

Travelers Companies (TRV)

\$285.31 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$331.00**

Long Term: 6-12 Months

Zacks Recommendation:

Outperform

(Since: 10/22/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

1-Strong Buy

Zacks Style Scores:

VGM: A

Value: A

Growth: C

Momentum: B

Summary

Travelers boasts a strong market presence in auto, homeowners' insurance and commercial U.S. property-casualty insurance with solid inorganic growth. A high retention rate, a rise in new business, underwriting excellence and positive renewal premium change bodes well. Its commercial businesses should perform well owing to market stability. Given growth at profitable agencies like auto and homeowners business, it remains optimistic about the personal line of business. Strong and reliable returns from the growing fixed-income portfolio should drive net investment income. Sufficient capital boosts shareholder value. It aims for a mid-teens core return on equity over time. Shares of Travelers have underperformed the industry year to date. However, exposure to cat loss induces underwriting volatility. Inflationary pressure also remains a concern.

Data Overview

| | |
|----------------------------|---|
| 52 Week High-Low | \$296.85 - \$230.23 |
| 20 Day Average Volume (sh) | 1,343,877 |
| Market Cap | \$63.6 B |
| YTD Price Change | 18.4% |
| Beta | 0.53 |
| Dividend / Div Yld | \$4.40 / 1.5% |
| Industry | Insurance - Property and Casualty |
| Zacks Industry Rank | Top 10% (24 out of 243) |

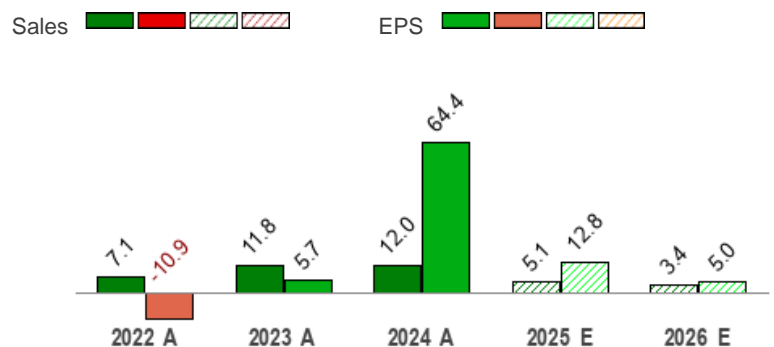
| | |
|---------------------------|------------|
| Last EPS Surprise | 35.4% |
| Last Sales Surprise | 0.7% |
| EPS F1 Est- 4 week change | 0.2% |
| Expected Report Date | 01/28/2026 |
| Earnings ESP | 0.0% |

| | |
|---------|------|
| P/E TTM | 11.1 |
| P/E F1 | 11.7 |
| PEG F1 | 1.3 |
| P/S TTM | 1.3 |

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|----------|----------|----------|----------|----------|
| 2026 | 12,430 E | 12,548 E | 12,683 E | 12,833 E | 50,494 E |
| 2025 | 11,871 A | 12,110 A | 12,443 A | 12,394 E | 48,818 E |
| 2024 | 11,193 A | 11,348 A | 11,849 A | 12,063 A | 46,453 A |

EPS Estimates⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 6.24 E | 4.24 E | 5.90 E | 9.18 E | 25.56 E |
| 2025 | 1.91 A | 6.51 A | 8.14 A | 7.78 E | 24.34 E |
| 2024 | 4.69 A | 2.51 A | 5.24 A | 9.15 A | 21.58 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/12/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/21/2025.

Overview

Established in 1853 and is based in New York, NY, The Travelers Companies Inc., a holding company, is principally engaged, through its subsidiaries, in providing a wide variety of property and casualty insurance and surety products and services to businesses, organizations and individuals in the United States. and select international markets.

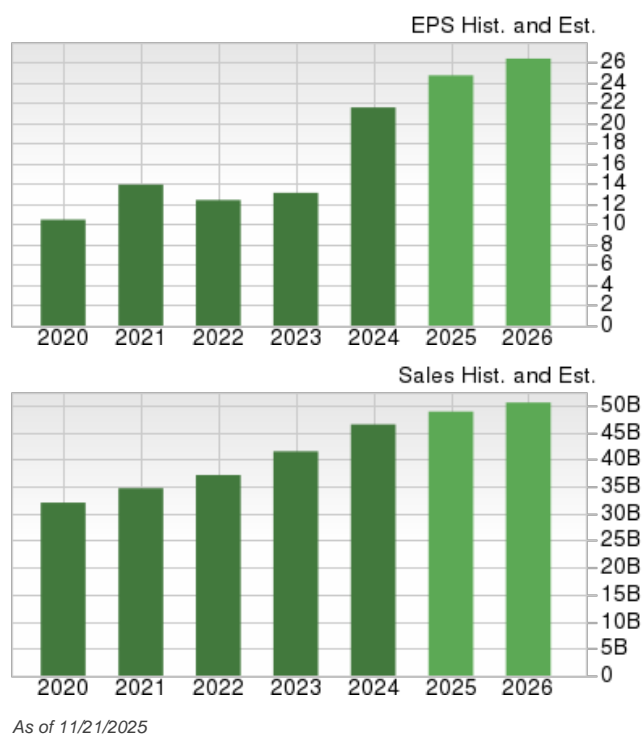
Travelers operates its business through three segments: The Business Insurance segment (51% of 2024 Net written premium) offers a broad array of property and casualty insurance and insurance-related services to its customers, primarily in the United States, as well as in Canada, the United Kingdom, the Republic of Ireland, Brazil and throughout other parts of the world as a corporate member of Lloyd's.

Its products include offers workers' compensation, commercial automobile and property, general liability, commercial multi-peril, employers' liability, public and product liability, professional indemnity, marine, aviation, onshore and offshore energy, construction, terrorism, personal accident, and kidnap and ransom insurance products.

This segment operates through select accounts, which serve small businesses; commercial accounts that serve mid-sized businesses; national accounts, which serve large companies; and national property and other that serve large and mid-sized customers, commercial transportation industry, and agricultural businesses, as well as markets and distributes its products through brokers, wholesale agents, program managers, and specialized retail agents.

The Personal Insurance segment (39%) offers property and casualty insurance covering personal risks, primarily automobile and homeowners insurance to individuals primarily in the United States, as well as in Canada. The company distributes its products primarily through independent agencies and brokers.

The Bond & Specialty Insurance segment (10%) provides surety, fidelity, management and professional liability, and other property and casualty insurance products and related risk management services to its customers in the United States and certain specialty insurance products in Canada, the United Kingdom, the Republic of Ireland and Brazil.



Reasons To Buy:

▲ Travelers is one of the leading writers of auto and homeowners' insurance plus commercial U.S. property-casualty insurance. Increasing cost of repairs, adverse driving behavior, litigations and increase in claims frequency are driving auto premiums higher. However, the rate of increase in premiums are estimated to moderate as insurers brace up to offer customized policies at a competitive rate. The homeowners insurance market continues to grapple with challenges such as catastrophic losses—both natural and man-made—insurer exits from high-risk areas, and rising premiums. Despite challenges, the company remains optimistic about the trajectory of its personal lines of business as insurers are tightening their underwriting standards, expected to see moderated claim trends as well as bundling auto and home to make coverages affordable.

A compelling product portfolio, high retention rate, pricing gains, positive renewal rate changes, strong capital position, inorganic growth and prudent underwriting practices position Travelers well.

▲ It is evident that the industry is going through hard market cycle that started in 2018. Given inflation staying above 2%, increase in catastrophe losses due to change in climate, the hard market is here to stay. A hard market leads to higher pricing, which coupled with prudent underwriting standards should continue to drive premiums higher and ensure sustained profitability. Travelers has grown net written premiums by more than 70% to over \$43 billion over the past eight years, driven by strong retention rates, positive renewal premium changes and higher new business premiums in both Domestic Automobile and Domestic Homeowners. We expect premiums to increase 5.4% in 2025.

▲ Travelers' investment income increased over the last five years, primarily driven by strong and reliable returns from its growing fixed income portfolio and higher returns from its non-fixed income portfolio. P&C insurer prefers fixed-income investments, such as bonds, because they offer predictable returns that can be used in claims payment. Travelers has 94% of its investments invested in fixed maturities and short-term investments with equity securities, real estate investments and other investments accounting for 6%. The company expects that the \$100 billion investment portfolio should continue generating a higher level of predictable and reliable net investment income. TRV now expects approximately \$810 million after tax in the fourth quarter. For 2026, TRV expects fixed income NII of more than \$3.3 billion.

▲ In tandem with the industry's ongoing technological transformation, Travelers has been harnessing cutting-edge technologies—including artificial intelligence, the Internet of Things, data analytics, and cloud computing—to enhance its underwriting, claims handling, customer experience, and risk management capabilities. In 2023, it launched an online platform aimed at providing construction clients with access to tailored technology solutions and risk management tools. As a part of its commitment to innovation, Travelers plans to invest more than \$1 billion annually in technology to support continued advancement and operational efficiency.

▲ Travelers has a strong balance sheet. At third quarter-end, statutory capital and surplus were \$29.965 billion. The ratio of debt-to-total capital excluding after-tax net unrealized investment losses included in shareholders' equity of 21.6% as of September 30, 2025 was within the company's target range of 15% to 25%. All capital ratios were better than the target levels. The company ended third quarter 2025 with holding company liquidity of approximately \$2.84 billion. It has been consistently increasing its book value for the past 10 years. Sustained operational excellence helped generate double-digit core ROE in nine of the past 10 years, averaging 12.6%. The company aims to generate mid-teens core ROE over time.

▲ The solid cash generation has allowed it to return capital to shareholders via dividends and share buybacks. During the nine months ended September 30, 2025, the company repurchased 5.1 million shares, under its share repurchase authorizations for total cost of \$1.38 billion. As of September 30, 2025, the company had \$3.67 billion of capacity remaining under its share repurchase authorizations. Also as a part of its commitment to disciplined capital allocation and value creation, Travelers decided to allocate about \$700 million of the net cash proceeds from the sale of its Canadian business for additional share repurchases in 2026.

The company declared a 5% increase in quarterly cash dividend in the first quarter of 2025, which marked the 21st consecutive year of dividend increases with a compound annual growth rate of 8% over that period. Its current dividend yield of 1.7% is better than the industry average of 0.3%.

Risks⁽²⁾

- Exposure to catastrophe events is always a headwind for property and casualty insurers. The company has been witnessing a high level of catastrophe losses with combined ratio deterioration. Catastrophe losses for the first nine months of 2025 totaled \$3.60 billion wider than year ago loss of \$3.16 billion. Catastrophe losses in the first nine months of 2025 included severe wind and hail storms in multiple states, as well as the January 2025 California wildfires and severe wind and hail storms in multiple states in the first six months of 2025. While accounted for in the current period, catastrophes typically lead people to buy more insurance at higher rates, which helps results in subsequent quarters.
 - Rising reinsurance costs strain insurers by reducing earnings and contracting margins. While reinsurance plays a vital role in protecting against large or catastrophic losses, but when its cost rises—often due to a surge in global catastrophes or limited market capacity—insurers must carefully manage how to handle the added expense. Passing costs to customers through higher premiums risks making policies less competitive, potentially resulting in lost business or lower retention rates. On the other hand, absorbing these costs can erode profitability.
 - The metric remains stretched at the current level. Looking at the company's price-to-book ratio, the best multiple for valuing insurers, investors might not want to pay any further premium. The company is currently trading at 1.9X trailing 12-month book value, which compares with 1.53X for the industry.
 - As a prominent property and casualty insurer, Travelers is subject to stringent regulatory oversight across both U.S. and international jurisdictions. This environment imposes complex compliance obligations and exposes the company to legal and regulatory risks that could lead to financial losses or hinder its operational efficiency.
 - Travelers faces inflationary pressures that increase the costs of auto and home repairs, medical treatments, and replacement materials, which in turn increases claims severity and weigh on underwriting margins. Prolonged inflation along with tariff imposition makes risk pricing more challenging, raising the risk of underwriting losses. Also cut back on insurance coverage or delay renewals, leads to reduced demand in commercial lines. These combined challenges can significantly impact profitability for Travelers.
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Last Earnings Report

Travelers Q3 Earnings Surpass Estimates on Solid Underwriting Show

The Travelers Companies reported third-quarter 2025 core income of \$8.14 per share, which beat the Zacks Consensus Estimate by 35.4%. The bottom line increased 55% year over year. The bottom line increased year over year primarily due to lower catastrophe losses, a higher underlying underwriting gain, and higher net investment income, partially offset by lower net favorable prior year reserve development.

Behind Q3 Headlines

Travelers' total revenues increased 5% from the year-ago quarter to \$12.44 billion, primarily driven by higher premiums, net investment income, fee income, and other revenues. The top-line figure beat the Zacks Consensus Estimate by 0.7%.

Net written premiums increased 1% year over year to a record \$11.47 billion, driven by strong growth across Bond & Specialty Insurance and Business Insurance segments. The figure was higher than our estimate of \$11 billion. Pre-tax net investment income increased 14% year over year to \$1.03 billion, primarily due to growth in average invested assets and a higher average yield in the long-term fixed income investment portfolio. The figure matched our estimate. The Zacks Consensus Estimate was pegged at \$981 million.

Catastrophe loss was \$402 million, pre-tax, narrower than a loss of \$939 million, pre-tax, incurred in the year-ago quarter. The underwriting gain doubled year over year to \$1.4 billion. The consolidated underlying combined ratio of 83.9 improved 170 basis points (bps) year over year. The combined ratio improved 590 bps year over year to 87.3 due to lower catastrophe losses and an improvement in the underlying combined ratio, partially offset by lower net favorable prior year reserve development.

Core return on equity expanded 600 basis points to 22.6%. Adjusted book value per share (excludes net unrealized investment gains/losses) of \$150.55 increased 15% year over year. At quarter-end, statutory capital and surplus were \$29.965 billion and the debt-to-capital ratio was 22.7%.

Segment Update

Business Insurance: Net written premiums increased 3% year over year to about \$5.67 billion, reflecting strong growth of 7% in core Middle Market business. This was partially offset by a 6% decline in net written premiums in National Property and Other, reflecting disciplined underwriting. Business Insurance net written premiums were higher than our estimate \$5.48 billion. The combined ratio improved 290 bps year over year to 92.9 on lower catastrophe losses, partially offset by higher net unfavorable prior year reserve development and a higher underlying combined ratio. Our estimate was 97.5. The Zacks Consensus Estimate was pegged at 97.

Segment income of \$907 million increased 30% year over year on lower catastrophe losses and higher net investment income, partially offset by higher net unfavorable prior year reserve development. The figure was higher than our estimate of \$610.2 million.

Bond & Specialty Insurance: Net written premiums increased 1% year over year to \$1 billion. The metric matched our estimate. The combined ratio improved 90 bps year over year to 81.6 due to higher net favorable prior year reserve development and lower catastrophe losses, partially offset by a higher underlying combined ratio. Our estimate was 80.2. The Zacks Consensus Estimate was pegged at 84.

Segment income of \$250 million increased 12.6% year over year due to higher net investment income, a higher underlying underwriting gain, higher net favorable prior year reserve development and lower catastrophe losses. The underlying underwriting gain benefited from higher business volumes. The figure was lower than our estimate of \$281.4 million.

Personal Insurance: Net written premiums of \$4.71 billion were comparable year over year, reflecting a strong renewal premium change in Domestic Homeowners and Other. Our estimate was \$4.5 billion. The combined ratio improved 1,120 bps year over year to 81.3, driven by lower catastrophe losses and an improvement in the underlying combined ratio, partially offset by lower net favorable prior year reserve development. Our estimate was 103.7. The Zacks Consensus Estimate was pegged at 94.

Segment income doubled year over year to \$807 million after-tax, attributable to lower catastrophe losses, a higher underlying underwriting gain and higher net investment income. It was partially offset by lower net favorable prior year reserve development. The underlying underwriting gain benefited from higher business volumes. Our estimate was \$283.5 million.

Dividend and Share Repurchase Update

This property and casualty insurer returned \$878 million to shareholders in the third quarter of 2025. It bought back 2.3 million shares for \$628 million in the third quarter. At the end of Sept. 30, 2025, TRV had \$3.66 billion remaining under its authorization. The board also announced a quarterly dividend of \$1.10 per share. The dividend will be paid out on Dec. 31, 2025, to shareholders of record at the close of business on Dec. 10, 2025.

FY Quarter Ending **12/31/2024**

| Earnings Reporting Date | Oct 16, 2025 |
|-------------------------|--------------|
| Sales Surprise | 0.74% |
| EPS Surprise | 35.44% |
| Quarterly EPS | 8.14 |
| Annual EPS (TTM) | 25.71 |

Recent News

Travelers to Sell Major Canada Insurance Operations - May 27, 2025

Travelers has inked a deal to divest the personal insurance business and the majority of the commercial insurance business of Travelers Canada to Definity Financial Corporation for \$2.4 billion. The divestiture is intended to create long-term value via prudent capital allocation.

Subject to regulatory approvals and other customary closing conditions, the transaction will see light in the first quarter of 2026.

The sale consideration represents a multiple of 1.8 times book value, excluding approximately \$0.8 billion of excess local capital, which is being repatriated in a tax-efficient manner.

To optimize its capital allocation and enhance long-term shareholder value, this insurer will deploy \$0.7 billion of the net proceeds to buy back shares in 2026. The remaining \$1.7 billion will support ongoing operations and general corporate purposes.

This latest strategic move is expected to be slightly accretive to earnings per share over the next several years.

Valuation

Travelers shares are up 19.5% year to date and up 9.7% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 10.1% and up 11.2% in the year to date period, respectively. Over the past year, the Zacks sub-industry and sector are up 4.1% and up 6.6% respectively.

The S&P 500 index is up 14.2% in the year to date period and up 13.2% in the past year.

The stock is currently trading at 1.9X price to book, which compares to 1.53X for the Zacks sub-industry, 4.26X for the Zacks sector and 8.19X for the S&P 500 index.

Over the past five years, the stock has traded as high as 2.24X and as low as 1.17X, with a 5-year median of 1.86X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$331 price target reflects 2.34X book value.

The table below shows the summary of valuation data for TRV

| Valuation Multiples - TRV | | | | | |
|---------------------------|---------------|-------|--------------|--------|---------|
| | | Stock | Sub-Industry | Sector | S&P 500 |
| P/B TTM | Current | 2.03 | 1.49 | 4.26 | 8.19 |
| | 5-Year High | 2.24 | 1.72 | 4.41 | 9.2 |
| | 5-Year Low | 1.17 | 1.17 | 2.87 | 6.62 |
| | 5-Year Median | 1.86 | 1.43 | 3.52 | 8.05 |
| P/S F12M | Current | 1.28 | 2.28 | 8.93 | 5.19 |
| | 5-Year High | 1.28 | 10.3 | 10.06 | 5.52 |
| | 5-Year Low | 0.8 | 1.64 | 6.68 | 3.84 |
| | 5-Year Median | 1.09 | 2.05 | 8.35 | 5.06 |
| P/E F12M | Current | 11.07 | 27.69 | 16.71 | 22.89 |
| | 5-Year High | 17.36 | 31.83 | 18.31 | 23.81 |
| | 5-Year Low | 10.11 | 23.27 | 12.38 | 15.73 |
| | 5-Year Median | 12.23 | 27.8 | 16.14 | 21.2 |

As of 11/20/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 10% (24 out of 243)



Top Peers⁽¹⁾

| Company (Ticker) | Rec | Rank |
|--------------------------------|------------|------|
| The Allstate Corpora...(ALL) | Outperform | 1 |
| American Financial G...(AFG) | Neutral | 3 |
| Chubb Limited (CB) | Neutral | 3 |
| Fidelity National Fi...(FNF) | Neutral | 3 |
| The Progressive Corp...(PGR) | Neutral | 3 |
| Tokio Marine Holding...(TKOMY) | Neutral | 4 |
| W.R. Berkley Corpora...(WRB) | Neutral | 3 |
| Stewart Information ...(STC) | NA | |

Industry Comparison⁽¹⁾ Industry: Insurance - Property And Casualty

| | TRV | X Industry | S&P 500 | AFG | CB | WRB |
|----------------------------------|------------|------------|-----------|---------|-----------|-----------|
| Zacks Recommendation (Long Term) | Outperform | - | - | Neutral | Neutral | Neutral |
| Zacks Rank (Short Term) | 1 | - | - | 3 | 3 | 3 |
| VGM Score | A | - | - | B | C | B |
| Market Cap | 63.64 B | 4.44 B | 39.36 B | 11.45 B | 121.40 B | 26.35 B |
| # of Analysts | 12 | 3.5 | 22 | 3 | 11 | 7 |
| Dividend Yield | 1.54% | 0.52% | 1.39% | 2.57% | 1.26% | 0.52% |
| Value Score | A | - | - | B | B | B |
| Cash/Price | 0.12 | 0.14 | 0.04 | 0.17 | 0.06 | 0.14 |
| EV/EBITDA | 4.59 | 8.09 | 14.58 | 8.86 | 10.72 | 11.58 |
| PEG Ratio | 1.33 | 1.60 | 2.22 | NA | 3.52 | 2.65 |
| Price/Book (P/B) | 2.01 | 1.56 | 3.34 | 2.42 | 1.56 | 2.69 |
| Price/Cash Flow (P/CF) | 5.09 | 12.99 | 15.19 | 11.72 | 13.58 | 17.65 |
| P/E (F1) | 11.72 | 11.56 | 19.74 | 13.99 | 13.04 | 16.27 |
| Price/Sales (P/S) | 1.31 | 1.30 | 3.02 | 1.39 | 2.07 | 1.80 |
| Earnings Yield | 8.67% | 8.65% | 5.01% | 7.15% | 7.67% | 6.14% |
| Debt/Equity | 0.29 | 0.14 | 0.57 | 0.38 | 0.20 | 0.29 |
| Cash Flow (\$/share) | 56.00 | 4.53 | 8.99 | 11.71 | 22.71 | 3.93 |
| Growth Score | C | - | - | D | D | B |
| Hist. EPS Growth (3-5 yrs) | 13.64% | 18.53% | 8.13% | -0.84% | 25.94% | 28.71% |
| Proj. EPS Growth (F1/F0) | 12.79% | 23.20% | 8.50% | -8.74% | 5.11% | 2.90% |
| Curr. Cash Flow Growth | 26.88% | 15.00% | 6.86% | 1.03% | -3.64% | 13.09% |
| Hist. Cash Flow Growth (3-5 yrs) | 9.98% | 11.62% | 7.31% | -1.18% | 11.38% | 16.42% |
| Current Ratio | 0.35 | 0.48 | 1.18 | 0.55 | 0.27 | 0.37 |
| Debt/Capital | 22.67% | 12.74% | 38.15% | 27.79% | 17.19% | 22.46% |
| Net Margin | 12.14% | 10.57% | 12.78% | 9.66% | 16.53% | 13.01% |
| Return on Equity | 20.28% | 16.51% | 17.00% | 18.05% | 12.93% | 18.86% |
| Sales/Assets | 0.35 | 0.34 | 0.53 | 0.26 | 0.23 | 0.35 |
| Proj. Sales Growth (F1/F0) | 5.10% | 3.46% | 5.75% | -0.60% | 6.30% | 8.50% |
| Momentum Score | B | - | - | A | A | C |
| Daily Price Chg | 0.86% | 0.51% | -1.07% | 0.85% | 0.81% | -0.01% |
| 1 Week Price Chg | -4.09% | -2.67% | -0.43% | -3.74% | -0.40% | -14.12% |
| 4 Week Price Chg | -0.73% | 1.12% | 1.33% | -4.16% | 4.14% | -9.91% |
| 12 Week Price Chg | 2.67% | 1.91% | 2.95% | -2.53% | 12.47% | -5.16% |
| 52 Week Price Chg | 16.99% | 6.92% | 12.83% | -1.31% | 12.02% | 14.63% |
| 20 Day Average Volume | 1,343,877 | 206,466 | 2,755,288 | 383,673 | 1,667,251 | 3,371,777 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -0.03% |
| (F1) EPS Est 4 week change | 0.16% | 0.10% | 0.00% | 3.52% | 0.65% | 0.00% |
| (F1) EPS Est 12 week change | 15.13% | 8.24% | 0.68% | 4.47% | 9.69% | 0.91% |
| (Q1) EPS Est Mthly Chg | 0.00% | 0.00% | 0.00% | 4.05% | 0.56% | 0.00% |

Analyst Earnings Model⁽²⁾

The Travelers Companies, Inc. (TRV)

In SMM, except per share data

| | 2023A | 2024A | 1Q4 | 2Q4 | 2025E | 4Q4 | FY | 2026E | 2027E |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| FY Ends December 31st | FY | FY | 31-Mar-25 | 30-Jun-25 | 30-Sep-25 | 31-Dec-25 | Dec-25 | FY | FY |
| | Dec-23 | Dec-24 | | | | | | Dec-26 | Dec-27 |
| Income Statement | | | | | | | | | |
| Premiums | \$37,761.0 | \$41,941.0 | \$10,710.0 | \$10,921.0 | \$11,135.0 | \$11,077.4 | \$43,843.4 | \$44,896.9 | \$45,966.4 |
| YoY % Chng | 11.8% | 11.1% | 5.8% | 6.6% | 4.0% | 1.9% | 4.5% | 2.4% | 2.4% |
| Net Investment Income | \$2,922.0 | \$3,590.0 | \$930.0 | \$942.0 | \$1,033.0 | \$1,054.1 | \$3,959.1 | \$4,482.9 | \$5,018.4 |
| YoY % Chng | 14.1% | 22.9% | 9.9% | 6.4% | 14.3% | 10.4% | 10.3% | 13.2% | 11.9% |
| Fee Income | \$433.0 | \$473.0 | \$119.0 | \$124.0 | \$127.0 | \$142.4 | \$512.4 | \$561.5 | \$616.2 |
| YoY % Chng | 5.1% | 9.2% | 9.2% | 7.8% | 5.0% | 11.3% | 8.3% | 9.6% | 9.7% |
| Net Investment Gains (Losses) | (\$105.0) | (\$30.0) | (\$61.0) | \$6.0 | \$27.0 | (\$39.6) | (\$67.6) | (\$22.7) | (\$17.5) |
| YoY % Chng | -48.5% | 71.4% | (274.3%) | 109.2% | (50.9%) | 28.0% | (125.3%) | 66.5% | 23.0% |
| Other Revenue | \$353.0 | \$449.0 | \$112.0 | \$123.0 | \$148.0 | \$120.1 | \$503.1 | \$552.9 | \$621.3 |
| YoY % Chng | 0.6% | 27.2% | 0.0% | 17.1% | 23.3% | 7.2% | 12.0% | 9.9% | 12.4% |
| Total Revenues | \$41,364.0 | \$46,423.0 | \$11,810.0 | \$12,116.0 | \$12,470.0 | \$12,354.4 | \$48,750.4 | \$50,471.4 | \$52,204.8 |
| YoY % Chng | 12.1% | 12.2% | 5.2% | 7.4% | 4.8% | 2.9% | 5.0% | 3.5% | 3.4% |
| Total Operating Revenues | \$41,469.0 | \$46,453.0 | \$11,871.0 | \$12,110.0 | \$12,443.0 | \$12,394.0 | \$48,818.0 | \$50,494.1 | \$52,222.3 |
| YoY % Chng | 11.8% | 12.0% | 6.1% | 6.7% | 5.0% | 2.7% | 5.1% | 3.4% | 3.4% |
| Claims and Claim Adjustment Expenses | \$26,215.0 | \$27,059.0 | \$8,006.0 | \$6,789.0 | \$6,594.0 | \$6,737.0 | \$28,126.0 | \$29,077.3 | \$30,093.6 |
| YoY % Chng | 14.7% | 3.2% | 20.3% | (7.9%) | (5.7%) | 11.6% | 3.9% | 3.4% | 3.5% |
| Amortization of Deferred Acquisition Costs | \$6,226.0 | \$6,973.0 | \$1,778.0 | \$1,802.0 | \$1,849.0 | \$1,857.2 | \$7,286.2 | \$7,562.4 | \$7,812.5 |
| YoY % Chng | 12.9% | 12.0% | 4.7% | 7.4% | 3.3% | 2.8% | 4.5% | 3.8% | 3.3% |
| General and Administrative Expenses | \$5,176.0 | \$5,819.0 | \$1,459.0 | \$1,545.0 | \$1,572.0 | \$1,487.5 | \$6,063.5 | \$6,303.1 | \$6,507.0 |
| YoY % Chng | 7.6% | 12.4% | 3.8% | 4.5% | 7.7% | 0.8% | 4.2% | 4.0% | 3.2% |
| Interest Expense | \$376.0 | \$392.0 | \$99.0 | \$99.0 | \$111.0 | \$111.0 | \$420.0 | \$444.0 | \$444.0 |
| YoY % Chng | 7.1% | 4.3% | 1.0% | 1.0% | 13.3% | 13.3% | 7.1% | 5.7% | 0.0% |
| Total Claims and Expenses | \$37,993.0 | \$40,243.0 | \$11,342.0 | \$10,235.0 | \$10,126.0 | \$10,192.7 | \$41,895.7 | \$43,386.8 | \$44,857.1 |
| YoY % Chng | 13.3% | 5.9% | 15.1% | (3.7%) | (2.1%) | 8.3% | 4.1% | 3.6% | 3.4% |
| Pre-Tax Income | \$3,371.0 | \$6,180.0 | \$468.0 | \$1,881.0 | \$2,344.0 | \$2,161.7 | \$6,854.7 | \$7,084.6 | \$7,347.7 |
| YoY % Chng | 0.5% | 83.3% | (65.8%) | 186.7% | 50.3% | (16.7%) | 10.9% | 3.4% | 3.7% |
| Pre-Tax Income, Core | \$3,476.0 | \$6,210.0 | \$529.0 | \$1,875.0 | \$2,317.0 | \$2,201.3 | \$6,922.3 | \$7,107.3 | \$7,365.2 |
| YoY % Chng | (2.3%) | 78.7% | (60.4%) | 160.1% | 54.0% | (16.9%) | 11.5% | 2.7% | 3.6% |
| Income Tax | \$380.0 | \$1,181.0 | \$73.0 | \$372.0 | \$456.0 | \$420.5 | \$1,321.5 | \$1,378.2 | \$1,429.4 |
| YoY % Chng | (25.8%) | 210.8% | (70.4%) | 204.9% | 52.0% | (17.9%) | 11.9% | 4.3% | 3.7% |
| Income Tax, Core | \$404.0 | \$1,185.0 | \$86.0 | \$371.0 | \$450.0 | \$427.5 | \$1,334.5 | \$1,380.4 | \$1,430.4 |
| YoY % Chng | (27.9%) | 193.3% | (64.0%) | 172.8% | 56.8% | (18.3%) | 12.6% | 3.4% | 3.6% |
| Tax Rate | 11.0% | 19.1% | 15.6% | 19.8% | 19.5% | 19.5% | 19.3% | 19.5% | 19.5% |
| Tax Rate, Core | 11.6% | 19.1% | 16.3% | 19.8% | 19.4% | 19.4% | 19.3% | 19.4% | 19.4% |
| Net Income | \$2,991.0 | \$4,999.0 | \$395.0 | \$1,509.0 | \$1,888.0 | \$1,741.2 | \$5,533.2 | \$5,706.4 | \$5,918.3 |
| YoY % Chng | 5.2% | 67.1% | (64.8%) | 182.6% | 49.8% | (16.4%) | 10.7% | 3.1% | 3.7% |
| Participating Share-Based Award | \$22.0 | \$38.0 | \$3.0 | \$11.0 | \$13.0 | \$13.0 | \$40.0 | \$52.0 | \$52.0 |
| YoY % Chng | 10.0% | 72.7% | (62.5%) | 120.0% | 30.0% | (13.3%) | 5.3% | 30.0% | 0.0% |
| Net Income available to Common Shareholders | \$2,969.0 | \$4,961.0 | \$392.0 | \$1,498.0 | \$1,875.0 | \$1,728.2 | \$5,493.2 | \$5,654.4 | \$5,866.3 |
| YoY % Chng | 5.2% | 67.1% | (64.8%) | 183.2% | 50.0% | (16.4%) | 10.7% | 2.9% | 3.7% |
| Net Realized Investment (Gains) Losses, After-Tax | \$81.0 | \$26.0 | \$48.0 | (\$5.0) | (\$21.0) | \$30.6 | \$52.6 | \$17.5 | \$13.5 |
| YoY % Chng | (48.1%) | (67.9%) | 277.8% | (109.8%) | 50.0% | (30.4%) | 102.5% | (66.7%) | (23.0%) |
| Impact of Changes in Tax Laws and/or Tax Rates | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| YoY % Chng | | | | | | | | | |
| Net Income, Core | \$3,072.0 | \$5,025.0 | \$443.0 | \$1,504.0 | \$1,867.0 | \$1,771.8 | \$5,585.8 | \$5,723.9 | \$5,931.8 |
| YoY % Chng | 2.5% | 63.6% | (59.6%) | 157.1% | 53.3% | (16.7%) | 11.2% | 2.5% | 3.6% |
| Participating Share-Based Award | \$22.0 | \$38.0 | \$3.0 | \$11.0 | \$13.0 | \$13.0 | \$40.0 | \$52.0 | \$52.0 |
| YoY % Chng | 10.0% | 72.7% | (62.5%) | 120.0% | 30.0% | (13.3%) | 5.3% | 30.0% | 0.0% |
| Net Income available to Common Shareholders, Core | \$3,050.0 | \$4,987.0 | \$440.0 | \$1,493.0 | \$1,854.0 | \$1,758.8 | \$5,545.8 | \$5,671.9 | \$5,879.8 |
| YoY % Chng | 2.4% | 63.5% | (59.6%) | 157.4% | 53.5% | (16.7%) | 11.2% | 2.3% | 3.7% |
| Basic Shares Outstanding | 229.7 | 228.0 | 226.9 | 225.9 | 224.1 | 222.6 | 224.9 | 218.8 | 212.8 |
| YoY % Chng | (3.1%) | (0.7%) | (0.9%) | (1.2%) | (1.5%) | (1.9%) | (1.4%) | (2.7%) | (2.8%) |
| Diluted Share Outstanding | 232.2 | 231.1 | 230.4 | 229.3 | 227.5 | 226.0 | 228.3 | 222.2 | 216.2 |
| YoY % Chng | (3.1%) | (0.5%) | (0.7%) | (1.0%) | (1.3%) | (2.0%) | (1.2%) | (2.7%) | (2.7%) |
| Basic EPS | \$12.93 | \$21.76 | \$1.73 | \$6.63 | \$8.37 | \$7.76 | \$24.49 | \$25.88 | \$27.58 |
| YoY % Chng | 8.6% | 68.3% | (64.5%) | 185.8% | 52.2% | (14.8%) | 12.6% | 5.6% | 6.6% |
| Diluted EPS | \$12.79 | \$21.47 | \$1.70 | \$6.53 | \$8.24 | \$7.65 | \$24.12 | \$25.48 | \$27.15 |
| YoY % Chng | 8.7% | 67.9% | (64.6%) | 185.2% | 52.0% | (14.7%) | 12.3% | 5.6% | 6.6% |
| Diluted EPS, Core | \$13.13 | \$21.58 | \$1.91 | \$6.51 | \$8.14 | \$7.78 | \$24.34 | \$25.56 | \$27.21 |
| YoY % Chng | 5.7% | 64.4% | (59.3%) | 159.4% | 55.3% | (14.9%) | 12.8% | 5.0% | 6.5% |
| Dividend per Share | \$3.93 | \$4.15 | \$1.05 | \$1.10 | \$1.10 | \$1.10 | \$4.35 | \$4.40 | \$4.40 |
| YoY % Chng | 7.1% | 5.6% | 5.0% | 4.8% | 4.8% | 4.8% | 1.1% | 0.0% | 0.0% |

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|----------------|----------|
| Value Score | A |
| Growth Score | C |
| Momentum Score | B |
| VGM Score | A |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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