



# BEST'S COMPANY REPORT



## CINCINNATI FINANCIAL CORPORATION

**Domiciliary Address:** 6200 South Gilmore Road, Fairfield, Ohio 45014-5141 United States

**Mailing Address:** P.O. Box 145496, Cincinnati, Ohio 45250-5496 United States

**AMB #:** 058704

**NAIC #:** N/A

**FEIN #:** 31-0746871

**Phone:** +1-513-870-2000

**Fax:**

**Website:** [www.cinfin.com](http://www.cinfin.com)

## THE CINCINNATI LIFE INSURANCE COMPANY

**A+**

**Domiciliary Address:** 6200 South Gilmore Road, Fairfield, Ohio 45014-5141 United States

**Administrative Office:** 6200 South Gilmore Road, Fairfield, Ohio 45014-5141 United States

**Mailing Address:** 6200 South Gilmore Road, Fairfield, Ohio 45014-5141 United States

**AMB #:** 006568

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**Best's Credit Rating Effective Date**

February 13, 2025

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**Information**

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

**Financial Data Presented**

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

**Cincinnati Financial Corporation**

**AMB #:** 058704 | **FEIN #:** 31-0746871

**Ultimate Parent:** AMB # 058704 - Cincinnati Financial Corporation

**Best's Credit Ratings - for the Rating Unit Members**

**Financial Strength Rating (FSR)**

<p><b>A+</b></p> <p><b>Superior</b></p>
<p>Outlook: <b>Stable</b></p> <p>Action: <b>Affirmed</b></p>

**Issuer Credit Rating (ICR)**

<p><b>aa</b></p> <p><b>Superior</b></p>
<p>Outlook: <b>Stable</b></p> <p>Action: <b>Affirmed</b></p>

**Assessment Descriptors**

Balance Sheet Strength	<b>Strongest</b>
Operating Performance	<b>Strong</b>
Business Profile	<b>Favorable</b>
Enterprise Risk Management	<b>Appropriate</b>

**Rating Unit - Members**

**Rating Unit:** Cincinnati Financial Corp | **AMB #:** 058704

AMB #	Rating Unit Members	AMB #	Rating Unit Members
004289	Cincinnati Casualty Company	006568	Cincinnati Life Insurance Co
010650	Cincinnati Indemnity Company	013843	Cincinnati Specialty Undrs Ins
000258	Cincinnati Insurance Company		

**Best's Credit Rating - for the Holding Company**

**Issuer Credit Rating (ICR)**

<p><b>a</b></p> <p><b>Excellent</b></p>	<p>Outlook: <b>Stable</b></p> <p>Action: <b>Affirmed</b></p>
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**Rating Rationale - for the Rating Unit Members**

The Issuer Credit Ratings and Financial Strength Ratings of the member operating companies of the rating unit are determined in accordance with Best's building block rating methodology as applied to the consolidated group's financial statements, and the supporting analytics and results are described in the following sections of this report.

**Balance Sheet Strength: Strongest**

- Cincinnati Financial Corporation (Cincinnati) has the strongest level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR); historically conservative operating strategy with strict underwriting guidelines, which has led to favorable reserve development over a prolonged period of time.
- Cincinnati's property and casualty reserves have developed favorably for over 30 consecutive years.
- Common stock leverage is higher than similarly rated peers representing more than three-quarters of Cincinnati's GAAP equity; the risk is offset by its sizable capital base, which includes high-quality fixed-income securities available to support the organization's insurance risks.
- Cincinnati's liquidity has historically been very strong with access to debt markets if needed.
- Cincinnati benefits from good financial flexibility stemming from its ability to issue new equity (NASDAQ:CINF) and raise debt in the capital market. Cincinnati maintains low financial leverage and very strong coverage well above the AM Best benchmark.

**Operating Performance: Strong**

- Cincinnati has recorded underwriting profits the past ten years, which has continued through year-end 2024.
- Cincinnati has had positive net income the past 25 years, with the exception of 2022; however, it has seen positive net income in 2023 through year-end 2024.
- Cincinnati's average operating ratio exceeds its composite peers on both a five- and ten-year basis.
- Cincinnati's non-life statutory combined ratio has outperformed the industry and its composite peers more than the past ten years driven by a lower loss and LAE ratio.
- Year to date (YTD) as of September 2024, average return on equity (ROE) of 21.4%, as Cincinnati continues to see strong performance and outperform recent years.

**Business Profile: Favorable**

- Cincinnati has a solid market position with a ranking among the top 30 largest property and casualty insurance groups in the United States based on 2024 September YTD direct written premiums.
- Cincinnati has extremely strong agency relationships supported by a field focus and strong claims service. It strives to be among the top two carriers in terms of business volume in most of its agency base providing a competitive advantage over its peers.
- Geographic diversification has been steadily improving over the past ten years with more than 35% of Cincinnati's direct written premiums being written outside of its core Midwest and Southeast regions.
- Cincinnati's business is well diversified by product line, offering admitted and non-admitted commercial and personal insurance, life insurance and a modest amount of assumed reinsurance.

**Enterprise Risk Management: Appropriate**

- Cincinnati has a comprehensive risk management framework that has been developed over the past several years and has benefited from stresses relating to the most recent stock market crash and catastrophe events of recent years.
- Cincinnati conducts stress tests to ensure the ability to cover losses associated with a 1-in-250-year or 1-in-500-year event without suffering significant reductions in cash or dividend payments.
- Cincinnati utilizes economic capital modeling to ensure its GAAP surplus remains sufficient to support its business needs.
- Cincinnati's management team is very experienced and knowledgeable and has been able to capitalize on this knowledge to benefit Cincinnati, its shareholders, and customers.
- The risk management capabilities of Cincinnati are sufficient to meet or exceed its risk profile.

**Outlook**

- The stable outlooks reflect AM Best's expectations that the organization's balance sheet strength will remain at the strongest level supported by favorable reserve development; a strong level of operating performance; a diverse business profile; and a well-defined enterprise risk management program.

## Rating Drivers

- The ratings of the insurance company members of Cincinnati Financial Corporation could be negatively impacted by a variety of factors including the organization's new initiatives that include increasing its personal lines high-net-worth focus as well as higher-risk business written on an assumed basis, negative operating or capital impacts from catastrophe losses and/or an increase in underwriting leverage.
- Negative rating action could also occur if capital is materially impacted by a deterioration in the market value of assets.
- Positive rating action could occur if risk management practices continue to support growth in earnings and organic capital while incorporating risk mitigation strategies and closely watching tolerances, statements and stress testing.

## Rating Rationale - for the Holding Company

The rating of the holding company is determined by reference to the Issuer Credit Rating (ICR) of the operating insurance company members. It reflects consideration of holding company sources and uses of cash, the competing demands placed upon holding company resources and normal subordination of holding company creditors to claims of the policyholders of the operating insurance companies. In general, therefore, the holding company's Issuer Credit Rating is notched from those assigned to the operating companies of the rating unit.

## Credit Analysis

### Balance Sheet Strength

Cincinnati Financial Corporation (Cincinnati) is a publicly traded holding company with four wholly owned subsidiaries providing mainly property/casualty insurance with a small life/health operation. Cincinnati has the strongest risk adjusted Capital as measured by AM Best BCAR on both a stressed and non-stressed basis, historically conservative operating strategy with strict underwriting guidelines which has led to favorable reserve development over a pro-longed period of time, and a comprehensive ERM function, which includes modeling Cincinnati's capital needs based on their material risks.

### Capitalization

Cincinnati's GAAP total equity has grown nearly 30% the past 5 years from year-end 2020 to year-end 2024 despite having paid more than \$2 billion in shareholder dividends during that time. Prior to 2022, GAAP equity had been steadily increasing primarily driven by net income however, in 2022 GAAP equity decreased almost 20% (2021:\$13.5 Bn, 2022: \$10.5 Bn) primarily driven by declines in the company's fixed income and equity securities investment portfolios. The company saw a very strong 2024 and equity increased to \$13.9bn and is expected to be positive in 2025, despite the California wildfire event.

Total net written premiums (NPW) increased approximately 14% in 2024 versus the prior year. This is in line with the 10% increase in 2023 compared with 2022, which is well above both the 5- and-10-year CAGR of 7.8% and 7.7%, respectively. Over the most recent 5-year period, the NPW CAGR was 8.6% which exceeded the industry 7.3%. Despite the growth in premiums, underwriting leverage measures remained mostly in line with composite peers. Contributing to NPW growth were price increases in almost all lines. This growth has continued through year-end 2024, which is up 14% from the prior year.

Cincinnati's liquidity has historically been strong and remained strong through the 2024 year-end. Cincinnati's liquid assets at the end of the third quarter 2024 were over 200% of Cincinnati's gross insurance reserves (i.e. life and non-life, excluding UPR). Both the quick and current ratios are over 130% and have been over 100% in each of the most recent 10 years (2013 - 2024). The current and overall liquidity ratios were above 130% through 2024 year-end. Cincinnati is well positioned to fulfill current obligations. The company has more than \$5.2 billion in cash and invested assets at the holding company at 2024 year-end.

Cincinnati has produced positive operating cash flows and positive underwriting cash flows each of the past 10 years and this trend continued through 2024 year-end. These positive operating cash flows have allowed the core business to grow organically while continuing to pay dividends to Cincinnati's shareholders.

Cincinnati benefits from good financial flexibility stemming from its' ability to issue new equity (Nasdaq:CINF) and raise debt in the capital market. Cincinnati maintains a modest unadjusted financial leverage as of the end of 2024 and very strong coverage well above the AMBest benchmark.

As of December 31, 2024, Cincinnati had a \$300 million unsecured line of credit with commercial banks. The unsecured line of credit has an accordion feature giving Cincinnati the option to double the \$300 million, under the same terms and conditions. Terms and conditions of the agreement include a debt to total capital maximum of 35% and no net worth covenant. The line of credit expires on February 4, 2026.

**Balance Sheet Strength (Continued...)**

The capital adequacy was stressed for the California wildfires and remained in the strongest range for 2025 projections, supporting the company's strongest capital position.

**Asset Liability Management - Investments**

Cincinnati holds a high level of equity investments relative to its peers, representing more than 80% of its' surplus and nearly 40% of its' total invested assets (including cash and owned property) as of 2024 year-end. Management's investment philosophy is to seek dividend-paying stocks with allocations that try to balance income stability and capital appreciation potential.

As of 2024 year-end, Cincinnati's fixed-income portfolio accounted for approximately 56% of its total invested assets (including cash and owned property) and was mainly represented by high-quality bonds rated investment grade, and less than 43% was non-investment grade. As of the end of 2024, the portfolio had an average duration of about 5 years, which is mostly flat to the prior two years. The largest issuer represented less than 1% of the total fixed-income portfolio. Cincinnati has a well-diversified municipal bond portfolio with approximately 1,900 issuers. The investment portfolio has seen very strong performance the last several years with positive market conditions. 2024 saw a 12% full-year increase in fair value of total investments at December 31, 2024, including a 17% increase for the bond portfolio and a 2% increase for the stock portfolio.

**Reserve Adequacy**

Management implements a very conservative reserving approach, typically reserving at the mid-to-high range of the actuarial estimates (carried at the 80th percentile as of year-end 2024). This has historically resulted in favorable loss development. Cincinnati's property and casualty reserves have developed favorably for more than 30 years through year-end 2024. In 2023, Cincinnati recognized about \$215 million of favorable prior year reserve development vs. \$159 million recognized in 2022. This benefited the combined ratio by about 2.8 points. The company saw a 1.5 point full-year 2024 combined ratio decrease, primarily due to a decrease from prior accident year loss and loss expenses before catastrophes. The company is expected to see an increase in losses related to the California wildfires in the first quarter of 2025 which will pressure the combined ratio, however is well positioned to absorb these losses and believe they can still record positive performance for the full year.

**Holding Company Assessment**

Cincinnati Financial Corporation has consistently maintained a low financial leverage ratio and favorable interest coverage. Furthermore, at the holding company level, Cincinnati Financial Corporation has maintained an average of \$4 billion of cash and invested assets over the past five years, most of which is represented by a portfolio of diversified equities. This is well in excess of the \$790 million in debt outstanding as of the end of 2024. The financial leverage and operating leverage remain low and are below a majority of their peers, and the company has no intermediate term expectations for additional debt.

**Corporate Overview**

Cincinnati Financial Corporation (NASDAQ:CINF) (CFC) is a publicly traded holding company with four wholly owned subsidiaries: The Cincinnati Insurance Company, CSU Producer Resources Inc., CFC Investment Company and Cincinnati Global Underwriting Ltd.

The Cincinnati Insurance Company owns 100% of four additional insurance subsidiaries. The property/casualty group includes The Cincinnati Casualty Company and The Cincinnati Indemnity Company, which write a broad array of business, homeowner and auto policies. The Cincinnati Insurance Company also conducts the business of the group's reinsurance assumed operations known as Cincinnati Re. The Cincinnati Life insurance Company (CLIC) provides life insurance policies and fixed annuities. The Cincinnati Specialty Underwriters Insurance Company (CSU) offers excess and surplus lines insurance products.

Cincinnati Global Underwriting Ltd. owns 100% of Cincinnati Global Underwriting Agency Ltd., a London-based global specialty underwriter for Lloyd's Syndicate 318, and Cincinnati Global Dedicated No. 2 Ltd., a Lloyd's corporate member and vehicle through which capital is provided by Cincinnati Financial Corporation and third-party names at Lloyd's.

The two non-insurance subsidiaries of CFC are CSU Producer Resources Inc., which offers insurance brokerage services to the company's independent agencies so their clients have access to excess and surplus lines insurance products; and CFC Investment Company, which offers commercial leasing and financing services to the company's agencies, clients and other customers.

**Operating Performance**

Cincinnati finished 2024 full year with net income of \$2.3 billion. With the exception of 2022, the company has had positive net income in each year going back to at least 2000. This was mostly driven by underwriting gains and positive net investment income. This shows a long history of positive performance by CFC. 2011 was the last year Cincinnati had underwriting losses and these losses were more than offset by Cincinnati's net investment income. In most years, the group benefits from its higher than average common stock leverage and the dividends received from the equity portion of its investment portfolio. However, in years with significant unrealized losses, including 2015, 2018 and 2022, shareholder's equity has been negatively impacted. However, shareholder's equity saw positive performance the last couple of years though 2024 year-end.

Cincinnati benefits from favorable performance on its commercial lines business which is very diversified, and is distributed through a select number of premier independent agencies. Favorable underwriting performance in recent years can be attributed to several new and ongoing initiatives that have improved growth, profitability and diversification. Management continues to improve the risk evaluation and risk selection process including conducting more thorough and frequent loss control inspections. The impact of these initiatives can be seen in the group's lower than average loss and LAE ratio when compared to peers. The group's expense ratio is in-line with peers even though the group pays higher than average commissions.

Cincinnati has reported an underwriting profit in each year since 2012 through 2024 year-end. Cincinnati adopts a very conservative reserving approach, which penalizes its current underwriting performance until losses have fully developed and the reserves' buffer can be released. Since 2012, Cincinnati has outperformed the commercial casualty combined ratio in every year though 2024 year-end with one exception in 2022, and expected to remain positive.

Full-year 2024 property casualty combined ratio at 93.4%, with net written premiums up 15% and an 84.7% fourth-quarter 2024 property casualty combined ratio, improved from 87.5% for the fourth quarter of 2023. The company had record level operating performance in 2024. In the prior year 2023, Cincinnati reported a P&C net underwriting profit of \$401 million vs. a \$140 million P&C underwriting profit in 2022. The 2023 P&C GAAP combined ratio was 94.9%, a 3.2% improvement from 2022's combined ratio of 98.1%. The 3.2% improvement was entirely due to improvements in the loss ratio as the expense ratio remained flat year over year at 30.0%. The company has seen very strong performance the last several years and is projecting positive performance in 2025 in spite of first quarter wildfire losses.

Over the most recent five-year period (2020 - 2024), investment income has steadily grown at an annual compound rate of about 5% on a pre-tax basis, underpinned by Cincinnati's strategy to invest in dividend-paying stocks to offset low interest rates. For the most recent five-year period (2020-2024), Cincinnati consistently records ROEs in the double digits, which is in line with their composite peers. Historically, operating performance has been characterized by underwriting profits enhanced by sound investment results. Cincinnati's operating ratio has been relatively stable over a prolonged period of time measuring below 100 over the most recent 10-year period.

Over recent years, management has taken several actions to improve underwriting performance, which includes limiting coastal exposures and expanding geographically to add diversification to the book. Management has been continually improved their risk evaluation and risk selection process in addition to conducting more thorough and frequent loss control inspections.

**Business Profile**

Cincinnati Financial Corporation's main business is property casualty insurance marketed through independent insurance agencies in 46 states. Standard market commercial lines and excess and surplus lines policies were marketed in 44 of those states and personal lines policies were marketed in 45. Within a selected group of agencies, Cincinnati seeks to become the life insurance carrier of choice and to help agents and their clients (Cincinnati's policyholders) by offering leasing and financing services. As of December 31, 2024, Cincinnati had 5624 associates which included more than 3,400 in headquarters who provide support to the more than 2090 field associates and 103 Cincinnati Global associates. Additionally, Cincinnati has over 2,000 agency relationships who market Cincinnati's property casualty insurance products.

Cincinnati maintains a strong market position, ranking top 30 in U.S. P&C insurer by direct premiums written in 2024 (excluding life business). Cincinnati employs over 5,000 professionals, including more than 2090 field associates that provide, serve and are accountable for the decisions of their respective local agencies. The field associates work remotely from their homes and provide 24/7 support to the agents of their local community. They operate in teams comprised of representatives specializing in commercial & personal lines underwriting, claims handling, loss control, machinery and equipment, bonds, premium audit, life insurance and leasing.

Through its network of independent agents, Cincinnati underwrites a diversified portfolio of commercial and personal lines, as well as a small portion of life and non-admitted insurance products. Additionally, business underwritten through the Lloyd's and Cincinnati Re platforms is primarily sourced via brokers.

## Business Profile (Continued...)

Cincinnati has expanded its geographical footprint over time, targeting growth with new agencies and new states. In 2014, about 6% of direct written premiums were written outside of the Southeast and Midwest. However, in 2024, over one-third of DWP was written outside of the Southeast and Midwest. But the portfolio is still somewhat concentrated in the top five states (Ohio, Illinois, New York, North Carolina and Georgia), which accounted for slightly more than one-third of the total P&C direct premium written in the U.S. through 2024 year-end. The company uses its regional management as a competitive advantage to support their distribution and have strong retention.

The US Property Casualty insurance industry is highly competitive. No single group or Company dominates across all product lines and states. Generally, Cincinnati competes with the standard market insurance companies that market through independent insurance agents. The company has very strong brand recognition supporting by a high performance management team.

## Enterprise Risk Management

Cincinnati maintains a comprehensive enterprise risk management (ERM) program which utilizes a conservative approach and is supported at the board level. The ERM program reflects Cincinnati's strategy of maintaining superior financial strength while operating within predetermined risk tolerance guidelines. These risk guidelines include not only risk parameters around the insurance Cincinnati writes but also investment guidelines which set parameters around the allocation of the portfolio as well as sector and security concentrations.

The Risk Management Committee meets frequently to discuss key risks, risk sources, as well as emerging risks while management utilizes a multi-factored approach to identify and assess risks on the horizon, and to quantify those that could potentially impact the organization. Once key risk exposures have been identified, management reviews all risks to determine the potential impact on earnings, and/or shareholders' equity given changes in risk exposures. In addition, all defined risk exposures are reviewed frequently by internal audit.

## Reinsurance Summary

Cincinnati has a high-quality reinsurance program that provides broad coverage. Cincinnati has property per risk and casualty per occurrence coverage with high quality reinsurers rated 'a-' or higher by AM Best.

The property per risk treaty is utilized to provide capacity up to \$125 million, with facultative reinsurance above \$125 million and is adequate for the majority of the risks written by Cincinnati. Cincinnati retains the first \$15 million of each loss with losses between \$15 and \$125 million 100% reinsured. The casualty per occurrence treaty provides capacity up to \$25 million excess of \$10 million retention with each loss between \$10 and \$25 million 100% reinsured. Like the property treaty, Cincinnati has facultative reinsurance above \$25 million.

Cincinnati also has casualty excess of loss treaties which cover Workers' Compensation, extra contractual obligations and clash coverage, which would apply when a single occurrence involves multiple policyholders or multiple coverages for one insured. These treaties have a \$45 million limit excess of \$25 million with one reinstatement provision on each layer. Terrorism is covered with one limit for NBCR coverage.

Property catastrophe excess of loss treaty was purchased to protect against catastrophic events such as wind and hail, hurricanes or earthquakes. The treaty has a limit up to \$1.3 billion excess of \$200 million. Losses from the same occurrence can be aggregated into one limit over a 120-hour period and applied to the treaty towards recovery. The treaty contains one reinstatement provision on each layer with amount covered varying by layer.

The projected BCAR was stressed for the California wildfires and saw a minor 4 point projected decline as a result of a large CAT event, which supports the appropriate ERM and indicates that they have solid ERM capital and surplus management governance in places which is likely above most of their peers and viewed positively by AM Best.

## Environmental, Social & Governance

AM Best views weather-related events as the main ESG risk to Cincinnati due to their exposure to severe weather related events. Cincinnati has instituted property catastrophe zonal risk limits and single location risk limits that are designed to guard against unexpected concentrations which have the potential to lead to unacceptably large losses from a single occurrence or series of occurrences and also helps to ensure a broad spread of risk across Cincinnati's operating territories.

**Enterprise Risk Management (Continued...)**

Additionally, Cincinnati conducts extensive stress testing and risk monitoring utilizing computer models to model catastrophes and their impacts to the business including both individual events as well as multiple less severe events. These models are also used to manage concentrations of risks (such as the property catastrophe zonal risk mentioned above) and to develop growth and diversification plans.

**Financial Statements**

	12/31/2023		12/31/2022
	USD (000)	%	USD (000)
<b>Balance Sheet</b>			
Cash and Short Term Investments	907,000	2.8	1,264,000
Bonds	13,791,000	42.1	12,132,000
Equity Securities	10,989,000	33.5	9,841,000
Other Invested Assets	577,000	1.8	452,000
<b>Total Cash and Invested Assets</b>	<b>26,264,000</b>	<b>80.2</b>	<b>23,689,000</b>
Reinsurers' Share of Reserves	706,000	2.2	716,000
Debtors / Amounts Receivable	2,592,000	7.9	2,322,000
Other Assets	3,207,000	9.8	3,005,000
<b>Total Assets</b>	<b>32,769,000</b>	<b>100.0</b>	<b>29,732,000</b>
Gross Technical Reserves:			
Unearned Premiums	4,119,000	12.6	3,689,000
Non-Life Reserves	9,050,000	27.6	8,400,000
Life Reserves	3,068,000	9.4	3,015,000
<b>Total Gross Technical Reserves</b>	<b>16,237,000</b>	<b>49.6</b>	<b>15,104,000</b>
Debt / Borrowings	809,000	2.5	835,000
Other Liabilities	3,625,000	11.1	3,231,000
<b>Total Liabilities</b>	<b>20,671,000</b>	<b>63.1</b>	<b>19,170,000</b>
Capital Stock	397,000	1.2	397,000
Paid-in Capital	1,437,000	4.4	1,392,000
Retained Earnings	13,084,000	39.9	11,711,000
Treasury Stock	-2,385,000	-7.3	-2,324,000
Other Capital and Surplus	-435,000	-1.3	-614,000
<b>Total Capital and Surplus</b>	<b>12,098,000</b>	<b>36.9</b>	<b>10,562,000</b>
<b>Total Liabilities, Mezzanine Items and Surplus</b>	<b>32,769,000</b>	<b>100.0</b>	<b>29,732,000</b>

Source: BestLink® - Best's Financial Suite  
 US \$ per Local Currency Unit 1 = 1 (USD)



## Cincinnati Financial Corporation

### Operations

**Domiciled:** Ohio, United States

**Business Type:** Multi-Line  
**Publicly Traded Corp:** Cincinnati Financial Corporation  
**Stock Exchange:** NASDAQ: CINF

**Last Update**

March 07, 2025

**Identifiers**

**AMB #:** 058704  
**FEIN #:** 31-0746871  
**LEI #:** 254900Q4WEDMZBOZ0002

**Contact Information**

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**Phone:** +1-513-870-2000

**Financial Data Presented**

The financial data in this report reflects the most current data available at the time the report was printed.

## Best's Credit Ratings

**Rating Relationship**

**AM Best Rating Unit:** [058704 - Cincinnati Financial Corporation](#)

**Best's Credit Rating Effective Date:** February 13, 2025

Refer to the [Best's Credit Report for AMB# 058704 - Cincinnati Financial Corporation](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
004289	Cincinnati Casualty Company	A+	aa
010650	Cincinnati Indemnity Company	A+	aa
000258	Cincinnati Insurance Company	A+	aa
006568	Cincinnati Life Insurance Co	A+	aa
013843	Cincinnati Specialty Undrs Ins	A+	aa

**Best's Credit Rating History**

AM Best has assigned ratings on this company since 2002. In our opinion, the company has an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Long-Term Issuer Credit Ratings			
Effective Date	Rating	Outlook	Action
<b>Current -</b>			
<b>Feb 13, 2025</b>	<b>a</b>	<b>Stable</b>	<b>Affirmed</b>
Feb 9, 2024	a	Stable	Affirmed
Feb 9, 2023	a	Stable	Affirmed
Feb 2, 2022	a	Stable	Affirmed
Jan 27, 2021	a	Stable	Affirmed

## Best's Issue Credit Ratings

AM Best assigns Best's Issue Credit Ratings. Refer to the profile page to view current Issue Ratings for [Cincinnati Financial Corp \(AMB#58704\)](#).

## Management

### Officers

**Chairman of the Board:** Steven J. Johnston

**CEO, President:** Stephen M. Spray

**CFO, EVP, Treasurer:** Michael J. Sewell

**Chief Legal Officer, Corporate Secretary, EVP:** Thomas C. Hogan

### Directors

Peter Wu

Stephen M. Spray (Chief Executive Officer, President)

Nancy C. Benacci

Linda W. Clement-Holmes

Dirk J. Debbink

Steven J. Johnston (Chairman)

Jill P. Meyer

David P. Osborn

Gretchen W. Schar

Charles O. Schiff

Douglas S. Skidmore

John F. Steele, Jr.

Larry R. Webb

## The Cincinnati Life Insurance Company

**Last Update**

March 03, 2025

**Identifiers**

**AMB #:** 006568

**NAIC #:** 76236

**FEIN #:** 31-1213778

**Contact Information**

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**Fax:** +1-513-603-5500

**Financial Data Presented**

The financial data in this report reflects the most current data available at the time the report was printed.

### Operations

**Date Incorporated:** July 02, 1987 | **Date Commenced:** February 01, 1988

**Domiciled:** Ohio, United States

**Licensed:** (Current since 07/26/2002). The company is licensed in the District of Columbia, AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI and WY.

**Business Type:** Life, Annuity, and Accident

**Organization Type:** Stock

**Marketing Type:** Independent Agency

**Best's Financial Size Category:** XV (Greater than or Equal to USD 2.00 Billion)

## Best's Credit Ratings

**Rating Relationship**

**AM Best Rating Unit:** [058704 - Cincinnati Financial Corporation](#)

**Best's Credit Rating Effective Date:** February 13, 2025

The Cincinnati Life Insurance Company is a member of Cincinnati Financial Corporation (AMB# 058704). The Cincinnati Life Insurance Company is a member of the Cincinnati Financial Corp. rating unit as it serves as the life insurance writer for the organization, which is very important for the product and geographic diversification of the insurance operations; is fully integrated operationally and financially; and shares the same board of directors. Refer to the [Best's Credit Report for AMB# 058704 - Cincinnati Financial Corporation](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

**Best's Credit Rating History**

AM Best has assigned ratings on this company since 1922. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
<b>Current -</b>							
<b>Feb 13, 2025</b>	<b>A+</b>	<b>g (Group Rating)</b>	<b>Stable</b>	<b>Affirmed</b>	<b>aa</b>	<b>Stable</b>	<b>Affirmed</b>
Feb 9, 2024	A+	g (Group Rating)	Stable	Affirmed	aa	Stable	Affirmed
Feb 9, 2023	A+	g (Group Rating)	Stable	Affirmed	aa	Stable	Affirmed
Feb 2, 2022	A+	g (Group Rating)	Stable	Affirmed	aa	Stable	Upgraded
Jan 27, 2021	A+		Stable	Affirmed	aa-	Stable	Affirmed

## Management

### Officers

**Chairman of the Board:** Steven J. Johnston  
**CEO:** Stephen M. Spray  
**EVP, CFO:** Michael J. Sewell  
**EVP, Chief Information Officer:** John S. Kellington  
**EVP, Chief Risk Officer:** Teresa C. Cracas  
**EVP, Corporate Secretary, Chief Legal Officer:** Lisa A. Love  
**SVP, COO:** Roger A. Brown  
**SVP:** Theresa A. Hoffer  
**SVP:** Steven Soloria  
**Vice President, Chief Underwriting Officer:** Jeremy M. Singer  
**Treasurer, Vice President:** Christopher Lutz  
**Vice President, Chief Actuary:** Michael T. Tiernan  
**Vice President:** Montgomery L. Trottier  
**Appointed Actuary:** Thomas J. Bruns

### Directors

Nancy C. Benacci  
Roger A. Brown  
Teresa C. Cracas  
Steven J. Johnston (Chairman)  
John S. Kellington  
Lisa A. Love  
David P. Osborn  
Charles O. Schiff  
Michael J. Sewell  
Stephen M. Spray  
Larry R. Webb

## History

In February 1973, Inter-Ocean Insurance Company, Cincinnati, Ohio, a life and accident and health insurer, was acquired as a subsidiary of Cincinnati Financial Corporation. On February 1, 1988, Inter-Ocean Insurance Company and The Life Insurance Company of Cincinnati, Cincinnati, Ohio, also a life and accident and health insurer and a subsidiary of The Cincinnati Insurance Company since 1973, merged to form The Cincinnati Life Insurance Company, Cincinnati, Ohio.

## Professional Service Providers

### Investment Managers, Advisors, Brokers/Dealers:

- SECURIAN ASSET MANAGEMENT (Unaffiliated Firm)
- INTERNALLY MANAGED (Internal Employee)

## State Rate Filings

### Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 006568 - The Cincinnati Life Insurance Company](#)

Major Line	2025	2024	2023	2022	2021
Annuities - Other	1	4	1	1	1
Group Life - Term	...	...	...	1	...
Health - Other	2	4	3	5	4
Individual Annuities - Deferred Non-Variable	...	4	...	...	...
Individual Life - Flexible Premium Adjustable Life	...	1	...	...	2
Individual Life - Term	1	3	8	6	26
Individual Life - Whole	...	1	1	2	22
Individual Long-Term Care	1	3	4	6	8
Life - Other	1	28	24	56	27
Long-Term Care - Other	4	29	30	32	32
Multi-Line - Other	...	1	...	2	1
<b>Total</b>	<b>10</b>	<b>78</b>	<b>71</b>	<b>111</b>	<b>123</b>

Source: Best's State Rate Filings

## Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File - L/H, US.

**Currency:** US Dollars

	Year End - December 31			
	2024		2023	
<b>Balance Sheet</b>	USD (000)	%	USD (000)	%
Cash and Short Term Investments	49,959	0.9	19,234	0.4
Bonds	3,883,710	73.5	3,896,383	75.0
Preferred and Common Stock	13,158	0.2	11,738	0.2
Other Invested Assets	129,741	2.5	94,708	1.8
<b>Total Cash and Invested Assets</b>	<b>4,076,568</b>	<b>77.2</b>	<b>4,022,063</b>	<b>77.4</b>
Premium Balances	166,499	3.2	159,557	3.1
Net Deferred Tax Asset	18,292	0.3	17,761	0.3
Other Assets	68,617	1.3	70,443	1.4
Total General Account Assets	4,329,976	82.0	4,269,825	82.2
Separate Account Assets	951,796	18.0	924,684	17.8
<b>Total Assets</b>	<b>5,281,772</b>	<b>100.0</b>	<b>5,194,508</b>	<b>100.0</b>
Net Life Reserves	3,587,247	67.9	3,609,079	69.5
Net Accident & Health Reserves	14,674	0.3	15,548	0.3
Liability for Deposit Contracts	118,062	2.2	124,536	2.4
Asset Valuation Reserve	43,982	0.8	40,808	0.8
Other Liabilities	57,876	1.1	66,165	1.3
Total General Account Liabilities	3,821,842	72.4	3,856,136	74.2
Separate Account Liabilities	951,796	18.0	924,684	17.8
<b>Total Liabilities</b>	<b>4,773,638</b>	<b>90.4</b>	<b>4,780,820</b>	<b>92.0</b>
Capital Stock	3,000	0.1	3,000	0.1
Paid-In and Contributed Surplus	1,000	...	1,000	...
Unassigned Surplus	504,134	9.5	409,688	7.9
<b>Total Capital and Surplus</b>	<b>508,134</b>	<b>9.6</b>	<b>413,688</b>	<b>8.0</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>5,281,772</b>	<b>100.0</b>	<b>5,194,508</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

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