

**Investor
Presentation**
March 2023

**LIBERTY
INSURANCE**

**MUTUAL
COMPANY**



Today's Agenda

Introduction & Welcome

Nik Vasilakos

Treasurer

Liberty Mutual Overview

Tim Sweeney

President & Chief Executive Officer

Global Retail Markets

Jim MacPhee

President, Global Retail Markets

Global Risk Solutions

Neeti Bhalla Johnson

President, Global Risk Solutions

Liberty Mutual Investments

Vlad Barbalat

Chief Investment Officer

Financial Update

Chris Peirce

Chief Financial Officer

Q&A



Disclaimers

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Liberty Mutual Overview

Tim Sweeney, President & Chief Executive Officer



Liberty Mutual Overview

We exist to help people embrace today and confidently pursue tomorrow

Businesses

Global Retail Markets (GRM)

Personal & Small Commercial

\$34B 2022 NWP

Global Risk Solutions (GRS)

Commercial, Specialty & Reinsurance

\$15B 2022 NWP

US

Personal Lines & Business Lines

\$30B NWP

East

Thailand, Singapore, Hong Kong, Vietnam, Malaysia, India & China

\$1B NWP

West

Brazil, Colombia, Chile, Ecuador, Spain, Portugal & Ireland

\$3B NWP

North America

\$7B NWP

Liberty Specialty Markets

\$4B NWP

Liberty Mutual Reinsurance

\$3B NWP

Global Surety

\$1B NWP

Liberty Mutual Investments (LMI)

Manages Liberty Mutual's global investable financial assets

\$101B invested assets as of 12/31/2022

Key Highlights

- Founded in 1912
- Headquartered in Boston, MA
- Mutual holding company structure
- 50,000+ employees worldwide
- **6th** largest P&C writer in the US¹
- **6th** largest P&C writer globally²
- **78th** among Fortune 500 companies³
- Operations in 29 countries
- Broad distribution capabilities
- Extensive product offering with roughly 50/50 split between personal and commercial lines

¹ Based on 2021 direct written premium. ² Based on 2021 gross written premium, excluding state-owned companies. ³ Based on 2021 revenue, as reported.



Our Strategy

We aspire to **win with purpose, together**
guided by our commitment to **integrity, profit and growth**, in that order

Long-term outcomes of Success:

Consistent, Strong
Profitability

Most Trusted Global
Insurance Brand

Best Place
to Work

Leading Global P&C
Premium Ranking

Driven by a focus on Five Near-term Priorities:

Profitability and
capital efficiency

Underwriting and
innovation

Digital, data and
analytics

High-performing,
equitable and
inclusive culture

Brand strength and
ESG leadership



Key Financial Targets

Guided by our commitment to **integrity, profit, and growth**, our near-term focus is on profitability

**Double digit
ROE**



**95%
combined ratio**



92% combined ratio for GRS

&

95% combined ratio for GRM

Enterprise targets

Business targets



Industry Trends

Near Term Headwinds


Long Term Trends



Inflationary Pressures



Elevated Catastrophes



Value Chain Changes



Emerging Markets



Geopolitical Tensions



Market Volatility



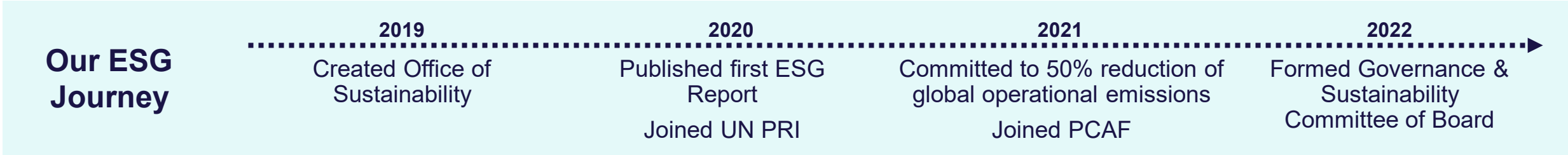
Advances in AI, Digital & Data



Social and Climate Factors



ESG Strategy



ESG Governance Structure



ESG Priorities

- Enhance **modeling and risk mitigation** related to impacts of climate change to help protect customers
- Stand by our customers and clients in their **climate transition** journeys
- Insure and invest in **innovation and technologies** that are foundational to a decarbonized future
- Improve **lives and communities** through our philanthropy
- Advance **diversity, equity and inclusion**



Key Takeaways and Focus Areas

- ▶ Improving **profitability** while de-emphasizing growth
- ▶ Driving sustainable improvement in **commercial lines underwriting**
- ▶ Taking action to combat **social inflation** and legal system abuse
- ▶ Enhancing **brand strength** and progressing against **ESG** priorities
- ▶ Fostering a high-performing, equitable and inclusive **culture**
- ▶ Bolstering capabilities across **digital, data and analytics**





Global Retail Markets

Jim MacPhee, President of Global Retail Markets



GRM Overview

Leading provider of personal and small commercial products in 8 markets across 15 countries

Regions¹



Key Highlights

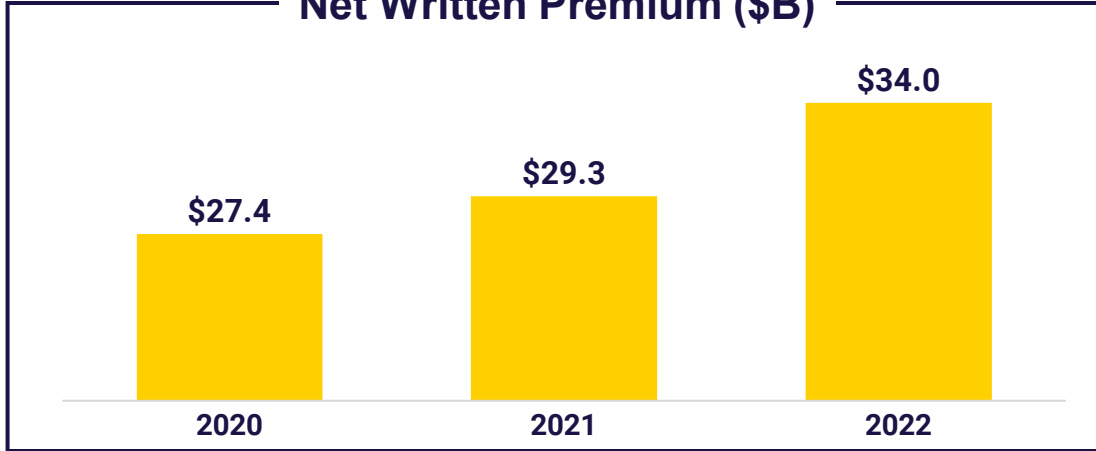
- \$34.0B in net written premiums
- Multi-channel distribution strategy
- 33,000+ global employees
- Operates in 8 markets across 15 countries representing 51% of global GDP²
- **2nd** largest in the **independent agency channel** for personal and small commercial lines in the U.S.³
- **3rd** largest **homeowners** writer in the U.S.³
- **6th** largest **private passenger auto** writer in the U.S.³
- **6th** largest **personal lines** writer in the U.S.³

¹ Based on 2022 NWP; excludes GRM Reinsurance. ² Sourced from 2021 IMF data. ³ Based on 2021 DWP; includes State Auto full-year 2021 results.

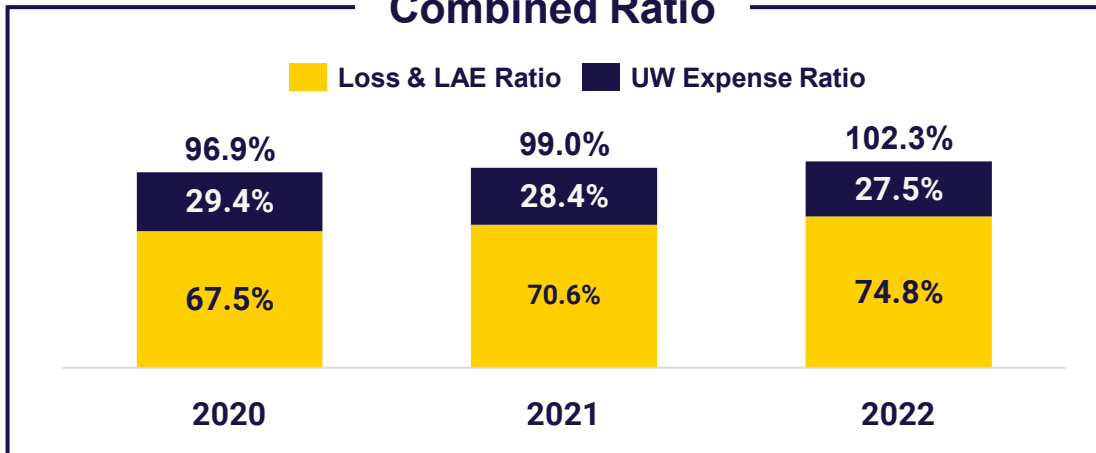


GRM Business Profile

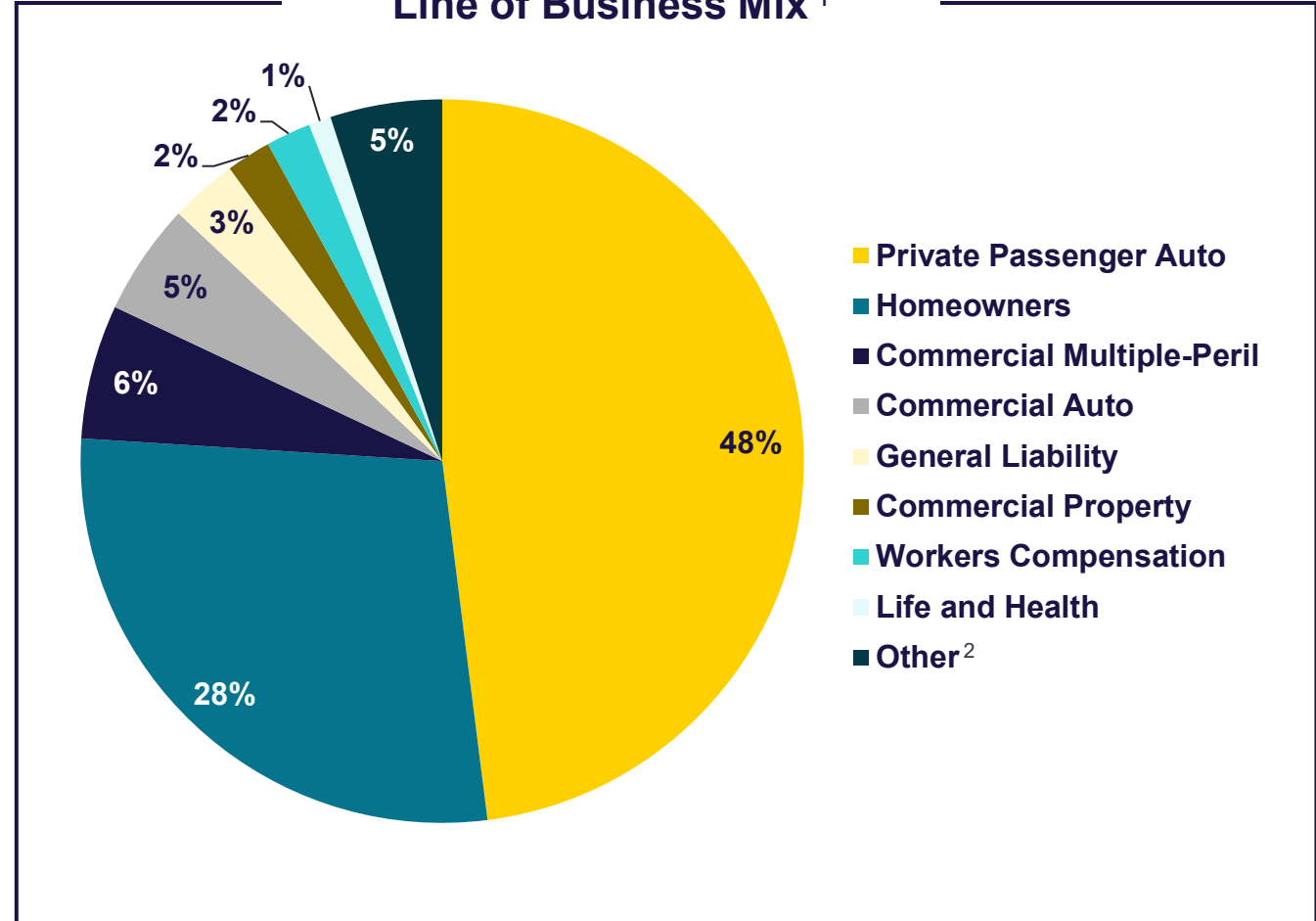
Net Written Premium (\$B)



Combined Ratio



Line of Business Mix ¹



¹ Based on 2022 full year net written premium.

² Premium related to other personal and commercial lines including personal accident, bonds, small and medium enterprise, marine and cargo lines of business, and internal reinsurance.



GRM Operating Model

Our operating model supports winning by market, with three regions supported by global functions

Global Retail Markets

Our Regions:

Hamid Mirza
GRM US

Personal Lines
Business Lines

Pablo Barahona
GRM West

Andes MCM,
Brazil, WEM MCM

Defne Turkes
GRM East

Asia MCM, China,
India, Malaysia

Our Global Functions:

Parker Koppelman
Product

Ed Peña
Finance

Sam Catcott
Actuary

Jamey Czapla
Legal

Kara Oliveto
Talent

Andrew Palmer
Technology

What Our Model Enables



Industry-leading global capabilities and local expertise that create a competitive advantage



Scale and diversification across an intentional geographic footprint



A focus on efficiency and effectiveness to deliver the **best value** for our customers, agents, and partners



A high-performing diverse, equitable and inclusive culture to empower the best talent of all backgrounds



Our goal and long-term priorities align with our enterprise focus, and our immediate priority is driving to target profitability

Our Goal

Consistently produce a 95% combined ratio and maintain a leading market position globally as we bring peace of mind to even more individuals & small business owners

Long-Term Strategic Priorities

Build scale in US Personal Lines through sustained profitable growth

Build an engine for profitable growth to be a winner in US Small Commercial Lines

Take decisive action to achieve target returns and industry growth in West Region

Drive to target returns while accelerating growth and building scale in East Region

Our focus in the immediate term is driving to target profitability across our business segments, executing across Value, Access & Ease



Value

Delivering the best price to our customers



Access

Building broad and innovative distribution access



Ease

Making it easy for customers and partners to do business with us



We are laser-focused on actions to address the inflationary pressures of the current economic environment


We are carefully managing our business in response to the current inflationary environment


 Taking rate actions to combat elevated loss trends

 Deploying targeted underwriting actions

 Reducing marketing and media spend

We remain focused on disciplined catastrophe management across three main dimensions

 Managing concentration in highly CAT exposed geographies

 Deep understanding of risk that allows for segmented pricing and underwriting by peril

 Consistently disciplined pricing for the risk we assume



U.S. Personal Lines: We are taking actions to drive segmentation, decision support and efficiency

Investing in rapid pricing program enhancements and expert underwriting



Investing in **capabilities** that increase our **speed-to-market**



Enhancing **data availability** and **analytical sophistication**



Increasing **focus** on enhancing **core underwriting** capabilities

Leveraging data & analytics to mitigate claims severity trends



Auto: Pivot adjusters to more complex claims through automation of simple claims/tasks



Casualty: Leverage new predictive models and Optical Character Recognition to identify high risk claims early



Property: Transitioned to new and improved estimating platform with increased automation

Managing expenses to drive savings & efficiency



Identifying **digital-first solutions** to drive productivity and equip our organization to handle rapid growth



Automating processes and modernizing our technology and data infrastructure



Leveraging **strategic partnerships** to drive efficiency across our global organization



U.S. Personal Lines: We are evolving our multi-channel distribution capabilities to enable sustainable profitable growth

Focused investments in capabilities critical to long-term sustainable profitable growth

We are **broadening agency access** while improving our efficiency

We are **enhancing our direct and partner capabilities** and optionality



Independent Agent

Modernizing technology and enhancing product and pricing launches



Comparison

Moving to a comparative rater and investing in agency infrastructure



Direct

Continuing to improve throughput and marketing and media effectiveness



Partnership

Embedding products in the partner ecosystem and creating optionality



U.S. Business Lines: We are leveraging PL capabilities and building sophistication to enable profitable growth and reduce our expenses

Stabilizing Renewal Book

We've made significant investments in turning around the Business Lines book



Leveraging lifetime value pricing to improve dispersion & retention



Implementing new underwriting tools to improve renewal pricing guidance

Building a Sophisticated New Business Engine

We're focused across 4 key new business levers to drive sustained profitable growth



Pricing



Underwriter Tools



Risk Level Appetite



Data Accuracy

Maintaining Expense Discipline

We're focused on reducing expenses to drive savings and efficiency



Enabling automation through use of data and analytics






Identifying ways to **simplify processes across the value chain**





East & West: We are focused on building scale and leading core capabilities to enable sustainable profitable growth

We will execute our winning capabilities across Value, Access, and Ease

Delivering the best price to our customers

-  Continue investing in **pricing and underwriting sophistication**
-  **Streamline** and **optimize the Claims** handling process
-  Drive overall **operational efficiency** through process excellence, automation and advanced analytics

Building broad and innovative distribution access

-  Drive **scale** in fast growing markets through **strategic acquisitions and partnerships**, including **AmGeneral** in Malaysia and **Bankinter Alliance** in WEM
-  Develop **low touch tools & processes** to streamline the customer, agent, and partner experience

Making it easy for customers & partners to do business with us

-  Continue **investing in Win With Digital** efforts to drive experience, expense and employee outcomes
-  Invest in **data-driven decision making & analytics capabilities**
-  Focus on **digital, self-service capabilities** across the customer, agent and partner lifecycles



Key Takeaways and Focus Areas

- ▶ We will focus on **delivering value, broadening access, and making it easy** for our customers and partners to do business with us to drive sustained profitable growth.
- ▶ We will keep an **expense-focused** mindset to deliver value to our customers while **reinvesting in key capabilities**.
- ▶ We will focus on **superior pricing and underwriting capabilities**.
- ▶ We will deliver **best-in-class data-driven digital experiences** for our customers and agents.
- ▶ We will be the **best place to work** by creating a **high-performing, equitable and inclusive culture** to empower the best talent of all backgrounds.
- ▶ We will advance **our ESG priorities**.





Global Risk Solutions

Neeti Bhalla Johnson, President of Global Risk Solutions



GRS Overview

Offers a wide array of property, casualty, specialty and reinsurance products and services distributed through brokers and independent agents globally

Segments¹



Key Highlights

- \$15.0B in 2022 net written premium
- 10K+ global employees
- 24 country operations writing risks sourced from 100+ different countries
- First carrier to partner with Willis Towers Watson on Climate Transition Pathway to support energy transition
- **1st in Global Surety²**
- **1st in U.S. Inland Marine²**
- **4th largest U.S. Commercial & Specialty lines writer^{2,3}**
- **8th largest U.S. Excess & Surplus lines carrier²**

¹Based on 2022 NWP; excludes GRS Other. ²Based on 2021 DWP. ³Includes small commercial DWP reported within GRM.



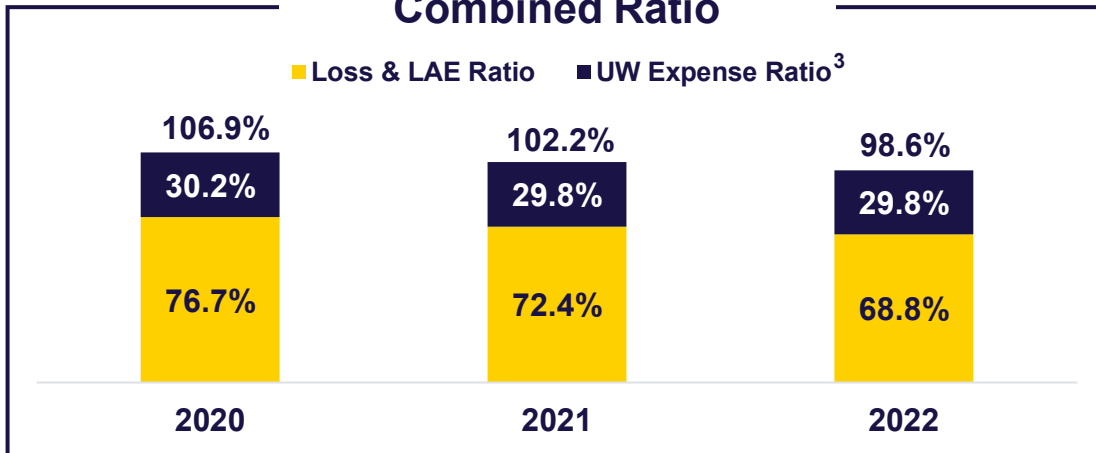
GRS Business Profile

Net Written Premium (\$B)

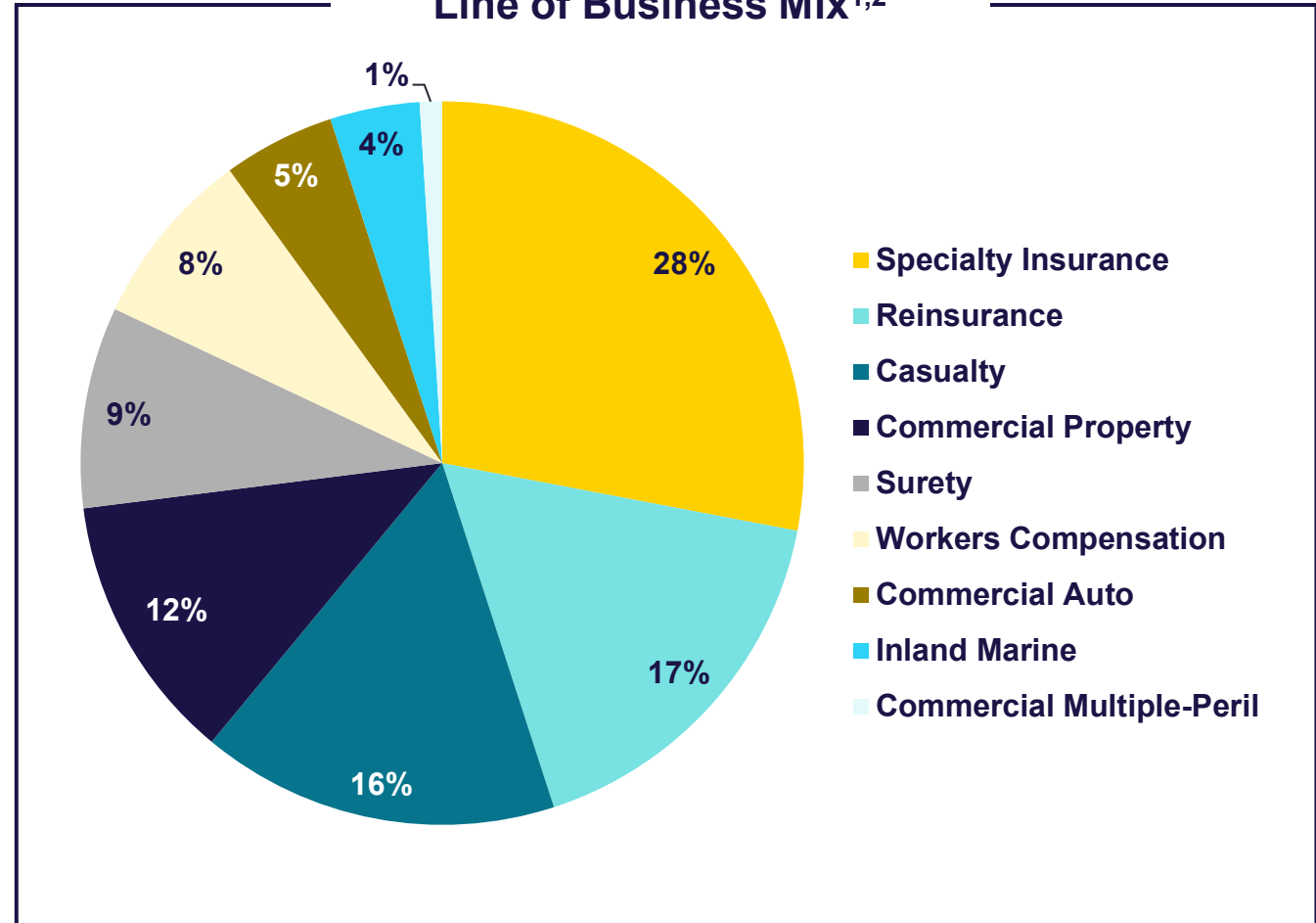


Combined Ratio

■ Loss & LAE Ratio ■ UW Expense Ratio³



Line of Business Mix^{1,2}



¹ Based on 2022 full year net written premium.

² Excludes "Other Reinsurance" of (\$140) million.

³ UW Expense Ratios include dividends to policyholders.

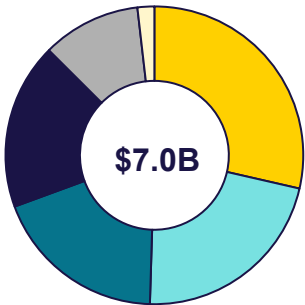


GRS Segments Overview

North America

Aligns property, casualty, and specialty businesses to deliver a full breadth of products, services, and solutions to customers in North America

LOB Mix¹



- 29% Casualty
- 22% Specialty Insurance
- 19% Commercial Property
- 18% Workers' Compensation
- 11% Commercial Auto
- 2% Commercial Multi-Peril

Brands



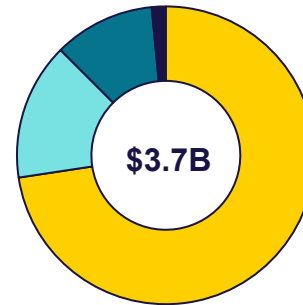
Products

- Workers' Compensation
- Commercial Auto
- Commercial Property
- General Liability
- Umbrella
- Excess Casualty
- Healthcare Liability
- Professional Lines
- Environmental
- Marine
- Mortgage
- Equipment Breakdown

Liberty Specialty Markets

Provides commercial and specialty products for businesses across the globe through the Company and Lloyd's markets

LOB Mix¹



- 73% Specialty Insurance
- 15% Commercial Property
- 11% Casualty
- 2% Other

Brands



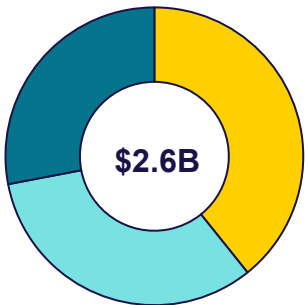
Products

- Commercial Property
- Casualty
- Energy & Construction
- Financial Lines
- Financial Risk Solutions
- Marine
- Environmental Impairment Liability
- Aviation
- Healthcare
- Legal Indemnity
- Contingency
- Strategic Assets

Liberty Mutual Reinsurance

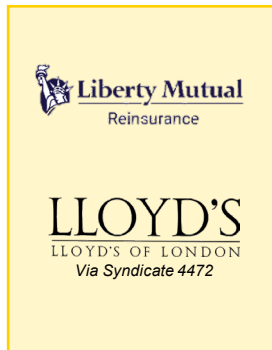
Provides a broad portfolio of property, casualty, and specialty reinsurance products to businesses across the globe

LOB Mix¹



- 39% Specialty Reinsurance
- 33% Property Reinsurance
- 28% Casualty Reinsurance

Brands



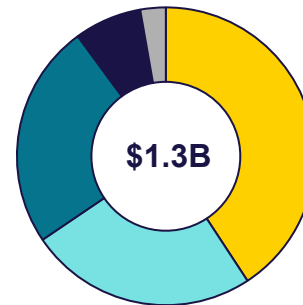
Locations

- Amsterdam
- Bogota
- Boston
- Cologne
- Dubai
- Hamilton
- London
- Luxembourg
- Madrid
- Mexico City
- Milan
- Paris
- Rio de Janeiro
- Rome
- Shanghai
- Singapore
- Stamford
- Sydney

Global Surety

Issues bonds worldwide and underwrites all types of contractors and corporations for local, regional, national, and multinational customers

LOB Mix¹



- 41% Contract
- 25% Specialty / International
- 24% Commercial
- 7% Plus
- 3% Subcontractor Default Insurance (SDI)

Brands



Locations

- Australia
- Belgium
- Brazil
- Canada
- Chile
- Colombia
- France
- Germany
- Italy
- Hong Kong
- Mexico
- Netherlands
- Peru
- Singapore
- Spain
- United Kingdom
- United States

GRS is foundationally strong, with a global presence diversified across established and respected (re)insurance franchises

¹ LOB Mix is based on 2022 full year net written premium.



Despite our strong foundation, there is a clear case for transformational change

1

Competition in the market has intensified as systemic and macro trend headwinds continue to challenge our industry



Rising Loss Trends



Emerging Risks



Geopolitical Tensions



Climate Change



Potential Recession



Elevated Inflation

We expect aggregate rate increases to exceed the aggregate loss trend in 2023, though not as positive as in recent years

2

These headwinds are likely to persist, but our beliefs about the future indicate that we are at an important inflection point



Long-accepted global business models are challenged



Client expectations of carriers are growing beyond traditional risk transfer



Risk is evolving and volatile, increasing the protection gap



The industry should welcome outside capital partners to solve global issues



Success will be determined by dynamic, data driven UW centric cultures and risk expertise



Digital and analytics capabilities will enhance risk insights and transactional efficiencies



Carriers need to deliver on existing coverages and address new risks



The Industry must attract, retain, and develop new and diverse talent

3

The journey forward is more than positioning ourselves – we are building a commercial and specialty (re)insurer for the future

Clients & partners need us more than ever

- Commercial and specialty (re)insurers are well positioned to help clients understand, prepare, mitigate, and manage their risks
- There is an increased importance on underwriting and pricing risk, especially in emerging risks
- Building resilience against causes of business interruption is becoming a strategic priority for companies

The market demands a bolder approach

- Future market leaders will need to be agile to capture opportunities as the nature of risk evolves
- The performance gap between industry leaders and laggards will expand as hard market conditions start to soften
- While the industry is heavily fragmented, leaders are making bold choices to set their businesses up for future success

4

To build the commercial and specialty (re)insurer of the future, we've made strategic choices to focus on the following areas:



Pricing & Portfolio

- Enhancing portfolio management and underwriting discipline
- Embracing strategic partnerships & technology



Product & Risk Insights

- Staying close to client needs and focusing on capabilities that matter the most to them
- Remaining risk aware as we respond to new and emerging risks

To win, GRS can no longer be everything to everyone. We have facilitated a large-scale transformation built around our Strategic Choices



GRS has facilitated a large-scale transformation

We have launched an integrated business model, focused on a “**One GRS**” mindset, with each segment viewed as a part of the whole



We have established our core objectives as a clear ‘north star’ – Provide exceptional value to partners and clients, deliver consistent risk-adjusted underwriting profitability through the cycle, and capture the performance gap opportunity.



Success will be measured by disciplined execution and accountability – We’ve aligned on key performance metrics to hold ourselves accountable to, while focusing on integrity, profit, and growth, respectively.



In pursuit of our core objectives, we have made strategic choices – Key decisions have been made across our global operating model to execute on our strategy; we will enhance our risk expertise and build a foundation for profitable growth.



We are combining our internal knowledge and brand favorability with external perspectives to support our cultural transformation – A clear north star, an emphasis on role modeling a high-performance culture, and embracing our mutual structure to build GRS the right way for the long-term

The transformation is underway, and we have put in place the business model we need to execute and succeed.






By aligning our key performance targets with our three objectives and LMG long-term success measures, we are maximizing the value for LMG

GRS Objectives



-  Capture the initial performance gap opportunity
-  Deliver consistent risk-adjusted underwriting profitability through the cycle
-  Provide exceptional value to partners and clients

GRS Key Performance Targets

-  Combined Ratio
-  Loss & LAE Ratio
-  UW Expense Ratio

Achievement of these targets hinges on our ability to build and maintain a high-performance culture

LMG Long-term Outcomes of Success

-  Consistent, Strong Profitability
-  Most Trusted Global Insurance Brand
-  Best Place to Work
-  Leading Global P&C Premium Ranking

- 1** Integrity
- 2** Profit
- 3** Growth



An important decision we have made within our global operating model is to organize around supply and demand pillars



The global operating model is more than an org chart. It encompasses multiple components, including strategy, capabilities, processes, tech, talent, etc. required to achieve global scale and maximize the value of One GRS



To enable our operating model, we have continued to build out the leadership team, adding new talent and new roles



Bringing these pillars to the market as One GRS will deliver a globally integrated firm into each local interaction with our clients and broker partners



We have created our GRS Underwriting organization framework infused with best-in-class UW talent

Matthew Moore
President, GRS Underwriting



4 new roles
2 external hires
2 internal hires



2 new roles
2 external hires



5 new roles
2 external hires
3 internal hires



Globally coordinated, locally executed underwriting will be key for optimizing performance across the cycle



GRS Global Product Boards

Established 4 global product boards involving BU demand and supply side leadership to drive unified global product strategies for GRS

Casualty

Property

Credit

Financial Lines

Global product boards will be a critical mechanism to:

- ✓ Align product strategies across GRS through contextual understanding paired with executional capabilities
- ✓ Support 1st line risk management by defining risk appetite
- ✓ Inform portfolio steering to achieve consistent risk-adjusted returns through capital/growth strategies
- ✓ Leverage global expertise and practices

Product boards will improve strategy alignment, enable agile execution, and accelerate flow of contemporary intelligence on risk and competition

Numerous initiatives are underway, aimed to unlock the combined capabilities of 'One GRS', leveraging our GRS Operating Model...

Where & how do we play?

How will we execute?

Portfolio Composition

Emerging Risks & Opportunities

Necessary Capabilities for Success

Construct and monitor our portfolio composition to best support GRS' strategic choices and LMG's aspirations

Develop a go-forward strategy for GRS to capitalize on future market opportunities, including ESG, Energy Transition, and Cyber

Ensure that our data strategy, MIS reporting, and strategic management processes enable execution of our 'One GRS' transformation

All supported by enabling a high-performance culture

Enabled by our underwriting and operating model frameworks, there are numerous initiatives underway to improve consistency in approach, internal communication and feedback loops, shared knowledge on external trends, and dynamic portfolio management



Key Takeaways and Focus Areas

Our foundation is a strong, well-diversified portfolio with access to profitable risks and clients, globally

- ▶ Building a **data-driven, expertise-focused, strong governance, connected** underwriting organization and system
- ▶ Offering a **dynamic and intentional portfolio** of products and solutions that address existing coverages and new and emerging risks
- ▶ Executing our **integrated operating model** as One GRS, with a focus on **efficiency and effectiveness**
- ▶ Investing in **capabilities and technology** for the future
- ▶ Fostering a high-performing, equitable, and inclusive **culture**





Liberty Mutual Investments

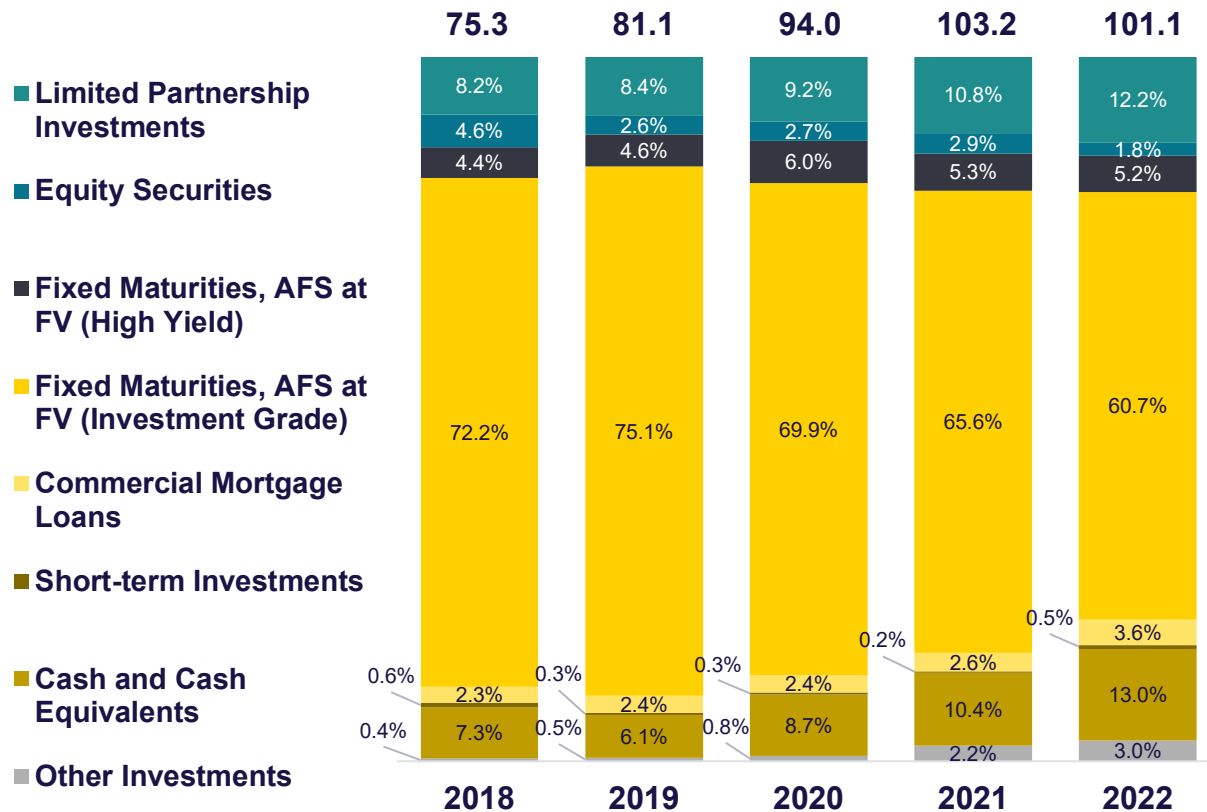
Vlad Barbalat, Chief Investment Officer



Investments Overview

Winning with purpose, together – with a strategy built on integrity, profit and growth

Portfolio Evolution (\$B)



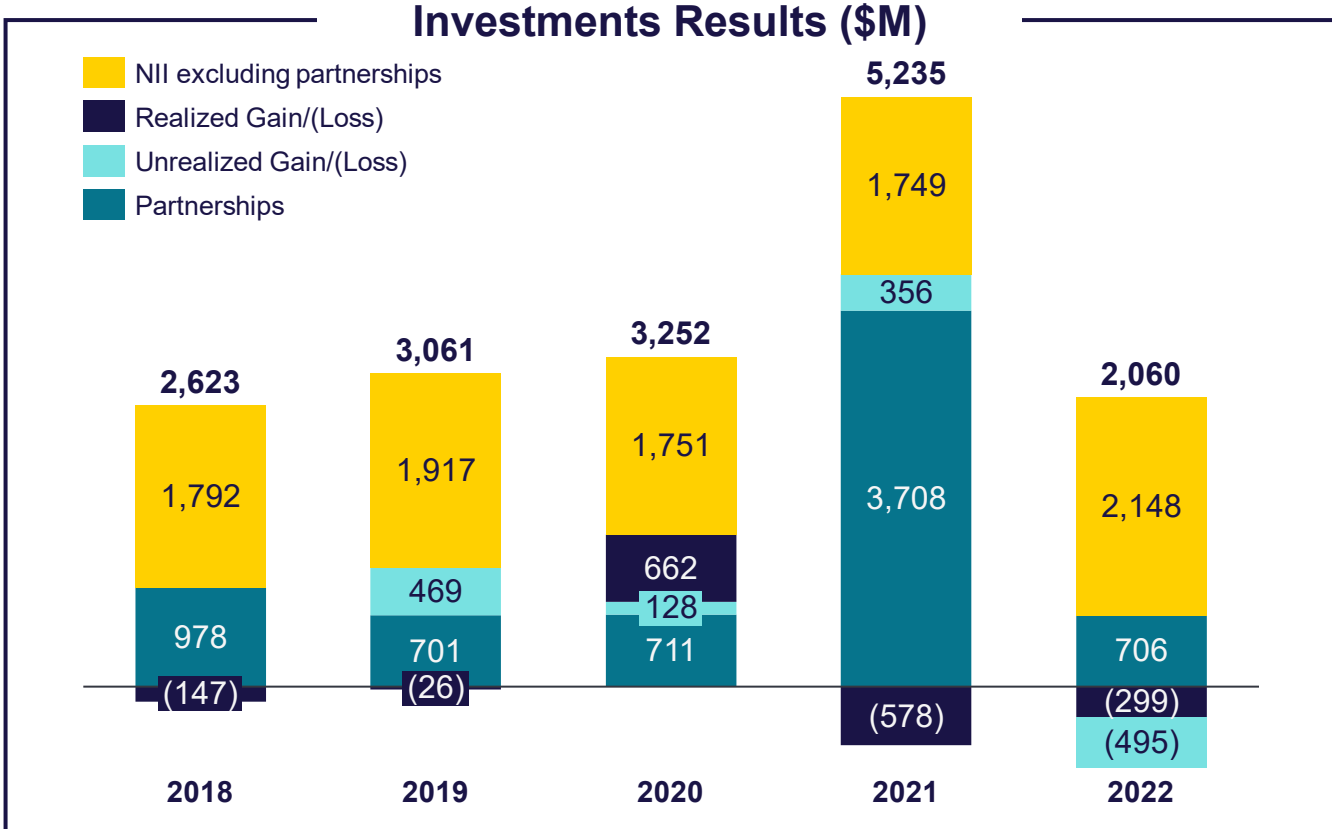
Highlights

- Our mission: create capital while meeting business needs
- We employ a modified total return strategy
 - Turn over the portfolio as opportunities arise
 - Operate well within risk and operating constraints
- We de-risked the portfolio in 2019 due to late cycle dynamics (pre-pandemic); entered 2020 conservatively
- We actively manage fixed income: increased non-IG credit in 2020 (high relative value), still overweight
- We capture illiquidity / complexity premia with partnerships; higher allocations driven partly by exceptional 2021 returns
- Our public equity strategy is passive, but we tactically adjust the allocation in context of total portfolio strategy
- We are overweight cash (includes operating cash)



Performance

The investment team's contribution has been strong: \$16.2B of pre-tax income over 5 years



- ### Highlights
- Modified total return strategy and our long-standing partnership strategy have been key drivers of returns
 - After an exceptional 2021, we have seen some market retrenchment in 2022
 - NII is increasing as we capture higher yields

Pull to Par

As of 12/31/22

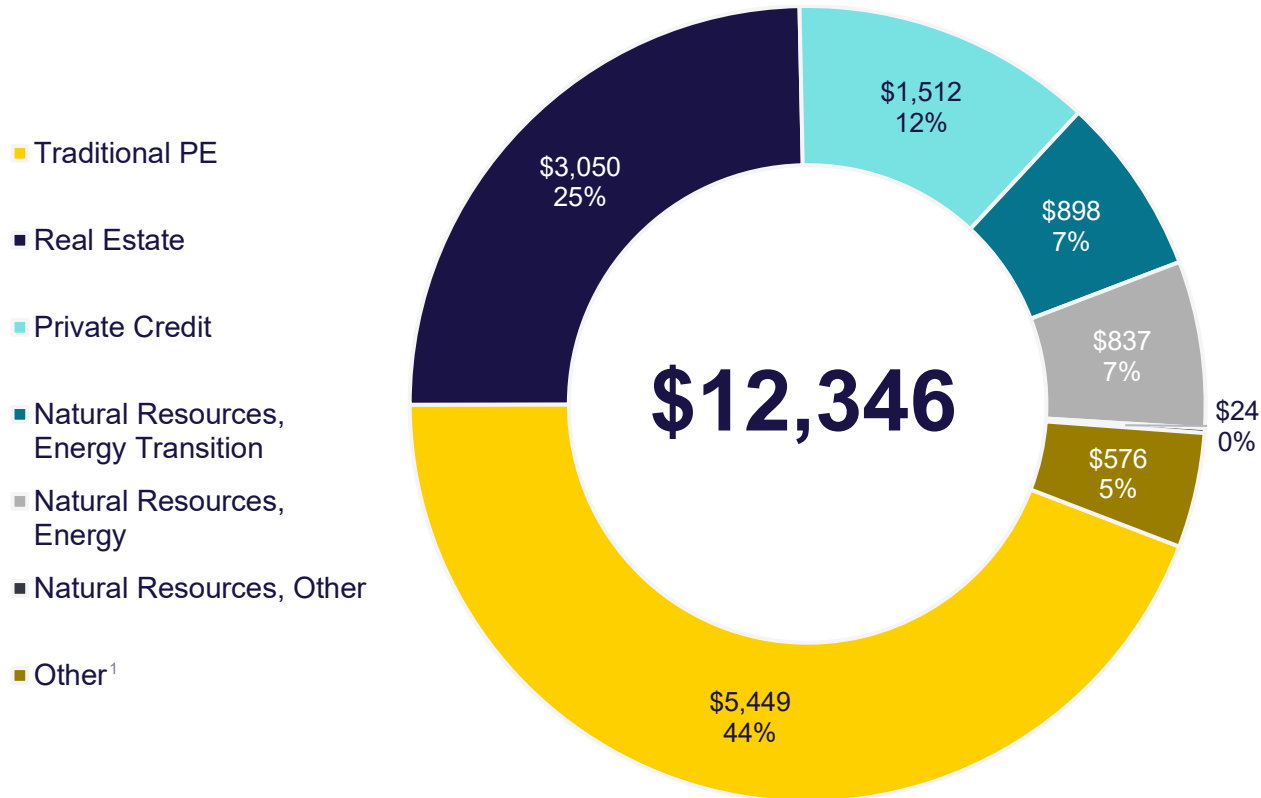
Year End	Unrealized Gain/Loss (\$ Millions)	Pull to Par (\$ Millions)
2022	(6,657)	
2023	(5,355)	1,302
2024	(4,152)	1,203
2025	(3,115)	1,036



Partnerships Strategy

Our private investments portfolio is well-diversified and continues to evolve

Partnerships Allocation (\$M)



Highlights

- We access private markets with a partnership-led strategy
- Partnerships have contributed \$6.8B of Net Investment Income over last 5 years
 - ~42% of LMI's total PTI contribution
 - <15% of total invested assets
- Partnerships allocation increased 4% over last 5 years
 - Driven by significant appreciation, especially in 2021
 - Also driven partly by scaling up strategic programs
 - 101% increase in carry value over last 5 years
- Private Credit and Energy Transition will continue to grow
- Wind-down of non-renewable Natural Resources continues

¹Other – Includes Special Situations, Tax Credits & Community Re-investment.



ESG Strategy

The LMI ESG Strategy aims to achieve strong investment results and is informed by our belief that those results are enhanced by carefully integrating ESG factors

Our ESG Strategy views the overall economic and investment landscape as inextricably linked to ESG factors as we aim to deliver strong investment results.

4

Economic & Investment Landscape

Sound Investment Principles

1

We are committed to creating capital for Liberty Mutual, and our ESG Strategy adheres to core principles of sound investing.

Our ESG Strategy reflects our rapidly evolving stakeholder context, while staying true to our investment priorities and prudent decision-making.

3

Dynamic Stakeholder Context

Overall Liberty Mutual ESG Strategy

2

We aim to align the investments team's ESG strategy with Liberty Mutual enterprise-wide ESG strategy.

Execution of our ESG strategy involves carefully integrating material environmental, social, and governance factors into the investment process, in keeping with Liberty Mutual's central purpose and core values.



Improving Macro Outlook

Inflation Dynamics Encouraging but Uncertain

Goods deflating /
Services moderating
Wage pressure abating
but, labor market tight



Europe Energy Crisis Averted

Warmer weather = luck
LNG terminal construction



China Abandons Zero Covid

Economic recovery displaces
all other issues as #1 priority



Innovation Remains Exceptionally Strong

Generative AI is having a moment
Global defense sector gearing up
for a new era



Key Takeaways and Focus Areas

- ▶ Our mission—**create capital**—is fully aligned with Liberty’s strategy.
- ▶ **Performance has been strong:** \$16.2B PTI over last 5 years.
- ▶ We are committed to **total return, private assets, tactical flexibility.**
- ▶ Our private portfolio is **well-established, well-diversified, evolving.**
- ▶ We will continue to make progress with our **ESG** strategy.
- ▶ Our job is not to predict the future; our job is to **be prepared.**



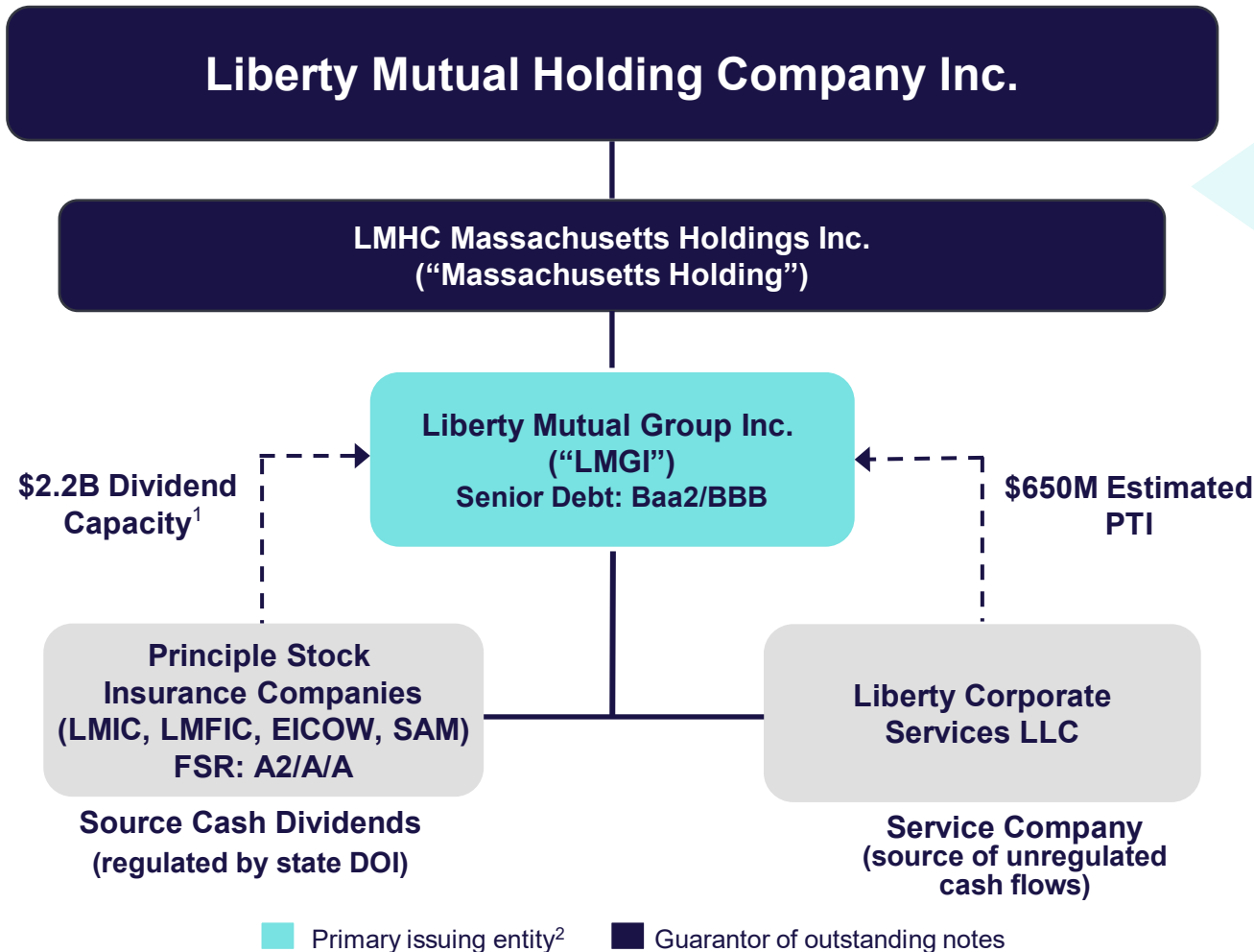


Financial Update

Chris Peirce, Chief Financial Officer



Liberty Mutual Holding Company Structure



Cash flows provided by operating insurance companies and service companies

2023 Holding Company Interest Coverage: 6.5x

- *Financial Strength Ratings ("FSR"):* Moody's / S&P / A.M. Best
- *Debt Ratings:* Moody's / S&P

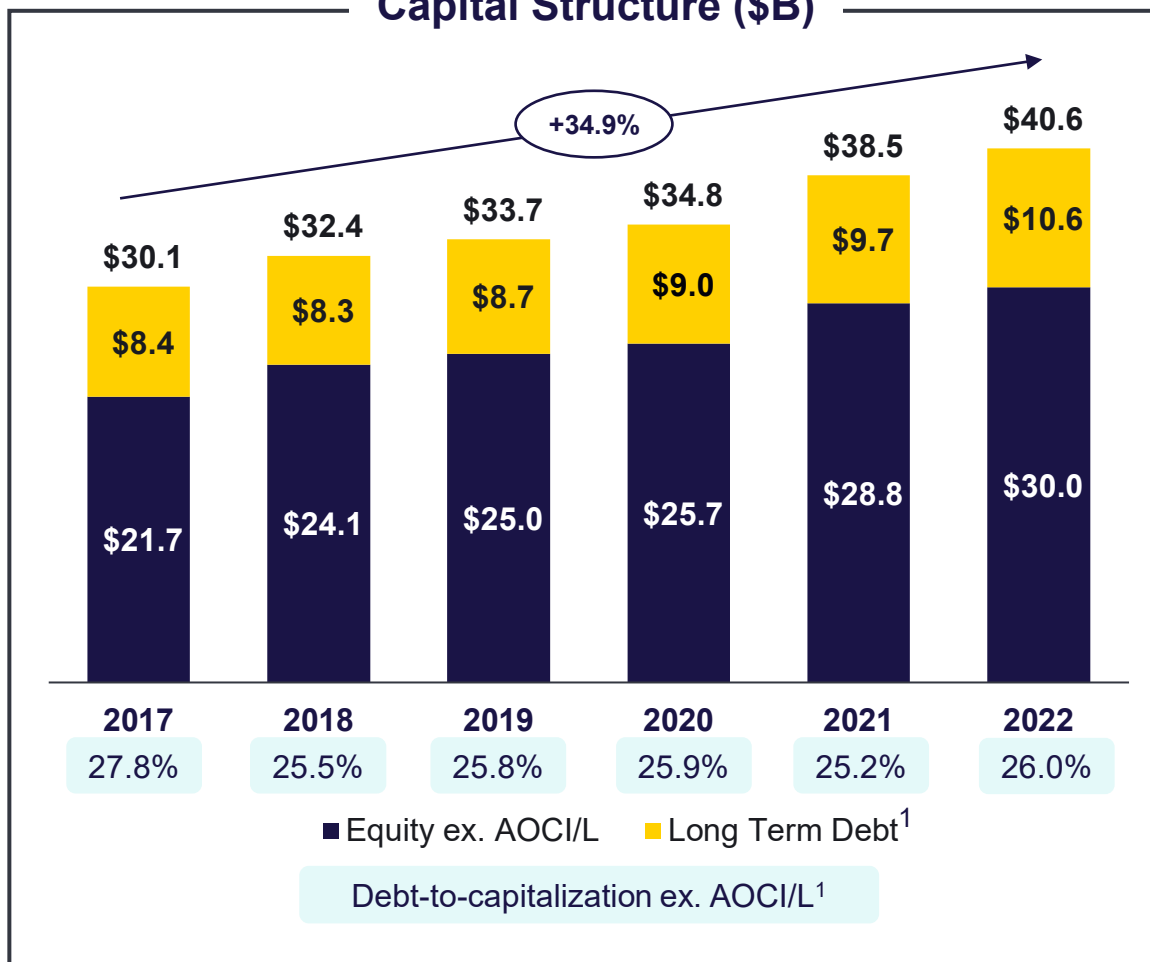
¹ Represents the estimated maximum allowable dividend without prior regulatory approval in the state of domicile including approximately \$80 million of annual dividends related to non-redeemable perpetual preferred stock issuances by LMIC and LMFIC. Available dividend capacity as of December 31, 2022 is calculated as 2023 dividend capacity less dividends paid for the preceding 12 months. Dividends paid Jan 1, 2022 through December 31, 2022 for LMIC, LMFIC, EICOW and SAM were \$365 million, \$385 million, \$330 million and zero respectively.

² €500M senior notes maturing in 2024 issued out of Liberty Mutual Finance Europe DAC.



Strong Balance Sheet & Liquidity Profile

Capital Structure (\$B)



¹ Excludes unamortized discount and debt issuance costs.

² As of December 31, 2022.

Moody's

S&P

A.M. Best

Financial Strength Rating	A2	A	A
Outlook	Stable	Stable	Stable
Surplus Notes Rating	Baa2 (3)	BBB+ (2)	bbb+ (2)
Senior Debt Rating	Baa2 (3)	BBB (3)	bbb (3)
Hybrid Debt Rating	Baa3 (4)	BB+ (5)	bb+ (5)

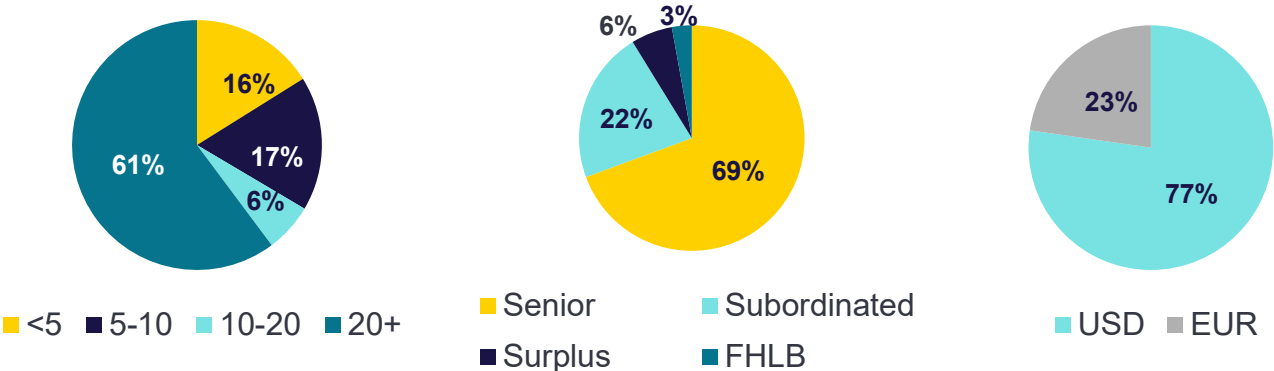
(#) = Notching Implications

Sources of Liquidity (\$M)	Amount Available
Unguaranteed Facility expiring in April 2027	\$1,000
FHLB Memberships	\$7,900
Total Committed	\$8,900
Available Cash and ST Investments ²	\$10,193
Total Liquidity	\$19,093



Debt Capital Structure

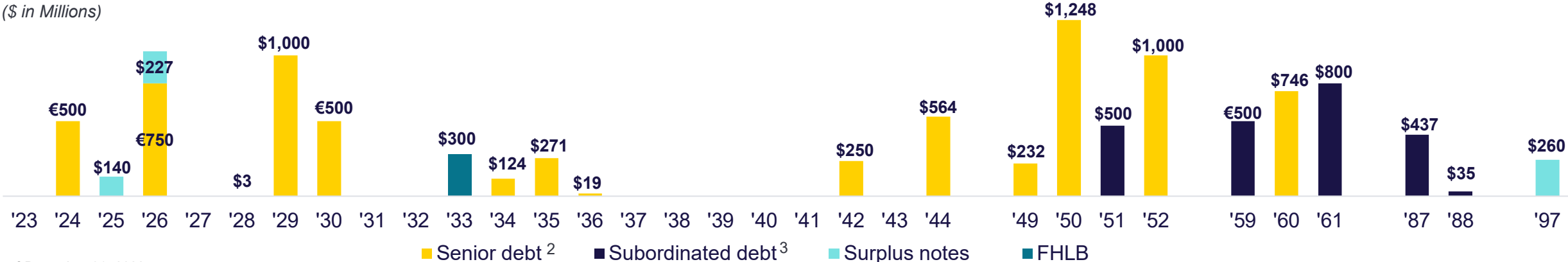
Security Composition



Capital Statistics

(\$ in Millions)

Short-Term Debt	\$ 547
Long-Term Debt	\$ 10,556
Total Debt¹	\$ 11,103
Weighted Average Maturity:	23.9 yrs
Weighted Average Coupon:	4.657%



As of December 31, 2022
¹ Total Debt excludes unamortized discount and unamortized issuance costs of (\$437) and (\$66), respectively.
² Debt maturity profile excludes \$547M of senior notes maturing in June 2023. \$547M of senior notes maturing in June 2023 and €500M of senior notes maturing in March 2024 were prefunded in 2022.
³ Subordinated debt shown to final maturity date.



Risk Governance

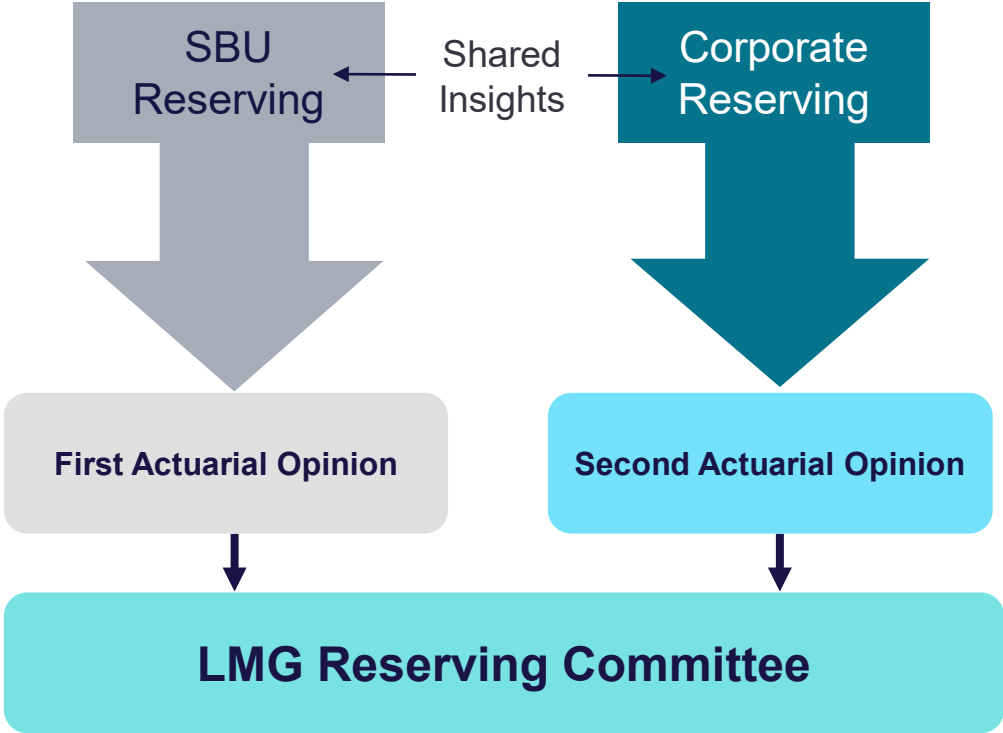
Risk management is a core competency of the organization and is integrated throughout the Company's worldwide operations

Enterprise Risk Management

Each Committee's authority and oversight responsibilities are explicitly outlined in annually approved Committee Charters



Reserving Process



ERM is a Key Element of the Strategic Planning Process

Ensures acceptable levels of risk are taken in accordance with defined risk appetite, tolerances, and limits aligned with strategic objectives

Business Planning

- Deliver target returns
- Generate profitable growth
- Create enterprise value

Capital & PTOI Tolerances Measurement Monitoring

Goals

Risk Management

- Protect capital
- Meet our obligations to policyholders and debtholders
- Mitigate downside



Reinsurance

Key Objectives: Protect Capital, Manage Net Risk Tolerances, and Maintain Target Credit Ratings



Property Catastrophe Protection

- Main program provides more than \$3B of protection for HU and EQ losses through a combination of XoL, QS, and alternative capital for events occurring in North America
- Additional coverage is purchased to protect against nat cat losses in international property; and terror in domestic workers comp book



Non-catastrophe Protection

- Facultative and treaty reinsurance protection on a per risk, per policy, and/or per occurrence basis. Treaty coverage is provided on a pro rata and excess of loss basis
- Covered LOBs: Property, Marine, Terrorism, Energy, Third Party Motor, Cyber, Financial Risk, Surety, Aviation and Casualty



Adverse Development Covers

- Economic protection against unfavorable reserve development covering legacy general liability, workers compensation and commercial auto liability reserves from accident years 2018 and prior including asbestos and environmental
- Protection on legacy Ironshore liabilities



Key Financial Targets

Guided by our commitment to **integrity, profit, and growth**, our near-term focus is on profitability

**Double digit
ROE**



**95%
combined ratio**



92% combined ratio for GRS

&

95% combined ratio for GRM

Enterprise targets

Business targets





Liberty Mutual[®]

INSURANCE