserves. Reserving practices are discussed in our 2023 Annual Report on Form 10-K, Item 7, Property Casualty Loss and Loss Expense Obligations and Reserves, Page 98.

Total gross reserves at September 30, 2024, increased $891 million compared with December 31, 2023. Case loss reserves decreased by $9 million, IBNR loss reserves increased by $794 million and loss expense reserves increased by $106 million. The total gross increase was primarily due to our commercial casualty and homeowner lines of business and also our excess and surplus lines insurance segment.

Property Casualty Gross Reserves

(Dollars in millions)	Loss reserves		Loss		
At September 30, 2024	Case reserves	IBNR reserves	expense reserves	Total gross reserves	Percent of total
Commercial lines insurance:					
Commercial casualty	**$ 1,124**	**$ 1,424**	**$ 808**	**$ 3,356**	**34.0 %**
Commercial property	**297**	**228**	**85**	**610**	**6.2**
Commercial auto	**427**	**350**	**153**	**930**	**9.4**
Workers' compensation	**403**	**563**	**86**	**1,052**	**10.7**
Other commercial	**153**	**38**	**129**	**320**	**3.2**
Subtotal	**2,404**	**2,603**	**1,261**	**6,268**	**63.5**
Personal lines insurance:					
Personal auto	**249**	**116**	**88**	**453**	**4.6**
Homeowner	**234**	**270**	**80**	**584**	**5.9**
Other personal	**90**	**148**	**8**	**246**	**2.5**
Subtotal	**573**	**534**	**176**	**1,283**	**13.0**
Excess and surplus lines	**386**	**397**	**273**	**1,056**	**10.7**
Cincinnati Re	**171**	**839**	**6**	**1,016**	**10.3**
Cincinnati Global	**119**	**120**	**4**	**243**	**2.5**
Total	**$ 3,653**	**$ 4,493**	**$ 1,720**	**$ 9,866**	**100.0 %**
At December 31, 2023					
Commercial lines insurance:					
Commercial casualty	$ 1,111	$ 1,205	$ 792	$ 3,108	34.6 %
Commercial property	362	116	81	559	6.3
Commercial auto	418	303	142	863	9.6
Workers' compensation	431	540	89	1,060	11.8
Other commercial	143	26	128	297	3.3
Subtotal	2,465	2,190	1,232	5,887	65.6
Personal lines insurance:					
Personal auto	222	74	73	369	4.1
Homeowner	215	122	58	395	4.4
Other personal	101	119	6	226	2.5
Subtotal	538	315	137	990	11.0
Excess and surplus lines	360	336	236	932	10.4
Cincinnati Re	158	747	6	911	10.2
Cincinnati Global	141	111	3	255	2.8
Total	$ 3,662	$ 3,699	$ 1,614	$ 8,975	100.0 %

LIFE POLICY AND INVESTMENT CONTRACT RESERVES

Gross life policy and investment contract reserves were $3.069 billion at September 30, 2024, compared with $3.068 billion at year-end 2023. Details about these reserves are in this quarterly report Item 1, Note 5, Life Policy and Investment Contract Reserves. We discussed our life insurance reserving practices in our 2023 Annual Report on Form 10-K, Item 7, Life Insurance Policyholder Obligations and Reserves, Page 104, and updated that disclosure in this quarterly report Item 1, Note 1, Accounting Policies.

OTHER MATTERS

SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are discussed in our 2023 Annual Report on Form 10-K, Item 8, Note 1, Summary of Significant Accounting Policies, Page 128, and updated in this quarterly report Item 1, Note 1, Accounting Policies.

In conjunction with those discussions, in the Management's Discussion and Analysis in the 2023 Annual Report on Form 10-K, management reviewed the estimates and assumptions used to develop reported amounts related to the most significant policies. Management discussed the development and selection of those accounting estimates with the audit committee of the board of directors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our greatest exposure to market risk is through our investment portfolio. Market risk is the potential for a decrease in securities' fair value resulting from broad yet uncontrollable forces such as: inflation, economic growth or recession, interest rates, world political conditions or other widespread unpredictable events. It is comprised of many individual risks that, when combined, create a macroeconomic impact.

Our view of potential risks and our sensitivity to such risks is discussed in our 2023 Annual Report on Form 10-K, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, Page 113.

The fair value of our investment portfolio was $27.441 billion at September 30, 2024, up $2.661 billion from year-end 2023, including a $2.080 billion increase in the fixed-maturity portfolio and a $581 million increase in the equity portfolio.

(Dollars in millions)	**At September 30, 2024**				At December 31, 2023			
	Cost or amortized cost	Percent of total	Fair value	Percent of total	Cost or amortized cost	Percent of total	Fair value	Percent of total
Taxable fixed maturities	**$ 12,038**	**59.9 %**	**$ 11,882**	**43.4 %**	$ 10,414	55.8 %	$ 9,889	40.0 %
Tax-exempt fixed maturities	**4,036**	**20.1**	**3,989**	**14.5**	3,947	21.2	3,902	15.7
Common equities	**3,626**	**18.0**	**11,200**	**40.8**	3,869	20.8	10,641	42.9
Nonredeemable preferred equities	**408**	**2.0**	**370**	**1.3**	413	2.2	348	1.4
Total	**$ 20,108**	**100.0 %**	**$ 27,441**	**100.0 %**	$ 18,643	100.0 %	$ 24,780	100.0 %

At September 30, 2024, substantially all of our consolidated investment portfolio, measured at fair value, is classified as Level 1 or Level 2. See Item 1, Note 3, Fair Value Measurements, for additional discussion of our valuation techniques.

In addition to our investment portfolio, the total investments amount reported in our condensed consolidated balance sheets includes Other invested assets. Other invested assets included $528 million of private equity investments, $84 million of real estate through direct property ownership and development projects in the United States, $35 million of life policy loans and $16 million in Lloyd's deposit at September 30, 2024.

FIXED-MATURITY SECURITIES INVESTMENTS

By maintaining a well-diversified fixed-maturity portfolio, we attempt to reduce overall risk. We invest new money in the bond market on a regular basis, targeting what we believe to be optimal risk-adjusted, after-tax yields. Risk, in this context, includes interest rate, call, reinvestment rate, credit and liquidity risk. We do not make a concerted effort to alter duration on a portfolio basis in response to anticipated movements in interest rates. By regularly investing in the bond market, we build a broad, diversified portfolio that we believe mitigates the impact of adverse economic factors.

In the first nine months of 2024, the increase in fair value of our fixed-maturity portfolio was due to net purchases of securities, plus a decrease in our net unrealized loss position that reflected realized losses from the sales of some lower-yielding bonds, as well as a decrease in U.S. Treasury yields in addition to tightening of corporate credit spreads. At September 30, 2024, our fixed-maturity portfolio with an average rating of A2/A was valued at 98.7% of its amortized cost, compared with 96.0% at December 31, 2023.

At September 30, 2024, our investment-grade fixed-maturity securities represented 97.4% of the portfolio based on ratings provided by nationally recognized statistical rating organizations or the Securities Valuation Office of the National Association of Insurance Commissioners.

Attributes of the fixed-maturity portfolio include:

	At September 30, 2024	At December 31, 2023
Weighted average yield-to-amortized cost	**4.98 %**	4.60 %
Weighted average maturity	**9.5 yrs**	7.9 yrs
Effective duration	**4.6 yrs**	4.3 yrs

We discuss maturities of our fixed-maturity portfolio in our 2023 Annual Report on Form 10-K, Item 8, Note 2, Investments, Page 137, and in this quarterly report Item 2, Investments Results.

TAXABLE FIXED MATURITIES

Our taxable fixed-maturity portfolio, with a fair value of $11.882 billion at September 30, 2024, included:

(Dollars in millions)	At September 30, 2024	At December 31, 2023
Investment-grade corporate	**$ 8,010**	$ 7,040
States, municipalities and political subdivisions	**820**	801
Noninvestment-grade corporate	**329**	412
Government-sponsored enterprises	**2,151**	1,224
Asset-backed	**314**	187
United States government	**227**	200
Foreign government	**31**	25
Total	**$ 11,882**	$ 9,889

Our strategy is to buy, and typically hold, fixed-maturity investments to maturity, but we monitor credit profiles and fair value movements when determining holding periods for individual securities. With the exception of United States agency issues that include government-sponsored enterprises, no individual issuer's securities accounted for more than 0.9% of the taxable fixed-maturity portfolio at September 30, 2024. Our investment-grade corporate bonds had an average rating of Baa1 by Moody's or BBB+ by S&P Global Ratings and represented 67.4% of the taxable fixed-maturity portfolio's fair value at September 30, 2024, compared with 71.2% at year-end 2023.

The heaviest concentration in our investment-grade corporate bond portfolio, based on fair value at September 30, 2024, was the financial sector. It represented 35.6% of our investment-grade corporate bond portfolio, compared with 38.2% at year-end 2023. The utility and energy sectors represented 12.5% and 10.6%, compared with less than 10% and 11.2%, respectively, at year-end 2023. No other sector exceeded 10% of our investment-grade corporate bond portfolio.

As discussed in our 2023 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 30, investments in the financial sector include various risks. See risk factors entitled “Financial disruption or a prolonged economic downturn could materially and adversely affect our investment performance” and “Our ability to achieve our performance objectives could be affected by changes in the financial, credit and capital markets or the general economy.”

Our taxable fixed-maturity portfolio at September 30, 2024, included $314 million of asset-backed securities with an average rating of Aa2/AA-.

TAX-EXEMPT FIXED MATURITIES

At September 30, 2024, we had $3.989 billion of tax-exempt fixed-maturity securities with an average rating of Aa2/AA by Moody's and S&P Global Ratings. We traditionally have purchased municipal bonds focusing on general obligation and essential services issues, such as water, waste disposal or others. The portfolio is well diversified among approximately 1,800 municipal bond issuers. No single municipal issuer accounted for more than 0.6% of the tax-exempt fixed-maturity portfolio at September 30, 2024.

INTEREST RATE SENSITIVITY ANALYSIS

Because of our strong surplus, long-term investment horizon and ability to hold most fixed-maturity investments until maturity, we believe the company is adequately positioned if interest rates were to rise. Although the fair values of our existing holdings may suffer, a higher rate environment would provide the opportunity to invest cash flow in higher-yielding securities, while reducing the likelihood of untimely redemptions of currently callable securities. While higher interest rates would be expected to continue to increase the number of fixed-maturity holdings trading below 100% of amortized cost, we believe lower fixed-maturity security values due solely to interest rate changes would not signal a decline in credit quality. We continue to manage the portfolio with an eye toward both meeting current income needs and managing interest rate risk.

Our dynamic financial planning model uses analytical tools to assess market risks. As part of this model, the effective duration of the fixed-maturity portfolio is continually monitored by our investment department to evaluate the theoretical impact of interest rate movements.

The table below summarizes the effect of hypothetical changes in interest rates on the fair value of the fixed-maturity portfolio:

(Dollars in millions)	Effect from interest rate change in basis points				
	-200	-100	—	100	200
At September 30, 2024	**$ 17,326**	**$ 16,590**	**$ 15,871**	**$ 15,107**	**$ 14,301**
At December 31, 2023	$ 14,962	$ 14,375	$ 13,791	$ 13,179	$ 12,543

The effective duration of the fixed-maturity portfolio as of September 30, 2024, was 4.6 years, up from 4.3 years at the end of 2023. The above table is a theoretical presentation showing that an instantaneous, parallel shift in the yield curve of 100 basis points could produce an approximately 4.7% change in the fair value of the fixed-maturity portfolio. Generally speaking, the higher a bond is rated, the more directly correlated movements in its fair value are to changes in the general level of interest rates, exclusive of call features. The fair values of average- to lower-rated corporate bonds are additionally influenced by the expansion or contraction of credit spreads.

In our dynamic financial planning model, the selected interest rate change of 100 to 200 basis points represents our view of a shift in rates that is quite possible over a one-year period. The rates modeled should not be considered a prediction of future events as interest rates may be much more volatile in the future. The analysis is not intended to provide a precise forecast of the effect of changes in rates on our results or financial condition, nor does it take into account any actions that we might take to reduce exposure to such risks.

EQUITY INVESTMENTS

Our equity investments, with a fair value totaling $11.570 billion at September 30, 2024, included $11.200 billion of common stock securities of companies generally with strong indications of paying and growing their dividends. Other criteria we evaluate include increasing sales and earnings, proven management and a favorable outlook. We believe our equity investment style is an appropriate long-term strategy. While our long-term financial position would be affected by prolonged changes in the market valuation of our investments, we believe our strong surplus position and cash flow provide a cushion against short-term fluctuations in valuation. Continued payment of cash dividends by the issuers of our common equity holdings can provide a floor to their valuation.

The table below summarizes the effect of hypothetical changes in market prices on fair value of our equity portfolio.

(Dollars in millions)	Effect from market price change in percent						
	-30%	-20%	-10%	—	10%	20%	30%
At September 30, 2024	**$ 8,099**	**$ 9,256**	**$ 10,413**	**$ 11,570**	**$ 12,727**	**$ 13,884**	**$ 15,041**
At December 31, 2023	$ 7,692	$ 8,791	$ 9,890	$ 10,989	$ 12,088	$ 13,187	$ 14,286

At September 30, 2024, Apple Inc.(Nasdaq:AAPL) was our largest single common stock holding with a fair value of $885 million, or 7.9% of our publicly traded common stock portfolio and 3.2% of the total investment portfolio. Forty holdings among nine different sectors each had a fair value greater than $100 million.

Common Stock Portfolio Industry Sector Distribution

	Percent of common stock portfolio			
	At September 30, 2024		At December 31, 2023	
	Cincinnati Financial	S&P 500 Industry Weightings	Cincinnati Financial	S&P 500 Industry Weightings
Sector:				
Information technology	**32.3 %**	**31.7 %**	33.1 %	28.9 %
Industrials	**13.5**	**8.5**	11.9	8.8
Healthcare	**11.8**	**11.6**	11.6	12.6
Financial	**11.4**	**12.9**	13.9	13.0
Consumer discretionary	**7.7**	**10.1**	7.0	10.8
Consumer staples	**7.3**	**5.9**	7.0	6.2
Materials	**4.8**	**2.2**	4.7	2.4
Energy	**4.2**	**3.3**	4.1	3.9
Utilities	**3.2**	**2.5**	2.7	2.3
Real estate	**2.4**	**2.4**	2.6	2.5
Telecomm services	**1.4**	**8.9**	1.4	8.6
Total	**100.0 %**	**100.0 %**	100.0 %	100.0 %

UNREALIZED INVESTMENT GAINS AND LOSSES

At September 30, 2024, unrealized investment gains before taxes for the fixed-maturity portfolio totaled $201 million and unrealized investment losses amounted to $404 million before taxes.

The $203 million net unrealized loss position in our fixed-maturity portfolio at September 30, 2024, decreased in the first nine months of 2024, primarily due to the sale of low-yielding bonds sold at a loss and a decrease in U.S. Treasury yields in addition to tightening of corporate credit spreads. The net loss position for our current fixed-maturity holdings will naturally decline over time as individual securities approach maturity. In addition, changes in interest rates can cause rapid, significant changes in fair values of fixed-maturity securities and the net loss position, as discussed in Quantitative and Qualitative Disclosures About Market Risk.

For federal income tax purposes, taxes on gains from appreciated investments generally are not due until securities are sold. We believe that the appreciated value of equity securities, compared with the cost of securities that is generally used as a tax basis, is a useful measure to help evaluate how fair value can change over time. On this basis, the net unrealized investment gains at September 30, 2024, consisted of a net gain position in our equity portfolio of $7.536 billion. Events or factors such as economic growth or recession can affect the fair value and unrealized investment gains of our equity securities. The five largest holdings in our common stock portfolio were Apple, Microsoft (Nasdaq:MSFT), Broadcom Inc. (Nasdaq:AVGO), UnitedHealth Group Inc (NYSE:UNH) and Abbvie Inc. (NYSE:ABBV), which had a combined fair value of $3.046 billion.

Unrealized Investment Losses

We expect the number of fixed-maturity securities trading below amortized cost to fluctuate as interest rates rise or fall and credit spreads expand or contract due to prevailing economic conditions. Further, amortized costs for some securities are revised through write-downs recognized in prior periods. At September 30, 2024, 2,495 of the 4,988 fixed-maturity securities we owned had fair values below amortized cost, compared with 2,840 of the 4,738 securities we owned at year-end 2023. The 2,495 holdings with fair values below amortized cost at September 30, 2024, represented 48.7% of the fair value of our fixed-maturity investment portfolio and $404 million in unrealized losses.

- 1,854 of the 2,495 holdings had fair value between 90% and 100% of amortized cost at September 30, 2024. These primarily consist of securities whose current valuation is largely the result of interest rate factors. The fair value of these 1,854 securities was $6.496 billion, and they accounted for $151 million in unrealized losses.
- 636 of the 2,495 fixed-maturity holdings had fair value between 70% and 90% of amortized cost at September 30, 2024. We believe the 636 fixed-maturity securities will continue to pay interest and ultimately

pay principal upon maturity. The issuers of these 636 securities have strong cash flow to service their debt and meet their contractual obligation to make principal payments. The fair value of these securities was $1.217 billion, and they accounted for $247 million in unrealized losses.

- Five of the 2,495 fixed-maturity holdings had fair value below 70% of amortized cost at September 30, 2024. We believe these fixed-maturity securities will continue to pay interest and ultimately pay principal upon maturity. The fair value of these securities was $11 million, and they accounted for $6 million in unrealized losses.

The table below reviews fair values and unrealized losses by investment category and by the overall duration of the securities' continuous unrealized loss position.

(Dollars in millions)	Less than 12 months		12 months or more		Total	
At September 30, 2024	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Fixed-maturity securities:						
Corporate	**$ 402**	**$ 5**	**$ 3,937**	**$ 213**	**$ 4,339**	**$ 218**
States, municipalities and political subdivisions	**287**	**4**	**2,000**	**172**	**2,287**	**176**
Government-sponsored enterprises	**715**	**1**	**128**	**—**	**843**	**1**
Asset-backed	**48**	**—**	**99**	**7**	**147**	**7**
United States government	**—**	**—**	**103**	**2**	**103**	**2**
Foreign government	**—**	**—**	**5**	**—**	**5**	**—**
Total	**$ 1,452**	**$ 10**	**$ 6,272**	**$ 394**	**$ 7,724**	**$ 404**
At December 31, 2023						
Fixed-maturity securities:						
Corporate	$ 379	$ 13	$ 5,560	$ 441	$ 5,939	$ 454
States, municipalities and political subdivisions	313	2	1,932	206	2,245	208
Government-sponsored enterprises	652	3	113	3	765	6
Asset-backed	5	—	172	16	177	16
United States government	32	—	129	3	161	3
Foreign government	3	—	6	—	9	—
Total	$ 1,384	$ 18	$ 7,912	$ 669	$ 9,296	$ 687

At September 30, 2024, applying our invested asset impairment policy, we determined that the total of $404 million, for securities in an unrealized loss position in the table above, was not the result of a credit loss.

During the first nine months of 2024, no fixed maturity securities were written down to fair value, due to an intention to be sold. The allowance for credit losses increased $25 million during the first nine months of 2024. During the first nine months of 2023, one fixed-maturity security was written down to fair value, due to an intention to be sold, resulting in $4 million of noncash charges. Changes in allowance for credit losses were $3 million during the first nine months of 2023.

During the full year of 2023, we wrote down one security and recorded $4 million in impairment charges. At December 31, 2023, 2,840 fixed-maturity securities with a total unrealized loss of $687 million were in an unrealized loss position. Of that total, 20 fixed-maturity securities had fair values below 70% of amortized cost.

The following table summarizes the investment portfolio by severity of decline:

(Dollars in millions) **At September 30, 2024**	Number of issues	Amortized cost	Fair value	Gross unrealized gain (loss)	Gross investment income
Taxable fixed maturities:					
Fair valued below 70% of amortized cost	3	$ 9	$ 6	$ (3)	$ —
Fair valued at 70% to less than 100% of amortized cost	1,476	6,421	6,103	(318)	198
Fair valued at 100% and above of amortized cost	1,055	5,608	5,773	165	186
Investment income on securities sold in current year	—	—	—	—	45
Total	2,534	12,038	11,882	(156)	429
Tax-exempt fixed maturities:					
Fair valued below 70% of amortized cost	2	8	5	(3)	—
Fair valued at 70% to less than 100% of amortized cost	1,014	1,690	1,610	(80)	37
Fair valued at 100% and above of amortized cost	1,438	2,338	2,374	36	60
Investment income on securities sold in current year	—	—	—	—	3
Total	2,454	4,036	3,989	(47)	100
Fixed-maturities summary:					
Fair valued below 70% of amortized cost	**5**	**17**	**11**	**(6)**	**—**
Fair valued at 70% to less than 100% of amortized cost	**2,490**	**8,111**	**7,713**	**(398)**	**235**
Fair valued at 100% and above of amortized cost	**2,493**	**7,946**	**8,147**	**201**	**246**
Investment income on securities sold in current year	**—**	**—**	**—**	**—**	**48**
Total	**4,988**	**$ 16,074**	**$ 15,871**	**$ (203)**	**$ 529**
At December 31, 2023					
Fixed-maturities summary:					
Fair valued below 70% of amortized cost	20	$ 67	$ 44	$ (23)	$ 3
Fair valued at 70% to less than 100% of amortized cost	2,820	9,916	9,252	(664)	409
Fair valued at 100% and above of amortized cost	1,898	4,378	4,495	117	162
Investment income on securities sold in current year	—	—	—	—	26
Total	4,738	$ 14,361	$ 13,791	$ (570)	$ 600

See our 2023 Annual Report on Form 10-K, Item 7, Critical Accounting Estimates, Asset Impairment, Page 58.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures – The company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)).

Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. The company's management, with the participation of the company's chief executive officer and chief financial officer, has evaluated the effectiveness of the design and operation of the company's disclosure controls and procedures as of September 30, 2024. Based upon that evaluation, the company's chief executive officer and chief financial officer concluded that the design and operation of the company's disclosure controls and procedures provided reasonable assurance that the disclosure controls and procedures are effective to ensure:

- that information required to be disclosed in the company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and
- that such information is accumulated and communicated to the company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting – During the three months ended September 30, 2024, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

Neither the company nor any of our subsidiaries are involved in any litigation believed to be material other than ordinary, routine litigation incidental to the nature of our business.

Item 1A. Risk Factors

Our risk factors have not changed materially since they were described in our 2023 Annual Report on Form 10-K filed February 26, 2024. Investors should not interpret the disclosure of a risk to imply that the risk has not already materialized.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any of our shares that were not registered under the Securities Act during the first nine months of 2024. Our repurchase program does not have an expiration date. On January 26, 2018, an additional 15 million shares were authorized, which expanded our current repurchase program. We have 5,651,785 shares available for purchase under our programs at September 30, 2024.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
July 1-31, 2024	—	$ —	—	5,651,785
August 1-31, 2024	—	—	—	5,651,785
September 1-30, 2024	—	—	—	5,651,785
Totals	—	—	—	

Item 5. Other Information

Neither the company nor any of our officers or directors adopted or terminated a Rule 10b5-1 or non-Rule 10b5-1 trading arrangement as defined by Item 408(a) and Item 408(d) of Regulation S-K during the last fiscal quarter.

Item 6. Exhibits

Exhibit No.	Exhibit Description
3.1	Amended and Restated Articles of Incorporation of Cincinnati Financial Corporation (incorporated by reference to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, Exhibit 3.1)
3.2	Amended and Restated Code of Regulations of Cincinnati Financial Corporation, as of May 6, 2023 (incorporated by reference to Exhibit 3.1 filed with the company's Current Report on Form 8-K dated May 9, 2023)
31A	Certification pursuant to Section 302 of the Sarbanes Oxley Act of 2002 – Chief Executive Officer
31B	Certification pursuant to Section 302 of the Sarbanes Oxley Act of 2002 – Chief Financial Officer
32	Certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002
101.INS	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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 thereunto duly authorized.

CINCINNATI FINANCIAL CORPORATION
Date: October 24, 2024

/S/ Michael J. Sewell
Michael J. Sewell, CPA
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Accounting Officer)

EXHIBIT 31A

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Stephen M. Spray, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cincinnati Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 24, 2024

/S/ Stephen M. Spray

Stephen M. Spray
President and Chief Executive Officer

EXHIBIT 31B

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Michael J. Sewell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cincinnati Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 24, 2024

/S/ Michael J. Sewell

Michael J. Sewell, CPA
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Accounting Officer)

EXHIBIT 32
CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with this report on Form 10-Q for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Stephen M. Spray, the president and chief executive officer, and Michael J. Sewell, the chief financial officer, of Cincinnati Financial Corporation each certifies that, to the best of his knowledge:

1. the report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Cincinnati Financial Corporation.

Date: October 24, 2024

/S/ Stephen M. Spray

Stephen M. Spray
President and Chief Executive Officer

/S/ Michael J. Sewell

Michael J. Sewell, CPA
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Accounting Officer)