

## W.R. Berkley Corp. (WRB)

**\$69.33** (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$70.00**

Long Term: 6-12 Months	<b>Zacks Recommendation:</b>	<b>Neutral</b>
	(Since: 07/11/24)	
	Prior Recommendation: Underperform	
Short Term: 1-3 Months	<b>Zacks Rank: (1-5)</b>	<b>3-Hold</b>
	Zacks Style Scores:	VGM: C
	Value: B	Growth: B   Momentum: D

### Summary

W.R. Berkley is benefiting from its insurance business, where direct premium written has been increasing over the past many years. The insurer has been investing in numerous startups since 2006 to target new opportunities and geographies that have significantly diversified its operations. In addition to its in-house team, the company relies on MGAs to tap the potential in niche markets. It is also adopting the latest technologies to spur these businesses. It also has an attractive and growing investment portfolio. A solid capital position supported by consistent cash flow enables effective capital deployment and wealth distribution. Shares have outperformed the industry in the past year. Considering the rich valuation, stiff competition and exposure to foreign currency and credit risk, we are reiterating our Neutral rating on the shares.

### Data Overview

52 Week High-Low	<b>\$78.96 - \$55.97</b>
20 Day Average Volume (sh)	<b>3,414,841</b>
Market Cap	<b>\$26.3 B</b>
YTD Price Change	<b>18.5%</b>
Beta	<b>0.37</b>
Dividend / Div Yld	<b>\$0.36 / 0.5%</b>
Industry	<b><u>Insurance - Property and Casualty</u></b>
Zacks Industry Rank	<b>Top 10% (24 out of 243)</b>

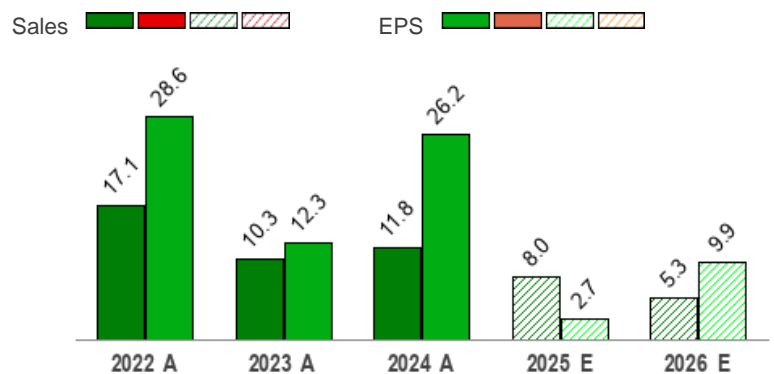
Last EPS Surprise	<b>2.8%</b>
Last Sales Surprise	<b>0.4%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>01/26/2026</b>
Earnings ESP	<b>-2.7%</b>

P/E TTM	<b>16.2</b>
P/E F1	<b>16.3</b>
PEG F1	<b>2.6</b>
P/S TTM	<b>1.8</b>

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	3,723 E	3,774 E	3,876 E	4,008 E	15,380 E
2025	3,531 A	3,640 A	3,689 A	3,747 E	14,607 E
2024	3,231 A	3,373 A	3,408 A	3,509 A	13,521 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	1.19 E	1.12 E	1.14 E	1.22 E	4.67 E
2025	1.01 A	1.05 A	1.10 A	1.09 E	4.25 E
2024	1.04 A	1.04 A	0.93 A	1.13 A	4.14 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 12/10/2025.

## Overview

Founded in 1967 and based in Greenwich, CT, W.R. Berkley Corp. is a Fortune 500 company. It is one of the nation's largest commercial lines property casualty insurance providers. The company offers a variety of insurance services from reinsurance to workers' comp third-party administrators (TPAs) across the United States and in 87 other countries.

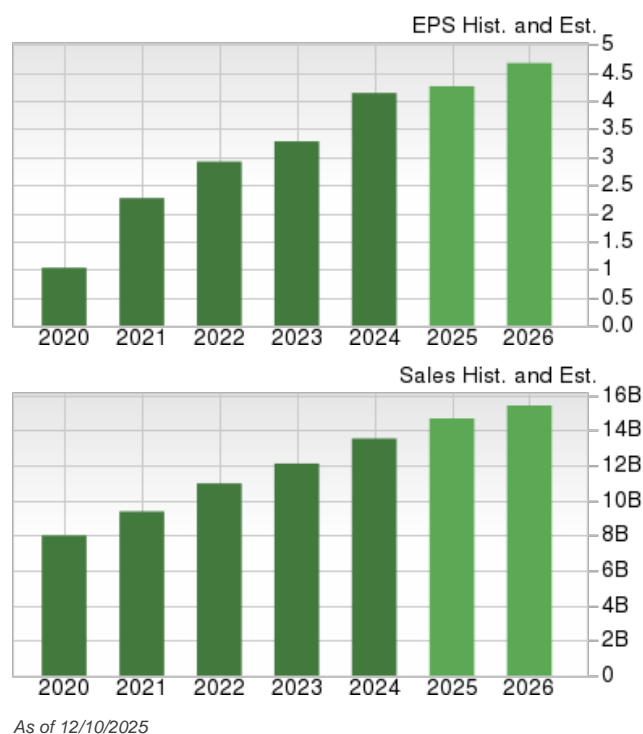
Effective since the first quarter of 2016, the company reports results in two segments — Insurance and Reinsurance & Monoline Excess. The two reporting segments are composed of individual operating units that serve a market defined by geography, products, services or industry served.

Insurance segment (88.1% of 2024 net premiums written) predominantly underwrites commercial insurance business primarily throughout the United States, although many units offer coverage globally. It mainly includes commercial insurance business, including excess and surplus lines, Industry Specialty, Product Specialty and Regional. The coverages are offered in the United States, the United Kingdom, Continental Europe, South America, Canada, Scandinavia, Asia and Australia.

In addition to providing insurance products, certain operating units also provide a wide variety of fee-based services, including claims, administrative and consulting services.

Reinsurance & Monoline Excess segment (11.9%) is operated primarily on a facultative and treaty basis. It provides other insurance companies and self-insureds with assistance in managing their net risk through reinsurance on either a portfolio basis, through treaty reinsurance, or on an individual basis, through facultative reinsurance. The services are offered in the United States, the United Kingdom, Continental Europe, Australia, the Asia-Pacific Region and South Africa.

On June 12, 2024, the board of directors of W.R. Berkley approved a 3-for-2 stock split, which was paid in the form of a dividend to shareholders.



## Reasons To Buy:

- ▲ **Growing P&C Insurance Market:** The property and casualty insurance market is a substantial and dynamic sector that witnesses consistent growth driven by increasing urbanization, rising disposable incomes and greater awareness of risk mitigation strategies. Per Grand View Research, the global P&C insurance market size was estimated at \$3,674.46 billion in 2023 and is projected to reach \$6,180.14 billion by 2030, growing at a compound annual growth rate (CAGR) of 7.9% from 2024 to 2030. The P&C insurance market is poised to grow on several factors, including rising awareness of risk management, increasing regulatory requirements, as well as multiple rate increases in the personal lines sector. The growing number of natural disasters, coupled with heightened property and auto values, is driving demand for comprehensive insurance coverage. W. R. Berkley Corporation, being a prominent player in the P&C insurance market, particularly within the commercial lines segment, should benefit from these trends.
- ▲ **Diversifying to Decouple From Industry Cycles:** The company has diversified its business to offset cyclical pressures and ensure stability in cash flows despite cyclical gyrations. The 53 businesses in the Insurance segment sell other liability (39% of 2024 segment gross premiums), short-tail lines, including commercial multi-peril, inland marine, accident and health, fidelity and surety, boiler and machinery, high net worth homeowners and other (26.1%), auto (12.9%), professional liability (12%) and workers compensation (10%). The six Reinsurance and Monoline Excess businesses have three product lines, including casualty, property and monoline excess, accounting for a respective 49.1%, 31.6% and 19.3% of segment gross premiums underwritten. The sheer breadth of offerings ensures that cyclical softness in some product lines is offset by strength in others. Besides, certain segments like personal, professional and monoline excess tend to be more stable. Geographical expansion into the Asia-Pacific, South America and Mexico added further diversity. The success of this strategy is seen, for example, in the 10.5% CAGR in insurance premiums written between 2018 and 2024, with gross and net premiums reaching record levels in 2024.
- ▲ **Growth Opportunity in California:** In June 2022, W.R. Berkley Corporation formed Berkley Enterprise Risk Solutions to provide custom workers' compensation programs to large employers operating in a broad range of industries in California. Given that pricing is firming in most business lines, this should further lead to revenue growth.
- ▲ **International Expansion Promotes Stability and Growth:** W.R. Berkley's international business has seen consistent premium growth over many years. Premium growth in the international unit is mainly supported by the emerging markets of the United Kingdom, Continental Europe, South America, Canada, Scandinavia, Asia and Australia. This global reach enhances its revenue streams, provides opportunities for growth and innovation, and strengthens its overall financial stability. Global presence enables WRB to withstand regional challenges by balancing its portfolio across different geographic areas, as well as providing access to new customer bases and potential for significant growth. Given its solid track record in the past, we expect the company's international business to post increasing premiums going forward.
- ▲ **Leader in AI Adoption:** In the rapidly evolving landscape of the insurance and reinsurance industries, W. R. Berkley Corporation stands out as a pioneer. Among the many technological advancements, artificial intelligence (AI) has emerged as a transformative force that is reshaping how insurance companies operate. WRB is at the forefront of these advancements, integrating AI into various facets of its operations to enhance its offerings, maintain a competitive edge, increase operational efficiency and improve customer experience. The insurer is leveraging AI across underwriting, claims processing, risk assessment, customer service, fraud detection and marketing. WRB is at the forefront of AI integration, setting a benchmark for innovation and excellence. As AI technology continues to advance, WRB's commitment to innovation will ensure that it remains a leader in the insurance sector, ready to tackle the challenges of the future.
- ▲ **Improving Investment Income:** Net investment income has been witnessing improvement over the last few years, as evident from the CAGR of 10% in the last 10 years (2015-2024). WRB's invested assets as of September 30, 2025, were \$32.8 billion, of which 4.3% was invested in investment funds, 3.9% in real estate, 3.2% in arbitrage trading account and 0.9% in loans receivable. Record net invested assets and higher new money rates on growing fixed maturity portfolio, along with strong operating cash flows, are driving net investment income. Higher investment fund income arising from transportation and financial services-related sectors should also add to the upside.
- ▲ **Solid Cash Flows:** W.R. Berkley maintains a solid balance sheet with sufficient liquidity and strong cash flows. It boasts more than 60 straight quarters of favorable reserve development. Operating cash flow was \$2.6 billion in the first nine months of 2025. As of September 2025, the company had cash and cash equivalents of almost \$2.3 billion. A strong capital position helps W.R. Berkley in wealth distribution via share repurchases, special dividends and dividend hikes that enhance shareholders' value. The 9.1% quarterly dividend hike announced in June 2024 marks an increase every year since 2005. Its dividend yield of 0.5% is higher than the industry average of 0.3%.

W.R. Berkley has an impressive inorganic and organic growth profile. Rate increases, reserving discipline, solid balance sheet, prudent capital management policy and strong ratings are other positives.

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## Reasons To Sell:

- ▼ **Overvalued:** Valuation remains stretched at current levels. 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 shares are trading near the high end of their five-year traded range and higher than the median value during this period. The shares also trade at a significant premium to the industry.
- ▼ **Stiff Competition:** WRB competes with a large number of other companies in selected lines of business. It competes with major U.S. and non-U.S. insurers and reinsurers, and other regional companies. Increased competition affects the profitability of existing and new businesses. Some of its competitors within the reinsurance market include Swiss Re, Munich Re, Berkshire Hathaway and Partner Re, and they have greater financial and marketing resources than WRB. This intense competition could cause the supply and demand for insurance or reinsurance to change, which affects the ability to price the products at attractive rates and retain existing business or write new products at adequate rates.
- ▼ **Foreign Currency and Credit Risk:** WRB's expanding international operations expose it to increased political, legal, regulatory and economic risks, including foreign currency and credit risk. The insurer also faces additional risks which could have an adverse effect on its results of operations and financial condition, including burdens and costs of compliance with a variety of foreign laws and regulations and the associated risk and costs of non-compliance. The newly imposed tariffs pose significant risks for the P&C insurance industry, including its impact on premiums and underwriting profitability, and the strategies available to mitigate short- and long-term impacts in the process.

W.R. Berkley Corp.'s exposure to catastrophe losses inducing volatility in underwriting profits, and competitive reinsurance market weighing on Reinsurance Segment are some of the headwinds.

## Last Earnings Report

### W.R. Berkley Q3 Earnings, Revenues Top on Solid Underwriting

W.R. Berkley Corporation's third-quarter 2025 operating income of \$1.10 per share beat the Zacks Consensus Estimate of \$1.03 per share by 2.8%. The bottom line increased 18.3% year over year. The insurer benefited from continued strength in both underwriting and investment income.

#### Behind the Headlines

W.R. Berkley's net premiums written were \$3.4 billion, up 5.5% year over year. Our estimate was \$3.3 billion.

Net investment income grew 8.5% to \$351.2 million, reflecting higher yields on an expanding fixed-maturity portfolio. The strength of operating cash flow continued to drive growth in net investable assets. Its current new money rates remained comfortably above average book yield, positioning WRB well for further investment income growth. Our estimate for investment income was \$352.4 million. The Zacks Consensus Estimate was pegged at \$364.9 million.

Operating revenues came in at \$3.6 billion, up 8.2% year over year, on the back of higher net premiums earned, improved net investment income and higher insurance service fees. The top line beat the consensus estimate by 0.4%.

Total expenses increased 6.6% to \$3.1 billion due to higher losses and loss expenses, operating costs, interest expense and expenses from non-insurance businesses. Our estimate was \$3.1 billion. The loss ratio deteriorated 80 basis points (bps) to 63.9, while the expense ratio remained flat year over year at 28.4.

Catastrophe losses of \$78.5 million in the quarter were narrower than \$97.8 million incurred in the year-ago quarter. The consolidated combined ratio (a measure of underwriting profitability) remained flat year over year at 90.9. The Zacks Consensus Estimate was pegged at 89.6.

#### Segment Details

Net premiums written at the Insurance segment increased 5.1% year over year to \$2.8 billion in the quarter, primarily due to higher premiums from other liability, short-tail lines, auto, workers' compensation and professional liability. Our estimate was \$2.9 billion. The combined ratio deteriorated 80 bps to 92.3. The Zacks Consensus Estimate was 88.9. Our estimate was 90.8.

Net premiums written in the Reinsurance & Monoline Excess segment increased 8.6% year over year to \$417.1 million on higher premiums at Casualty, Property and Monoline excess. Our estimate was \$425 million. The combined ratio improved 560 bps to 87. The Zacks Consensus Estimate was pegged at 89.3, whereas our estimate was 92.3.

#### Financial Update

W.R. Berkley exited the third quarter of 2025 with total assets worth \$43.7 billion, up 8.1% from year-end 2024. Senior notes and other debt moved down 0.1% from 2024 end levels to \$1.8 billion. Book value per share increased 16.7% from 2024 end level to \$25.79 as of Sept, 30, 2025. Cash flow from operations was \$1.1 billion in the third quarter of 2025, down 8.1% year over year. Operating return on equity contracted 10 bps to 21%. WRB bought back shares worth \$24.6 million in the reported quarter.

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

Earnings Reporting Date	Oct 20, 2025
Sales Surprise	0.42%
EPS Surprise	2.80%
Quarterly EPS	1.10
Annual EPS (TTM)	4.29

## Recent News

### W. R. Berkley Declares Special and Quarterly Dividend — Dec 5, 2025

W. R. Berkley's board declared a special cash dividend of \$1.00 per share to be paid on Dec 29, 2025 to stockholders of record at the close on Dec 15, 2025. The board also declared regular quarterly dividend of 9 cents per share. The dividend will be paid out on Dec 29, 2025 to shareholders of record as of Dec 15.

### W. R. Berkley's 12.5% Shares Acquired by Mitsui Sumitomo — Dec 5, 2025

W. R. Berkley has been informed by representatives of Mitsui Sumitomo Insurance that Mitsui has acquired beneficial ownership of at least 12.5% of W. R. Berkley's outstanding common stock pursuant to Mitsui's previously announced agreements with a company owned by members of the Berkley family. W. R. Berkley has been informed by representatives of Mitsui that their investment under the agreements with the Berkley Family is expected to be completed in the first quarter of 2026.

## Valuation

W.R. Berkley's shares are gained 14.4% year to date and up 9.2% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 8.2% and up 15.1% year to date, respectively. Over the past year, the Zacks sub-industry and sector are up 5.8% and up 11.7% respectively.

The S&P 500 index is up 18.7% year to date and up 15.7% in the past year.

The stock is currently trading at 2.59X price to book, which compares to 1.49X for the Zacks sub-industry, 4.22X for the Zacks sector and 8.51X for the S&P 500 index.

Over the past five years, the stock has traded as high as 3.23X and as low as 1.74X with a 5-year median of 2.6X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$70 price target reflects 2.71X book value.

The table below shows summary valuation data for WRB

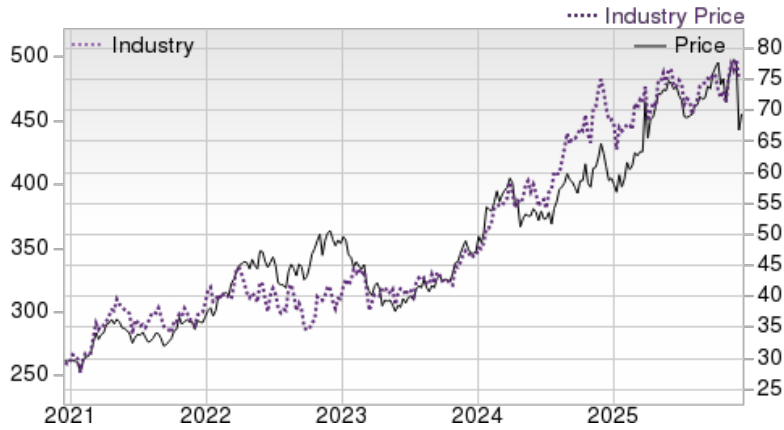
Valuation Multiples - WRB					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	2.59	1.49	4.22	8.51
	5-Year High	3.23	1.73	4.37	9.16
	5-Year Low	1.74	1.17	2.87	6.6
	5-Year Median	2.6	1.44	3.52	8.05
P/S F12M	Current	1.66	2.26	9.07	5.3
	5-Year High	1.94	10.43	10.06	5.5
	5-Year Low	1.19	1.66	6.68	3.83
	5-Year Median	1.53	2.08	8.39	5.05
P/E F12M	Current	14.36	27.52	17.07	23.46
	5-Year High	20.71	31.85	18.28	23.78
	5-Year Low	11.29	23.33	12.37	15.73
	5-Year Median	15.23	27.89	16.12	21.21

As of 12/09/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 10% (24 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
CNA Financial Corpor...(CNA)	Outperform	2
RenaissanceRe Holdin...(RNR)	Outperform	1
Arch Capital Group L...(ACGL)	Neutral	3
Axis Capital Holding...(AXS)	Neutral	2
Cincinnati Financial...(CINF)	Neutral	3
First American Finan...(FAF)	Neutral	2
Markel Group Inc. (MKL)	Neutral	2
The Hanover Insuranc...(THG)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Insurance - Property And Casualty

	WRB	X Industry	S&P 500	ACGL	AXS	CINF
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	C	-	-	A	C	A
Market Cap	26.35 B	4.44 B	39.38 B	34.06 B	8.04 B	25.88 B
# of Analysts	7	3.5	22	8	3	7
Dividend Yield	0.52%	0.52%	1.41%	0.00%	1.69%	2.10%
Value Score	B	-	-	A	B	C
Cash/Price	0.13	0.14	0.04	0.10	0.17	0.06
EV/EBITDA	11.58	8.09	14.60	7.12	8.04	8.27
PEG Ratio	2.63	1.60	2.23	2.19	1.01	4.34
Price/Book (P/B)	2.69	1.56	3.35	1.53	1.38	1.68
Price/Cash Flow (P/CF)	17.65	12.99	15.20	9.26	8.74	19.54
P/E (F1)	16.31	11.56	19.78	10.29	8.24	23.01
Price/Sales (P/S)	1.80	1.30	3.06	1.74	1.28	2.14
Earnings Yield	6.14%	8.65%	4.99%	9.72%	12.14%	4.35%
Debt/Equity	0.29	0.14	0.57	0.13	0.27	0.06
Cash Flow (\$/share)	3.93	4.53	8.99	10.15	11.94	8.49
Growth Score	B	-	-	B	D	B
Hist. EPS Growth (3-5 yrs)	28.71%	18.53%	8.16%	47.13%	54.44%	10.49%
Proj. EPS Growth (F1/F0)	2.66%	23.10%	8.57%	-1.62%	13.33%	-4.88%
Curr. Cash Flow Growth	13.09%	15.00%	6.75%	14.42%	10.71%	24.72%
Hist. Cash Flow Growth (3-5 yrs)	16.42%	11.62%	7.43%	24.30%	21.65%	11.62%
Current Ratio	0.37	0.48	1.19	0.55	0.67	0.30
Debt/Capital	22.46%	12.74%	38.01%	11.44%	19.86%	5.42%
Net Margin	13.01%	10.57%	12.78%	20.96%	16.08%	17.57%
Return on Equity	18.86%	16.51%	17.00%	16.38%	18.99%	8.51%
Sales/Assets	0.35	0.34	0.53	0.26	0.19	0.32
Proj. Sales Growth (F1/F0)	8.00%	3.46%	5.77%	7.50%	5.30%	12.50%
Momentum Score	D	-	-	A	B	A
Daily Price Chg	-0.01%	0.51%	-1.07%	0.30%	0.70%	0.51%
1 Week Price Chg	3.91%	3.66%	-0.63%	2.40%	6.65%	2.19%
4 Week Price Chg	-9.96%	1.14%	1.39%	1.51%	2.10%	1.20%
12 Week Price Chg	-5.53%	2.61%	2.45%	6.24%	9.44%	6.25%
52 Week Price Chg	14.10%	6.56%	12.83%	0.54%	13.72%	8.96%
20 Day Average Volume	3,414,841	208,307	2,728,366	1,936,281	583,951	498,665
(F1) EPS Est 1 week change	-0.03%	0.00%	0.00%	0.03%	0.05%	0.00%
(F1) EPS Est 4 week change	0.00%	0.10%	0.00%	1.42%	0.18%	2.77%
(F1) EPS Est 12 week change	0.91%	8.24%	0.69%	12.36%	6.07%	22.75%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.86%	0.68%	0.62%

## Analyst Earnings Model<sup>(2)</sup>

### W. R. Berkley Corporation (WRB)

In \$MM, except per share data

	2019A	2020A	2021A	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement																	
Net Premiums Written	\$6,863.5	\$7,262.4	\$8,862.9	\$10,004.1	\$10,954.5	\$11,972.1	\$3,133.3	\$3,351.4	\$3,226.9	\$3,201.1	\$12,912.7	\$3,288.1	\$3,486.4	\$3,414.6	\$3,418.6	\$13,607.7	\$14,514.9
Change in Unearned Premiums	\$230.2	\$331.6	\$756.8	\$442.6	\$553.8	\$423.6	\$120.9	\$253.3	\$70.5	(\$32.9)	\$411.8	\$112.7	\$289.6	\$109.9	(\$56.5)	\$455.6	\$463.6
Net Premiums Earned	\$6,633.3	\$6,930.8	\$8,106.0	\$9,561.4	\$10,400.7	\$11,548.5	\$3,012.4	\$3,098.2	\$3,156.4	\$3,234.0	\$12,500.9	\$3,175.5	\$3,196.8	\$3,304.7	\$3,475.2	\$13,152.1	\$14,051.3
Net Investment Income	\$645.6	\$583.8	\$671.6	\$779.2	\$1,052.8	\$1,333.2	\$360.3	\$379.3	\$351.2	\$336.8	\$1,427.6	\$386.6	\$401.9	\$375.7	\$358.9	\$1,523.0	\$1,642.0
Net Realized and Unrealized (Losses) Gains on Investments	\$120.7	\$73.5	\$107.0	\$217.3	\$47.5	\$79.7	\$15.7	\$30.5	\$78.8	\$78.9	\$204.0	\$14.7	\$24.9	\$71.0	\$62.9	\$173.5	\$180.3
Change in Allowance for Credit Losses on Investments	\$0.0	\$29.5	(\$16.3)	(\$14.9)	(\$0.5)	\$38.0	\$0.6	\$0.4	\$0.2	\$22.4	\$23.6	\$11.5	\$0.5	\$0.9	\$44.8	\$57.9	\$227.5
Net Investment Gains (Losses)	\$120.7	\$103.0	\$90.6	\$202.4	\$47.0	\$117.7	\$16.4	\$31.0	\$79.0	\$101.3	\$227.6	\$26.3	\$25.4	\$71.9	\$107.8	\$231.3	\$407.8
Revenues from Non-Insurance Businesses	\$406.5	\$389.9	\$489.2	\$509.5	\$535.5	\$528.0	\$128.9	\$128.8	\$150.3	\$147.2	\$555.3	\$131.5	\$137.1	\$158.4	\$141.1	\$568.0	\$591.9
Insurance Service Fees	\$92.7	\$88.8	\$93.9	\$110.5	\$106.5	\$108.9	\$28.9	\$32.8	\$30.9	\$27.0	\$119.6	\$27.7	\$37.2	\$36.0	\$28.0	\$128.9	\$141.0
Other Income	\$3.4	\$2.6	\$4.2	\$3.4	\$0.4	\$2.5	\$0.5	\$0.8	\$0.4	\$1.5	\$3.1	\$1.5	\$0.8	\$1.1	\$4.9	\$8.3	\$19.2
Total Revenues	\$7,902.2	\$8,098.9	\$9,455.5	\$11,166.5	\$12,142.9	\$13,638.8	\$3,547.4	\$3,670.8	\$3,768.2	\$3,847.8	\$14,834.2	\$3,749.0	\$3,799.2	\$3,947.7	\$4,115.9	\$15,611.6	\$16,853.2
Total Operating Revenues	\$7,781.5	\$7,995.9	\$9,364.8	\$10,964.1	\$12,095.9	\$13,521.0	\$3,531.0	\$3,639.8	\$3,689.3	\$3,746.5	\$14,606.6	\$3,722.7	\$3,773.8	\$3,875.8	\$4,008.1	\$15,380.3	\$16,445.4
Losses and Loss Expenses	\$4,131.1	\$4,468.7	\$4,954.0	\$5,861.8	\$6,372.1	\$7,131.6	\$1,900.8	\$1,955.4	\$1,968.9	\$1,979.1	\$7,804.2	\$1,950.8	\$1,998.3	\$2,063.6	\$2,144.1	\$8,156.7	\$8,680.6
Policy Acquisition and Insurance Operating Expenses	\$2,090.3	\$2,111.0	\$2,306.7	\$2,673.9	\$2,954.7	\$3,294.9	\$838.2	\$882.1	\$900.3	\$909.6	\$3,530.2	\$898.5	\$921.9	\$956.5	\$966.8	\$3,743.7	\$4,025.2
Other Operating Costs and Expenses	\$2,362.1	\$2,390.4	\$2,599.3	\$2,961.5	\$3,363.9	\$3,602.3	\$949.9	\$1,039.3	\$975.3	\$1,011.8	\$3,976.4	\$1,001.9	\$1,049.6	\$1,058.5	\$1,044.7	\$4,154.7	\$4,499.0
Expenses from Non-Insurance Businesses	\$402.7	\$384.5	\$472.2	\$493.2	\$525.0	\$513.5	\$126.4	\$122.4	\$144.2	\$170.5	\$563.5	\$135.0	\$132.8	\$148.0	\$174.7	\$590.5	\$640.2
Interest Expense	\$153.4	\$150.5	\$147.2	\$130.4	\$127.5	\$126.9	\$31.7	\$31.8	\$31.8	\$35.7	\$131.0	\$35.0	\$34.6	\$35.0	\$36.9	\$141.6	\$150.9
Total Expenses	\$7,049.3	\$7,394.1	\$8,172.6	\$9,446.8	\$10,388.5	\$11,374.3	\$3,008.8	\$3,148.9	\$3,120.1	\$3,197.2	\$12,475.1	\$3,122.7	\$3,215.4	\$3,305.1	\$3,400.4	\$13,043.6	\$13,970.6
Pre-Tax Income	\$852.9	\$704.8	\$1,282.9	\$1,719.7	\$1,754.4	\$2,264.5	\$538.6	\$521.9	\$648.1	\$650.6	\$2,359.2	\$626.3	\$583.8	\$642.5	\$715.5	\$2,568.0	\$2,882.6
Income Tax	\$168.9	\$171.8	\$251.9	\$334.7	\$370.6	\$509.9	\$121.3	\$121.2	\$136.1	\$136.6	\$515.2	\$131.5	\$122.6	\$134.9	\$150.2	\$539.3	\$605.4
Tax Rate	19.8%	24.4%	19.6%	19.5%	21.1%	22.5%	22.5%	23.2%	21.0%	21.0%	21.8%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Income Before Non-Controlling Interests	\$684.0	\$533.0	\$1,031.0	\$1,385.0	\$1,383.8	\$1,754.6	\$417.3	\$400.7	\$512.0	\$514.0	\$1,844.0	\$494.7	\$461.2	\$507.6	\$565.2	\$2,028.7	\$2,277.3
Non-Controlling Interest	\$2.0	\$2.3	\$8.5	\$3.9	\$2.5	(\$1.5)	(\$0.2)	(\$0.6)	\$0.9	\$0.6	\$0.7	(\$0.4)	(\$0.3)	\$0.3	(\$0.1)	(\$0.5)	\$0.1
Net Income to Common Stockholders	\$681.9	\$530.7	\$1,022.5	\$1,381.1	\$1,381.4	\$1,756.1	\$417.6	\$401.3	\$511.0	\$513.4	\$1,843.3	\$495.1	\$461.5	\$507.3	\$565.3	\$2,029.2	\$2,277.1
Basic Shares Outstanding	286.1	280.4	416.1	415.3	406.5	399.7	396.9	397.0	397.2	395.8	396.7	394.3	392.9	391.5	390.0	392.2	386.4
Diluted Share Outstanding	290.3	283.1	419.6	419.2	409.9	403.2	399.8	400.4	400.2	398.8	399.8	397.3	395.9	394.4	393.0	395.2	389.4
Basic EPS	\$2.39	\$1.89	\$2.46	\$3.33	\$3.40	\$4.39	\$1.05	\$1.01	\$1.29	\$1.30	\$4.65	\$1.26	\$1.17	\$1.30	\$1.45	\$5.18	\$5.89
Diluted EPS	\$2.35	\$1.87	\$2.44	\$3.29	\$3.37	\$4.36	\$1.04	\$1.00	\$1.28	\$1.29	\$4.61	\$1.25	\$1.17	\$1.29	\$1.44	\$5.14	\$5.85
Operating EPS	\$2.03	\$1.55	\$2.27	\$2.92	\$3.28	\$4.14	\$1.01	\$1.05	\$1.10	\$1.09	\$4.25	\$1.19	\$1.12	\$1.14	\$1.22	\$4.67	\$5.02
Dividend per Share	\$1.12	\$0.31	\$1.34	\$0.59	\$1.29	\$1.40	\$0.08	\$0.59	\$0.09	\$0.09	\$0.85	\$0.09	\$0.09	\$0.09	\$0.09	\$0.36	\$0.36



## 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.

### Zacks Recommendation

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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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

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	<b>B</b>
Growth Score	<b>B</b>
Momentum Score	<b>D</b>
VGM Score	<b>C</b>

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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