



## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY

## ASSETS

|  | Current Year   |                         |   | Prior Year                  |
|--|----------------|-------------------------|---|-----------------------------|
|  | 1<br>Assets    | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....  | 6,336,078,008  |                         | 6,336,078,008                             | 6,161,963,097               |
| 2. Stocks (Schedule D):  |                |                         |   |                             |
| 2.1 Preferred stocks .....   | 206,988,198    |                         | 206,988,198                               | 167,109,736                 |
| 2.2 Common stocks .....  | 5,341,227,493  |                         | 5,341,227,493                             | 4,385,596,023               |
| 3. Mortgage loans on real estate (Schedule B):   |                |                         |   |                             |
| 3.1 First liens .....  |                |                         |   |                             |
| 3.2 Other than first liens .....   |                |                         |   |                             |
| 4. Real estate (Schedule A):   |                |                         |   |                             |
| 4.1 Properties occupied by the company (less \$<br>encumbrances) .....   | 8,479,911      |                         | 8,479,911                                 | 8,511,812                   |
| 4.2 Properties held for the production of income (less<br>\$ <span style="float: right;">encumbrances) .....</span>  |                |                         |   |                             |
| 4.3 Properties held for sale (less \$ <span style="float: right;">encumbrances) .....</span>   |                |                         |   |                             |
| 5. Cash (\$ <span style="float: right;">349,756,382</span> , Schedule E - Part 1), cash equivalents<br>(\$ <span style="float: right;">936,656</span> , Schedule E - Part 2) and short-term<br>investments (\$ <span style="float: right;">, Schedule DA) .....</span> | 350,693,038    |                         | 350,693,038                               | 422,230,260                 |
| 6. Contract loans (including \$ <span style="float: right;"> premium notes) .....</span>   |                |                         |   |                             |
| 7. Derivatives (Schedule DB) .....   |                |                         |   |                             |
| 8. Other invested assets (Schedule BA) .....   | 222,922,403    |                         | 222,922,403                               | 164,607,863                 |
| 9. Receivable for securities .....   | 327,738        |                         | 327,738                                   |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....  |                |                         |   |                             |
| 11. Aggregate write-ins for invested assets .....  |                |                         |   |                             |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 12,466,716,790 |                         | 12,466,716,790                            | 11,310,018,791              |
| 13. Title plants less \$ <span style="float: right;"> charged off (for Title insurers<br/>only) .....</span>   |                |                         |   |                             |
| 14. Investment income due and accrued .....  | .76,318,864    |                         | .76,318,864                               | .76,647,656                 |
| 15. Premiums and considerations:   |                |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....   | 359,512,302    | 16,119,616              | 343,392,686                               | 327,644,698                 |
| 15.2 Deferred premiums and agents' balances and installments booked but<br>deferred and not yet due (including \$ <span style="float: right;">32,991,498<br/>        earned but unbilled premiums) .....</span>  | 1,349,217,188  | 3,299,150               | 1,345,918,038                             | 1,279,441,002               |
| 15.3 Accrued retrospective premiums (\$ <span style="float: right;">) and<br/>        contracts subject to redetermination (\$ <span style="float: right;">) .....</span></span>   |                |                         |   |                             |
| 16. Reinsurance:   |                |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....   | .36,768,574    | 42,285                  | .36,726,289                               | 12,402,538                  |
| 16.2 Funds held by or deposited with reinsured companies .....   | .15,234,433    |                         | .15,234,433                               | .14,010,967                 |
| 16.3 Other amounts receivable under reinsurance contracts .....  |                |                         |   |                             |
| 17. Amounts receivable relating to uninsured plans .....   |                |                         |   |                             |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....   | 4,742,635      |                         | 4,742,635                                 | .104,196,244                |
| 18.2 Net deferred tax asset .....  |                |                         |   |                             |
| 19. Guaranty funds receivable or on deposit .....  |                |                         |   |                             |
| 20. Electronic data processing equipment and software .....  | 20,393,590     | 20,227,542              | 166,049                                   | .73,176                     |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ <span style="float: right;">) .....</span>   | 4,991,241      | 4,991,241               |   |                             |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   |                |                         |   |                             |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 9,384,777      |                         | 9,384,777                                 | 9,776,471                   |
| 24. Health care (\$ <span style="float: right;">) and other amounts receivable .....</span>  |                |                         |   |                             |
| 25. Aggregate write-ins for other than invested assets .....   | 42,373,812     | 13,321,587              | .29,052,225                               | .13,607,282                 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....  | 14,385,654,207 | 58,001,421              | 14,327,652,787                            | 13,147,818,826              |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....   |                |                         |   |                             |
| 28. Total (Lines 26 and 27) .....  | 14,385,654,207 | 58,001,421              | 14,327,652,787                            | 13,147,818,826              |
| <b>DETAILS OF WRITE-INS</b>  |                |                         |   |                             |
| 1101. .....  |                |                         |   |                             |
| 1102. .....  |                |                         |   |                             |
| 1103. .....  |                |                         |   |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  |                |                         |   |                             |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....   |                |                         |   |                             |
| 2501. Equities and Deposits in Pools and Associations .....  | 11,398,021     |                         | 11,398,021                                | .13,574,658                 |
| 2502. Miscellaneous Receivables .....  | .30,975,791    | 13,321,587              | .17,654,204                               | .32,624                     |
| 2503. .....  |                |                         |   |                             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  | 42,373,812     | 13,321,587              | .29,052,225                               | .13,607,282                 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....   |                |                         |   |                             |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) .....  | 4,092,298,232     | 4,041,308,372   |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....   | 45,319,980        | 49,140,410      |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....  | 1,106,206,645     | 1,082,498,969   |
| 4. Commissions payable, contingent commissions and other similar charges .....  | 193,749,079       | 181,939,466     |
| 5. Other expenses (excluding taxes, licenses and fees) .....  | 63,297,478        | 39,916,221      |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....  | 18,881,913        | 18,698,146      |
| 7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....  | 349,118,590       | 181,265,116     |
| 7.2 Net deferred tax liability .....  | .....             | .....           |
| 8. Borrowed money \$ ..... and interest thereon \$ .....  | .....             | .....           |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 25,612,718 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) ..... | 2,539,425,906     | 2,373,905,827   |
| 10. Advance premium .....   | 17,528,515        | 15,335,044      |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders .....   | 100,000,000       | 100,000,000     |
| 11.2 Policyholders .....  | 12,880,000        | 13,399,692      |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) .....  | 19,788,976        | 13,385,986      |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....  | .....             | .....           |
| 14. Amounts withheld or retained by company for account of others .....   | 555,846           | 81,849,738      |
| 15. Remittances and items not allocated .....   | 139,941           | 69,859          |
| 16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....  | 1,018,621         | 22,186          |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates .....   | .....             | .....           |
| 18. Drafts outstanding .....  | .....             | .....           |
| 19. Payable to parent, subsidiaries and affiliates .....  | 29,780,978        | 17,186,353      |
| 20. Derivatives .....   | .....             | .....           |
| 21. Payable for securities .....  | 3,812,690         | .....           |
| 22. Payable for securities lending .....  | .....             | .....           |
| 23. Liability for amounts held under uninsured plans .....  | .....             | .....           |
| 24. Capital notes \$ ..... and interest thereon \$ .....  | .....             | .....           |
| 25. Aggregate write-ins for liabilities .....   | 114,173,344       | 18,793,071      |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....   | 8,707,976,732     | 8,228,714,453   |
| 27. Protected cell liabilities .....  | .....             | .....           |
| 28. Total liabilities (Lines 26 and 27) .....   | 8,707,976,732     | 8,228,714,453   |
| 29. Aggregate write-ins for special surplus funds .....   | .....             | .....           |
| 30. Common capital stock .....  | 3,586,355         | 3,586,355       |
| 31. Preferred capital stock .....   | .....             | .....           |
| 32. Aggregate write-ins for other than special surplus funds .....  | .....             | .....           |
| 33. Surplus notes .....   | .....             | .....           |
| 34. Gross paid in and contributed surplus .....   | 363,410,416       | 363,410,416     |
| 35. Unassigned funds (surplus) .....  | 5,252,679,284     | 4,552,107,602   |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 ..... shares common (value included in Line 30 \$ ..... ) .....  | .....             | .....           |
| 36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....   | .....             | .....           |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....  | 5,619,676,055     | 4,919,104,373   |
| 38. TOTALS (Page 2, Line 28, Col. 3)  | 14,327,652,787    | 13,147,818,826  |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 2501. Accounts Payable -- Other .....   | 16,823,752        | 18,793,071      |
| 2502. Liability for Unfunded Commitments .....  | 97,349,592        | .....           |
| 2503. .....   | .....             | .....           |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   | .....             | .....           |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)  | 114,173,344       | 18,793,071      |
| 2901. .....   | .....             | .....           |
| 2902. .....   | .....             | .....           |
| 2903. .....   | .....             | .....           |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....   | .....             | .....           |
| 2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)  | .....             | .....           |
| 3201. .....   | .....             | .....           |
| 3202. .....   | .....             | .....           |
| 3203. .....   | .....             | .....           |
| 3298. Summary of remaining write-ins for Line 32 from overflow page .....   | .....             | .....           |
| 3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)  | .....             | .....           |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**STATEMENT OF INCOME**

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 4,911,061,815     | 4,690,086,613   |
| <b>DEDUCTIONS:</b>   |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  | 2,626,862,300     | 2,595,694,491   |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  | 503,999,239       | 523,654,446     |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   | 1,533,967,429     | 1,454,580,653   |
| 5. Aggregate write-ins for underwriting deductions.....  |                   |                 |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 4,664,828,968     | 4,573,929,590   |
| 7. Net income of protected cells.....  |                   |                 |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....  | 246,232,847       | 116,157,023     |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 417,655,057       | 376,224,882     |
| 10. Net realized capital gains or (losses) less capital gains tax of \$ (1,181,023) (Exhibit of Capital Gains (Losses) ).....                                | (3,256,554)       | 90,155,122      |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 414,398,503       | 466,380,004     |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 3,748,539 amount charged off \$ 7,042,247).....                        | (3,293,708)       | (3,301,617)     |
| 13. Finance and service charges not included in premiums.....  | 9,077,432         | 9,546,812       |
| 14. Aggregate write-ins for miscellaneous income.....  | 1,868,050         | 2,324,414       |
| 15. Total other income (Lines 12 through 14).....  | 7,651,774         | 8,569,609       |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 668,283,124       | 591,106,635     |
| 17. Dividends to policyholders.....  | 11,961,179        | 12,280,856      |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)..... | 656,321,945       | 578,825,779     |
| 19. Federal and foreign income taxes incurred.....   | 98,212,380        | (47,242,047)    |
| 20. Net income (Line 18 minus Line 19)(to Line 22).....  | 558,109,564       | 626,067,826     |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 4,919,104,373     | 5,093,565,829   |
| 22. Net income (from Line 20).....   | 558,109,564       | 626,067,826     |
| 23. Net transfers (to) from Protected Cell accounts.....   |                   |                 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 174,136,982.....   | 763,264,873       | (249,501,516)   |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   |                   |                 |
| 26. Change in net deferred income tax.....   | 6,283,508         | (66,708,711)    |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....   | (1,089,828)       | 15,370,255      |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  | (996,435)         | 310,689         |
| 29. Change in surplus notes.....   |                   |                 |
| 30. Surplus (contributed to) withdrawn from protected cells.....   |                   |                 |
| 31. Cumulative effect of changes in accounting principles.....   |                   |                 |
| 32. Capital changes:   |                   |                 |
| 32.1 Paid in.....  |                   |                 |
| 32.2 Transferred from surplus (Stock Dividend).....  |                   |                 |
| 32.3 Transferred to surplus.....   |                   |                 |
| 33. Surplus adjustments:   |                   |                 |
| 33.1 Paid in.....  |                   |                 |
| 33.2 Transferred to capital (Stock Dividend).....  |                   |                 |
| 33.3 Transferred from capital.....   |                   |                 |
| 34. Net remittances from or (to) Home Office.....  |                   | (625,000,000)   |
| 35. Dividends to stockholders.....   |                   | (500,000,000)   |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   |                   |                 |
| 37. Aggregate write-ins for gains and losses in surplus.....   |                   |                 |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | 700,571,682       | (174,461,457)   |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 5,619,676,055     | 4,919,104,373   |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501.....  |                   |                 |
| 0502.....  |                   |                 |
| 0503.....  |                   |                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page.....  |                   |                 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....   |                   |                 |
| 1401. Collection Fees.....   | 1,274,074         | 1,268,843       |
| 1402. Miscellaneous Interest.....  | 593,976           | 1,055,571       |
| 1403.....  |                   |                 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page.....   |                   |                 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....  | 1,868,050         | 2,324,414       |
| 3701.....  |                   |                 |
| 3702.....  |                   |                 |
| 3703.....  |                   |                 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page.....   |                   |                 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....  |                   |                 |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**CASH FLOW**

|   | 1<br>Current Year | 2<br>Prior Year                     |
|---|-------------------|-------------------------------------|
| <b>Cash from Operations</b>   |                   |                                     |
| 1. Premiums collected net of reinsurance .....  | 5,001,233,447     | 4,747,005,969                       |
| 2. Net investment income .....  | 449,821,109       | 401,014,631                         |
| 3. Miscellaneous income .....   | 6,220,479         | 5,428,840                           |
| 4. Total (Lines 1 through 3) .....  | 5,457,275,035     | 5,153,449,440                       |
| 5. Benefit and loss related payments .....  | 3,082,233,512     | 2,778,117,647                       |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    |                   |                                     |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 1,492,938,140     | 1,463,526,649                       |
| 8. Dividends paid to policyholders .....  | 12,480,871        | 12,171,164                          |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....  | 6,587,121         | tax on capital gains (losses) ..... |
|   | (2,422,252)       | 89,626,406                          |
| 10. Total (Lines 5 through 9) .....   | 4,585,230,271     | 4,343,441,867                       |
| 11. Net cash from operations (Line 4 minus Line 10) .....   | 872,044,763       | 810,007,573                         |
| <b>Cash from Investments</b>  |                   |                                     |
| 12. Proceeds from investments sold, matured or repaid:  |                   |                                     |
| 12.1 Bonds .....  | 568,711,940       | 676,560,508                         |
| 12.2 Stocks .....   | 70,464,968        | 241,391,972                         |
| 12.3 Mortgage loans .....   |                   |                                     |
| 12.4 Real estate .....  |                   |                                     |
| 12.5 Other invested assets .....  |                   |                                     |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                           | (243)             |                                     |
| 12.7 Miscellaneous proceeds .....   | 3,812,690         | 10,734,562                          |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....   | 642,989,355       | 928,687,043                         |
| 13. Cost of investments acquired (long-term only):  |                   |                                     |
| 13.1 Bonds .....  | 760,319,020       | 891,747,089                         |
| 13.2 Stocks .....   | 129,747,665       | 218,692,974                         |
| 13.3 Mortgage loans .....   |                   |                                     |
| 13.4 Real estate .....  | 218,154           |                                     |
| 13.5 Other invested assets .....  | 42,484,907        | 55,819,450                          |
| 13.6 Miscellaneous applications .....   | 327,738           | 1,973,481                           |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....  | 933,097,485       | 1,168,232,994                       |
| 14. Net increase (decrease) in contract loans and premium notes .....   |                   |                                     |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | (290,108,130)     | (239,545,951)                       |
| <b>Cash from Financing and Miscellaneous Sources</b>  |                   |                                     |
| 16. Cash provided (applied):  |                   |                                     |
| 16.1 Surplus notes, capital notes .....   |                   |                                     |
| 16.2 Capital and paid in surplus, less treasury stock .....   |                   |                                     |
| 16.3 Borrowed funds .....   |                   |                                     |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               |                   |                                     |
| 16.5 Dividends to stockholders .....  | 625,000,000       | 500,000,000                         |
| 16.6 Other cash provided (applied) .....  | (28,473,856)      | 12,419,005                          |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (653,473,856)     | (487,580,995)                       |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>                                      |                   |                                     |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | (71,537,223)      | 82,880,627                          |
| 19. Cash, cash equivalents and short-term investments:  |                   |                                     |
| 19.1 Beginning of year .....  | 422,230,260       | 339,349,633                         |
| 19.2 End of period (Line 18 plus Line 19.1) .....   | 350,693,038       | 422,230,260                         |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 - PREMIUMS EARNED

| Line of Business  | 1<br>Net Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>Dec. 31 Prior Year -<br>per Col. 3,<br>Last Year's Part 1 | 3<br>Unearned Premiums<br>Dec. 31 Current<br>Year - per Col. 5<br>Part 1A | 4<br>Premiums Earned<br>During Year<br>(Cols. 1 + 2 - 3) |
|---|---|---|---|--|
| 1. Fire .....   | 103,439,345   | 53,342,491  | 54,265,141  | 102,516,695  |
| 2. Allied lines .....   | 101,115,575   | 51,969,692  | 54,093,491  | 98,991,777   |
| 3. Farmowners multiple peril .....  |   |   |   |  |
| 4. Homeowners multiple peril .....  | 594,351,156   | 303,661,495   | 324,936,050   | 573,076,601  |
| 5. Commercial multiple peril .....  | 1,224,686,296   | 566,223,163   | 587,881,086   | 1,203,028,373  |
| 6. Mortgage guaranty .....  |   |   |   |  |
| 8. Ocean marine .....   | 928,374   | 497,903   | 510,289   | 915,988  |
| 9. Inland marine .....  | 182,615,959   | 69,161,796  | 83,280,072  | 168,497,682  |
| 10. Financial guaranty .....  |   |   |   |  |
| 11.1 Medical professional liability - occurrence .....                    | 32,972,228  | 15,358,653  | 16,251,910  | 32,078,971   |
| 11.2 Medical professional liability - claims-made .....                   | 9,634,257   | 3,604,616   | 6,816,297   | 6,422,577  |
| 12. Earthquake .....  | 33,886,483  | 17,357,253  | 18,300,430  | 32,943,306   |
| 13. Group accident and health .....                                       |   |   |   |  |
| 14. Credit accident and health (group and individual) .....               |   |   |   |  |
| 15. Other accident and health .....                                       | 1,256,035   |   | 628,018   | 628,018  |
| 16. Workers' compensation .....   | 295,706,123   | 116,647,219   | 107,522,533   | 304,830,809  |
| 17.1 Other liability - occurrence .....                                   | 646,322,632   | 296,991,676   | 321,503,967   | 621,810,341  |
| 17.2 Other liability - claims-made .....                                  | 185,838,493   | 82,903,486  | 103,933,713   | 164,808,266  |
| 17.3 Excess workers' compensation .....                                   | 1,265,505   | 480,857   | 455,376   | 1,290,985  |
| 18.1 Products liability - occurrence .....                                | 80,912,685  | 34,929,004  | 35,285,236  | 80,556,453   |
| 18.2 Products liability - claims-made .....                               |   |   |   |  |
| 19.1, 19.2 Private passenger auto liability .....                         | 352,526,551   | 184,688,942   | 181,287,697   | 355,927,797  |
| 19.3, 19.4 Commercial auto liability .....                                | 530,329,915   | 233,533,878   | 260,311,497   | 503,552,296  |
| 21. Auto physical damage .....  | 505,599,853   | 243,023,688   | 250,666,319   | 497,957,222  |
| 22. Aircraft (all perils) .....   | 272,601   | 57,728  | 141,871   | 188,459  |
| 23. Fidelity .....  | 3,600,738   | 2,762,406   | 2,685,515   | 3,677,629  |
| 24. Surety .....  | 58,479,766  | 26,160,345  | 29,582,230  | 55,057,881   |
| 26. Burglary and theft .....  | 9,379,304   | 3,817,581   | 4,739,730   | 8,457,155  |
| 27. Boiler and machinery .....  | 20,613,290  | 9,468,780   | 10,395,345  | 19,686,725   |
| 28. Credit .....  | 21,931,123  | 4,849,937   | 14,501,050  | 12,280,011   |
| 29. International .....   |   |   |   |  |
| 30. Warranty .....  |   |   |   |  |
| 31. Reinsurance - nonproportional assumed property .....                  | 50,119,306  | 5,095,324   | 13,988,282  | 41,226,347   |
| 32. Reinsurance - nonproportional assumed liability .....                 | 28,948,330  | 14,176,387  | 22,471,263  | 20,653,454   |
| 33. Reinsurance - nonproportional assumed financial lines .....           |   |   |   |  |
| 34. Aggregate write-ins for other lines of business .....                 |   |   |   |  |
| 35. TOTALS .....  | 5,076,731,924   | 2,340,764,298   | 2,506,434,408   | 4,911,061,815  |
| <b>DETAILS OF WRITE-INS</b>   |   |   |   |  |
| 3401. .....   |   |   |   |  |
| 3402. .....   |   |   |   |  |
| 3403. .....   |   |   |   |  |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... |   |   |   |  |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....        |   |   |   |  |

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business   | 1<br>Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | 2<br>Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | 3<br>Earned But Unbilled<br>Premium | 4<br>Reserve for Rate<br>Credits and<br>Retrospective<br>Adjustments Based<br>on Experience | 5<br>Total Reserve for<br>Unearned Premiums<br>Cols. 1 + 2 + 3 + 4 |
|--|--|--|-------------------------------------|---|--|
| 1. Fire .....  | 54,255,926   | 9,214  |                                     |   | 54,265,141   |
| 2. Allied lines .....  | 54,084,507   | 8,984  |                                     |   | 54,093,491   |
| 3. Farmowners multiple peril .....   |  |  |                                     |   |  |
| 4. Homeowners multiple peril .....   | 324,936,050  |  |                                     |   | 324,936,050  |
| 5. Commercial multiple peril .....   | 596,531,337  | 975,534  | (9,625,785)                         |   | 587,881,086  |
| 6. Mortgage guaranty .....   |  |  |                                     |   |  |
| 8. Ocean marine .....  | 510,289  |  |                                     |   | 510,289  |
| 9. Inland marine .....   | 82,289,881   | 990,191  |                                     |   | 83,280,072   |
| 10. Financial guaranty .....   |  |  |                                     |   |  |
| 11.1 Medical professional liability - occurrence .....                       | 16,206,755   | 45,156   |                                     |   | 16,251,910   |
| 11.2 Medical professional liability - claims-made .....                      | 6,816,262  | .35  |                                     |   | 6,816,297  |
| 12. Earthquake .....   | 18,300,430   |  |                                     |   | 18,300,430   |
| 13. Group accident and health .....  |  |  |                                     |   |  |
| 14. Credit accident and health (group and<br>individual) .....               |  |  |                                     |   |  |
| 15. Other accident and health .....  | 628,018  |  |                                     |   | 628,018  |
| 16. Workers' compensation .....  | 125,971,762  | 4,724  | (18,453,953)                        |   | 107,522,533  |
| 17.1 Other liability - occurrence .....                                      | 320,836,098  | 4,836,825  | (4,168,955)                         |   | 321,503,967  |
| 17.2 Other liability - claims-made .....                                     | 103,933,694  | .20  |                                     |   | 103,933,713  |
| 17.3 Excess workers' compensation .....                                      | 455,376  |  |                                     |   | 455,376  |
| 18.1 Products liability - occurrence .....                                   | 35,854,939   | 173,101  | (742,805)                           |   | 35,285,236   |
| 18.2 Products liability - claims-made .....                                  |  |  |                                     |   |  |
| 19.1, 19.2 Private passenger auto liability .....                            | 181,287,697  |  |                                     |   | 181,287,697  |
| 19.3, 19.4 Commercial auto liability .....                                   | 260,311,087  | 409  |                                     |   | 260,311,497  |
| 21. Auto physical damage .....   | 250,666,319  |  |                                     |   | 250,666,319  |
| 22. Aircraft (all perils) .....  | 141,871  |  |                                     |   | 141,871  |
| 23. Fidelity .....   | 1,155,938  | 1,529,577  |                                     |   | 2,685,515  |
| 24. Surety .....   | 17,782,288   | 11,799,943   |                                     |   | 29,582,230   |
| 26. Burglary and theft .....   | 4,644,048  | 95,683   |                                     |   | 4,739,730  |
| 27. Boiler and machinery .....   | 10,336,856   | 58,489   |                                     |   | 10,395,345   |
| 28. Credit .....   | 14,501,050   |  |                                     |   | 14,501,050   |
| 29. International .....  |  |  |                                     |   |  |
| 30. Warranty .....   |  |  |                                     |   |  |
| 31. Reinsurance - nonproportional assumed<br>property .....                  | 13,988,282   |  |                                     |   | 13,988,282   |
| 32. Reinsurance - nonproportional assumed<br>liability .....                 | 22,471,263   |  |                                     |   | 22,471,263   |
| 33. Reinsurance - nonproportional assumed<br>financial lines .....           |  |  |                                     |   |  |
| 34. Aggregate write-ins for other lines of business .....                    |  |  |                                     |   |  |
| 35. TOTALS .....   | 2,518,898,022  | 20,527,884   | (32,991,498)                        |   | 2,506,434,408  |
| 36. Accrued retrospective premiums based on experience .....                 |  |  |                                     |   |  |
| 37. Earned but unbilled premiums .....                                       |  |  |                                     |   | 32,991,498   |
| 38. Balance (Sum of Line 35 through 37) .....                                |  |  |                                     |   | 2,539,425,906  |
| <b>DETAILS OF WRITE-INS</b>  |  |  |                                     |   |  |
| 3401. .....  |  |  |                                     |   |  |
| 3402. .....  |  |  |                                     |   |  |
| 3403. .....  |  |  |                                     |   |  |
| 3498. Summary of remaining write-ins for Line 34<br>from overflow page ..... |  |  |                                     |   |  |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line<br>34 above) .....        |  |  |                                     |   |  |

(a) State here basis of computation used in each case

Monthly Pro Rata .....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

| Line of Business  | 1<br>Direct Business (a) | Reinsurance Assumed  |                          | Reinsurance Ceded  |                        | 6<br>Net Premiums<br>Written<br>Cols. 1+2+3+4-5 |
|---|--------------------------|----------------------|--------------------------|--------------------|------------------------|---|
|   |                          | 2<br>From Affiliates | 3<br>From Non-Affiliates | 4<br>To Affiliates | 5<br>To Non-Affiliates |   |
| 1. Fire .....   | 87,634,694               | 20,446,648           | 294,973                  |                    | 4,936,969              | 103,439,345                                     |
| 2. Allied lines .....   | 84,282,917               | 24,168,591           | 99,638                   |                    | 7,435,570              | 101,115,575                                     |
| 3. Farmowners multiple peril .....  |                          |                      |                          |                    |                        |   |
| 4. Homeowners multiple peril .....  | 620,433,779              | 4,976,231            | 469,261                  |                    | 31,528,115             | 594,351,156                                     |
| 5. Commercial multiple peril .....  | 1,025,584,248            | 229,609,886          | 26,717,095               |                    | 57,224,934             | 1,224,686,296                                   |
| 6. Mortgage guaranty .....  |                          |                      |                          |                    |                        |   |
| 8. Ocean marine .....   |                          |                      | 928,374                  |                    |                        | 928,374   |
| 9. Inland marine .....  | 178,286,706              | 9,869,806            |                          |                    | 5,540,553              | 182,615,959                                     |
| 10. Financial guaranty .....  |                          |                      |                          |                    |                        |   |
| 11.1 Medical professional liability - occurrence .....                    | 27,725,521               | 5,246,707            |                          |                    |                        | 32,972,228                                      |
| 11.2 Medical professional liability - claims-made .....                   | 1,510,898                | 390,544              | 7,732,815                |                    |                        | 9,634,257                                       |
| 12. Earthquake .....  | 35,360,677               | 562,093              |                          |                    | 2,036,287              | 33,886,483                                      |
| 13. Group accident and health .....                                       |                          |                      |                          |                    |                        |   |
| 14. Credit accident and health (group and individual) .....               |                          |                      |                          |                    |                        |   |
| 15. Other accident and health .....                                       |                          |                      | 1,256,035                |                    |                        | 1,256,035                                       |
| 16. Workers' compensation .....   | 82,094,840               | 220,347,582          | 5,365,439                |                    | 12,101,738             | 295,706,123                                     |
| 17.1 Other liability - occurrence .....                                   | 536,741,138              | 112,781,234          | 13,137,633               |                    | 16,337,373             | 646,322,632                                     |
| 17.2 Other liability - claims-made .....                                  | 142,461,883              | 3,361,139            | 47,529,116               |                    | 7,513,644              | 185,838,493                                     |
| 17.3 Excess workers' compensation .....                                   | 1,265,505                |                      |                          |                    |                        | 1,265,505                                       |
| 18.1 Products liability - occurrence .....                                | 64,340,495               | 16,572,196           |                          |                    | 6                      | 80,912,685                                      |
| 18.2 Products liability - claims-made .....                               |                          |                      |                          |                    |                        |   |
| 19.1, 19.2 Private passenger auto liability .....                         | 343,699,799              | 1,974,898            | 14,772,586               |                    | 7,920,731              | 352,526,551                                     |
| 19.3, 19.4 Commercial auto liability .....                                | 411,580,048              | 107,759,101          | 14,877,177               |                    | 3,886,411              | 530,329,915                                     |
| 21. Auto physical damage .....  | 455,765,808              | 46,769,992           | 5,384,852                |                    | 2,320,799              | 505,599,853                                     |
| 22. Aircraft (all perils) .....   |                          |                      | 272,601                  |                    |                        | 272,601   |
| 23. Fidelity .....  | 3,600,738                |                      |                          |                    |                        | 3,600,738                                       |
| 24. Surety .....  | 61,946,175               | 919,179              |                          |                    | 4,385,588              | 58,479,766                                      |
| 26. Burglary and theft .....  | 13,808,159               | 1,416,479            |                          |                    | 5,845,334              | 9,379,304                                       |
| 27. Boiler and machinery .....  | 18,149,650               | 2,463,837            |                          |                    | 197                    | 20,613,290                                      |
| 28. Credit .....  |                          |                      | 21,931,123               |                    |                        | 21,931,123                                      |
| 29. International .....   |                          |                      |                          |                    |                        |   |
| 30. Warranty .....  |                          |                      |                          |                    |                        |   |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX                      |                      | 54,320,036               |                    | 4,200,730              | 50,119,306                                      |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                      |                      | 28,948,330               |                    |                        | 28,948,330                                      |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                      |                      |                          |                    |                        |   |
| 34. Aggregate write-ins for other lines of business .....                 |                          |                      |                          |                    |                        |   |
| 35. TOTALS .....  | 4,196,273,677            | 809,636,141          | 244,037,086              |                    | 173,214,980            | 5,076,731,924                                   |
| <b>DETAILS OF WRITE-INS</b>   |                          |                      |                          |                    |                        |   |
| 3401. ....  |                          |                      |                          |                    |                        |   |
| 3402. ....  |                          |                      |                          |                    |                        |   |
| 3403. ....  |                          |                      |                          |                    |                        |   |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... |                          |                      |                          |                    |                        |   |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....        |                          |                      |                          |                    |                        |   |

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$ .....

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$ .....

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2 - LOSSES PAID AND INCURRED

| Line of Business  | Losses Paid Less Salvage |                             |                               |  | 5             | 6             | 7             | 8      |
|---|--------------------------|-----------------------------|-------------------------------|--|---------------|---------------|---------------|--------|
|   | 1<br>Direct Business     | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |               |               |               |        |
| 1. Fire .....   | 36,459,060               | 10,081,456                  | 220                           | 46,540,296                             | 19,815,855    | 27,936,536    | 38,419,615    | 37.5   |
| 2. Allied lines .....   | 68,388,071               | 9,664,670                   | 354,379                       | 77,698,362                             | 32,184,445    | 32,420,057    | 77,462,749    | 78.3   |
| 3. Farmowners multiple peril .....  |                          |                             |                               |  |               |               |               |        |
| 4. Homeowners multiple peril .....  | 434,960,033              | 8,781,553                   | 21,388,295                    | 422,353,292                            | 152,967,513   | 143,165,419   | 432,155,386   | 75.4   |
| 5. Commercial multiple peril .....  | 554,603,435              | 132,130,303                 | 6,576,760                     | 680,156,978                            | 842,279,350   | 839,708,274   | 682,728,055   | 56.8   |
| 6. Mortgage guaranty .....  |                          |                             |                               |  |               |               |               |        |
| 8. Ocean marine .....   |                          | 117,709                     |                               | 117,709                                | 752,435       | 264,577       | 605,567       | 66.1   |
| 9. Inland marine .....  | 45,726,338               | 3,816,603                   | 446,961                       | 49,095,981                             | 21,054,603    | 14,832,693    | 55,317,891    | 32.8   |
| 10. Financial guaranty .....  |                          |                             |                               |  |               |               |               |        |
| 11.1 Medical professional liability - occurrence .....                    | 18,112,052               | 4,307,443                   |                               | 22,419,495                             | 76,561,030    | 68,294,899    | 30,685,627    | 95.7   |
| 11.2 Medical professional liability - claims-made .....                   | 1,035,436                | 2,383,122                   |                               | 3,418,558                              | 20,683,460    | 21,563,385    | 2,538,632     | 39.5   |
| 12. Earthquake .....  | 29,487                   |                             | 1                             | 29,486                                 | 1,102         | .67,616       | (37,028)      | (0.1)  |
| 13. Group accident and health .....                                       |                          |                             |                               |  |               |               |               |        |
| 14. Credit accident and health (group and individual) .....               |                          |                             |                               |  |               |               |               |        |
| 15. Other accident and health .....                                       |                          | 10                          |                               | 10                                     | 420,134       |               | 420,144       | 66.9   |
| 16. Workers' compensation .....   | 41,556,898               | 116,848,615                 | 13,447,993                    | 144,957,520                            | 865,682,565   | 876,135,046   | 134,505,039   | 44.1   |
| 17.1 Other liability - occurrence .....                                   | 229,862,459              | 35,688,800                  | 19,519,899                    | 246,031,361                            | 918,943,854   | 911,828,210   | 253,147,005   | 40.7   |
| 17.2 Other liability - claims-made .....                                  | 45,736,783               | 3,833,883                   | 428,138                       | 49,142,528                             | 120,231,579   | 92,121,322    | 77,252,785    | 46.9   |
| 17.3 Excess workers' compensation .....                                   | 371,060                  |                             | 53,333                        | 317,727                                | 4,872,637     | 4,802,700     | 387,663       | 30.0   |
| 18.1 Products liability - occurrence .....                                | 19,117,819               | 4,713,218                   | (9,973)                       | 23,841,011                             | 130,113,178   | 135,484,832   | 18,469,357    | 22.9   |
| 18.2 Products liability - claims-made .....                               |                          |                             |                               |  |               |               |               |        |
| 19.1, 19.2 Private passenger auto liability .....                         | 206,247,210              | 9,166,187                   | 5,417,561                     | 209,995,836                            | 252,682,384   | 267,844,277   | 194,833,943   | 54.7   |
| 19.3, 19.4 Commercial auto liability .....                                | 233,899,198              | 64,357,022                  | 922,706                       | 297,333,513                            | 564,019,599   | 531,558,723   | 329,794,389   | 65.5   |
| 21. Auto physical damage .....  | 256,964,011              | 24,490,178                  | 395,113                       | 281,059,076                            | 18,766,078    | 24,250,464    | 275,574,690   | 55.3   |
| 22. Aircraft (all perils) .....   | 34,544                   | 12,575                      | 37,326                        | 9,792                                  | 518,743       | 406,079       | 122,456       | 65.0   |
| 23. Fidelity .....  | 166,783                  |                             | 17                            | 166,799                                | 3,429,892     | 3,341,606     | 255,086       | 6.9    |
| 24. Surety .....  | 1,152,981                |                             | (14,959)                      | 1,167,939                              | 13,596,721    | 13,984,593    | 780,068       | 1.4    |
| 26. Burglary and theft .....  | 3,200,344                | 261,777                     | .939,441                      | 2,522,680                              | 1,059,273     | 1,560,490     | 2,021,463     | 23.9   |
| 27. Boiler and machinery .....  | 7,947,422                | 67,313                      |                               | 8,014,734                              | 4,974,312     | 3,993,778     | 8,995,268     | 45.7   |
| 28. Credit .....  |                          |                             |                               |  | 15,876,260    | 9,379,086     | 6,497,173     | 52.9   |
| 29. International .....   |                          |                             |                               |  |               |               |               |        |
| 30. Warranty .....  |                          |                             |                               |  |               |               |               |        |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX                      | 8,196,386                   |                               | 8,196,386                              | (4,569,564)   | 10,351,481    | (6,724,659)   | (16.3) |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                      | 1,259,463                   | (25,910)                      | 1,285,373                              | 15,380,794    | 6,012,230     | 10,653,937    | 51.6   |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                      |                             |                               |  |               |               |               |        |
| 34. Aggregate write-ins for other lines of business .....                 |                          |                             |                               |  |               |               |               |        |
| 35. TOTALS .....  | 2,205,571,423            | 440,178,303                 | 69,877,285                    | 2,575,872,441                          | 4,092,298,232 | 4,041,308,372 | 2,626,862,300 | 53.5   |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                               |  |               |               |               |        |
| 3401. ....  |                          |                             |                               |  |               |               |               |        |
| 3402. ....  |                          |                             |                               |  |               |               |               |        |
| 3403. ....  |                          |                             |                               |  |               |               |               |        |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... |                          |                             |                               |  |               |               |               |        |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....        |                          |                             |                               |  |               |               |               |        |

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business  | Reported Losses |                             |   |  | Incurred But Not Reported |                             |                           | 8             | 9             |
|---|-----------------|-----------------------------|---|--|---------------------------|-----------------------------|---------------------------|---------------|---------------|
|   | 1<br>Direct     | 2<br>Reinsurance<br>Assumed | 3<br>Deduct<br>Reinsurance<br>Recoverable | 4<br>Net Losses Excl.<br>Incurred But Not<br>Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance<br>Assumed | 7<br>Reinsurance<br>Ceded |               |               |
| 1. Fire .....   | 15,792,582      | 6,136,315                   | .77,021                                   | .21,851,877  | (2,014,809)               | .29,657                     | .50,870                   | 19,815,855    | 3,715,155     |
| 2. Allied lines .....   | 21,438,493      | 5,761,345                   | 794,902                                   | .26,404,937  | 6,712,886                 | .3,321                      | .936,700                  | 32,184,445    | 3,643,824     |
| 3. Farmowners multiple peril .....                                  |                 |                             |   |  |                           |                             |                           |               |               |
| 4. Homeowners multiple peril .....                                  | 133,022,175     | 4,509,983                   | .18,723,497                               | .118,808,662   | .31,293,324               | .5,030,890                  | .2,165,363                | 152,967,513   | 40,140,348    |
| 5. Commercial multiple peril .....                                  | 640,416,228     | 116,674,331                 | .103,919,874                              | .653,170,685   | .127,192,061              | .67,976,702                 | .6,060,097                | 842,279,350   | 410,622,301   |
| 6. Mortgage guaranty .....  |                 |                             |   |  |                           |                             |                           |               |               |
| 8. Ocean marine .....   |                 | .141,127                    |   | .141,127   |                           | .611,308                    |                           | .752,435      |               |
| 9. Inland marine .....  | 15,314,566      | 2,124,810                   | 170,995                                   | .17,268,382  | 3,503,741                 | .301,845                    | .19,365                   | .21,054,603   | 3,257,000     |
| 10. Financial guaranty .....  |                 |                             |   |  |                           |                             |                           |               |               |
| 11.1 Medical professional liability - occurrence .....              | 44,456,471      | 5,286,559                   |   | .49,743,030  | .23,191,000               | .3,627,000                  |                           | .76,561,030   | 32,615,000    |
| 11.2 Medical professional liability - claims-made .....             | 2,725,279       | 5,250,797                   |   | .7,976,076   |                           | .12,707,384                 |                           | .20,683,460   | .104,793      |
| 12. Earthquake .....  | 1,085           |                             |   | 1  | 1,084                     | 18                          |                           |               | 1,102         |
| 13. Group accident and health .....                                 |                 |                             |   |  |                           |                             |                           | (a)           |               |
| 14. Credit accident and health (group and individual) .....         |                 | .60,109                     |   | .60,109  |                           | .360,025                    |                           | .420,134      |               |
| 15. Other accident and health .....                                 |                 |                             |   |  |                           |                             |                           | (a)           |               |
| 16. Workers' compensation .....                                     | 132,340,419     | 278,189,123                 | .52,009,299                               | .358,520,243   | .162,213,685              | .374,024,136                | .29,075,499               | .865,682,565  | 92,240,239    |
| 17.1 Other liability - occurrence .....                             | 335,738,149     | .59,603,426                 | .14,879,829                               | .380,461,746   | .448,520,000              | .100,372,108                | .10,410,000               | .918,943,854  | 142,781,058   |
| 17.2 Other liability - claims-made .....                            | 84,951,005      | 2,612,605                   | .51,550                                   | .87,512,060  |                           | .32,719,520                 |                           | .120,231,579  | .66,870,325   |
| 17.3 Excess workers' compensation .....                             | 5,574,305       |                             |   | .701,668   | .4,872,637                |                             |                           | .4,872,637    |               |
| 18.1 Products liability - occurrence .....                          | .58,849,957     | 13,042,575                  | .656,675                                  | .71,235,857  | .48,019,859               | .11,977,309                 | .1,119,847                | .130,113,178  | .86,175,059   |
| 18.2 Products liability - claims-made .....                         |                 |                             |   |  |                           |                             |                           |               |               |
| 19.1, 19.2 Private passenger auto liability .....                   | 230,967,345     | 3,060,216                   | .25,005,265                               | .209,022,295   | .42,190,893               | .8,974,545                  | .7,505,349                | .252,682,384  | .64,071,034   |
| 19.3, 19.4 Commercial auto liability .....                          | 307,217,961     | 96,976,354                  | .4,267,809                                | .399,926,506   | .123,066,983              | .42,031,110                 | .1,005,000                | .564,019,599  | .115,318,935  |
| 21. Auto physical damage .....                                      | 7,651,083       | 2,282,609                   | .152,504                                  | .9,781,188   | .5,731,896                | .3,421,109                  | .168,115                  | .18,766,078   | .41,250,570   |
| 22. Aircraft (all perils) .....                                     | .823,762        | 258,371                     | .843,299                                  | .238,834   | .886,670                  | .320,818                    | .927,579                  | .518,743      | .148,933      |
| 23. Fidelity .....  | 2,510,892       |                             |   | .2,510,892   | .919,000                  |                             |                           | .3,429,892    | .319,000      |
| 24. Surety .....  | 12,033,478      |                             | .576,613                                  | .11,456,866  | .2,138,000                | .1,856                      |                           | .13,596,721   | .2,229,000    |
| 26. Burglary and theft .....  | 1,005,891       | .115,151                    | .61,768                                   | .1,059,273   |                           |                             |                           | .1,059,273    | .301,000      |
| 27. Boiler and machinery .....                                      | 3,232,312       |                             |   | .3,232,312   | .1,742,000                |                             |                           | .4,974,312    | .179,000      |
| 28. Credit .....  |                 |                             |   |  |                           | .15,876,260                 |                           | .15,876,260   |               |
| 29. International .....   |                 |                             |   |  |                           |                             |                           |               |               |
| 30. Warranty .....  |                 |                             |   |  |                           |                             |                           |               |               |
| 31. Reinsurance - nonproportional assumed property .....            | XXX             | 6,246,237                   | .8,906,179                                | (2,659,941)  | XXX                       | .14,184,199                 | .16,093,821               | .(4,569,564)  | .170,253      |
| 32. Reinsurance - nonproportional assumed liability .....           | XXX             | .757,418                    |   | .757,418   | XXX                       | .14,623,376                 |                           | .15,380,794   | .53,817       |
| 33. Reinsurance - nonproportional assumed financial lines .....     | XXX             |                             |   |  | XXX                       |                             |                           |               |               |
| 34. Aggregate write-ins for other lines of business .....           |                 |                             |   |  |                           |                             |                           |               |               |
| 35. TOTALS .....  | 2,056,063,438   | 609,089,462                 | 231,798,747                               | 2,433,354,153  | 1,025,307,207             | 709,174,475                 | 75,537,603                | 4,092,298,232 | 1,106,206,645 |
| <b>DETAILS OF WRITE-INS</b>   |                 |                             |   |  |                           |                             |                           |               |               |
| 3401. ....  |                 |                             |   |  |                           |                             |                           |               |               |
| 3402. ....  |                 |                             |   |  |                           |                             |                           |               |               |
| 3403. ....  |                 |                             |   |  |                           |                             |                           |               |               |
| 3498. Summary of remaining write-ins for Line 34 from overflow page |                 |                             |   |  |                           |                             |                           |               |               |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)        |                 |                             |   |  |                           |                             |                           |               |               |

(a) Including \$ ..... for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3 - EXPENSES

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total    |
|---|----------------------------------|-------------------------------------|-----------------------------|---------------|
| 1. Claim adjustment services:   |                                  |                                     |                             |               |
| 1.1 Direct .....  | 195,099,886                      |                                     |                             | 195,099,886   |
| 1.2 Reinsurance assumed .....   | 54,360,744                       |                                     |                             | 54,360,744    |
| 1.3 Reinsurance ceded .....   | 2,607,966                        |                                     |                             | 2,607,966     |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                | 246,852,664                      |                                     |                             | 246,852,664   |
| 2. Commission and brokerage:  |                                  |                                     |                             |               |
| 2.1 Direct excluding contingent .....   |                                  | 651,952,799                         |                             | 651,952,799   |
| 2.2 Reinsurance assumed, excluding contingent .....                                     |                                  | 157,052,901                         |                             | 157,052,901   |
| 2.3 Reinsurance ceded, excluding contingent .....                                       |                                  | 14,298,602                          |                             | 14,298,602    |
| 2.4 Contingent - direct .....   |                                  | 118,278,398                         |                             | 118,278,398   |
| 2.5 Contingent - reinsurance assumed .....  |                                  | 22,549,000                          |                             | 22,549,000    |
| 2.6 Contingent - reinsurance ceded .....  |                                  |                                     |                             |               |
| 2.7 Policy and membership fees .....  |                                  |                                     |                             |               |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....        |                                  | 935,534,496                         |                             | 935,534,496   |
| 3. Allowances to managers and agents .....  |                                  |                                     |                             |               |
| 4. Advertising .....  | 7,459                            | 4,322,599                           | 32                          | 4,330,090     |
| 5. Boards, bureaus and associations .....   | 2,113,381                        | 7,694,329                           | 1,756                       | 9,809,466     |
| 6. Surveys and underwriting reports .....   | 1,641,827                        | 26,753,115                          | 979                         | 28,395,922    |
| 7. Audit of assureds' records .....   | 69,466                           | 7,021,067                           | 181                         | 7,090,714     |
| 8. Salary and related items:  |                                  |                                     |                             |               |
| 8.1 Salaries .....  | 168,229,851                      | 277,877,535                         | 3,848,859                   | 449,956,245   |
| 8.2 Payroll taxes .....   | 10,248,089                       | 18,411,294                          | 125,115                     | 28,784,497    |
| 9. Employee relations and welfare .....   | 28,262,774                       | 49,490,757                          | 237,326                     | 77,990,856    |
| 10. Insurance .....   |                                  | 5,149,213                           |                             | 5,149,213     |
| 11. Directors' fees .....   |                                  |                                     |                             |               |
| 12. Travel and travel items .....   | 13,078,097                       | 15,395,957                          | 32,343                      | 28,506,396    |
| 13. Rent and rent items .....   | 5,898,179                        | 12,105,156                          | 91,489                      | 18,094,825    |
| 14. Equipment .....   | 5,863,040                        | 6,017,168                           | 42,089                      | 11,922,297    |
| 15. Cost or depreciation of EDP equipment and software .....                            | 16,150,811                       | 41,587,334                          | 1,022,303                   | 58,760,449    |
| 16. Printing and stationery .....   | 506,966                          | 2,093,413                           | 3,166                       | 2,603,544     |
| 17. Postage, telephone and telegraph, exchange and express .....                        | 2,817,276                        | 5,560,969                           | 2,654                       | 8,380,899     |
| 18. Legal and auditing .....  | 1,948,842                        | 1,464,904                           | 1,195,015                   | 4,608,760     |
| 19. Totals (Lines 3 to 18) .....  | 256,836,057                      | 480,944,809                         | 6,603,307                   | 744,384,173   |
| 20. Taxes, licenses and fees:   |                                  |                                     |                             |               |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ ..... | 189,151                          | 7,525                               | 94,888,602                  | 94,896,127    |
| 20.2 Insurance department licenses and fees .....                                       |                                  | 16,084                              | 2,151,260                   | 2,167,344     |
| 20.3 Gross guaranty association assessments .....                                       |                                  |                                     | 543,833                     | .543,833      |
| 20.4 All other (excluding federal and foreign income and real estate) .....             |                                  | 24,821                              | 4,366,126                   | 4,390,948     |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                   |                                  | 48,430                              | 101,949,821                 | 101,998,251   |
| 21. Real estate expenses .....  |                                  | 139,735                             | 498,467                     | 3,143         |
| 22. Real estate taxes .....   |                                  |                                     | 115,474                     | .115,474      |
| 23. Reimbursements by uninsured plans .....   |                                  |                                     |                             |               |
| 24. Aggregate write-ins for miscellaneous expenses .....                                |                                  | 122,352                             | 14,924,363                  | .63           |
| 25. Total expenses incurred .....   |                                  | 503,999,239                         | 1,533,967,429               | 6,606,513     |
| 26. Less unpaid expenses - current year .....   |                                  | 1,106,206,645                       | 230,898,163                 | 1,605,786     |
| 27. Add unpaid expenses - prior year .....  |                                  | 1,082,498,969                       | 201,143,799                 | .526,724      |
| 28. Amounts receivable relating to uninsured plans, prior year .....                    |                                  |                                     |                             |               |
| 29. Amounts receivable relating to uninsured plans, current year .....                  |                                  |                                     |                             |               |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....                            | 480,291,562                      | 1,504,213,064                       | 5,527,452                   | 1,990,032,078 |
| <b>DETAILS OF WRITE-INS</b>   |                                  |                                     |                             |               |
| 2401. Interest Expense .....  |                                  | 106,250                             | 14,883,626                  | .6            |
| 2402. .....   |                                  | 16,101                              | 40,737                      | .57           |
| 2403. .....   |                                  |                                     |                             | .56,895       |
| 2498. Summary of remaining write-ins for Line 24 from overflow page .....               |                                  |                                     |                             |               |
| 2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....                      |                                  | 122,352                             | 14,924,363                  | .63           |
| (a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.  |                                  |                                     |                             |               |

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**EXHIBIT OF NET INVESTMENT INCOME**

|   | 1<br>Collected During Year          | 2<br>Earned During Year |
|---|-------------------------------------|-------------------------|
| 1. U.S. Government bonds .....  | (a) ..... 1,567,458                 | 1,646,093               |
| 1.1 Bonds exempt from U.S. tax .....  | (a) ..... 98,801,767                | 99,003,708              |
| 1.2 Other bonds (unaffiliated) .....  | (a) ..... 156,984,093               | 155,926,770             |
| 1.3 Bonds of affiliates .....   | (a) .....<br>(b) .....<br>(b) ..... | 10,762,685              |
| 2.1 Preferred stocks (unaffiliated) .....                                     | 109,286,399                         | 109,733,550             |
| 2.11 Preferred stocks of affiliates .....                                     | 55,000,000                          | 55,000,000              |
| 2.2 Common stocks (unaffiliated) .....  | (c) .....                           |                         |
| 2.21 Common stocks of affiliates .....  | (d) .....                           |                         |
| 3. Mortgage loans .....   | (e) ..... 64,335                    | 65,390                  |
| 4. Real estate .....  | (f) .....                           |                         |
| 5. Contract loans .....   | 625,585                             | (10,092,362)            |
| 6. Cash, cash equivalents and short-term investments .....                    | 2,215,735                           | 2,215,735               |
| 7. Derivative instruments .....   | 435,308,057                         | 424,261,570             |
| 8. Other invested assets .....  |                                     |                         |
| 9. Aggregate write-ins for investment income .....                            |                                     |                         |
| 10. Total gross investment income .....                                       |                                     |                         |
| 11. Investment expenses .....   | (g) ..... 6,606,513                 |                         |
| 12. Investment taxes, licenses and fees, excluding federal income taxes ..... | (g) .....                           |                         |
| 13. Interest expense .....  | (h) .....                           |                         |
| 14. Depreciation on real estate and other invested assets .....               | (i) .....                           |                         |
| 15. Aggregate write-ins for deductions from investment income .....           |                                     |                         |
| 16. Total deductions (Lines 11 through 15) .....                              |                                     | 6,606,513               |
| 17. Net investment income (Line 10 minus Line 16) .....                       |                                     | 417,655,057             |
| <b>DETAILS OF WRITE-INS</b>   |                                     |                         |
| 0901. Other Income .....  | 2,215,735                           | 2,215,735               |
| 0902. .....   |                                     |                         |
| 0903. .....   |                                     |                         |
| 0998. Summary of remaining write-ins for Line 9 from overflow page .....      |                                     |                         |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....           | 2,215,735                           | 2,215,735               |
| 1501. .....   |                                     |                         |
| 1502. .....   |                                     |                         |
| 1503. .....   |                                     |                         |
| 1598. Summary of remaining write-ins for Line 15 from overflow page .....     |                                     |                         |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....          |                                     |                         |

(a) Includes \$ 2,796,670 accrual of discount less \$ 22,637,619 amortization of premium and less \$ 2,135,720 paid for accrued interest on purchases.  
 (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.  
 (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
 (e) Includes \$ 48,000 accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
 (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
 (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

|  | 1<br>Realized Gain (Loss)<br>On Sales or Maturity | 2<br>Other Realized<br>Adjustments | 3<br>Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized Capital<br>Gain (Loss) | 5<br>Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|--|---|------------------------------------|---|---|--|
| 1. U.S. Government bonds .....   |   |                                    |   |   |  |
| 1.1 Bonds exempt from U.S. tax .....                                     | (6,835)   |                                    | (6,835)   | 528,081   |  |
| 1.2 Other bonds (unaffiliated) .....                                     | (1,582,752)                                       | (3,905,597)                        | (5,488,348)   | 7,267,882   |  |
| 1.3 Bonds of affiliates .....  |   |                                    |   |   |  |
| 2.1 Preferred stocks (unaffiliated) .....                                | (2,490)   |                                    | (2,490)   | 9,692,329   |  |
| 2.11 Preferred stocks of affiliates .....                                |   |                                    |   |   |  |
| 2.2 Common stocks (unaffiliated) .....                                   | 10,742,484  | (3,247,458)                        | 7,495,026   | 810,838,200   |  |
| 2.21 Common stocks of affiliates .....                                   |   |                                    |   | 108,178,131   |  |
| 3. Mortgage loans .....  |   |                                    |   |   |  |
| 4. Real estate .....   |   |                                    |   |   |  |
| 5. Contract loans .....  |   |                                    |   |   |  |
| 6. Cash, cash equivalents and short-term investments .....               | (243)   |                                    | (243)   |   |  |
| 7. Derivative instruments .....  |   |                                    |   |   |  |
| 8. Other invested assets .....   |   | (6,462,918)                        | (6,462,918)   | 897,232   |  |
| 9. Aggregate write-ins for capital gains (losses) .....                  | 26,040  | 2,190                              | 28,230  |   |  |
| 10. Total capital gains (losses) .....                                   | 9,176,204   | (13,613,782)                       | (4,437,578)   | 937,401,855   |  |
| <b>DETAILS OF WRITE-INS</b>  |   |                                    |   |   |  |
| 0901. Capital gains from investments previously charged off .....        | 26,040  |                                    | 26,040  |   |  |
| 0902. Other .....  |   | 2,190                              | 2,190   |   |  |
| 0903. .....  |   |                                    |   |   |  |
| 0998. Summary of remaining write-ins for Line 9 from overflow page ..... |   |                                    |   |   |  |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....      | 26,040  | 2,190                              | 28,230  |   |  |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**EXHIBIT OF NON-ADMITTED ASSETS**

|  | 1<br>Current Year Total<br>Nonadmitted Assets | 2<br>Prior Year Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|--|---|---|---|
| 1. Bonds (Schedule D) .....  |   |   |   |
| 2. Stocks (Schedule D):  |   |   |   |
| 2.1 Preferred stocks .....   |   |   |   |
| 2.2 Common stocks .....  |   |   |   |
| 3. Mortgage loans on real estate (Schedule B):   |   |   |   |
| 3.1 First liens .....  |   |   |   |
| 3.2 Other than first liens .....   |   |   |   |
| 4. Real estate (Schedule A):   |   |   |   |
| 4.1 Properties occupied by the company .....   |   |   |   |
| 4.2 Properties held for the production of income .....   |   |   |   |
| 4.3 Properties held for sale .....   |   |   |   |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) ..... |   |   |   |
| 6. Contract loans .....  |   |   |   |
| 7. Derivatives (Schedule DB) .....   |   |   |   |
| 8. Other invested assets (Schedule BA) .....   |   |   |   |
| 9. Receivables for securities .....  |   |   |   |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....  |   |   |   |
| 11. Aggregate write-ins for invested assets .....  |   |   |   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  |   |   |   |
| 13. Title plants (for Title insurers only) .....   |   |   |   |
| 14. Investment income due and accrued .....  |   |   |   |
| 15. Premiums and considerations:   |   |   |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....                                     | 16,119,616                                    | 14,201,948                                  | (1,917,668)   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                  | 3,299,150                                     | 3,314,153                                   | 15,003  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                   |   |   |   |
| 16. Reinsurance:   |   |   |   |
| 16.1 Amounts recoverable from reinsurers .....   | 42,285  | 6,524                                       | (35,761)  |
| 16.2 Funds held by or deposited with reinsured companies .....   |   |   |   |
| 16.3 Other amounts receivable under reinsurance contracts .....  |   |   |   |
| 17. Amounts receivable relating to uninsured plans .....   |   |   |   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                   |   |   |   |
| 18.2 Net deferred tax asset .....  |   |   |   |
| 19. Guaranty funds receivable or on deposit .....  |   |   |   |
| 20. Electronic data processing equipment and software .....  | 20,227,542                                    | 17,184,843                                  | (3,042,699)   |
| 21. Furniture and equipment, including health care delivery assets .....   | 4,991,241                                     | 6,245,101                                   | 1,253,860   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....                                     |   |   |   |
| 23. Receivables from parent, subsidiaries and affiliates .....   |   |   |   |
| 24. Health care and other amounts receivable .....   |   |   |   |
| 25. Aggregate write-ins for other than invested assets .....   | 13,321,587                                    | 15,959,024                                  | 2,637,437   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) ..... | 58,001,421                                    | 56,911,592                                  | (1,089,828)   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                    |   |   |   |
| 28. Total (Lines 26 and 27) .....  | 58,001,421                                    | 56,911,592                                  | (1,089,828)   |
| <b>DETAILS OF WRITE-INS</b>  |   |   |   |
| 1101. .....  |   |   |   |
| 1102. .....  |   |   |   |
| 1103. .....  |   |   |   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  |   |   |   |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....   |   |   |   |
| 2501. Miscellaneous Receivables .....  | 13,321,587                                    | 15,959,024                                  | 2,637,437   |
| 2502. .....  |   |   |   |
| 2503. .....  |   |   |   |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  |   |   |   |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....   | 13,321,587                                    | 15,959,024                                  | 2,637,437   |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

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**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies and Going Concern**

**A. Accounting Practices**

The financial statements of The Cincinnati Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' Accounting Practices and Procedures Manual (NAIC SAP), version effective January 1, 2001 and updates through the current year have been adopted as a component of prescribed or permitted practices by the state of Ohio.

The Company has no prescribed or permitted practices that would result in differences between the NAIC SAP and the state of Ohio basis, as shown below:

|  | <b>SSAP #</b> | <b>F/S Page</b> | <b>F/S Line #</b> | <b>2019</b>     | <b>2018</b>     |
|--|---------------|-----------------|-------------------|-----------------|-----------------|
| <b>NET INCOME</b>  |               |                 |                   |                 |                 |
| (1) Company state basis (Page 4, Line 20, Columns 1 & 2)         | XXX           | XXX             | XXX               | \$ 558,109,564  | \$ 626,067,826  |
| (2) State Prescribed Practices that increase/(decrease) NAIC SAP | N/A           | N/A             | N/A               | 0               | 0               |
| (3) State Permitted Practices that increase/(decrease) NAIC SAP  | N/A           | N/A             | N/A               | 0               | 0               |
| (4) NAIC SAP (1-2-3=4)   | XXX           | XXX             | XXX               | \$ 558,109,564  | \$ 626,067,826  |
| <b>SURPLUS</b>   |               |                 |                   |                 |                 |
| (5) Company state basis (Page 3, Line 37, Columns 1 & 2)         | XXX           | XXX             | XXX               | \$5,619,676,055 | \$4,919,104,373 |
| (6) State Prescribed Practices that increase/(decrease) NAIC SAP | N/A           | N/A             | N/A               | 0               | 0               |
| (7) State Permitted Practices that increase/(decrease) NAIC SAP  | N/A           | N/A             | N/A               | 0               | 0               |
| (8) NAIC SAP (5-6-7=8)   | XXX           | XXX             | XXX               | \$5,619,676,055 | \$4,919,104,373 |

**B. Use of Estimates in the Preparation of the Financial Statements**

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policies**

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. These reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Cash equivalents, highly liquid debt instruments with original maturities of 90 days or less, and short term investments are carried at amortized cost, which approximates fair value.
2. Fixed maturities (bonds and notes) with an NAIC designation of 1 or 2 are valued and reported in accordance with the *NAIC Purposes and Procedures Manual of the NAIC Investment Analysis Office*, generally at amortized cost using the scientific interest method. Fixed maturities with an NAIC designation 3 through 6 are carried at the lower of amortized cost or fair value, with the difference reflected in assigned surplus.
3. Common stocks of non-affiliates are stated at fair values. Investments in unconsolidated insurance subsidiaries are carried at the subsidiaries' underlying audited capital and surplus amounts as determined on a statutory-basis. Equity in net income or loss and surplus transactions of unconsolidated insurance subsidiaries are reflected directly in the Company's unassigned surplus.
4. Redeemable preferred stocks are carried at amortized cost or the lower of amortized cost or fair value, depending on the NAIC designation. Perpetual preferred stocks are carried at fair value or the lower of amortized cost or fair value, depending on the assigned NAIC designation.
5. The Company does not have any investments in mortgage loans.
6. Loan-backed and structured securities with an NAIC designation 1 or 2 are stated at amortized cost. Loan-backed and structured securities with an NAIC designation 3 through 6 are stated at the lower of amortized cost or fair value, with the difference reflected in assigned surplus. Amortized cost of loan-backed and structured securities is determined using the retrospective adjustment method, except for those which an other-than-temporary impairment has been recognized, which use the prospective adjustment method to determine amortized cost.
7. The Company does not have any investments in non-insurance subsidiaries, controlled or affiliated companies.
8. The Company's investment in joint ventures, partnerships, and limited liability entities primarily consist of limited liability companies that invest in low income housing tax credit properties and are carried at proportional amortized cost.
9. The Company does not have any investments in derivatives.

# ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY

## NOTES TO FINANCIAL STATEMENTS

10. In the event that a first-order approximation (excluding anticipated investment income) of estimated future costs related to unearned premium as of a particular evaluation date exceeds the unearned premium as of that date, the Company would incorporate consideration of the related investment income it would expect to earn. However, to date the Company has not had to proceed to this step in order to demonstrate that no premium deficiency exists.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from a prior period.
13. The Company has no pharmaceutical rebate receivables.

### D. Going Concern

After review of the Company's financial condition, management has no doubts about the Company's ability to continue as a going concern.

### 2. Accounting Changes and Correction of Errors

The Company had no material changes in accounting principles and/or corrections of errors.

### 3. Business Combinations and Goodwill – Not applicable

### 4. Discontinued Operations – Not applicable

### 5. Investments

#### A. Mortgage Loans – Not applicable

#### B. Debt Restructuring – Not applicable

#### C. Reverse Mortgages – Not applicable

#### D. Loan-Backed Securities

1. The Company obtains prepayment assumptions from third-party vendors.
2. The Company recognized no other-than-temporary impairments for loan-backed and structured securities due to the intent to sell or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis for the year ended December 31, 2019.
3. The Company recognized no other-than-temporary impairments due to the present value of cash flows expected to be collected being less than the amortized cost basis for loan-backed and structured securities for the year ended December 31, 2019.
4. The following table presents the aggregate total of all impaired loan-backed and structured securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

| The aggregate amount of unrealized losses:                             |      |
|--|------|
| 1. Less than 12 months   | \$ 0 |
| 2. 12 months or longer   | 0    |
| The aggregate related fair value of securities with unrealized losses: |      |
| 1. Less than 12 months   | \$ 0 |
| 2. 12 months or longer   | 0    |

5. The Company performs a quarterly analysis to assess whether the decline in the fair value of any loan-backed or structured security is other-than-temporary. Factors considered in determining whether a decline in fair value is considered other-than-temporary included the length of time and the extent to which the fair value of the security has been below cost or amortized cost and changes in credit ratings of the issue during the period. The intent to sell, the intent and ability to hold the security for a period of time sufficient to recover its cost or amortized cost basis and the ability to recover all outstanding amounts when contractually due are also considered. Based upon this analysis the Company believes there were no indications of declines in fair value that were considered to be other-than-temporary for any loan-backed or structured securities with unrealized losses as of December 31, 2019.

#### E. Dollar Repurchase Agreements and/or Securities Lending Transactions – Not applicable

#### F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – Not applicable

#### G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – Not applicable

#### H. Repurchase Agreements Transactions Accounted for as a Sale – Not applicable

#### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – Not applicable

#### J. Real Estate - Not applicable

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**K. Investments in Low-income Housing Tax Credits (LIHTC)**

1. The Company has five LIHTC investments. The number of years of unexpired tax credits range from 8 to 12 years. The remaining required holding period ranges from 8 to 12 years.
2. The Company recognized \$9,123,583 and \$7,825,372 in tax credits and other tax benefits associated with its LIHTC investments during the years ended December 31, 2019 and 2018, respectively.
3. The Company has LIHTC investment balances of \$155,832,221 and \$127,556,858 as of December 31, 2019 and 2018, respectively.
4. The Company is not aware that any LIHTC investments were subject to any regulatory reviews.
5. The Company's LIHTC investments do not exceed 10% of net admitted assets.
6. The Company did not recognize any impairment on LIHTC investments during the statement periods presented.
7. There were no write-downs or reclassifications made due to the forfeiture or ineligibility of tax credits, etc., in 2019.

**L. Restricted Assets**

**1. Restricted Assets (Including Pledged)**

| Restricted Asset Category  | Gross (Admitted and Nonadmitted) Restricted Current Year |                                       |  |   |                  |                       |                                  | 8                            | 9                                     | Percentage  |  |
|--|--|---------------------------------------|--|---|------------------|-----------------------|----------------------------------|------------------------------|---------------------------------------|---|--|
|  | 1  | 2                                     | 3  | 4   | 5                | 6                     | 7                                |                              |                                       | 10  | 11   |
|  | Total General Account (G/A)                              | G/A Supporting Protected Cell Account | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets Supporting G/A Activity | Total (1 plus 3) | Total from Prior Year | Increased (Decrease) (5 minus 6) | Total Nonadmitted Restricted | Total Admitted Restricted (5 minus 8) | Gross (Admitted & Nonadmitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets (d) |
| a. Subject to contractual obligation for which liability is not shown              | \$ 0   | \$ 0                                  | \$ 0   | \$ 0  | \$ 0             | \$ 0                  | \$ 0                             | \$ 0                         | \$ 0                                  | 0.00%   | 0.00%  |
| b. Collateral held under security lending agreements                               | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| c. Subject to repurchase agreements  | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| d. Subject to reverse repurchase agreements  | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| e. Subject to dollar repurchase agreements   | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| f. Subject to dollar reverse repurchase agreements                                 | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| g. Placed under option contracts   | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| i. FHLB capital stock  | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| j. On deposit with states  | 71,663,548   | 0                                     | 0  | 0   | 71,663,548       | 72,152,464            | (488,316)                        | 0                            | 71,663,548                            | 0.50%   | 0.50%  |
| k. On deposit with other regulatory  | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| l. Pledged collateral to FHLB (including assets backing funding agreements)        | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| m. Pledged as collateral not captured in other categories                          | 80,633,756   | 0                                     | 0  | 0   | 80,633,756       | 61,738,284            | 18,355,472                       | 0                            | 80,633,756                            | 0.56%   | 0.56%  |
| n. Other restricted assets   | 0  | 0                                     | 0  | 0   | 0                | 0                     | 0                                | 0                            | 0                                     | 0.00%   | 0.00%  |
| o. Total Restricted Assets   | \$ 152,357,304   | \$ 0                                  | \$ 0   | \$ 0  | \$ 152,357,304   | \$ 133,890,748        | \$ 18,466,556                    | \$ 0                         | \$ 152,357,304                        | 1.06%   | 1.06%  |

(a) Subset of column 1  
 (b) Subset of column 3  
 (c) Column 5 divided by Asset Page, Column 1, Line 28  
 (d) Column 3 divided by Asset Page, Column 3, Line 28

**2. Detail of Assets Pledged as Collateral Not Captured in Other Categories**

Assets pledged as collateral not captured in other categories consist of collateral pledged for certain reinsurance assumed contracts.

**3. Detail of Other Restricted Assets – Not applicable**

**4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements – Not applicable**

**M. Working Capital Finance Investments – Not applicable**

**N. Offsetting and Netting of Assets and Liabilities – Not applicable**

**O. 5GI Securities**

| Investments              | Number of 5GI Securities: Current Year | Number of 5GI Securities: Prior Year | Aggregate BACV: Current Year | Aggregate BACV: Prior Year | Aggregate Fair Value: Current Year | Aggregate Fair Value: Prior Year |
|--------------------------|--|--------------------------------------|------------------------------|----------------------------|------------------------------------|----------------------------------|
| (1) Bonds – AC           | 6                                      | 0                                    | \$ 22,137,187                | 0                          | \$ 22,946,320                      | \$ 0                             |
| (2) Bonds – FV           | 0                                      | 0                                    | 0                            | 0                          | 0                                  | 0                                |
| (3) LB&SS – AC           | 0                                      | 0                                    | 0                            | 0                          | 0                                  | 0                                |
| (4) LB&SS – FV           | 0                                      | 0                                    | 0                            | 0                          | 0                                  | 0                                |
| (5) Preferred Stock - AC | 1                                      | 0                                    | 1,000,001                    | 0                          | 1,186,207                          | 0                                |
| (6) Preferred Stock - FV | 0                                      | 0                                    | 0                            | 0                          | 0                                  | 0                                |
| (7) Total                | 7                                      | 0                                    | \$ 23,137,188                | 0                          | \$ 24,132,527                      | 0                                |

AC – Amortized Cost

FV – Fair Value

**P. Short Sales – Not applicable**

**Q. Prepayment Penalty and Acceleration Fees**

|   | General Account | Protected Cell |
|---|-----------------|----------------|
| (1) Number of CUSIPs                      | 41              | 0              |
| (2) Aggregate Amount of Investment Income | \$ 5,770,834    | \$ 0           |

**6. Joint Ventures, Partnerships and Limited Liability Companies**

**A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.**

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

B. The Company recognized \$6,462,918 of impairment write-downs on its investments in historic tax credit limited liability companies (LLC) due to usage of the related tax credits received from the LLC.

**7. Investment Income**

A. The Company does not admit investment income due and accrued if amounts are over 90 days past due.  
 B. No amount of investment income was excluded.

**8. Derivative Instruments – Not applicable**

**9. Income Taxes**

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs):

1.

|   | 2019           |                 |                 |
|---|----------------|-----------------|-----------------|
|   | Ordinary       | Capital         | Total           |
| (a) Gross Deferred Tax Assets                             | \$ 202,288,536 | \$ 0            | \$ 202,288,536  |
| (b) Statutory Valuation Allowance Adjustments             | 0              | 0               | 0               |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)          | 202,288,536    | 0               | 202,288,536     |
| (d) Deferred Tax Assets Nonadmitted                       | 0              | 0               | 0               |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)    | 202,288,536    | 0               | 202,288,536     |
| (f) Deferred Tax Liabilities                              | \$ 48,736,210  | \$ 502,670,916  | \$ 551,407,126  |
| (g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f) | \$ 153,552,326 | (\$502,670,916) | (\$349,118,590) |

|   | 2018           |                 |                 |
|---|----------------|-----------------|-----------------|
|   | Ordinary       | Capital         | Total           |
| (a) Gross Deferred Tax Assets                             | \$ 186,204,248 | \$ 0            | \$ 186,204,248  |
| (b) Statutory Valuation Allowance Adjustments             | 0              | 0               | 0               |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)          | 186,204,248    | 0               | 186,204,248     |
| (d) Deferred Tax Assets Nonadmitted                       | 0              | 0               | 0               |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)    | 186,204,248    | 0               | 186,204,248     |
| (f) Deferred Tax Liabilities                              | \$ 46,134,849  | \$ 321,334,515  | \$ 367,469,364  |
| (g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f) | \$ 140,069,399 | (\$321,334,515) | (\$181,265,116) |

|   | Change        |                 |                 |
|---|---------------|-----------------|-----------------|
|   | Ordinary      | Capital         | Total           |
| (a) Gross Deferred Tax Assets                             | \$ 16,084,288 | \$ 0            | \$ 16,084,288   |
| (b) Statutory Valuation Allowance Adjustments             | 0             | 0               | 0               |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)          | 16,084,288    | 0               | 16,084,288      |
| (d) Deferred Tax Assets Nonadmitted                       | 0             | 0               | 0               |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)    | 16,084,288    | 0               | 16,084,288      |
| (f) Deferred Tax Liabilities                              | \$ 2,601,361  | \$ 181,336,401  | \$ 183,937,762  |
| (g) Net Admitted Deferred Tax Asset/(Liability) (1e - 1f) | \$ 13,482,927 | (\$181,336,401) | (\$167,853,474) |

2.

|   | 2019           |         |                |
|---|----------------|---------|----------------|
|   | Ordinary       | Capital | Total          |
| Admission Calculation Components SSAP No. 101   |                |         |                |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks  | \$ 165,815,190 | \$ 0    | \$ 165,815,190 |
| (b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below) |                |         |                |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date  | 8,439,164      | 0       | 8,439,164      |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold  | 8,439,164      | 0       | 8,439,164      |
| (c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities  | XXX            | XXX     | 842,926,501    |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c)  | 28,034,182     | 0       | 28,034,182     |
|   | \$ 202,288,536 | \$ 0    | \$ 202,288,536 |

|   | 2018           |         |                |
|---|----------------|---------|----------------|
|   | Ordinary       | Capital | Total          |
| Admission Calculation Components SSAP No. 101   |                |         |                |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks  | \$ 154,418,635 | \$ 0    | \$ 154,418,635 |
| (b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The lesser of 2(b)1 and 2(b)2 Below) |                |         |                |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date  | 8,330,854      | 0       | 8,330,854      |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold  | 8,330,854      | 0       | 8,330,854      |
| (c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities  | XXX            | XXX     | 737,854,680    |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c)  | 23,454,759     | 0       | 23,454,759     |
|   | \$ 186,204,248 | \$ 0    | \$ 186,204,248 |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

|   | Change        |         |               |
|---|---------------|---------|---------------|
|   | Ordinary      | Capital | Total         |
| Admission Calculation Components SSAP No. 101   |               |         |               |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks  | \$ 11,396,555 | \$ 0    | \$ 11,396,555 |
| (b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation: (The lesser of 2(b)1 and 2(b)2 Below) |               |         |               |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date  | 108,310       | 0       | 108,310       |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold  | 108,310       | 0       | 108,310       |
| (c) Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities  | XXX           | XXX     | 105,071,821   |
| (d) Deferred Tax Assets Admitted as the Result of Application of SSAP No.101 Total (2(a)+2(b)+2(c)  | 4,579,423     | 0       | 4,579,423     |
|   | \$ 16,084,288 | \$ 0    | \$ 16,084,288 |

3.

|  | 2019 Percentage | 2018 Percentage |
|--|-----------------|-----------------|
| (a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount                               | 687%            | 685%            |
| (b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 above | \$5,654,417,610 | \$4,951,739,388 |

4.

|   | 2019           |         |                |
|---|----------------|---------|----------------|
|   | Ordinary       | Capital | Total          |
| Impact of Tax Planning Strategies   |                |         |                |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. |                |         |                |
| 1. Adjusted Gross DTAs amount from Note 9A1(c)  | \$ 202,288,536 | \$ 0    | \$ 202,288,536 |
| 2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                     | 0.00%          | 0.00%   | 0.00%          |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)   | \$ 202,288,536 | \$ 0    | \$ 202,288,536 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies    | 0.00%          | 0.00%   | 0.00%          |
| (b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.               |                |         |                |

|   | 2018           |         |                |
|---|----------------|---------|----------------|
|   | Ordinary       | Capital | Total          |
| Impact of Tax Planning Strategies   |                |         |                |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. |                |         |                |
| 1. Adjusted Gross DTAs amount from Note 9A1(c)  | \$ 186,204,248 | \$ 0    | \$ 186,204,248 |
| 2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                     | 0.00%          | 0.00%   | 0.00%          |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)   | \$ 186,204,248 | \$ 0    | \$ 186,204,248 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies    | 0.00%          | 0.00%   | 0.00%          |
| (b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.               |                |         |                |

|   | Change        |         |               |
|---|---------------|---------|---------------|
|   | Ordinary      | Capital | Total         |
| Impact of Tax Planning Strategies   |               |         |               |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage. |               |         |               |
| 1. Adjusted Gross DTAs amount from Note 9A1(c)  | \$ 16,084,288 | \$ 0    | \$ 16,084,288 |
| 2. Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                     | 0.00%         | 0.00%   | 0.00%         |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)   | \$ 16,084,288 | \$ 0    | \$ 16,084,288 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies    | 0.00%         | 0.00%   | 0.00%         |
| (b) The Company's tax-planning strategies did not include the use of reinsurance-related tax planning strategies.               |               |         |               |

B. Unrecognized DTLs – Not applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

|  | 2019          | 2018            | Change         |
|--|---------------|-----------------|----------------|
|  | Ordinary      | Capital         | Total          |
| (a) Federal                                      | \$ 97,609,217 | \$ (47,769,324) | \$ 145,378,541 |
| (b) Foreign                                      | 603,163       | 527,277         | 75,886         |
| (c) Subtotal                                     |               |                 |                |
| (d) Federal income tax on capital gains/(losses) | 98,212,380    | (47,242,047)    | 145,454,427    |
| (e) Utilization of capital loss carryforwards    | (1,181,023)   | 24,624,026      | (25,805,049)   |
| (f) Other  | 0             | 0               | 0              |
| (g) Federal income taxes incurred                | \$ 97,031,357 | \$ (22,618,021) | \$ 119,649,378 |

# ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY

## NOTES TO FINANCIAL STATEMENTS

### 2. Deferred tax assets:

|   | 2019           | 2018           | Change        |
|---|----------------|----------------|---------------|
| (a) Ordinary  |                |                |               |
| 1. Unearned premium reserve                                     | \$ 106,655,889 | \$ 99,704,045  | \$ 6,951,844  |
| 2. Unpaid loss reserve  | 60,720,369     | 55,790,862     | 4,929,507     |
| 3. Contingent commission  | 0              | 0              | 0             |
| 4. Nonadmitted assets   | 12,180,298     | 11,951,434     | 228,864       |
| 5. Other deferred tax assets                                    | 22,731,980     | 18,757,907     | 3,974,073     |
| 99. Subtotal  | \$ 202,288,536 | \$ 186,204,248 | \$ 16,084,288 |
| (b) Statutory valuation allowance adjustment                    | 0              | 0              | 0             |
| (c) Nonadmitted   | 0              | 0              | 0             |
| (d) Admitted ordinary deferred tax assets<br>(2(a)99-2(b)-2(c)) | \$ 202,288,536 | \$ 186,204,248 | \$ 16,084,288 |
| (e) Capital   |                |                |               |
| 1. Investments  | \$ 0           | \$ 0           | \$ 0          |
| 2. Unrealized (gain)/loss on investments                        | 0              | 0              | 0             |
| 99. Subtotal  | \$ 0           | \$ 0           | \$ 0          |
| (f) Statutory valuation allowance                               | 0              | 0              | 0             |
| (g) Nonadmitted   | 0              | 0              | 0             |
| (h) Admitted capital deferred tax assets<br>(2(e)99-2(f)-2(g))  | \$ 0           | \$ 0           | \$ 0          |
| (i) Admitted deferred tax assets (2(d)+2(h))                    | \$ 202,288,536 | \$ 186,204,248 | \$ 16,084,288 |

### 3. Deferred tax liabilities:

|   | 2019            | 2018            | Change          |
|---|-----------------|-----------------|-----------------|
| (a) Ordinary  |                 |                 |                 |
| 1. Commission expense                                 | \$ 42,776,186   | \$ 40,596,770   | \$ 2,179,416    |
| 2. Other, net   | 5,960,024       | 5,538,079       | 421,945         |
| 99. Subtotal  | \$ 48,736,210   | \$ 46,134,849   | \$ 2,601,361    |
| (b) Capital   |                 |                 |                 |
| 1. Investments  | \$ 16,214,637   | \$ 9,015,218    | \$ 7,199,419    |
| 2. Unrealized (gain)/loss on investments              | 486,456,279     | 312,319,297     | \$ 174,136,982  |
| 99. Subtotal  | \$ 502,670,916  | \$ 321,334,515  | \$ 181,336,401  |
| (c) Deferred tax liabilities (3(a)99+3(b)99)          | \$ 551,407,126  | \$ 367,469,364  | \$ 183,937,762  |
| 4. Net deferred tax assets/(liabilities) (2(i)-3(c)): | \$(349,118,590) | \$(181,265,116) | \$(167,853,474) |

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

|  | December 31, 2019 | December 31, 2018 | Change           |
|--|-------------------|-------------------|------------------|
| Total deferred tax assets                          | \$ 202,288,536    | \$ 186,204,248    | \$ 16,084,288    |
| Total deferred tax liabilities                     | 551,407,126       | 367,469,364       | 183,937,762      |
| Net deferred tax asset/(liability)                 | \$ (349,118,590)  | \$ (181,265,116)  | \$ (167,853,474) |
| Tax effect of unrealized (gains)/losses            |                   |                   | 174,136,982      |
| Change in net deferred income tax (charge)/benefit |                   |                   | \$ 6,283,508     |
|  | December 31, 2018 | December 31, 2017 | Change           |
| Total deferred tax assets                          | \$ 186,204,248    | \$ 247,019,788    | \$ (60,815,540)  |
| Total deferred tax liabilities                     | 367,469,364       | 440,169,969       | (72,700,605)     |
| Net deferred tax asset/(liability)                 | \$ (181,265,116)  | \$ (193,150,181)  | \$ 11,885,065    |
| Tax effect of unrealized (gains)/losses            |                   |                   | (78,593,776)     |
| Change in net deferred income tax (charge)/benefit |                   |                   | \$ (66,708,711)  |

### D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

| Description  | As of December 31, 2019 |                |                    |
|--|-------------------------|----------------|--------------------|
|  | Amount                  | Tax Effect     | Effective Tax Rate |
| Income before taxes                                | \$ 655,140,924          | \$ 137,579,594 | 21.00 %            |
| Net tax exempt interest                            | (74,088,876)            | (15,558,664)   | (2.37)%            |
| Net dividends received deduction (DRD)             | (39,781,693)            | (8,354,156)    | (1.28)%            |
| Other items permanent, net                         | (107,954,285)           | (22,670,399)   | (3.46)%            |
| DRD on accrued                                     | (93,627)                | (19,662)       | 0.00 %             |
| Total  | \$ 433,222,443          | \$ 90,976,713  | 13.89 %            |
| Federal income tax expense incurred/(benefit)      | \$ 467,678,000          | \$ 98,212,380  | 14.99 %            |
| Tax on capital gains/(losses)                      | (5,623,919)             | (1,181,023)    | (0.18)%            |
| Change in nonadmitted excluding deferred tax asset | 1,089,829               | 228,864        | 0.03 %             |
| Change in net deferred income tax charge/(benefit) | (29,921,467)            | (6,283,508)    | (0.95)%            |
| Total statutory income taxes incurred              | \$ 433,222,443          | \$ 90,976,713  | 13.89 %            |

| Description  | As of December 31, 2018 |                 |                    |
|--|-------------------------|-----------------|--------------------|
|  | Amount                  | Tax Effect      | Effective Tax Rate |
| Income before taxes                                | \$ 603,449,805          | \$ 126,724,459  | 21.00 %            |
| Net tax exempt interest                            | (78,630,858)            | (16,512,480)    | (2.74)%            |
| Net dividends received deduction (DRD)             | (39,448,383)            | (8,284,160)     | (1.37)%            |
| Tax accounting method changes                      | (237,317,010)           | (49,836,572)    | (8.26)%            |
| Other items permanent, net                         | (53,606,988)            | (11,257,468)    | (1.86)%            |
| DRD on accrued                                     | 138,844                 | 29,157          | 0.00 %             |
| Total  | \$ 194,585,410          | \$ 40,862,936   | 6.77 %             |
| Federal income tax expense incurred/(benefit)      | \$ (224,962,129)        | \$ (47,242,047) | (7.83)%            |
| Tax on capital gains/(losses)                      | 117,257,267             | 24,624,026      | 4.08 %             |
| Change in nonadmitted excluding deferred tax asset | (15,370,257)            | (3,227,754)     | (0.53)%            |
| Change in net deferred income tax charge/(benefit) | 317,660,529             | 66,708,711      | 11.05 %            |
| Total statutory income taxes incurred              | \$ 194,585,410          | \$ 40,862,936   | 6.77 %             |

### E. Operating Loss and Tax Credit Carryforwards

At December 31, 2019 the Company had no net operating loss carryforwards or capital loss carryforwards.

The following is income tax expense for the current and prior years that is available for recoupment in the event of future net losses:

| Year  | Ordinary       | Capital       | Total          |
|-------|----------------|---------------|----------------|
| 2019  | \$ 99,528,553  | \$ 30,852     | \$ 99,559,405  |
| 2018  | 126,254,201    | 26,255,930    | 152,510,131    |
| 2017  | 0              | 0             | 0              |
| Total | \$ 225,782,754 | \$ 26,286,782 | \$ 252,069,536 |

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY

### NOTES TO FINANCIAL STATEMENTS

At December 31, 2019 the Company had no protective tax deposits under Section 6603 of the Internal Revenue Code.

#### F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

Cincinnati Financial Corporation (Parent)  
The Cincinnati Life Insurance Company  
The Cincinnati Casualty Company  
The Cincinnati Indemnity Company  
The Cincinnati Specialty Underwriters Insurance Company  
CFC Investment Company  
CSU Producer Resources, Inc.

2. The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis, with the company receiving a current benefit for losses generated to the extent federal taxes are reduced for the consolidated tax group.

#### G. Federal or Foreign Income Tax Loss Contingencies

The Company did have tax contingencies under the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets*. For years ended December 31, 2019 and 2018, we had a gross unrecognized tax benefit of \$31.4 million. The entire amount of our liability, if recognized, would impact the effective tax rate. We do not expect any changes to our unrecognized tax benefit liability in the next twelve months. This gross unrecognized tax benefit of \$31.4 million has been netted for a final current federal and foreign income tax recoverable of \$4.7 million. The Company is primarily subject to examination by U.S. federal and various U.S. state and local tax authorities. The statute of limitations for federal tax purposes has closed for tax years 2015 and earlier. In 2019, the IRS began its examination of the tax year ended December 31, 2017. At this time, no adjustments have been proposed. The statute of limitations for state income tax purposes has closed for tax years 2015 and earlier.

#### H. The Company is not subject to Repatriation Transition Tax as outlined under the Tax Cuts and Jobs Act (TCJA).

- I. There was \$0 of AMT Credit Carryforward as of the beginning of the year. In addition, there were no current year adjustments resulting in \$0 of AMT Credit Carryforward at the end of the year.

## 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

#### A. Nature of Relationships

The Company is a wholly-owned subsidiary of Cincinnati Financial Corporation (See Schedule Y, Part 1, Organizational Chart).

#### B. Detail of Transactions Greater than 1/2% of Admitted Assets

The Company paid the following dividends to Cincinnati Financial Corporation:

| Date               | Amount         | Type     |
|--------------------|----------------|----------|
| January 22, 2019   | \$ 100,000,000 | Ordinary |
| April 19, 2019     | \$ 200,000,000 | Ordinary |
| July 19, 2019      | \$ 100,000,000 | Ordinary |
| September 23, 2019 | \$ 100,000,000 | Ordinary |
| December 16, 2019  | \$ 125,000,000 | Ordinary |

#### C. Change in Terms of Intercompany Agreements – Not Applicable

#### D. Amounts Due to or from Related Parties

At December 31, 2019, the Company reported \$9,384,777 due from an affiliate CSU Producer Resources, Inc. and from a subsidiary, The Cincinnati Specialty Underwriters Insurance Company. Also at December 31, 2019, the Company reported \$29,780,978 due to the Ultimate Parent, Cincinnati Financial Corporation, and to affiliates The Cincinnati Life Insurance Company and CFC Investment Company, and to subsidiaries The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The terms of the settlement require that these amounts be settled within 30 days.

#### E. Guarantees or Contingencies for Related Parties – Not applicable

#### F. Management, Service Contracts, Cost Sharing Arrangements

The Company has the following management agreements with related parties:

1. Inter-company Benefits and Expense Allocation Agreement.
2. Inter-company Cost Sharing and Expense Allocation Agreement.
3. Inter-company Tax Sharing Agreement.

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY

### NOTES TO FINANCIAL STATEMENTS

#### 4. Inter-company Reinsurance Agreement.

#### G. Nature of Relationships that Could Affect Operations

All outstanding shares of The Company are owned by the Ultimate Parent Company, Cincinnati Financial Corporation, a holding company domiciled in the state of Ohio.

#### H. Amount Deducted from Value of an Investment in Upstream Entity – Not applicable

#### I. Investment in an SCA that exceeds 10% of Admitted Assets – Not applicable

#### J. Impairment Writedowns related to Investments in SCA entities – Not applicable

#### K. Investment in Foreign Insurance Subsidiaries – Not applicable

#### L. Investment in Downstream Noninsurance Holding Company – Not applicable

#### M. All SCA Investments (Except 8bi Entities) – Not applicable

#### N. Investment in Insurance SCA Entities Utilizing Permitted or Prescribed Practices – Not applicable

#### O. SCA Loss Tracking – Note applicable

#### 11. Debt – Not applicable

#### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

#### A. Defined Benefit Plan – Not applicable

#### B. Defined Benefit Plan Assets – Not applicable

#### C. Fair Value Measurement of Defined Benefit Plan Assets – Not Applicable

#### D. Defined Benefit Plan Rate of Return on Assets Assumptions – Not applicable

#### E. Defined Contribution Plans – Not applicable

#### F. Multiemployer Plans – Not applicable

#### G. Consolidated/Holding Company Plans

1. Defined Benefit Pension Plan – The Company participates in a qualified, noncontributory defined benefit pension plan sponsored by Cincinnati Financial Corporation, the Ultimate Parent. The Company has no legal obligations for benefits under the plan. Cincinnati Financial Corporation allocates amounts to the Company based on the percentage of participants on the Company's payroll. The Company's share of net expense for the qualified pension plan was \$2,900,108 and \$4,432,386 for 2019 and 2018, respectively.

2. Defined Contribution Plan - The Company participates in a qualified, defined contribution plan sponsored by Cincinnati Financial Corporation, the Ultimate Parent. The Company has no legal obligation for benefits under the plan. Cincinnati Financial Corporation allocates amounts to the Company based on an inter-company management fee. The Company's share of net expense for the defined contribution plan was \$16,708,914 and \$16,448,595 for 2019 and 2018, respectively.

#### H. Postemployment Benefits and Compensated Absences – Not applicable

#### I. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable

#### 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. The Company has 1,000,000 shares authorized, 717,271 shares issued and 717,271 shares outstanding. All shares are Class A shares.

2. Preferred stock issues – Not applicable

3. The maximum amount of dividends or distributions which may be paid to stockholders by property and casualty companies domiciled in the state of Ohio without prior approval or expiration of a 30 day waiting period without disapproval of the Director of Insurance is the greater of net income or 10% of policyholders' surplus as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of ordinary dividends or distributions the Company may pay in 2020 based upon surplus is \$561,967,606.

4. The Company paid the following dividends to Cincinnati Financial Corporation:

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

| Date               | Amount         | Type     |
|--------------------|----------------|----------|
| January 22, 2019   | \$ 100,000,000 | Ordinary |
| April 19, 2019     | \$ 200,000,000 | Ordinary |
| July 19, 2019      | \$ 100,000,000 | Ordinary |
| September 23, 2019 | \$ 100,000,000 | Ordinary |
| December 16, 2019  | \$ 125,000,000 | Ordinary |

5. Within the limitations of item 3 above, there are no specific restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
6. Surplus restrictions – Not applicable
7. Mutual Surplus Advances – Not applicable
8. Company Stock Held for Special Purposes – Not applicable
9. Changes in Special Surplus Funds – Not applicable
10. The portion of unassigned funds (surplus) represented or (reduced) by cumulative unrealized gains/(losses) are \$2,316,458,471 offset by deferred tax of \$486,456,279 for a net balance of \$1,830,002,192.
11. Surplus Notes – Not applicable
12. Restatement of Quasi-Reorganization – Not applicable
13. Date of Quasi-Reorganization – Not applicable

**14. Liabilities, Contingencies and Assessments**

**A. Contingent Commitments**

1. Total SSAP No. 97 – Investments in Subsidiary, Controlled, and Affiliated Entities, and SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies contingent liabilities: The Company has future commitments to joint ventures, limited partnerships and limited liability companies in the amount of \$85,423,219.

As of December 31, 2019, the Company has \$85,514,715 of legally binding, unfunded commitments related to LIHTC property investments reported as liabilities within the balance sheet. The Company expects to fund these commitments as follows:

| Year       | Amount       |
|------------|--------------|
| 2020       | \$66,436,739 |
| 2021       | \$4,814,759  |
| 2022       | \$2,250,000  |
| 2023       | \$2,250,000  |
| 2024       | \$2,250,000  |
| Thereafter | \$7,513,217  |

2.

| Nature and circumstances of guarantee and key attributes, including date and duration of agreement  | Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R) | Ultimate financial statement impact if action under the guarantee is required | Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted. | Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted   |
|---|---|---|--|---|
| Guarantee 50% of the construction loan of an unaffiliated real estate partnerships, held by an affiliated real estate entity. The joint and several guarantees will be in place for the life of the construction loans.   | \$63,239  | Investments in SCA  | \$10,810,000   | Real estate partnerships are current in all payments of principal and/or interest.  |
| Guarantee recourse carve out for the lending institution and 50% of the construction loan of an unaffiliated real estate partnership, held by an affiliated real estate entity. The joint and several guarantee will be in place for the life of the construction loan. | \$19,365  | Investments in SCA  | \$9,187,006  | No claims. A recourse provision enables the guarantor to recover from third parties 50% of amounts paid under the guarantee.  |
| Guarantee the construction completion of an unaffiliated real estate partnership, held by an affiliated real estate entity. The joint and several guarantee will be in place during construction.   | \$19,365  | Investments in SCA  |  | Construction is in progress in accordance to construction contact. A recourse provision enables the guarantor to recover from third parties 50% of amounts paid under the guarantee. Undeterminable maximum potential due to potential variability of construction costs. |
| <b>Total</b>  | <b>\$101,969</b>  |   | <b>\$19,997,006</b>  |   |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

3.

|  |              |
|--|--------------|
| a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal column 4 of item (2) above) | \$19,997,006 |
| b. Current Liability Recognized in F/S:  |              |
| 1. Noncontingent Liabilities   |              |
| 2. Contingent Liabilities  | \$101,969    |
| c. Ultimate Financial Statement Impact if action under the guarantee is required.  |              |
| 1. Investment in SCA   | \$19,997,006 |
| 2. Joint Venture   |              |
| 3. Dividends to Stockholders (capital contribution)  |              |
| 4. Expense   |              |
| 5. Other   |              |
| 6. Total (Should equal 3(a).)  | \$19,997,006 |

**B. Assessments**

The Company was not aware of any material assessments as of December 31, 2019.

**C. Gain Contingencies – Not applicable**

**D. Claims Related to Extra Contractual Obligations or Bad Faith Claims Stemming from Lawsuits**

The Company paid the following amounts in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits:

|  | Net         |
|--|-------------|
| Claims related ECO and bad faith losses paid during the reporting period | \$3,905,152 |

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
| X                  |                     |                      |                       |                             |

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [X] (g) Per Claimant [ ]

**E. Product Warranties – Not applicable**

**F. Joint and Several Liabilities – Not applicable**

**G. All Other Contingencies**

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no assets it considers impaired.

**15. Leases**

**A. Lessee Operating Lease**

1. The Company has various noncancelable operating lease agreements that expire through April 2029.
2. At January 1, 2020, the minimum agreement rental commitments are as follows:

| <u>Year Ending December 31,</u> | <u>Operating Leases</u> |
|---------------------------------|-------------------------|
| 2020                            | \$17,547,523            |
| 2021                            | 11,961,593              |
| 2022                            | 8,820,316               |
| 2023                            | 6,350,293               |
| 2024                            | 3,541,347               |
| <b>Total</b>                    | <b>\$48,221,072</b>     |

3. The company is not involved in any material sales leaseback transactions.

**B. Lessor Leases – Not applicable**

**16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not applicable**

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – Not applicable**

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY

### NOTES TO FINANCIAL STATEMENTS

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and Uninsured Portion of Partially Insured Plans** – Not applicable

**19. Direct Written Premium/Produced by Managing General Agents/Third Party Administrators** – Not applicable

**20. Fair Value Measurements**

#### A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Included in various investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain fixed maturities and preferred stock, when carried at the lower of cost or market.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The Company does not have any material liabilities carried at fair value.

The Company has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level that is significant to the fair value measurement of the instrument.

Financial assets that fall within Level 1 and Level 2 are priced according to observable data from identical or similar securities that have traded in the marketplace. Also within Level 2 are securities that are valued by outside services or brokers where the Company has evaluated the pricing methodology and determined that the inputs are observable. Financial assets that fall within Level 3 of the hierarchy are valued based upon unobservable market inputs. Pricing for each Level 3 security is based upon inputs that are market driven, including third-party reviews provided to the issuer or broker quotes. However, the Company places in the Level 3 hierarchy securities for which it is unable to obtain the pricing methodology or it could not consider the price provided as binding. Management ultimately determines the fair value for each Level 3 security that it considers to be the best exit price valuation.

The Company primarily bases fair value estimates for investments in equity and fixed-maturity securities on quoted market prices or on prices from a nationally recognized pricing vendor, an outside resource that supplies global securities pricing, dividend, corporate action and descriptive information to support fund pricing, securities operations, research and portfolio management. The Company obtains and reviews the pricing service's valuation methodologies and related inputs and validates these prices by replicating a sample across each asset class using a discounted cash flow model. When a price is not available from these sources, as in the case of securities that are not publicly traded, the Company determines the fair value using various inputs including quotes from independent brokers. In these circumstances, the Company has generally obtained and evaluated two nonbinding quotes from brokers; its investment professionals determine the best estimate of fair value. The fair value of investments not priced by a pricing vendor is less than 1 percent of the fair value of the Company's total investment portfolio.

Financial instruments are categorized based upon the following characteristics or inputs to the valuation techniques:

Level 1—Financial assets and liabilities for which inputs are observable and are obtained from reliable quoted prices for identical assets or liabilities in active markets. This is the most reliable fair value measurement and includes, for example, active exchange-traded equity securities.

Level 2 – Financial assets and liabilities for which values are based on quoted prices in markets that are not active or for which values are based on similar assets and liabilities that are actively traded. This also includes pricing models for which the inputs are corroborated by market data.

The technique used for the Level 2 fixed-maturity securities, including surplus notes which are included in other invested assets, is the application of market based modeling. The inputs used for all classes of fixed-maturity securities in the table below include relevant market information by asset class, trade activity of like securities, marketplace quotes, benchmark yields, spreads off benchmark yields, interest rates, U.S. Treasury or swap curves, yield to maturity and economic events. Specific to commercial mortgage-backed securities, key inputs also include prepayment and default projections based on past performance of the underlying collateral and current market data. Level 2 fixed-maturity securities are primarily priced by a nationally recognized pricing vendor.

The Level 2 preferred equities technique used is the application of market based modeling. The inputs used, similar to those used by the pricing vendor for our fixed-maturity securities, include relevant market information, trade activity of like securities, yield to maturity, corporate action notices and economic events. All of the Level 2 preferred equities are priced by a nationally recognized pricing vendor.

Level 3—Financial assets and liabilities for which values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Level 3 inputs include the following:

- Quotes from brokers or other external sources that are not considered binding;
- Quotes from brokers or other external sources where it cannot be determined that market participants would in fact transact for the asset or liability at the quoted price; or

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

- Quotes from brokers or other external sources where the inputs are not deemed observable.

The following table presents the Company's assets measured and reported at fair value by level within the fair value hierarchy as of December 31, 2019:

**Assets at Fair Value:**

|                 | Level 1          | Level 2        | Level 3 | Total            | Net Asset Value (NAV) Included in Level 2 |
|-----------------|------------------|----------------|---------|------------------|---|
| Bonds           | \$ 0             | \$ 29,079,973  | \$ 0    | \$ 29,079,973    | \$ 0                                      |
| Preferred Stock | 0                | 76,230,956     | 0       | 76,230,956       | 0   |
| Common Stock    | 4,063,504,350    | 0              | 0       | 4,063,504,350    | 0   |
| Total           | \$ 4,063,504,350 | \$ 105,310,929 | \$ 0    | \$ 4,168,815,279 | \$ 0                                      |

**2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy**

**Assets at Fair Value:**

|       | Ending Balance as of 1/1/2019 | Transfers into Level 3 | Transfers out of Level 3 | Total Gains and (Losses) Included in Net Income | Total Gains and (Losses) Included in Surplus | Purchases | Issuances | Sales       | Settlements | Ending Balance as of 12/31/2019 |
|-------|-------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------------|-------------|---------------------------------|
| Bonds | \$ 4,234,178                  | \$ 0                   | \$ (4,351,500)           | \$ 0  | \$ 142,322                                   | \$ 0      | \$ 0      | \$ (25,000) | \$ 0        | \$ 0                            |

**3. Transfers between levels are assumed to occur at the beginning of the period.**

**4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values – See narrative in Note 20A1.**

**B. Other Fair Value Disclosures – Not applicable**

**C. Fair Values for all Financial Instruments by Level**

| Type of Financial Instrument          | Aggregate Fair Value | Admitted Assets  | Level 1       | Level 2          | Level 3   | Not Practicable (Carrying Value) | Net Asset Value (NAV) Included in Level 2 |
|---------------------------------------|----------------------|------------------|---------------|------------------|-----------|----------------------------------|---|
| Bonds                                 | \$ 6,671,933,836     | \$ 6,336,078,008 | \$ 66,485,714 | \$ 6,605,408,122 | \$ 40,000 | \$ 0                             | \$ 0                                      |
| Preferred Stock                       | 217,464,902          | 206,988,198      | 0             | 217,464,902      | 0         | 0                                | 0   |
| Common Stock                          | 4,063,504,350        | 4,063,504,350    | 4,063,504,350 | 0                | 0         | 0                                | 0   |
| Other Invested Assets (Surplus Notes) | 13,786,056           | 13,513,591       | 0             | 13,786,056       | 0         | 0                                | 0   |

**D. Reasons Not Practical to Estimate Fair Values – Not applicable**

**21. Other Items**

**A. Unusual or Infrequent Items – Not applicable**

**B. Troubled Debt Restructuring – Not applicable**

**C. Other Disclosures**

Assets in the amount of \$71,663,548 and \$72,152,464 at December 31, 2019 and 2018, respectively, were on deposit with government authorities or trustees as required by law.

Assets in the amount of \$80,693,756 and \$61,738,284 at December 31, 2019 and 2018, respectively, were placed on deposit as collateral for certain reinsurance assumed contracts.

**D. Business Interruption Insurance Recoveries – Not applicable**

**E. State Transferable and Non-Transferable Tax Credits – Not applicable**

**F. Subprime-Mortgage-Related Risk Exposure**

The Company has no investments in subprime or related areas. This includes direct investments in subprime mortgage loans, RMBS, CMBS, CDO's, hedge funds, credit default swaps or SIVs. Additionally, the Company has no equity investments in SCA entities with subprime exposure nor does it underwrite any form of mortgage guaranty or financial guaranty insurance.

**G. Insurance-Linked Securities (ILS) Contracts**

Effective January 2017, the Company has entered a catastrophe bond arrangement providing up to \$200 million in earthquake reinsurance protection or \$80 million in severe convective storm coverage or various combinations of those coverages. It expires in January 2020. The earthquake coverage is nationwide, excluding California, and the severe convective storm coverage territory is also nationwide, excluding Florida. The storm coverage provides loss recovery when storm losses for all events in aggregate exceed \$191 million, after an \$8 million deductible per event.

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

The table below summarizes the Company's ILS contracts as of December 31, 2019:

| Management of Risk Related To:      | Number of Outstanding ILS Contracts | Aggregate Maximum Proceeds |
|-------------------------------------|-------------------------------------|----------------------------|
| 1. Directly Written Insurance Risks |                                     |                            |
| a. ILS Contracts as Issuer          | N/A                                 | N/A                        |
| b. ILS Contracts as Ceding Insurer  | 2                                   | \$200,000,000              |
| c. ILS Contracts as Counterparty    | N/A                                 | N/A                        |
| 2. Assumed Insurance Risks          |                                     |                            |
| a. ILS Contracts as Issuer          | N/A                                 | N/A                        |
| b. ILS Contracts as Ceding Insurer  | N/A                                 | N/A                        |
| c. ILS Contracts as Counterparty    | N/A                                 | N/A                        |

**22. Subsequent Events**

The Company has considered subsequent events through February 29, 2020, the date of issuance of these statutory financial statements. There were no events occurring subsequent to December 31, 2019, which may have a material effect on the Company.

**23. Reinsurance**

A. Unsecured Reinsurance Recoverable

The Company does not have an unsecured aggregate recoverable for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverable in Dispute – Not applicable

C. Reinsurance Assumed and Ceded

1.

|                                    | Assumed Reinsurance |               | Ceded Reinsurance |              | Net           |               |
|------------------------------------|---------------------|---------------|-------------------|--------------|---------------|---------------|
|                                    | Premium             | Commission    | Premium           | Commission   | Premium       | Commission    |
|                                    | Reserve             | Equity        | Reserve           | Equity       | Reserve       | Equity        |
| a. Affiliates                      | \$372,731,320       | \$ 46,586,771 | \$ 0              | \$ 0         | \$372,731,320 | \$ 46,586,771 |
| b. All Other                       | 139,587,445         | 26,144,372    | 25,612,723        | 4,797,197    | 113,974,722   | 21,347,175    |
| c. Total                           | \$512,318,765       | \$ 72,731,143 | \$ 25,612,723     | \$ 4,797,197 | \$486,706,042 | \$ 67,933,946 |
| d. Direct Unearned Premium Reserve |                     |               | \$2,052,719,863   |              |               |               |

2.

| REINSURANCE                             |               |               |       |               |
|---|---------------|---------------|-------|---------------|
|   | Direct        | Assumed       | Ceded | Net           |
| a. Contingent Commission                | \$118,278,398 | \$ 22,549,000 | \$ 0  | \$140,827,398 |
| b. Sliding Scale Adjustments            | 0             | 0             | 0     | 0             |
| c. Other Profit Commission Arrangements | 0             | 0             | 0     | 0             |
| d. Total                                | \$118,278,398 | \$ 22,549,000 | \$ 0  | \$140,827,398 |

3. Protected Cell – Not applicable

D. Uncollectible Reinsurance – Not applicable

E. Commutation of Ceded Reinsurance – Not applicable

F. Retroactive Reinsurance – Not applicable

G. Reinsurance Accounted for as a Deposit – Not applicable

H. Disclosure for the Transfer of Property and Casualty Run-off Agreements – Not applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – Not applicable

J. Reinsurance Agreement Qualifying for Reinsurer Aggregation – Not applicable

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination – Not applicable**

**25. Changes in Incurred Losses and Loss Adjustment Expense**

Reserves as of December 31, 2018 were \$5,123,807,341. As of December 31, 2019, \$1,648,379,389 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3,258,086,224 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on commercial casualty lines of insurance. Therefore, there has been \$217,341,728 of favorable prior-year development since December 31, 2018 to December 31, 2019. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Because the Company does not write retrospectively rated policies, prior-year development does not affect premium adjustments.

There were no changes in methodologies and assumptions used in calculating the reserve for loss and loss adjustment expenses at December 31, 2019.

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**26. Intercompany Pooling Arrangements** – Not applicable

**27. Structured Settlements**

A.

| Loss Reserves Eliminated by Annuities | Unrecorded Loss Contingencies |
|---------------------------------------|-------------------------------|
| \$133,319,455                         | \$0                           |

B.

| Life Insurance Company and Location    | Licensed in Ohio (Yes/No) | Statement (Present) Value of Annuities |
|--|---------------------------|--|
| The Cincinnati Life Insurance Company, | Yes                       | \$131,567,242                          |
| Fairfield, Ohio                        |                           |  |

**28. Health Care Receivables** – Not applicable

**29. Participating Policies** – Not applicable

**30. Premium Deficiency Reserves**

|  |            |
|--|------------|
| 1. Liability carried for premium deficiency reserves             | \$0        |
| 2. Date of most recent evaluation of this liability              | 01/15/2020 |
| 3. Was anticipated investment income utilized in the calculation | No         |

**31. High Deductibles**

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

1. Counter Party Exposure Recorded on Unpaid Claims and Billed Recoverables on Paid Claims

| ASL #      | Annual Statement Line of Business           | ASL Description | Gross                              | Reserve                     | Billed                      | Total High                          |
|------------|---|-----------------|------------------------------------|-----------------------------|-----------------------------|-------------------------------------|
|            |   |                 | (of High Deductible) Loss Reserves | Credit for High Deductibles | Recoverables on Paid Claims | Deductibles and Billed Recoverables |
| 5          | Commercial Multiple Peril                   | \$ 3,267,078    | \$ 1,012,567                       | \$ 885,600                  | \$ 1,898,167                |                                     |
| 11.1       | Medical Professional Liability - Occurrence | 1,704,492       | 947,182                            | 412,818                     |                             | 1,360,000                           |
| 16         | Workers' Compensation                       | 52,816          | 27,786                             | 21,282                      |                             | 49,068                              |
| 17.1       | Other Liability - Occurrence                | 126,356         | 63,857                             | 3,643                       |                             | 67,500                              |
| 19.3, 19.4 | Commercial Auto Liability                   | 9,388,495       | 3,310,302                          | 1,422,568                   |                             | 4,732,870                           |
| 21         | Auto Physical Damage                        | 77,270          | 73,846                             | 202,694                     |                             | 276,540                             |

2. Unsecured Amounts of High Deductibles

|   |              |
|---|--------------|
| a. Total high deductibles and billed recoverables on paid claims      | \$ 8,384,145 |
| b. Collateral on balance sheet  | \$ 0         |
| c. Collateral off balance sheet                                       | \$ 2,614,997 |
| d. Total unsecured deductibles and billed recoverables on paid claims | \$ 5,769,148 |
| e. Percentage unsecured   | 69 %         |

3. High Deductible Recoverables Amounts on Paid Claims

|  |            |
|--|------------|
| a. Amount of overdue nonadmitted (either due to aging or collateral) | \$ 0       |
| b. Total over 90 days overdue admitted                               | \$ 473,725 |
| c. Total overdue (a+b)   | \$ 473,725 |

4. The Deductible Amounts for the Highest Ten Unsecured High Deductible Policies

| Counterparty Ranking | Top Ten Unsecured High Deductibles Amounts |
|----------------------|--|
| Counterparty 1       | \$ 886,739                                 |
| Counterparty 2       | \$ 857,097                                 |
| Counterparty 3       | \$ 719,431                                 |
| Counterparty 4       | \$ 537,644                                 |
| Counterparty 5       | \$ 534,671                                 |
| Counterparty 6       | \$ 507,476                                 |
| Counterparty 7       | \$ 373,002                                 |
| Counterparty 8       | \$ 300,000                                 |
| Counterparty 9       | \$ 295,935                                 |
| Counterparty 10      | \$ 175,693                                 |

B. The Company has no unsecured high deductible recoverables for individual obligors part of a group under the same management or control which are greater than 1% of Capital and Surplus. For this purpose, a group of entities under common control shall be regarded as a single customer.

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

**32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

The Company does not discount unpaid losses or loss adjustment expenses except for income tax purposes.

**33. Asbestos and Environmental Reserves**

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes (X) No ( )

The Company's exposure arose from the sale of commercial liability products. The Company tries to estimate the full impact of the asbestos exposures by establishing full case basis reserves on all known losses and computing IBNR based on generally accepted actuarial methodologies.

| <b>ASBESTOS LOSSES</b>                  |              | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b> |
|---|--------------|--------------|--------------|--------------|--------------|-------------|
| 1.                                      | Direct       | Direct       | Direct       | Direct       | Direct       | Direct      |
| Beginning Reserves                      | \$37,710,099 | \$36,560,987 | \$36,908,993 | \$32,710,723 | \$31,752,724 |             |
| Incurred Loss & LAE                     | 670,908      | 3,574,033    | (2,018,727)  | 1,117,139    | 3,621,374    |             |
| Calendar year payments for Loss and LAE | 1,820,020    | 3,226,027    | 2,179,543    | 2,075,138    | 3,280,196    |             |
| Ending Reserves                         | \$36,560,987 | \$36,908,993 | \$32,710,723 | \$31,752,724 | \$32,093,902 |             |
| 2.                                      | Assumed      | Assumed      | Assumed      | Assumed      | Assumed      | Assumed     |
| Beginning Reserves                      | \$11,744,833 | \$11,174,181 | \$12,440,076 | \$13,016,114 | \$14,327,038 |             |
| Incurred Loss & LAE                     | (18,894)     | 1,598,999    | 748,752      | 1,545,234    | (3,678,480)  |             |
| Calendar year payments for Loss and LAE | 551,759      | 333,104      | 172,714      | 234,310      | 842,272      |             |
| Ending Reserves                         | \$11,174,181 | \$12,440,076 | \$13,016,114 | \$14,327,038 | \$ 9,806,286 |             |
| 3.                                      | Net          | Net          | Net          | Net          | Net          | Net         |
| Beginning Reserves                      | \$29,736,405 | \$27,816,915 | \$27,714,064 | \$25,784,724 | \$25,413,135 |             |
| Incurred Loss & LAE                     | (581,499)    | 2,362,679    | (789,066)    | 804,038      | (711,074)    |             |
| Calendar year payments for Loss and LAE | 1,337,991    | 2,465,530    | 1,140,274    | 1,175,627    | 2,258,155    |             |
| Ending Reserves                         | \$27,816,915 | \$27,714,064 | \$25,784,724 | \$25,413,135 | \$22,443,906 |             |

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Losses Included in A above:

| <b>IBNR Reserves</b> |              | <b>2015</b>  | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    | <b>2019</b> |
|----------------------|--------------|--------------|----------------|----------------|----------------|-------------|
| Direct               | \$ 46,400    | \$ (176,000) | \$ (2,255,000) | \$ (3,012,000) | \$ (2,039,000) |             |
| Assumed              | \$ 7,223,025 | 8,140,621    | 9,137,452      | 9,840,734      | 5,910,517      |             |
| Net                  | \$ 7,269,425 | 7,964,621    | 6,882,452      | 6,828,734      | 3,871,517      |             |

C. Ending Reserves for Asbestos Claims for LAE Included in A above (Case, Bulk and IBNR):

| <b>LAE Reserves</b> |               | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b> |
|---------------------|---------------|--------------|--------------|--------------|--------------|-------------|
| Direct              | \$ 12,504,800 | \$14,430,450 | \$12,976,570 | \$12,943,425 | \$13,886,125 |             |
| Assumed             | 310,159       | 476,281      | 411,887      | 414,698      | 333,317      |             |
| Net                 | 8,789,559     | 7,835,231    | 7,449,137    | 6,791,373    | 6,754,442    |             |

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes (X) No ( )

The Company's exposure arose from the sale of commercial liability products. The Company tries to estimate the full impact of the environmental exposures by establishing full case basis reserves on all known losses and computing IBNR based on generally accepted actuarial methodologies. The Company's environmental losses for each of the five most recent calendar years were as follows:

| <b>ENVIRONMENTAL LOSSES</b>             |               | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b> |
|---|---------------|---------------|---------------|---------------|---------------|-------------|
| 1.                                      | Direct        | Direct        | Direct        | Direct        | Direct        | Direct      |
| Beginning Reserves                      | \$ 50,526,858 | \$ 54,455,568 | \$ 56,258,596 | \$ 56,932,928 | \$ 60,607,155 |             |
| Incurred Loss & LAE                     | 4,675,393     | 7,901,449     | 6,988,514     | 9,838,057     | 6,613,553     |             |
| Calendar year payments for Loss and LAE | 746,683       | 6,098,421     | 6,314,182     | 6,163,830     | 6,204,821     |             |
| Ending Reserves                         | \$ 54,455,568 | \$ 56,258,596 | \$ 56,932,928 | \$ 60,607,155 | \$ 61,015,887 |             |
| 2.                                      | Assumed       | Assumed       | Assumed       | Assumed       | Assumed       | Assumed     |
| Beginning Reserves                      | \$ 1,131,234  | \$ 1,902,630  | \$ 1,480,416  | \$ 1,756,845  | \$ 2,396,222  |             |
| Incurred Loss & LAE                     | 1,145,689     | 803,203       | 930,519       | 1,359,081     | 506,935       |             |
| Calendar year payments for Loss and LAE | 374,292       | 1,225,417     | 654,090       | 719,704       | 1,421,370     |             |
| Ending Reserves                         | \$ 1,902,630  | \$ 1,480,416  | \$ 1,756,845  | \$ 2,396,222  | \$ 1,481,787  |             |
| 3.                                      | Net           | Net           | Net           | Net           | Net           | Net         |
| Beginning Reserves                      | \$ 51,658,092 | \$ 56,358,198 | \$ 57,739,012 | \$ 58,689,773 | \$ 63,003,377 |             |
| Incurred Loss & LAE                     | 5,821,082     | 8,704,652     | 7,919,033     | 11,197,138    | 7,120,489     |             |
| Calendar year payments for Loss and LAE | 1,120,975     | 7,323,838     | 6,968,272     | 6,883,534     | 7,626,192     |             |
| Ending Reserves                         | \$ 56,358,198 | \$ 57,739,012 | \$ 58,689,773 | \$ 63,003,377 | \$ 62,497,674 |             |

E. Ending Reserves for Environmental Claims for Bulk and IBNR Losses Included in D above:

| <b>IBNR Reserves</b> |               | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b> |
|----------------------|---------------|---------------|---------------|---------------|---------------|-------------|
| Direct               | \$ 19,294,483 | \$ 22,738,204 | \$ 19,015,669 | \$ 19,486,899 | \$ 20,778,155 |             |
| Assumed              | 588,987       | 693,077       | 890,113       | 1,365,843     | 703,503       |             |
| Net                  | 19,883,470    | 23,431,281    | 19,905,782    | 20,852,742    | 21,481,658    |             |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CINCINNATI INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

F. Ending Reserves for Environmental Claims for LAE included in D above (Case, Bulk and IBNR):

|         | <b>LAE Reserves</b> | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  |
|---------|---------------------|--------------|--------------|--------------|--------------|--------------|
| Direct  |                     | \$19,398,377 | \$16,947,606 | \$17,946,373 | \$19,688,318 | \$20,056,013 |
| Assumed |                     | 20,342       | 20,023       | 22,096       | 20,316       | 36,209       |
| Net     |                     | 19,418,719   | 16,967,629   | 17,968,469   | 19,708,634   | 20,092,222   |

**34. Subscriber Savings Accounts** – Not applicable

**35. Multiple Peril Crop Insurance** – Not applicable

**36. Financial Guaranty Insurance** – Not applicable

**37. Other**

Prior year data included in Schedule P is calculated as follows:

Part 1-Payments made in the current year and current reserves for AY's 2009 & prior.

Parts 2&3-The prior line on last year's statement is combined with the year 2009 total. Paid amounts prior to 2010 are then subtracted from this sum to arrive at the prior figure.

Part 4-The sum of the prior year line and the 2009 line from the prior year's Schedule P compose the prior figures for this section.

Part 5 Section 1&3-The prior line is combined with year 2008 from the prior schedule P. Counts for accident year 2009 in the preceding year are then subtracted from this sum to arrive at the prior figure, removing the cumulative effect.

Part 5 Section 2 - The prior line is combined with the 2009 AY of the prior year's Schedule P to arrive at the new prior number.

Total Net Losses and Expenses Unpaid – AY's 2009 & prior

| <b>(000's)</b> | <b>2000 &amp; P</b> | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> |
|----------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Part 1A</b> | 71                  | 0           | 0           | 18          | 2           | 42          | 80          | 0           | 139         | (30)        |
| <b>Part 1B</b> | 446                 | 21          | 78          | 217         | 112         | 60          | 65          | 79          | 143         | 50          |
| <b>Part 1C</b> | 21                  | 0           | 0           | 0           | 4           | 134         | 28          | 90          | 46          | 416         |
| <b>Part 1D</b> | 70,465              | 16,223      | 19,600      | 22,395      | 24,555      | 28,265      | 25,067      | 30,804      | 33,839      | 25,454      |
| <b>Part 1E</b> | 14,967              | 1,812       | 2,077       | 2,453       | 2,864       | 3,752       | 4,571       | 4,376       | 5,115       | 6,481       |
| <b>Part 1F</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 393         | 824         |
| <b>Part 1G</b> | 407                 | 70          | 48          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Part 1H</b> | 21,597              | 555         | 449         | 400         | 541         | 639         | 2,205       | 2,590       | 5,382       | 5,874       |
| <b>Part 1I</b> | 1                   | 0           | 0           | 0           | 0           | 0           | 1           | 0           | 0           | 5           |
| <b>Part 1J</b> | 6                   | (5)         | 7           | 9           | 19          | 22          | 25          | 39          | 20          | 6           |
| <b>Part 1K</b> | 18                  | 0           | 0           | 4           | 0           | 0           | 5           | 7           | 22          | 103         |
| <b>Part 1R</b> | 1,460               | 189         | 54          | 92          | 40          | 61          | 633         | 785         | 570         | 1,909       |
| <b>Totals</b>  | 109,459             | 18,865      | 22,313      | 25,588      | 28,137      | 32,975      | 32,680      | 38,770      | 45,669      | 41,092      |
|                |                     |             |             |             |             |             |             |             |             | 395,548     |

Total Net Salvage and Subrogation Unpaid – AY's 2009 & prior

| <b>(000's)</b> | <b>2000 &amp; P</b> | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> |
|----------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Part 1A</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 3           | 5           |
| <b>Part 1B</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 9           | 19          |
| <b>Part 1C</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 1           | 2           |
| <b>Part 1D</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 81          | 100         | 118         |
| <b>Part 1E</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 33          | 67          |
| <b>Part 1F</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Part 1G</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Part 1H</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Part 1I</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Part 1J</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 21          | 42          |
| <b>Part 1K</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Part 1R</b> | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Totals</b>  | 0                   | 0           | 0           | 0           | 0           | 0           | 0           | 81          | 167         | 253         |
|                |                     |             |             |             |             |             |             |             |             | 501         |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
 GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  Yes [ X ]  No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....  Yes [ X ]  No [ ]  N/A [ ]

1.3 State Regulating? .....  Ohio

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? .....  Yes [ X ]  No [ ]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .....  0000020286

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....  Yes [ ]  No [ X ]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....  12/31/2014

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....  12/31/2014

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....  10/05/2015

3.4 By what department or departments?  
 Ohio .....

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....  Yes [ X ]  No [ ]  N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? .....  Yes [ X ]  No [ ]  N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.11 sales of new business? .....  Yes [ ]  No [ X ]  
 4.12 renewals? .....  Yes [ ]  No [ X ]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.21 sales of new business? .....  Yes [ ]  No [ X ]  
 4.22 renewals? .....  Yes [ ]  No [ X ]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  Yes [ ]  No [ X ]  
 If yes, complete and file the merger history data file with the NAIC.

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|---------------------|------------------------|------------------------|

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....  Yes [ ]  No [ X ]

6.2 If yes, give full information:  
 .....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....  Yes [ ]  No [ X ]

7.2 If yes,  
 7.21 State the percentage of foreign control; .....  %  
 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|------------------|---------------------|

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company: \_\_\_\_\_

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]  
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Deloitte & Touche; Suite 1900; 250 E. 5th St; PO Box 5340; Cincinnati, OH 45201-5340

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]

10.2 If the response to 10.1 is yes, provide information related to this exemption: \_\_\_\_\_

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]

10.4 If the response to 10.3 is yes, provide information related to this exemption: \_\_\_\_\_

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain: \_\_\_\_\_

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 Greg Chrin, Deloitte Consulting LLP, City Place I, 33rd Floor, 185 Asylum Street, Hartford, CT, 06103-3402

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]

12.11 Name of real estate holding company ....

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value ..... \$ .....

12.2 If, yes provide explanation: \_\_\_\_\_

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? \_\_\_\_\_

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain: \_\_\_\_\_

14.2 Has the code of ethics for senior managers been amended? ..... Yes [ X ] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 The Code of Ethics for Senior Financial Officers was revised on 2/1/19 to limit the codes to U.S. subsidiaries of Cincinnati Financial Corporation.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). \_\_\_\_\_

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [  ] No [  ]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

| 1<br>American<br>Bankers<br>Association<br>(ABA) Routing<br>Number | 2<br>Issuing or Confirming Bank Name              | 3<br>Circumstances That Can Trigger the Letter of Credit  | 4         |
|--|---|---|-----------|
|  |   |   | Amount    |
| 031301066  | Ameriserv Financial Bank                          | Once a claim has been reported and a reserve established. | 150,000   |
| 064009241  | Avenue Bank                                       | Once a claim has been reported and a reserve established. | 220,620   |
| 081903537  | Bank and Trust Company                            | Once a claim has been reported and a reserve established. | 20,000    |
| 107000372  | Bank of Las Vegas                                 | Once a claim has been reported and a reserve established. | 457,585   |
| 042101271  | Bank of The Bluegrass                             | Once a claim has been reported and a reserve established. | 11,704    |
| 124302325  | Cache Valley Bank                                 | Once a claim has been reported and a reserve established. | 188,374   |
| 067011760  | Capital Bank NA                                   | Once a claim has been reported and a reserve established. | 121,785   |
| 053200983  | Carolina Bank & Trust                             | Once a claim has been reported and a reserve established. | 207,995   |
| 042174509  | Central Bank & Trust Co.                          | Once a claim has been reported and a reserve established. | 75,000    |
| 031319139  | Centric Bank                                      | Once a claim has been reported and a reserve established. | 100,000   |
| 244172082  | Century National Bank                             | Once a claim has been reported and a reserve established. | 15,000    |
| 241272118  | CF Bank   | Once a claim has been reported and a reserve established. | 500,000   |
| 124103773  | Citizens Community Bank, Division of Glacier Bank | Once a claim has been reported and a reserve established. | 41,000    |
| 042215565  | Citizens Natl Bk of Southwestern OH               | Once a claim has been reported and a reserve established. | 17,700    |
| 125108272  | Columbia Bank                                     | Once a claim has been reported and a reserve established. | 230,000   |
| 101015282  | CrossFirst Bank                                   | Once a claim has been reported and a reserve established. | 250,000   |
| 324377134  | Desertview Federal Credit Union                   | Once a claim has been reported and a reserve established. | 277,000   |
| 081012952  | Eagle Bank and Trust Company of MO                | Once a claim has been reported and a reserve established. | 31,000    |
| 041208421  | Farmers State BK W Salem                          | Once a claim has been reported and a reserve established. | 15,000    |
| 071000301  | Federal Reserve Bank                              | Once a claim has been reported and a reserve established. | 92,000    |
| 241270851  | First Federal Bank of the Midwest                 | Once a claim has been reported and a reserve established. | 50,000    |
| 042200910  | First Financial Bank, National Association        | Once a claim has been reported and a reserve established. | 138,223   |
| 071102076  | First Mid Illinois Bank & Trust                   | Once a claim has been reported and a reserve established. | 75,000    |
| 064102371  | First National Bank of Manchester                 | Once a claim has been reported and a reserve established. | 1,000,000 |
| 041200555  | First Natl Bank of Ohio                           | Once a claim has been reported and a reserve established. | 10,000    |
| 053112796  | Forest Commercial Bank                            | Once a claim has been reported and a reserve established. | 39,974    |
| 074903803  | Garrett State Bank                                | Once a claim has been reported and a reserve established. | 336,000   |
| 083904563  | German American Bancorp                           | Once a claim has been reported and a reserve established. | 80,000    |
| 042200910  | Irwin Union Bank and Trust Company                | Once a claim has been reported and a reserve established. | 50,000    |
| 081904468  | Jersey State Bank                                 | Once a claim has been reported and a reserve established. | 30,000    |
| 291970033  | Midcountry Bank                                   | Once a claim has been reported and a reserve established. | 40,000    |
| 041202702  | Morgan Bank N.A. Hudson                           | Once a claim has been reported and a reserve established. | 90,000    |
| 243374218  | Northwest Savings Bank                            | Once a claim has been reported and a reserve established. | 25,000    |
| 053200983  | South Carolina Bank & Trust, NA                   | Once a claim has been reported and a reserve established. | 50,000    |
| 083909445  | Springs Valley Bank & Trust Co                    | Once a claim has been reported and a reserve established. | 100,000   |
| 041203594  | State Bank & Trust Co                             | Once a claim has been reported and a reserve established. | 100,000   |
| 062202341  | Synovus Bank                                      | Once a claim has been reported and a reserve established. | 18,984    |
| 051408949  | Towne Bank Norfolk                                | Once a claim has been reported and a reserve established. | 150,000   |
| 091310576  | Union State Bank of Fargo                         | Once a claim has been reported and a reserve established. | 105,000   |
| 075901561  | Woodtrust Bank N.A.                               | Once a claim has been reported and a reserve established. | 75,000    |
| 31100102   | WSFS Bank   | Once a claim has been reported and a reserve established. | 100,000   |

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? ..... Yes [  ] No [  ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? ..... Yes [  ] No [  ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? ..... Yes [  ] No [  ]

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [  ] No [  ]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

|   |    |
|---|----|
| 20.11 To directors or other officers              | \$ |
| 20.12 To stockholders not officers                | \$ |
| 20.13 Trustees, supreme or grand (Fraternal Only) | \$ |

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

|   |    |
|---|----|
| 20.21 To directors or other officers              | \$ |
| 20.22 To stockholders not officers                | \$ |
| 20.23 Trustees, supreme or grand (Fraternal Only) | \$ |

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [  ] No [  ]

21.2 If yes, state the amount thereof at December 31 of the current year:

|                            |    |
|----------------------------|----|
| 21.21 Rented from others   | \$ |
| 21.22 Borrowed from others | \$ |
| 21.23 Leased from others   | \$ |
| 21.24 Other                | \$ |

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [  ] No [  ]

22.2 If answer is yes:

|  |    |
|--|----|
| 22.21 Amount paid as losses or risk adjustment | \$ |
| 22.22 Amount paid as expenses                  | \$ |
| 22.23 Other amounts paid                       | \$ |

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [  ] No [  ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**INVESTMENT**

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)..... Yes [  ] No [  ]

24.02 If no, give full and complete information relating thereto  
.....

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
.....

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [  ] No [  ] N/A [  ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. .... \$ .....

24.06 If answer to 24.04 is no, report amount of collateral for other programs. .... \$ .....

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... Yes [  ] No [  ] N/A [  ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [  ] No [  ] N/A [  ]

24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?..... Yes [  ] No [  ] N/A [  ]

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

|  |          |
|--|----------|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....                   | \$ ..... |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... | \$ ..... |
| 24.103 Total payable for securities lending reported on the liability page. ....                                       | \$ ..... |

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). ....  Yes [ X ]  No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

|  |          |
|--|----------|
| 25.21 Subject to repurchase agreements .....   | \$ ..... |
| 25.22 Subject to reverse repurchase agreements .....   | \$ ..... |
| 25.23 Subject to dollar repurchase agreements .....  | \$ ..... |
| 25.24 Subject to reverse dollar repurchase agreements .....                                    | \$ ..... |
| 25.25 Placed under option agreements .....   | \$ ..... |
| 25.26 Letter stock or securities restricted as to sale -<br>excluding FHLB Capital Stock ..... | \$ ..... |
| 25.27 FHLB Capital Stock .....   | \$ ..... |
| 25.28 On deposit with states .....   | \$ ..... |
| 25.29 On deposit with other regulatory bodies .....  | \$ ..... |
| 25.30 Pledged as collateral - excluding collateral pledged to<br>an FHLB .....                 | \$ ..... |
| 25.31 Pledged as collateral to FHLB - including assets<br>backing funding agreements .....     | \$ ..... |
| 25.32 Other .....  | \$ ..... |

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
| .....                      | .....            | .....       |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ....  Yes [ ]  No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ....  Yes [ ]  No [ ]  N/A [ X ]  
If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? ..  Yes [ ]  No [ ]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

|  |                |
|--|----------------|
| 26.41 Special accounting provision of SSAP No. 108 ..... | Yes [ ] No [ ] |
| 26.42 Permitted accounting practice .....                | Yes [ ] No [ ] |
| 26.43 Other accounting guidance .....                    | Yes [ ] No [ ] |

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: ....  Yes [ ]  No [ ]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ....  Yes [ ]  No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. ....  \$ .....

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ....  Yes [ X ]  No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address                         |
|---------------------------|--|
| Fifth Third Bank .....    | Fifth Third Center, Cincinnati, Ohio 45263 ..... |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
| .....        | .....            | .....                        |

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [ ] No [ X ]

28.04 If yes, give full and complete information relating thereto:

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| .....              | .....              | .....               | .....       |

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual      | 2<br>Affiliation |
|--------------------------------------|------------------|
| Securian Asset Management, Inc ..... | U.....           |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual      | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With                        | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|--|--------------------------------------|------------------------------------|---|---|
| 109905 .....                                   | Securian Asset Management, Inc ..... | 5URRAMPUS5ELNII8AQJB87 .....       | Securities and Exchange<br>Commission ..... | NO.....   |

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted<br>Carrying Value |
|-----------------|--------------------------|--------------------------------------|
| 29.2999 - Total | .....                    | .....                                |

29.3 For each mutual fund listed in the table above, complete the following schedule:

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the<br>Mutual Fund | 3<br>Amount of Mutual<br>Fund's Book/Adjusted<br>Carrying Value<br>Attributable to the<br>Holding | 4<br>Date of<br>Valuation |
|---|--|---|---------------------------|
| .....                                       | .....  | .....   | .....                     |

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

|                             | 1<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 30.1 Bonds .....            | 6,336,078,008                      | 6,671,933,836   | 335,855,828   |
| 30.2 Preferred stocks ..... | 206,988,198                        | 217,464,902     | 10,476,704  |
| 30.3 Totals .....           | 6,543,066,206                      | 6,889,398,738   | 346,332,532   |

30.4 Describe the sources or methods utilized in determining the fair values:

The majority of fair market values are obtained from Interactive Data Corporation (IDC). For securities IDC is unable to price, the company looks to Bloomberg and uses a recent historical price method. If this cannot be determined the company uses outside brokers to analytically determine the price. ....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [  ] No [  ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [  ] No [  ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

For our private placement securities, the company receives the fair value price from an outside private placement manager's firm. For all other securities not priced by IDC the company looks to outside security brokers who are market makers in that type of security. ....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [  ] No [  ]

32.2 If no, list exceptions:

For securities not filed with the SVO, please see the attached on page 15.7 .....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? ..... Yes [  ] No [  ]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? ..... Yes [  ] No [  ]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [  ] No [  ]

**OTHER**

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... \$ ..... 5,120,016

36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1<br>Name                           | 2<br>Amount Paid |
|-------------------------------------|------------------|
| Michigan Assigned Claims Plan ..... | 1,648,873        |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

37.1 Amount of payments for legal expenses, if any? .....\$ .....4,670,491

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1<br>Name                                  | 2<br>Amount Paid |
|--|------------------|
| Fayssoux and Landis Attorneys at Law ..... | 1,200,000        |

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....265,203

38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1<br>Name  | 2<br>Amount Paid |
|--|------------------|
| American Property Casualty Insurance Association ..... | 234,104          |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY

General Interrogatory 32.2  
Securities not filed with the SVO

| Cusip     | Description  | Par                  | Book<br>Adjusted<br>Carry Value | SVO<br>Rating |
|-----------|--|----------------------|---------------------------------|---------------|
| 19910RAD1 | COLUMBUS-FRANKLIN CNTY OHIO FIN AUTH PUB INFRASTRU | 4,810,000.00         | 4,810,000.00                    | 5GI           |
| 910304AA2 | UNITED FINANCIAL BANCORP INC                       | 5,000,000.00         | 5,000,000.00                    | 5GI           |
| 80889EBC0 | SCIOTO CNTY OHIO REGL WTR DIST NO 1 AUTH WTR SYS R | 1,175,000.00         | 1,175,000.00                    | 5GI           |
| 874704EC9 | TALLMADGE OHIO                                     | 100,000.00           | 100,000.00                      | 5GI           |
| 43739YAB9 | HOMEBANCORP INC                                    | 5,000,000.00         | 5,000,000.00                    | 5GI           |
| 9941276J2 | CAPE ANALYTICS INC SERIES B PREFERRED              | 268,774.00           | 1,000,000.54                    | 5GI           |
| 60040RAA4 | MILLENNIUM CONSOLIDATED HOLDINGS LLC               | 5,000,000.00         | 4,976,438.20                    | 5GI           |
| 910304AA2 | UNITED FINANCIAL BANCORP INC                       | 1,000,000.00         | 1,075,748.56                    | 5GI           |
| 32115DAB2 | FIRST NBC BK HLDG CO                               | 4,000,000.00         | 40,000.00                       | 6*            |
| Total     |  | <b>26,353,774.00</b> | <b>23,177,187.31</b>            |               |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

|      |  |  |               |
|------|--|--|---------------|
| 1.1  | Does the reporting entity have any direct Medicare Supplement Insurance in force? .....                              | Yes [ ] No [ X ]   |               |
| 1.2  | If yes, indicate premium earned on U. S. business only. ....   | \$ _____   |               |
| 1.3  | What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....            | \$ _____   |               |
| 1.31 | Reason for excluding<br>.....  |  |               |
| 1.4  | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... | \$ _____   |               |
| 1.5  | Indicate total incurred claims on all Medicare Supplement Insurance. ....  | \$ _____   |               |
| 1.6  | Individual policies:   | Most current three years:<br>1.61 Total premium earned ..... \$ .....<br>1.62 Total incurred claims ..... \$ .....<br>1.63 Number of covered lives .....                   |               |
|      |  | All years prior to most current three years<br>1.64 Total premium earned ..... \$ .....<br>1.65 Total incurred claims ..... \$ .....<br>1.66 Number of covered lives ..... |               |
| 1.7  | Group policies:  | Most current three years:<br>1.71 Total premium earned ..... \$ .....<br>1.72 Total incurred claims ..... \$ .....<br>1.73 Number of covered lives .....                   |               |
|      |  | All years prior to most current three years<br>1.74 Total premium earned ..... \$ .....<br>1.75 Total incurred claims ..... \$ .....<br>1.76 Number of covered lives ..... |               |
| 2.   | Health Test:   | 1<br>Current Year<br>2<br>Prior Year   |               |
| 2.1  | Premium Numerator .....  |  |               |
| 2.2  | Premium Denominator .....  | 4,911,061,815  | 4,690,086,613 |
| 2.3  | Premium Ratio (2.1/2.2) .....  | 0.000  | 0.000         |
| 2.4  | Reserve Numerator .....  | 1,048,151  |               |
| 2.5  | Reserve Denominator .....  | 7,783,250,763  | 7,546,853,578 |
| 2.6  | Reserve Ratio (2.4/2.5) .....  | 0.000  | 0.000         |
| 3.1  | Does the reporting entity issue both participating and non-participating policies? .....                             | Yes [ X ] No [ ]   |               |
| 3.2  | If yes, state the amount of calendar year premiums written on:   |  |               |
|      | 3.21 Participating policies .....  | \$ 78,258,082  |               |
|      | 3.22 Non-participating policies .....  | \$ 3,843,074,092   |               |
| 4.   | For mutual reporting Entities and Reciprocal Exchanges Only:   |  |               |
| 4.1  | Does the reporting entity issue assessable policies? .....   | Yes [ ] No [ ]   |               |
| 4.2  | Does the reporting entity issue non-assessable policies? .....   | Yes [ ] No [ ]   |               |
| 4.3  | If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....        | % _____  |               |
| 4.4  | Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. .... | \$ _____   |               |
| 5.   | For Reciprocal Exchanges Only:   |  |               |
| 5.1  | Does the Exchange appoint local agents? .....  | Yes [ ] No [ ]   |               |
| 5.2  | If yes, is the commission paid:<br>.....   | Yes [ ] No [ ] N/A [ ]<br>5.21 Out of Attorney's-in-fact compensation.....<br>5.22 As a direct expense of the exchange.....  |               |
| 5.3  | What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?<br>.....                 | Yes [ ] No [ ] N/A [ ]   |               |
| 5.4  | Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? .....         | Yes [ ] No [ ]   |               |
| 5.5  | If yes, give full information<br>.....   |  |               |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
 Protection is provided through several excess reinsurance contracts for workers' compensation coverage. ....

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
 The company has engaged with Guy Carpenter who uses the catastrophe models from Risk Management Solutions and Applied Insurance Research to model potential maximum loss exposure. ....

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 The company has a catastrophic reinsurance program insuring losses \$500 million excess \$100 million, plus co-participation by layer. ....

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? .... Yes [ X ] No [ ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
 ....

7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? .... Yes [ ] No [ X ]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions: ....

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? .... Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? .... Yes [ ] No [ X ]

8.2 If yes, give full information  
 ....

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. .... Yes [ ] No [ X ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. .... Yes [ ] No [ X ]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? .... Yes [ ] No [ X ]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, .... Yes [ ] No [ X ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or .... Yes [ ] No [ X ]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. .... Yes [ ] No [ X ]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? .... Yes [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]

11.2 If yes, give full information  
.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  
12.11 Unpaid losses ..... \$ .....  
12.12 Unpaid underwriting expenses (including loss adjustment expenses) ..... \$ .....

12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds ..... \$ .....

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? ..... Yes [ ] No [ X ] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
12.41 From ..... %  
12.42 To ..... %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ X ] No [ ]

12.6 If yes, state the amount thereof at December 31 of the current year:  
12.61 Letters of credit ..... \$ ..... 30,257,867  
12.62 Collateral and other funds ..... \$ ..... 445,210

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): ..... \$ ..... 12,000,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ..... 2

14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ ] No [ X ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
.....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? ..... Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:  
.....

15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]

15.2 If yes, give full information  
.....

16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

|                        | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home .....       |                                |                              |                                |                                 |                               |
| 16.12 Products .....   |                                |                              |                                |                                 |                               |
| 16.13 Automobile ..... |                                |                              |                                |                                 |                               |
| 16.14 Other*           |                                |                              |                                |                                 |                               |

\* Disclose type of coverage:  
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? ..... Yes [ ] No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

|  |          |
|--|----------|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance ..... | \$ ..... |
| 17.12 Unfunded portion of Interrogatory 17.11 .....  | \$ ..... |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 .....  | \$ ..... |
| 17.14 Case reserves portion of Interrogatory 17.11 .....   | \$ ..... |
| 17.15 Incurred but not reported portion of Interrogatory 17.11 .....   | \$ ..... |
| 17.16 Unearned premium portion of Interrogatory 17.11 .....  | \$ ..... |
| 17.17 Contingent commission portion of Interrogatory 17.11 .....   | \$ ..... |

18.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. ..... \$ .....

18.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

18.4 If yes, please provide the balance of funds administered as of the reporting date. ..... \$ .....

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [ ]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ ]

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY**  
**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

|   | 1<br>2019      | 2<br>2018      | 3<br>2017      | 4<br>2016      | 5<br>2015      |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>  |                |                |                |                |                |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)  | 2,183,268,294  | 2,058,215,917  | 2,016,845,973  | 1,976,729,395  | 1,918,402,873  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 964,152,030    | 911,235,025    | 850,369,847    | 776,919,769    | 721,971,290    |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 1,929,604,963  | 1,844,764,186  | 1,807,077,944  | 1,742,655,756  | 1,677,570,531  |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 89,653,251     | 75,574,269     | 62,656,424     | 52,150,753     | 47,705,872     |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 83,268,366     | 53,650,507     | 25,557,552     | 12,999,159     | 220,000        |
| 6. Total (Line 35)  | 5,249,946,904  | 4,943,439,904  | 4,762,507,639  | 4,561,454,832  | 4,365,870,566  |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>   |                |                |                |                |                |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)  | 2,135,508,390  | 2,009,434,078  | 1,976,953,348  | 1,906,050,164  | 1,836,424,938  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 936,036,519    | 887,358,682    | 829,294,203    | 757,519,464    | 705,405,414    |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 1,840,851,717  | 1,763,903,520  | 1,734,036,163  | 1,668,910,028  | 1,603,585,542  |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)  | 85,267,662     | 71,388,285     | 59,060,243     | 48,430,739     | 43,808,125     |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)   | 79,067,636     | 52,297,450     | 25,557,552     | 12,999,159     | 220,000        |
| 12. Total (Line 35)   | 5,076,731,924  | 4,784,382,015  | 4,624,901,508  | 4,393,909,554  | 4,189,444,019  |
| <b>Statement of Income (Page 4)</b>   |                |                |                |                |                |
| 13. Net underwriting gain (loss) (Line 8)   | 246,232,847    | 116,157,023    | 53,586,463     | .175,887,371   | 342,883,869    |
| 14. Net investment gain or (loss) (Line 11)   | 414,398,503    | 466,380,004    | 437,621,082    | .407,479,610   | 381,851,807    |
| 15. Total other income (Line 15)  | 7,651,774      | 8,569,609      | 8,915,048      | .7,228,638     | 6,721,395      |
| 16. Dividends to policyholders (Line 17)  | 11,961,179     | 12,280,856     | 13,674,990     | .15,218,815    | 14,873,311     |
| 17. Federal and foreign income taxes incurred (Line 19)   | 98,212,380     | (47,242,047)   | 85,220,627     | 141,288,450    | 182,495,798    |
| 18. Net income (Line 20)  | 558,109,564    | 626,067,826    | 401,226,975    | 434,088,354    | 534,087,962    |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |                |                |                |                |                |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)   | 14,327,652,787 | 13,147,818,826 | 12,914,879,406 | 12,092,696,643 | 11,194,176,670 |
| 20. Premiums and considerations (Page 2, Col. 3)  |                |                |                |                |                |
| 20.1 In course of collection (Line 15.1)  | 343,392,686    | 327,644,698    | 332,235,844    | 336,321,585    | 341,227,782    |
| 20.2 Deferred and not yet due (Line 15.2)   | 1,345,918,038  | 1,279,441,002  | 1,245,594,932  | 1,196,787,690  | 1,147,192,287  |
| 20.3 Accrued retrospective premiums (Line 15.3)   |                |                |                |                |                |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)   | 8,707,976,732  | 8,228,714,453  | 7,821,313,577  | 7,406,735,128  | 6,781,745,197  |
| 22. Losses (Page 3, Line 1)   | 4,092,298,232  | 4,041,308,372  | 3,756,045,932  | 3,552,867,103  | 3,237,348,232  |
| 23. Loss adjustment expenses (Page 3, Line 3)   | 1,106,206,645  | 1,082,498,969  | 1,020,946,599  | 953,115,139    | 923,158,082    |
| 24. Unearned premiums (Page 3, Line 9)  | 2,539,425,906  | 2,373,905,827  | 2,279,405,281  | 2,172,469,641  | 2,079,433,143  |
| 25. Capital paid up (Page 3, Lines 30 & 31)   | .3,586,355     | 3,586,355      | 3,586,355      | 3,586,355      | 3,586,355      |
| 26. Surplus as regards policyholders (Page 3, Line 37)  | 5,619,676,055  | 4,919,104,373  | 5,093,565,829  | 4,685,961,515  | 4,412,431,473  |
| <b>Cash Flow (Page 5)</b>   |                |                |                |                |                |
| 27. Net cash from operations (Line 11)  | 872,044,763    | 810,007,573    | .753,935,669   | .765,762,383   | 705,990,418    |
| <b>Risk-Based Capital Analysis</b>  |                |                |                |                |                |
| 28. Total adjusted capital  | 5,654,417,610  | 4,951,739,388  | 5,127,044,476  | 4,714,781,042  | 4,431,180,883  |
| 29. Authorized control level risk-based capital   | 823,158,525    | 723,155,077    | .686,271,907   | 644,665,966    | 582,050,743    |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>                      |                |                |                |                |                |
| 30. Bonds (Line 1)  | 50.8           | 54.5           | 53.3           | 54.2           | 55.6           |
| 31. Stocks (Lines 2.1 & 2.2)  | 44.5           | 40.3           | 42.6           | 41.1           | 40.3           |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2)   |                |                |                |                |                |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)  | 0.1            | 0.1            | 0.1            | 0.1            | 0.1            |
| 34. Cash, cash equivalents and short-term investments (Line 5)  | 2.8            | 3.7            | 3.0            | 4.0            | 3.7            |
| 35. Contract loans (Line 6)   |                |                |                |                |                |
| 36. Derivatives (Line 7)  |                |                |                |                |                |
| 37. Other invested assets (Line 8)  | 1.8            | 1.5            | 1.0            | 0.6            | 0.4            |
| 38. Receivables for securities (Line 9)   | 0.0            |                | 0.1            | 0.1            |                |
| 39. Securities lending reinvested collateral assets (Line 10)   |                |                |                |                |                |
| 40. Aggregate write-ins for invested assets (Line 11)   |                |                |                |                |                |
| 41. Cash, cash equivalents and invested assets (Line 12)  | 100.0          | 100.0          | 100.0          | 100.0          | 100.0          |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>   |                |                |                |                |                |
| 42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)   |                |                |                |                |                |
| 43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)  |                |                |                |                |                |
| 44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)   | 1,277,723,143  | 1,169,545,012  | 1,123,384,228  | 1,025,507,763  | 939,083,747    |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)   |                |                |                |                |                |
| 46. Affiliated mortgage loans on real estate  |                |                |                |                |                |
| 47. All other affiliated  |                |                |                |                |                |
| 48. Total of above Lines 42 to 47   | 1,277,723,143  | 1,169,545,012  | 1,123,384,228  | 1,025,507,763  | 939,083,747    |
| 49. Total Investment in Parent included in Lines 42 to 47 above   |                |                |                |                |                |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0) | 22.7           | 23.8           | 22.1           | 21.9           | 21.3           |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**FIVE-YEAR HISTORICAL DATA**

(Continued)

|  | 1<br>2019     | 2<br>2018     | 3<br>2017     | 4<br>2016     | 5<br>2015     |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Capital and Surplus Accounts (Page 4)</b>   |               |               |               |               |               |
| 51. Net unrealized capital gains (losses) (Line 24)  | 763,264,873   | (249,501,516) | 628,551,445   | 319,503,914   | (148,403,794) |
| 52. Dividends to stockholders (Line 35)  | (625,000,000) | (500,000,000) | (465,000,000) | (475,000,000) | (447,000,000) |
| 53. Change in surplus as regards policyholders for the year (Line 38)  | 700,571,682   | (174,461,457) | 407,604,315   | 273,530,042   | (59,778,966)  |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>   |               |               |               |               |               |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)  | 1,037,237,206 | 939,618,851   | 957,342,339   | 827,620,214   | 821,230,264   |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 459,081,995   | 444,427,897   | 441,264,659   | 400,465,800   | 375,053,442   |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 1,138,654,886 | 951,389,781   | 973,401,234   | 847,832,166   | 768,338,570   |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 1,319,790     | 1,357,170     | 2,473,938     | (1,805,556)   | 2,988,100     |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 9,455,849     | 9,678,835     | 4,208,851     |               |               |
| 59. Total (Line 35)  | 2,645,749,726 | 2,346,472,534 | 2,378,691,021 | 2,074,112,624 | 1,967,610,376 |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>  |               |               |               |               |               |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)  | 997,457,548   | 917,234,067   | 928,422,638   | 804,545,484   | 802,458,098   |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 456,945,880   | 444,537,381   | 440,453,114   | 400,345,976   | 374,399,933   |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 1,110,652,505 | 937,615,224   | 961,205,050   | 835,244,175   | 751,385,441   |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 1,334,749     | 1,366,544     | 2,487,143     | (1,820,418)   | 2,698,795     |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 9,481,758     | 9,678,835     | 4,208,851     |               |               |
| 65. Total (Line 35)  | 2,575,872,441 | 2,310,432,051 | 2,336,776,796 | 2,038,315,217 | 1,930,942,267 |
| <b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>   |               |               |               |               |               |
| 66. Premiums earned (Line 1)   | 100.0         | 100.0         | 100.0         | 100.0         | 100.0         |
| 67. Losses incurred (Line 2)   | 53.5          | 55.3          | 56.2          | 54.7          | 50.7          |
| 68. Loss expenses incurred (Line 3)  | 10.3          | 11.2          | 11.3          | 10.2          | 10.3          |
| 69. Other underwriting expenses incurred (Line 4)  | 31.2          | 31.0          | 31.3          | 31.0          | 30.7          |
| 70. Net underwriting gain (loss) (Line 8)  | 5.0           | 2.5           | 1.2           | 4.1           | 8.4           |
| <b>Other Percentages</b>   |               |               |               |               |               |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)   | 30.1          | 30.2          | 30.3          | 30.2          | 30.0          |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)   | 63.8          | 66.5          | 67.5          | 64.9          | 60.9          |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)   | 90.3          | 97.3          | 90.8          | 93.8          | 94.9          |
| <b>One Year Loss Development (\$000 omitted)</b>   |               |               |               |               |               |
| 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)   | (212,977)     | (125,497)     | (97,024)      | (138,247)     | (147,250)     |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)                 | (4.3)         | (2.5)         | (2.1)         | (3.1)         | (3.3)         |
| <b>Two Year Loss Development (\$000 omitted)</b>   |               |               |               |               |               |
| 76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)                       | (271,605)     | (175,786)     | (190,065)     | (202,417)     | (160,844)     |
| 77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) | (5.3)         | (3.8)         | (4.3)         | (4.5)         | (3.7)         |

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? \_\_\_\_\_

Yes  No

If no, please explain: \_\_\_\_\_

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**  
**SCHEDULE P - PART 1 - SUMMARY**

(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            |  |   | 12<br>Number of Claims Reported Direct and Assumed |  |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) |  |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 30,470                         | 6,641      | 5,862                                 | 779        | 4,186                        |            | 966                                    | 33,099  | XXX  |  |
| 2. 2010  | 3,039,382               | 161,559    | 2,877,823        | 1,630,944                      | 30,469     | 141,707                               | 1,425      | 190,826                      |            | 58,873                                 | 1,931,583   | XXX  |  |
| 3. 2011  | 3,177,114               | 215,272    | 2,961,842        | 2,195,594                      | 270,389    | 156,506                               | 1,291      | 200,909                      | 8,386      | 69,713                                 | 2,272,943   | XXX  |  |
| 4. 2012  | 3,438,157               | 184,651    | 3,253,506        | 1,953,928                      | 58,898     | 159,049                               | 2,963      | 200,321                      | 16         | 62,445                                 | 2,251,421   | XXX  |  |
| 5. 2013  | 3,800,345               | 200,269    | 3,600,076        | 1,789,870                      | 14,558     | 155,792                               | 850        | 197,219                      |            | 70,155                                 | 2,127,473   | XXX  |  |
| 6. 2014  | 4,075,542               | 175,644    | 3,899,898        | 2,026,534                      | 31,536     | 156,108                               | 873        | 216,279                      |            | 74,732                                 | 2,366,511   | XXX  |  |
| 7. 2015  | 4,259,930               | 153,489    | 4,106,441        | 1,932,925                      | 39,978     | 154,760                               | 1,534      | 210,179                      |            | 88,543                                 | 2,256,352   | XXX  |  |
| 8. 2016  | 4,462,841               | 160,754    | 4,302,086        | 2,097,357                      | 29,156     | 152,322                               | 4,760      | 217,591                      | 1          | 84,799                                 | 2,433,354   | XXX  |  |
| 9. 2017  | 4,677,029               | 159,873    | 4,517,156        | 2,014,881                      | 10,398     | 117,945                               | 396        | 215,681                      | 13         | 86,746                                 | 2,337,700   | XXX  |  |
| 10. 2018   | 4,848,920               | 158,833    | 4,690,087        | 1,862,372                      | 37,965     | 81,903                                | 255        | 203,924                      | 8          | 82,306                                 | 2,109,972   | XXX  |  |
| 11. 2019   | 5,081,222               | 170,160    | 4,911,062        | 1,264,990                      | 9,063      | 36,358                                | 81         | 115,588                      | 7          | 39,679                                 | 1,407,785   | XXX  |  |
| 12. Totals   | XXX                     | XXX        | XXX              | 18,799,867                     | 539,050    | 1,318,311                             | 15,207     | 1,972,701                    | 8,430      | 718,958                                | 21,528,192  | XXX  |  |

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |  |  |  |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|--|--|--|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             |                            |             |   |  |   |  |  |  |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |  |  |  |
| 1. Prior   | 210,922                  | 60,115      | 225,079                  | 5,920       | 1,970                               | 1,033       | 32,861                   | 8,244       | 29                         |             | 501                                       | 395,548                                    | XXX   |  |  |  |
| 2. 2010    | 20,630                   | 2,611       | 24,060                   | 214         | 7                                   | 7           | 5,021                    |             |                            |             | 506                                       | 46,885                                     | XXX   |  |  |  |
| 3. 2011    | 39,441                   | 1,316       | 21,661                   | 674         | 102                                 | 102         | 8,282                    | 35          | 107                        |             | 630                                       | 67,467                                     | XXX   |  |  |  |
| 4. 2012    | 33,857                   | 446         | 27,403                   | 876         | 15                                  | 14          | 7,899                    | 40          | 290                        |             | 1,063                                     | 68,089                                     | XXX   |  |  |  |
| 5. 2013    | 59,700                   | 8,334       | 33,608                   | 1,685       | 31                                  | 31          | 17,048                   | 40          | 770                        |             | 1,658                                     | 101,067                                    | XXX   |  |  |  |
| 6. 2014    | 73,756                   | 2,273       | 30,842                   | 1,885       | 53                                  | 52          | 30,906                   | 125         | 9,428                      |             | 2,754                                     | 140,651                                    | XXX   |  |  |  |
| 7. 2015    | 122,787                  | 5,647       | 78,452                   | 2,281       | 266                                 | 261         | 48,453                   | 140         | 16,103                     |             | 5,474                                     | 257,733                                    | XXX   |  |  |  |
| 8. 2016    | 222,613                  | 4,730       | 95,988                   | 3,845       | 591                                 | 431         | 76,556                   | 170         | 19,885                     |             | 9,477                                     | 406,458                                    | XXX   |  |  |  |
| 9. 2017    | 391,454                  | 20,616      | 172,343                  | 14,212      | 847                                 | 453         | 137,787                  | 172         | 29,537                     |             | 16,738                                    | 696,516                                    | XXX   |  |  |  |
| 10. 2018   | 528,495                  | 16,633      | 335,300                  | 27,456      | 981                                 | 181         | 208,766                  | 255         | 48,654                     |             | 27,183                                    | 1,077,672                                  | XXX   |  |  |  |
| 11. 2019   | 961,498                  | 109,079     | 689,745                  | 16,491      | 750                                 | 366         | 268,760                  | 330         | 145,932                    |             | 61,716                                    | 1,940,419                                  | XXX   |  |  |  |
| 12. Totals | 2,665,153                | 231,799     | 1,734,481                | 75,538      | 5,614                               | 2,931       | 842,339                  | 9,551       | 270,735                    |             | 127,700                                   | 5,198,504                                  | XXX   |  |  |  |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred /Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|------------|---|-------------|-----------|--|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                     | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            | Direct and Assumed                      | Ceded       | Net       | Direct and Assumed   | Ceded       | Net       | Loss                | Loss Expense       |  | Losses Unpaid                             | Loss Expenses Unpaid       |
| 1. Prior   | XXX                                     | XXX         | XXX       | XXX  | XXX         | XXX       |                     |                    | XXX  | 369,965                                   | 25,583                     |
| 2. 2010    | 2,013,196                               | 34,727      | 1,978,469 | .66.2  | 21.5        | .68.7     |                     |                    |  | 41,864                                    | 5,021                      |
| 3. 2011    | 2,622,603                               | 282,192     | 2,340,410 | .82.5  | 131.1       | .79.0     |                     |                    |  | .59,113                                   | 8,354                      |
| 4. 2012    | 2,382,762                               | 63,252      | 2,319,510 | .69.3  | 34.3        | .71.3     |                     |                    |  | .59,939                                   | 8,150                      |
| 5. 2013    | 2,254,038                               | 25,498      | 2,228,540 | .59.3  | 12.7        | .61.9     |                     |                    |  | .83,288                                   | 17,778                     |
| 6. 2014    | 2,543,905                               | 36,744      | 2,507,162 | .62.4  | 20.9        | .64.3     |                     |                    |  | 100,440                                   | 40,210                     |
| 7. 2015    | 2,563,924                               | 49,839      | 2,514,085 | .60.2  | 32.5        | .61.2     |                     |                    |  | 193,312                                   | 64,421                     |
| 8. 2016    | 2,882,903                               | 43,092      | 2,839,811 | .64.6  | 26.8        | .66.0     |                     |                    |  | 310,027                                   | 96,431                     |
| 9. 2017    | 3,080,476                               | 46,259      | 3,034,217 | .65.9  | 28.9        | .67.2     |                     |                    |  | 528,970                                   | 167,546                    |
| 10. 2018   | 3,270,395                               | 82,751      | 3,187,644 | .67.4  | 52.1        | .68.0     |                     |                    |  | 819,706                                   | 257,966                    |
| 11. 2019   | 3,483,621                               | 135,418     | 3,348,203 | .68.6  | 79.6        | .68.2     |                     |                    |  | 1,525,673                                 | 414,746                    |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX  | XXX         | XXX       |                     |                    | XXX  | 4,092,298                                 | 1,106,206                  |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**SCHEDULE P - PART 2 - SUMMARY**

| Years in<br>Which Losses<br>Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|   | 1<br>2010  | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 | 6<br>2015 | 7<br>2016 | 8<br>2017 | 9<br>2018 | 10<br>2019 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                                  | 2,334,144  | 2,205,376 | 2,027,190 | 2,063,252 | 2,057,312 | 2,014,798 | 2,016,752 | 2,019,059 | 2,018,236 | 2,001,615  | (16,621)       | (17,444)       |
| 2. 2010                                   | 2,050,406  | 1,902,332 | 1,850,380 | 1,799,912 | 1,802,325 | 1,807,426 | 1,805,856 | 1,795,754 | 1,790,956 | 1,787,642  | (3,314)        | (8,112)        |
| 3. 2011                                   | XXX  | 2,381,460 | 2,222,426 | 2,185,801 | 2,176,987 | 2,172,244 | 2,169,742 | 2,149,992 | 2,146,725 | 2,147,780  | 1,056          | (2,211)        |
| 4. 2012                                   | XXX  | XXX       | 2,270,863 | 2,158,626 | 2,165,080 | 2,126,127 | 2,122,701 | 2,133,635 | 2,122,240 | 2,118,915  | (3,325)        | (14,720)       |
| 5. 2013                                   | XXX  | XXX       | XXX       | 2,170,080 | 2,116,418 | 2,096,233 | 2,078,154 | 2,060,357 | 2,050,229 | 2,030,551  | (19,678)       | (29,806)       |
| 6. 2014                                   | XXX  | XXX       | XXX       | XXX       | 2,392,177 | 2,346,222 | 2,314,676 | 2,300,715 | 2,300,809 | 2,281,455  | (19,354)       | (19,260)       |
| 7. 2015                                   | XXX  | XXX       | XXX       | XXX       | XXX       | 2,425,477 | 2,342,397 | 2,338,950 | 2,317,774 | 2,287,803  | (29,970)       | (51,147)       |
| 8. 2016                                   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 2,681,153 | 2,635,945 | 2,608,676 | 2,602,336  | (6,340)        | (33,609)       |
| 9. 2017                                   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2,884,308 | 2,837,573 | 2,789,012  | (48,561)       | (95,297)       |
| 10. 2018                                  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 3,001,941 | 2,935,073  | (66,868)       | XXX            |
| 11. 2019                                  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 3,086,692  | XXX            | XXX            |
|   |  |           |           |           |           |           |           |           |           | 12. Totals | (212,977)      | (271,605)      |

**SCHEDULE P - PART 3 - SUMMARY**

| Years in<br>Which Losses<br>Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END<br>(\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11<br>Number of<br>Claims<br>Closed<br>With<br>Loss<br>Payment | 12<br>Number of<br>Claims<br>Closed<br>Without<br>Loss<br>Payment |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--|---|
|   | 1<br>2010  | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 | 6<br>2015 | 7<br>2016 | 8<br>2017 | 9<br>2018 | 10<br>2019 |  |   |
| 1. Prior                                  | 000  | 537,009   | 915,019   | 1,159,480 | 1,317,243 | 1,410,632 | 1,483,521 | 1,531,551 | 1,577,183 | 1,606,096  | XXX  | XXX   |
| 2. 2010                                   | 842,232  | 1,227,755 | 1,423,446 | 1,529,562 | 1,630,188 | 1,680,871 | 1,703,872 | 1,726,343 | 1,735,066 | 1,740,757  | XXX  | XXX   |
| 3. 2011                                   | XXX  | 1,111,075 | 1,519,168 | 1,710,287 | 1,870,879 | 1,966,289 | 2,019,873 | 2,046,825 | 2,064,084 | 2,080,420  | XXX  | XXX   |
| 4. 2012                                   | XXX  | XXX       | 1,017,312 | 1,457,871 | 1,679,294 | 1,828,775 | 1,934,677 | 1,995,876 | 2,023,168 | 2,051,116  | XXX  | XXX   |
| 5. 2013                                   | XXX  | XXX       | XXX       | 941,759   | 1,378,441 | 1,594,284 | 1,752,211 | 1,846,173 | 1,894,706 | 1,930,254  | XXX  | XXX   |
| 6. 2014                                   | XXX  | XXX       | XXX       | XXX       | 1,089,758 | 1,539,719 | 1,766,895 | 1,965,817 | 2,072,020 | 2,150,232  | XXX  | XXX   |
| 7. 2015                                   | XXX  | XXX       | XXX       | XXX       | XXX       | 1,035,192 | 1,483,484 | 1,741,454 | 1,925,375 | 2,046,173  | XXX  | XXX   |
| 8. 2016                                   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 1,137,551 | 1,695,166 | 1,990,208 | 2,215,763  | XXX  | XXX   |
| 9. 2017                                   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1,272,679 | 1,807,562 | 2,122,032  | XXX  | XXX   |
| 10. 2018                                  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1,253,529 | 1,906,055  | XXX  | XXX   |
| 11. 2019                                  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1,292,205 | XXX        | XXX  | XXX   |

**SCHEDULE P - PART 4 - SUMMARY**

| Years in<br>Which Losses<br>Were Incurred | BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11<br>Number of<br>Claims<br>Closed<br>With<br>Loss<br>Payment | 12<br>Number of<br>Claims<br>Closed<br>Without<br>Loss<br>Payment |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--|---|
|   | 1<br>2010   | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 | 6<br>2015 | 7<br>2016 | 8<br>2017 | 9<br>2018 | 10<br>2019 |  |   |
| 1. Prior                                  | 932,902   | 747,932   | 501,746   | 483,872   | 430,045   | 364,865   | 330,440   | 287,798   | 275,764   | 243,776    |  |   |
| 2. 2010                                   | 559,680   | 284,589   | 180,070   | 112,092   | 74,157    | 63,244    | 61,657    | 43,239    | 36,338    | 28,867     |  |   |
| 3. 2011                                   | XXX   | 565,008   | 292,785   | 173,690   | 113,131   | 85,260    | 71,632    | 40,511    | 34,296    | 29,235     |  |   |
| 4. 2012                                   | XXX   | XXX       | 562,067   | 285,661   | 204,523   | 115,187   | 83,165    | 74,962    | 53,517    | 34,386     |  |   |
| 5. 2013                                   | XXX   | XXX       | XXX       | 551,285   | 325,277   | 205,063   | 153,918   | 101,282   | 81,858    | 48,931     |  |   |
| 6. 2014                                   | XXX   | XXX       | XXX       | XXX       | 578,903   | 339,618   | 205,451   | 132,664   | 98,193    | 59,738     |  |   |
| 7. 2015                                   | XXX   | XXX       | XXX       | XXX       | XXX       | 657,738   | 397,084   | 263,405   | 178,480   | 124,484    |  |   |
| 8. 2016                                   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 703,959   | 406,320   | 245,800   | 168,529    |  |   |
| 9. 2017                                   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 813,698   | 503,765   | 295,746    |  |   |
| 10. 2018                                  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 877,086   | 516,355    |  |   |
| 11. 2019                                  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 941,684    |  |   |

## ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

| States, Etc.   | 1<br>Active Status<br>(a) | Gross Premiums, Including<br>Policy and Membership Fees,<br>Less Return Premiums and<br>Premiums on Policies Not<br>Taken |                                   | 4<br>Dividends<br>Paid or<br>Credited to<br>Policyholders<br>on Direct<br>Business | 5<br>Direct<br>Losses<br>Paid<br>(Deducting<br>Salvage) | 6<br>Direct<br>Losses<br>Incurred | 7<br>Direct<br>Losses<br>Unpaid | 8<br>Finance and<br>Service<br>Charges Not<br>Included in<br>Premiums | 9<br>Direct<br>Premiums<br>Written for<br>Federal<br>Purchasing<br>Groups<br>(Included in<br>Column 2) |
|--|---------------------------|---|-----------------------------------|--|---|-----------------------------------|---------------------------------|---|--|
|  |                           | 2<br>Direct<br>Premiums<br>Written  | 3<br>Direct<br>Premiums<br>Earned |  |   |                                   |                                 |   |  |
|  |                           |   |                                   |  |   |                                   |                                 |   |  |
| 1. Alabama   | AL                        | 147,033,667   | 146,174,984                       | 23,173   | 82,515,916  | 76,021,201                        | 72,340,425                      | 330,627   |  |
| 2. Alaska  | AK                        | 101,367   | 96,586                            |  |   | (101)                             | 19,330                          | 65  |  |
| 3. Arizona   | AZ                        | 61,688,272  | 58,753,216                        | 138,852  | 35,177,825  | 40,024,340                        | 45,052,596                      | 130,558   |  |
| 4. Arkansas  | AR                        | 64,067,030  | 64,535,387                        | 9,753  | 27,105,614  | 26,504,800                        | 30,967,872                      | 130,977   |  |
| 5. California  | CA                        | 58,328,564  | 50,054,982                        |  | 54,446,732  | 43,322,421                        | 21,668,788                      | 43,777  |  |
| 6. Colorado  | CO                        | 31,780,995  | 30,181,548                        |  | 16,047,613  | 17,385,764                        | 25,299,167                      | 82,772  |  |
| 7. Connecticut   | CT                        | 54,327,380  | 50,257,139                        | 5,483  | 19,383,766  | 23,740,284                        | 28,883,629                      | 157,582   |  |
| 8. Delaware  | DE                        | 14,345,817  | 13,832,195                        | 188,888  | 6,465,463   | 3,252,426                         | 12,207,882                      | 21,069  |  |
| 9. District of Columbia  | DC                        | 5,387,114   | 4,891,475                         | 7,602  | 1,529,381   | 1,558,547                         | 1,940,842                       | 3,132   |  |
| 10. Florida  | FL                        | 65,261,762  | 59,995,876                        |  | 30,797,981  | 28,677,827                        | 64,736,552                      | 60,718  |  |
| 11. Georgia  | GA                        | 250,217,366   | 244,888,423                       | 315,878  | 166,003,259   | 138,787,138                       | 151,661,975                     | 501,450   |  |
| 12. Hawaii   | HI                        | 381,403   | 260,469                           |  | 26,356  | 95,336                            | 142,534                         | 105   |  |
| 13. Idaho  | ID                        | 39,079,375  | 37,813,383                        | 39,195   | 15,951,031  | 12,523,615                        | 22,293,131                      | 78,704  |  |
| 14. Illinois   | IL                        | 223,250,440   | 221,057,651                       | 1,245,852  | 106,107,505   | 117,196,923                       | 188,583,705                     | 533,242   |  |
| 15. Indiana  | IN                        | 209,533,549   | 212,862,128                       | 147,263  | 87,767,435  | 93,367,789                        | 153,841,081                     | 491,008   |  |
| 16. Iowa   | IA                        | 62,771,912  | 64,022,297                        | 654,007  | 35,665,713  | 43,325,679                        | 76,815,977                      | 97,694  |  |
| 17. Kansas   | KS                        | 45,613,140  | 44,879,120                        | 251,257  | 23,557,790  | 17,452,368                        | 22,256,419                      | 89,840  |  |
| 18. Kentucky   | KY                        | 147,925,180   | 147,839,192                       | 5,573  | 76,325,189  | 71,429,898                        | 91,649,760                      | 112,030   |  |
| 19. Louisiana  | LA                        | 2,503,024   | 2,561,753                         |  | 611,315   | 492,264                           | 2,524,434                       | 469   |  |
| 20. Maine  | ME                        | 312,357   | 296,948                           |  | (34,049)  | (53,076)                          | 194,642                         | 160   |  |
| 21. Maryland   | MD                        | 87,021,147  | 85,320,571                        | 395,787  | 61,562,463  | 64,302,289                        | 73,314,438                      | 226,399   |  |
| 22. Massachusetts  | MA                        | 10,990,134  | 6,769,539                         |  | 1,564,201   | 2,008,838                         | 2,231,392                       | 13,271  |  |
| 23. Michigan   | MI                        | 181,541,603   | 186,964,628                       | 455,480  | 92,552,184  | 90,251,356                        | 134,226,900                     | 537,539   |  |
| 24. Minnesota  | MN                        | 112,960,755   | 111,363,376                       | 16,511   | 65,212,341  | 72,249,621                        | 76,273,396                      | 241,711   |  |
| 25. Mississippi  | MS                        | 1,834,505   | 1,738,755                         |  | 1,570,169   | 1,416,427                         | 2,557,677                       | 517   |  |
| 26. Missouri   | MO                        | 120,369,710   | 117,062,504                       | 351,797  | 54,245,159  | 51,372,931                        | 90,054,512                      | 249,414   |  |
| 27. Montana  | MT                        | 54,860,063  | 52,131,433                        |  | 28,796,418  | 41,484,765                        | 48,294,962                      | 56,429  |  |
| 28. Nebraska   | NE                        | 29,288,968  | 29,152,284                        | 347,829  | 15,089,864  | 18,426,815                        | 31,950,878                      | 31,245  |  |
| 29. Nevada   | NV                        | 1,880,775   | 1,704,265                         |  | 1,220,530   | 359,189                           | 974,510                         | 452   |  |
| 30. New Hampshire  | NH                        | 14,422,504  | 13,961,659                        | 119,401  | 5,752,021   | 6,870,426                         | 9,686,965                       | 42,611  |  |
| 31. New Jersey   | NJ                        | 16,142,169  | 12,810,976                        | 58,450   | 5,135,184   | 5,961,606                         | 9,423,072                       | 27,573  |  |
| 32. New Mexico   | NM                        | 19,383,186  | 18,939,740                        |  | 10,776,021  | 14,679,576                        | 26,686,451                      | 73,434  |  |
| 33. New York   | NY                        | 168,185,873   | 148,040,262                       | 129,899  | 78,546,360  | 90,140,562                        | 103,471,380                     | 312,341   |  |
| 34. North Carolina   | NC                        | 226,215,401   | 224,623,559                       | 252,460  | 125,018,105   | 80,857,763                        | 117,445,757                     | 485,690   |  |
| 35. North Dakota   | ND                        | 14,996,009  | 14,263,769                        |  | 9,605,295   | 12,904,816                        | 13,152,659                      | 13,754  |  |
| 36. Ohio   | OH                        | 671,036,472   | 663,581,381                       |  | 390,485,340   | 402,204,654                       | 408,085,571                     | 1,641,332   |  |
| 37. Oklahoma   | OK                        | 1,830,926   | 1,727,790                         |  | 179,336   | 146,352                           | 1,022,764                       | 890   |  |
| 38. Oregon   | OR                        | 48,801,079  | 46,642,180                        |  | 19,939,208  | 25,379,126                        | 27,332,781                      | 134,401   |  |
| 39. Pennsylvania   | PA                        | 192,714,311   | 186,228,886                       | 1,542,148  | 114,595,956   | 199,698,162                       | 286,843,718                     | 461,857   |  |
| 40. Rhode Island   | RI                        | 224,501   | 202,270                           |  | 83,148  | 119,397                           | 201,552                         | 420   |  |
| 41. South Carolina   | SC                        | 62,321,923  | 63,833,211                        | 78,506   | 31,315,219  | 30,953,507                        | 52,476,952                      | 132,392   |  |
| 42. South Dakota   | SD                        | 11,152,620  | 10,695,915                        | 161,062  | 15,221,991  | 18,979,498                        | 20,563,689                      | 12,275  |  |
| 43. Tennessee  | TN                        | 159,256,871   | 157,004,530                       | 41,778   | 56,441,943  | 65,471,437                        | 103,713,518                     | 345,743   |  |
| 44. Texas  | TX                        | 115,915,227   | 106,886,511                       | 34,651   | 59,968,493  | 71,783,745                        | 109,302,502                     | 254,002   |  |
| 45. Utah   | UT                        | 56,688,378  | 53,965,369                        |  | 25,038,545  | 26,823,797                        | 40,716,448                      | 134,338   |  |
| 46. Vermont  | VT                        | 20,791,450  | 21,085,639                        | 265,191  | 10,745,599  | 10,617,423                        | 18,261,739                      | 65,929  |  |
| 47. Virginia   | VA                        | 135,064,545   | 130,691,427                       | 758,192  | 59,685,221  | 57,479,661                        | 110,867,295                     | 328,815   |  |
| 48. Washington   | WA                        | 34,044,085  | 30,398,373                        |  | 7,965,689   | 9,468,783                         | 14,962,719                      | 64,332  |  |
| 49. West Virginia  | WV                        | 25,072,296  | 24,345,892                        |  | 8,913,367   | 8,117,917                         | 14,486,456                      | 34,596  |  |
| 50. Wisconsin  | WI                        | 109,640,551   | 108,011,172                       | 4,260,836  | 60,037,146  | 54,666,264                        | 114,460,853                     | 184,126   |  |
| 51. Wyoming  | WY                        | 7,715,929   | 7,323,065                         |  | 2,857,074   | 4,173,845                         | 5,246,242                       | 11,113  |  |
| 52. American Samoa   | AS                        | N   |                                   |  |   |                                   |                                 |   |  |
| 53. Guam   | GU                        | N   |                                   |  |   |                                   |                                 |   |  |
| 54. Puerto Rico  | PR                        | L   | 312                               |  |   | (98)                              | 161                             | (25)  |  |
| 55. U.S. Virgin Islands  | VI                        | N   |                                   |  |   |                                   |                                 |   |  |
| 56. Northern Mariana Islands   | MP                        | N   |                                   |  |   |                                   |                                 |   |  |
| 57. Canada   | CAN                       | N   |                                   |  |   |                                   |                                 |   |  |
| 58. Aggregate other alien  | OT                        | XXX   |                                   |  |   |                                   |                                 |   |  |
| 59. Totals   |                           | XXX   | 4,196,273,677                     | 4,092,725,995  | 12,302,754  | 2,205,571,423                     | 2,294,475,893                   | 3,081,370,644   | 8,984,894  |
| DETAILS OF WRITE-INS   |                           |   |                                   |  |   |                                   |                                 |   |  |
| 58001.   |                           | XXX   |                                   |  |   |                                   |                                 |   |  |
| 58002.   |                           | XXX   |                                   |  |   |                                   |                                 |   |  |
| 58003.   |                           | XXX   |                                   |  |   |                                   |                                 |   |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page |                           | XXX   |                                   |  |   |                                   |                                 |   |  |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)  |                           | XXX   |                                   |  |   |                                   |                                 |   |  |

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....52  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....

R - Registered - Non-domiciled RRGs.....  
Q - Qualified - Qualified or accredited reinsurer.....

N - None of the above - Not allowed to write business in the state.....5

(b) Explanation of basis of allocation of premiums by states, etc.

Premiums received on all classes are booked to the state in which the risk is located.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 – ORGANIZATIONAL CHART**

|   | Domiciliary Location | FEIN       | NAIC Co. Code |
|---|----------------------|------------|---------------|
| Cincinnati Financial Group (Parent)                               | OH                   | 31-0746871 |               |
| CFC Investment Company  | OH                   | 31-0790388 |               |
| The Cincinnati Insurance Company (Insurer)                        | OH                   | 31-0542366 | 10677         |
| The Cincinnati Casualty Company (Insurer)                         | OH                   | 31-0826946 | 28665         |
| The Cincinnati Indemnity Company (Insurer)                        | OH                   | 31-1241230 | 23280         |
| The Cincinnati Life Insurance Company (Insurer)                   | OH                   | 31-1213778 | 76236         |
| CLIC District Investments I, LLC                                  | OH                   | 82-5173506 |               |
| CLIC BP Investments B, LLC  | OH                   | 81-1908205 |               |
| CLIC BP Investments H, LLC  | OH                   | 81-4633687 |               |
| CLIC WSD Investments I, LLC                                       | OH                   | 82-1587731 |               |
| CLIC Uptown Investments I, LLC                                    | OH                   | 82-3254447 |               |
| CLIC DS Investments I, LLC  | OH                   | 81-3640769 |               |
| The Cincinnati Specialty Underwriters Insurance Company (Insurer) | DE                   | 65-1316588 | 13037         |
| CIC Uptown Investments I, LLC                                     | OH                   | 83-1627569 |               |
| CIC Danamont Investments I, LLC                                   | OH                   | 61-1936938 |               |
| CIC Icon Investments I, LLC                                       | OH                   | 32-0613415 |               |
| CSU Producer Resources, Inc                                       | OH                   | 11-3823180 |               |
| Cincinnati Global Underwriting LTD.                               | GBR                  | 98-1489371 |               |
| Cincinnati Global Dedicated No 1 Limited (Insurer)                | GBR                  |            |               |
| Cincinnati Global Dedicated No 2 Limited (Insurer)*               | GBR                  |            |               |
| Cincinnati Global Dedicated No 3 Limited (Insurer)                | GBR                  |            |               |
| Cincinnati Global Dedicated No 4 Limited (Insurer)                | GBR                  |            |               |
| Cincinnati Global Dedicated No 5 Limited (Insurer)                | GBR                  |            |               |
| Cincinnati Global Dedicated No 6 Limited (Insurer)                | GBR                  |            |               |
| Cincinnati Global Underwriting Agency Limited                     | GBR                  |            |               |
| Cincinnati Global Underwriting Services Limited                   | GBR                  |            |               |

\* Participant in Lloyd's Syndicate 0318

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE THE CINCINNATI INSURANCE COMPANY  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Schedule E - Part 3 Line 58

| States, Etc.   | 1<br>Type of<br>Deposit | 2<br>Purpose of Deposit          | Deposits For the<br>Benefit of All Policyholders |                 | All Other Special Deposits           |                 |
|--|-------------------------|----------------------------------|--|-----------------|--------------------------------------|-----------------|
|  |                         |                                  | 3<br>Book/Adjusted<br>Carrying Value             | 4<br>Fair Value | 5<br>Book/Adjusted<br>Carrying Value | 6<br>Fair Value |
| 5804. Reinsurance Agreement FMAC .....                                 | B                       | Collateral For Reinsurance ..... |  |                 | 8,168,944                            | 8,431,859       |
| 5805. Reinsurance Agreement ARCH AMERT ..                              | B                       | Collateral For Reinsurance ..... |  |                 | 1,448,631                            | 1,544,518       |
| 5806. Reinsurance Agreement LakeShore Inc .....                        | B                       | Collateral For Reinsurance ..... |  |                 | 1,296,984                            | 1,330,672       |
| 5807. Reinsurance Agreement Chimney Point .....                        | ST                      | Collateral For Reinsurance ..... |  |                 | 9,450,000                            | 9,450,000       |
| 5808. Reinsurance Agreement FMAC .....                                 | ST                      | Collateral For Reinsurance ..... |  |                 | 2,100,000                            | 2,100,000       |
| 5809. Reinsurance Agreement Mangrove .....                             | ST                      | Collateral For Reinsurance ..... |  |                 | 6,030,000                            | 6,030,000       |
| 5897. Summary of remaining write-ins for<br>Line 58 from overflow page | XXX                     | XXX                              |  |                 | 28,494,559                           | 28,887,049      |

## ALPHABETICAL INDEX

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