SAPPHIRE
Summit

View from the CEO

Bill Cunningham

Agenda

- IAT Overview

- Macro trends impacting our industry
    - Current environment
    - Longer term economic factors

- AI – What's ahead

IAT Overview

Operating Principles

- Specialization and niche focus drives the best underwriting results
- Focus on the best long-term trading partners
- Our people are our most important assets
- Capitalize on the “free float” from the reserves and cash flows with a higher percentage invested in common stocks than most competitors
- We want to be a top third performer in the markets we serve

Private Ownership = Best Long-Term Decisions

Private Ownership

*IAT is the **largest private, family-owned** property casualty insurer in the U.S. home to:*

1,000+
employees

8
business units

30+
locations

$1.9 billion
of GAAP equity

AM BEST A- Excellent

Together, we've grown the business

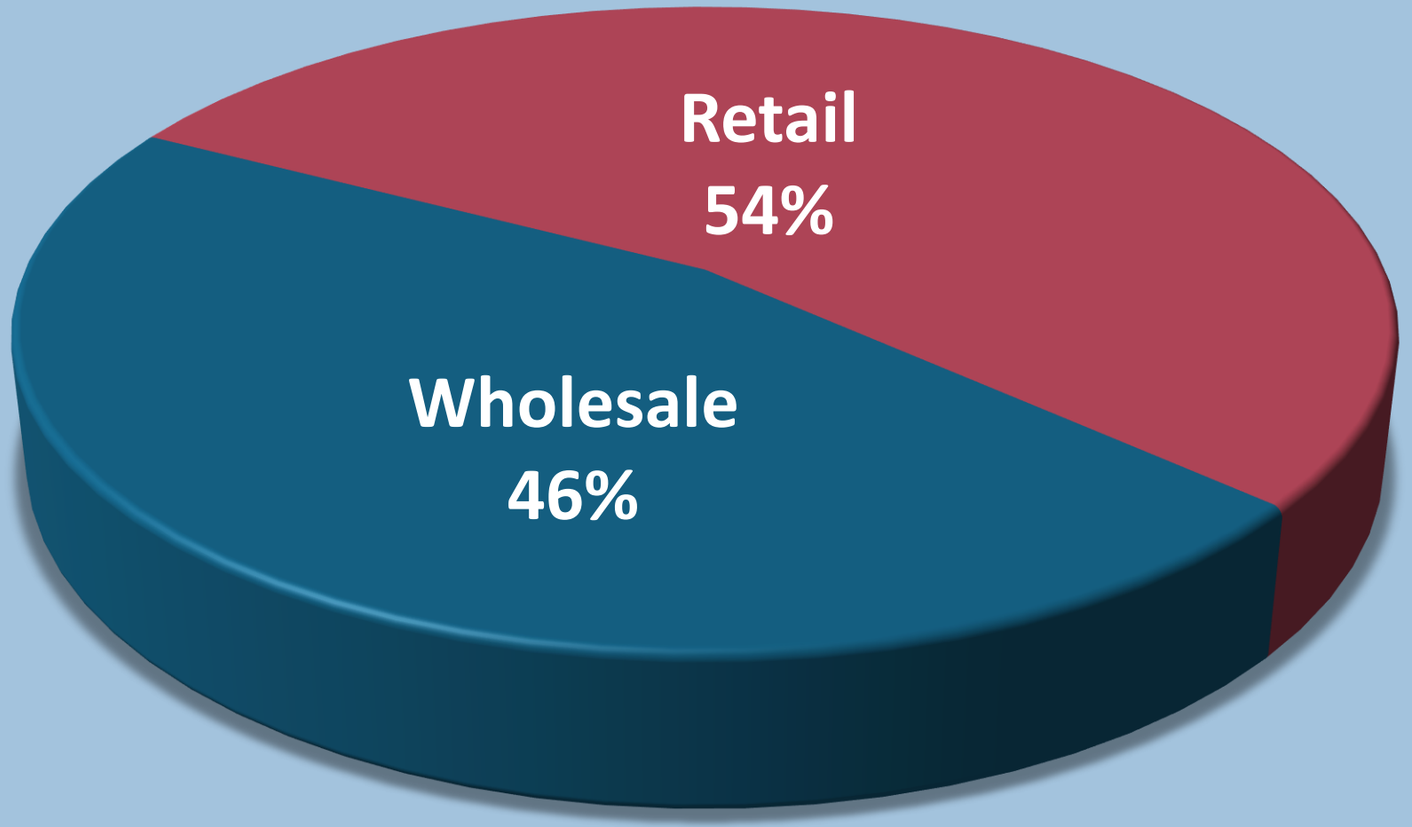
From $700M in 2012

To over **$2B** today

Our Businesses – *Specialty products for niche markets*

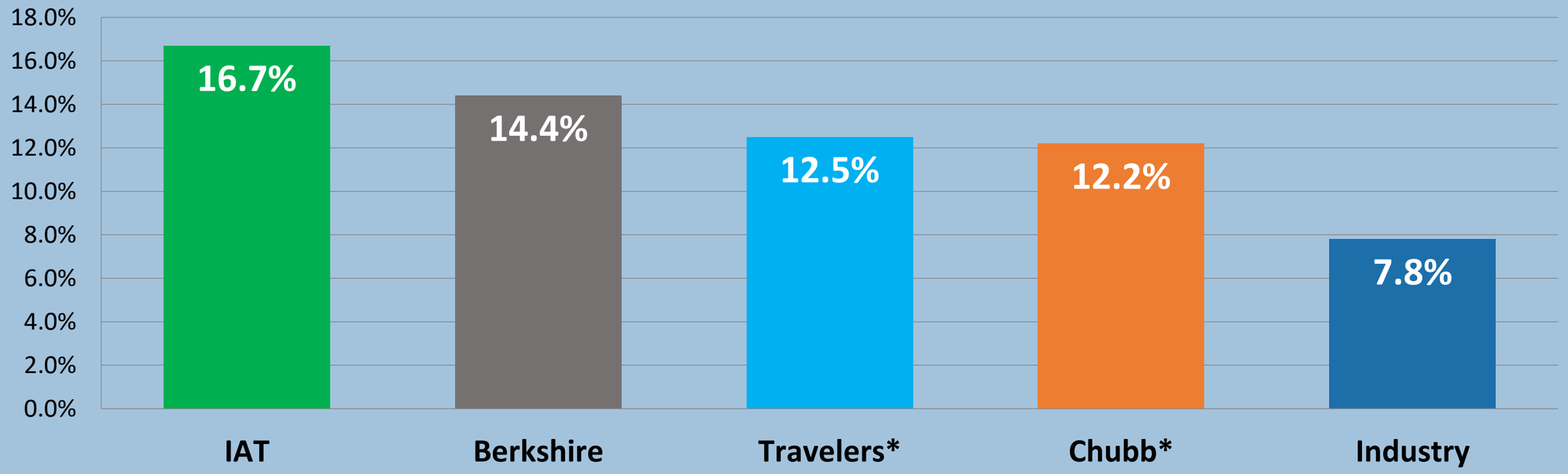
1. Commercial Truck
2. Inland Marine, Commercial Property & Aviation (IPA)
3. Surety
4. Excess & Surplus (Binding, Excess Casualty)
5. Management Liability
6. Programs
7. Assumed Reinsurance
8. Homeowners

Mix of Business (GWP) by Distribution



** Excludes our homeowners, programs and assumed reinsurance business*

Compound Annual ROE 1991-2025

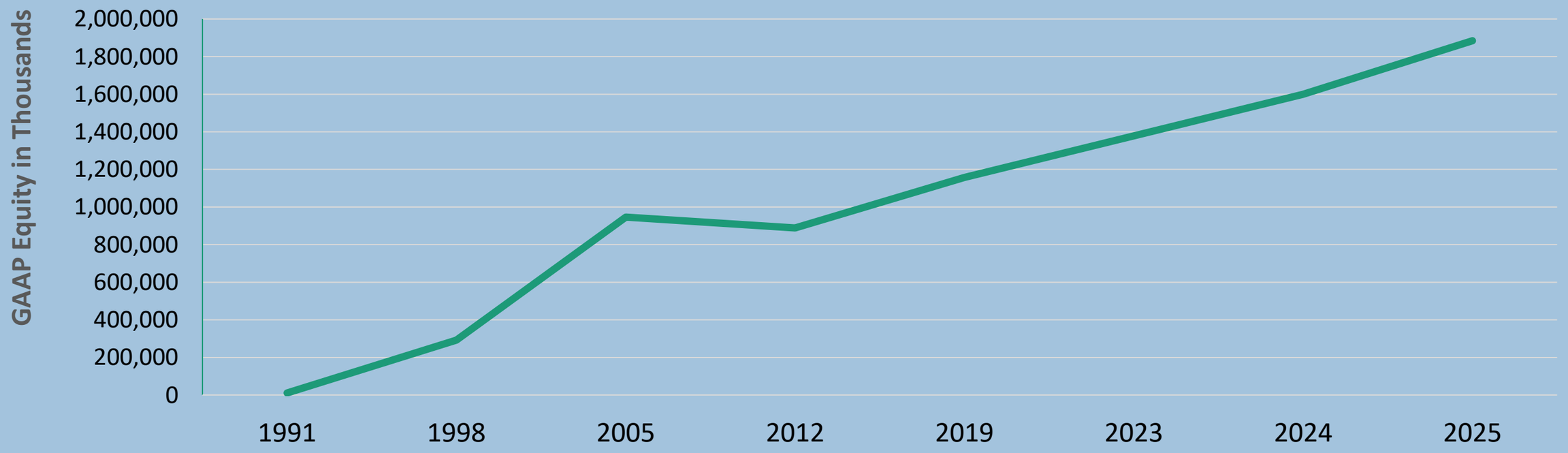


Since 1991, IAT's compound total return on equity is more than twice the industry and better than the carriers considered best in class (A++ companies).

*Chubb and Travelers is 2002-2025

Book Value Growth Since Inception

(Amounts in Thousands)



Initial Investment of $11 Million in GAAP Equity has grown to $1.9 Billion*

* An additional $300 million of dividends to holding company

Our Investment Priorities

- Attract and develop the best talent
- Building upon our unique culture
- Continually enhance our technology capabilities
- Advance our AI and predictive analytics capabilities

Constant focus on better, faster decisions and ease of doing business


70%
of our commercial insurance
business is thanks
to YOU,
Our Sapphire Partners
Thank you for your
partnership!

Macro Trends Impacting Our Industry

Current Environment

- Overall marketplace has been largely rational
- Tort costs – a lot of uncertainty
- Inflation – more likely to increase over the near term

Current Environment

Property market

- Rates easing after sharp hard market increases and lower reinsurance cost

Liability lines

- Social inflation and litigation trends driving higher loss severity
- Excess casualty and specialty liability markets remain disciplined
- Management liability is becoming more stressed
- Commercial auto is the most challenged line

Surety

- Industry has experienced some sizable losses and pressure on reinsurance pricing

Workers comp

- More recent accident year showing some stress
- How much longer can the good news continue?

Accident Year vs Calendar Year

	Accident Year	Loss Development	Calendar Year
Net earned premiums	$ 2,000,000	$ -	$ 2,000,000
Net losses and LAE incurred	1,100,000	**100,000**	1,200,000
Other underwriting expenses	800,000	-	800,000
Underwriting income	100,000	(100,000)	0
Investment income	98,000	-	98,000
Operating income	$ 198,000	$ (100,000)	$ 98,000
Loss and LAE ratio	55.0%	5.0%	60.0%
Expense ratio	40.0%	0.0%	40.0%
Combined ratio	95.0%	5.0%	100.0%

Current Accident Year

Includes all premiums earned and losses Incurred (date of loss) within the current year, using our actuarial best estimate of losses incurred within the year.

Loss Development from Prior Accident Years

Loss development is the actuarial re-estimation of all losses incurred for all prior accident years (favorable development – loss estimates decreased adverse development – loss estimates increased).

Resulting Calendar Year

Calendar year results are the results of the current accident year combined with the loss Development from all prior accident years.

Top Carriers Schedule P – Loss Development

General Liability

General Liability 2025 Prior Year Development By Accident Year

Line/Segment	2016	2017	2018	2019	2020	2021	2022	2023	2024	Ttl CY* 2025	CY 2024 AY'15-'23	CY 2023 AY'14-'22
Hanover - GL Occurrence	$3	($1)	($4)	($3)	($1)	($1)	$14	$2	$2	$11	($5)	$27
Arch - Ins 3rd Party Occ	($14)	($10)	($13)	($12)	($12)	$17	$2	$0	$37	($5)	$7	$13
AIG - US Other Cas	($23)	($8)	$11	($15)	($20)	$27	$34	$28	$31	$65	$2	($55)
Cincinnati - Cml Cas	($5)	$3	($6)	$18	$28	($3)	$18	($2)	($35)	$16	($12)	($4)
CNA - General Liab	$11	$36	($2)	$20	($40)	$19	$22	$40	$24	$130	$65	$151
Hartford - General Liab	$4	$32	($9)	$31	($46)	($3)	($6)	$16	($2)	$17	$221	$47
Old Republic - General Liab	($1)	$0	$1	($3)	($8)	$13	$7	$2	($2)	$9	$31	$27
RLI - Cas Occurrence	($1)	$2	$1	$1	($2)	$1	$5	($1)	($8)	($1)	($9)	($15)
Selective - GL & E&S Liab	$2	($1)	($7)	($13)	($9)	($2)	$31	$19	$3	$23	$296	$14
Travelers - Bus. Ins. GL	$12	$7	$33	$54	$2	$0	$98	$69	($25)	$250	$347	$446
United Fire - Other Liab	$7	$8	$8	$6	$2	($1)	$8	$5	($13)	$30	$40	$56
Total	**($4)**	**$69**	**$13**	**$85**	**($106)**	**$67**	**$233**	**$178**	**$12**	**$545**	**$984**	**$706**

*Source: Company Reports. *Excludes AYs prior to 2016*

Loss development over the past 12 months within each accident year.

Top Carriers Schedule P – Loss Development

Commercial Auto

Commercial Auto 2025 Prior Year Development By Accident Year

Line/Segment	2016	2017	2018	2019	2020	2021	2022	2023	2024	Ttl CY* 2025	CY 2024 AY'15-'23	CY 2023 AY'14-'22
Hanover - Ttl Commercial Auto				($1)	($1)	$1	$3	$15	$21	$37	*($1)*	*$9*
CINF - Commercial Auto						$7	$3	$16	($4)	$22	*($12)*	*($6)*
CNA - Commercial Auto	($1)	($4)	($1)	($4)	($4)	($16)	$10	$15	$73	$68	*$110*	*$28*
Hartford - Ttl Cml Auto	$1	$1	($2)	$5	($6)	($1)	$13	$2	$1	$14	*$55*	*$26*
Kemper - Ttl Cml Auto						$13	$26	$47	($16)	$71	*$3*	*$19*
Old Republic - Cml Auto	($1)	($3)	($5)	($3)	($8)	($19)	($10)	$6	$0	($42)	*($39)*	*($77)*
RLI - Casualty Transporation	($0)	$0	$0	($1)	($1)	$1	$2	$11	($6)	$5	*$7*	*($5)*
Selective - Ttl Commercial Auto	$1	$1	$1	$1	$5	$8	$14	$37	$57	$124	*$23*	*$9*
Travelers - Ttl Commercial Auto						($11)	$9	$50	($92)	($44)	*($6)*	*$116*
United Fire - Commercial Auto	($0)	($1)	($1)	($3)	($1)	($4)	($5)	($1)	($8)	($24)	*($33)*	*$5*
Total	**$0**	**($6)**	**($7)**	**($5)**	**($17)**	**($21)**	**$65**	**$196**	**$26**	**$231**	**$106**	**$125**

*Source: Company Reports. *Excludes AYs prior to 2016*

Loss development over the past 12 months within each accident year.

Top Carriers Schedule P – Loss Development

Management Liability

Management/ Professional Liability	2025 Prior Year Development By Accident Year									Ttl CY*	CY 2024	CY 2023
Line/Segment	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	AY'15-'23	AY'14-'22
Arch - Ins 3rd Party CM	($4)	($13)	($4)	($3)	($13)	($15)	($19)	$6	$41	($24)	*($32)*	*$34*
AIG - U.S. Fnc'l Lines	$23	($3)	($22)	$16	$10	($72)	($48)	$34	$13	($49)	*($54)*	*$50*
Hartford - Prof Liab	($7)	($4)	$24	$8	($3)	($5)	($27)	$8	$22	$16	*($25)*	*$18*
RLI - Cas Claims Made	$1	($0)	$7	$0	($3)	($1)	($3)	($2)	($5)	($6)	*($20)*	*($24)*
CNA - Prof & Mgmt Liab	($2)	($8)	$16	$14	($9)	($9)	($35)	$73	$50	$90	*$41*	*$43*
TRV - B&S GL	$1	($8)	($12)	($8)	($11)	($5)	($38)	($4)	$72	($13)	*($8)*	*($153)*
Total	**$12**	**($36)**	**$9**	**$27**	**($29)**	**($107)**	**($170)**	**$115**	**$193**	**$14**	**($98)**	**($32)**

*Source: Company Reports. *Excludes AYs prior to 2016*

Loss development over the past 12 months within each accident year.

Top Carriers Schedule P – Loss Development

Workers' Comp

Workers' Comp 2025 Prior Year Development By Accident Year

Line/Segment	2016	2017	2018	2019	2020	2021	2022	2023	2024	Ttl CY* 2025	CY 2024 AY'15-'23	CY 2023 AY'14-'22
Hanover - W/Comp	($2)	($2)	($3)	($4)	($4)	($2)	($1)	($0)	($3)	($20)	$3	($27)
AIG - U.S. W/Comp	($29)	($9)	($17)	($46)	($13)	$19	$32	$11	($27)	($79)	($484)	($196)
Cincinnati - W/Comp	$0	$0	($2)	($2)	($10)	($5)	($14)	($17)	($4)	($54)	($74)	($56)
CNA - W/Comp	($6)	($19)	($6)	($6)	($30)	($9)	($11)	($10)	$12	($85)	($95)	($144)
Employers - W/Comp	($8)	($8)	($6)	($14)	($6)	$0	$11	$41	$81	$92	($21)	($21)
Hartford - W/Comp	($11)	($30)	($32)	($33)	($68)	($19)	($1)	$0	$0	($194)	($220)	($218)
Old Republic - W/Comp	($20)	($19)	($26)	($33)	($9)	$4	$27	$20	($3)	($59)	($135)	($189)
Selective - W/Comp	($4)	($4)	($4)	($5)	($4)	($7)	($11)	$0	($0)	($38)	($33)	($48)
Travelers - Bus. Ins. W/Comp	($19)	($23)	($51)	($69)	($127)	($71)	($78)	$6	($8)	($440)	($562)	($709)
United Fire - W/Comp	($0)	($0)	($0)	$1	$0	$0	$0	($2)	($1)	($3)	($0)	($0)
Total	**($98)**	**($114)**	**($148)**	**($210)**	**($270)**	**($89)**	**($46)**	**$49**	**$46**	**($879)**	**($1,621)**	**($1,609)**

*Source: Company Reports. *Excludes AYs prior to 2016*

Loss development over the past 12 months within each accident year.

Ten Year Surety Industry Compared to IAT Loss Ratios

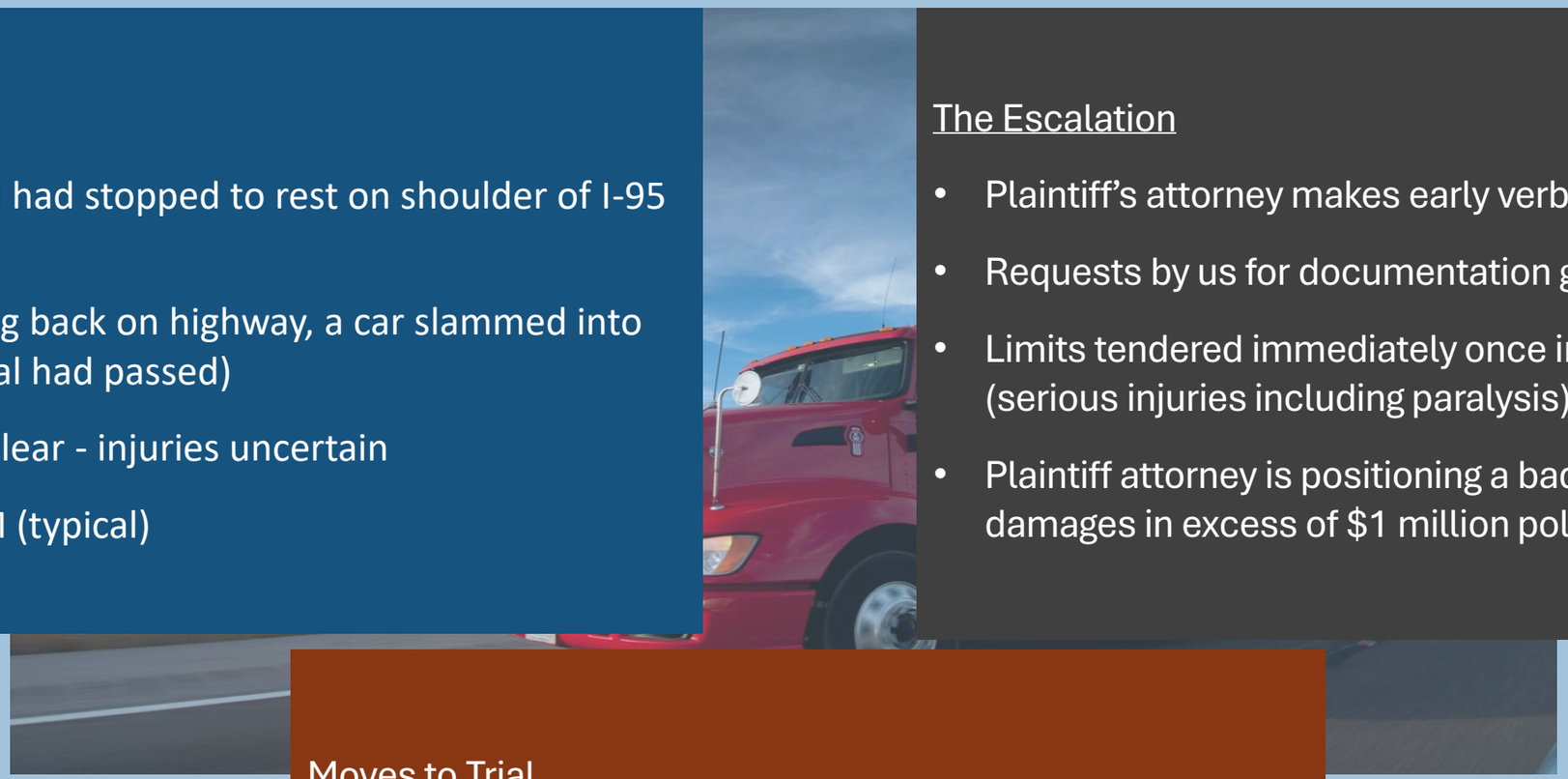
Tort Environment

Tort inflation + nuclear verdicts are changing the environment

- Required limits are often $1M, and most don’t buy more than what’s required
- Policy limit plus defense does not cap your exposure in high severity cases
- When injuries are serious and limits are low, the playbook shifts:
  - Settlement appetite of plaintiff attorney low – they deem the policy limit as their worst-case scenario
  - By stalling and delaying information, attempt to set carrier up for excess of limit exposure (bad faith)

In today’s environment, the question is no longer
‘What are the limits?’ – it’s
‘Can the carrier be pushed beyond them?’

It started as a $1M claim … and almost became a $60M problem



The Situation

- Trucking insured had stopped to rest on shoulder of I-95 in Florida
- As he was getting back on highway, a car slammed into him (after several had passed)
- Liability was unclear - injuries uncertain
- Policy limit: $1M (typical)

The Escalation

- Plaintiff's attorney makes early verbal policy limit demand
- Requests by us for documentation go unanswered
- Limits tendered immediately once information received (serious injuries including paralysis) — offer rejected
- Plaintiff attorney is positioning a bad faith case to seek damages in excess of $1 million policy limit

Moves to Trial

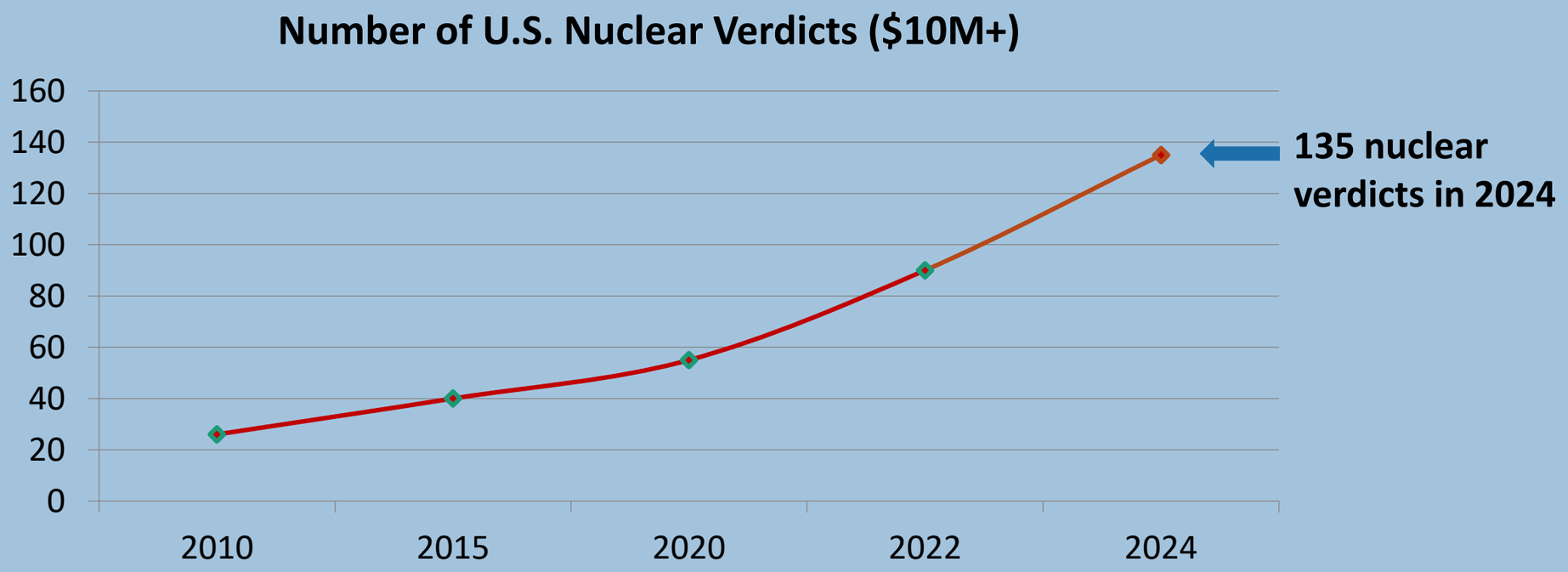
- Potential verdict estimated near $40M
- Our liability was clear; containing our responsibility to $1M (the policy limit) was the question

Settlement was best case - $7 Million

The Best Case		The Worst Case	
Policy limit	**$1M**	Policy limit	**$1M**
Appeal and new trial cost	**$1-3M**	Direct legal costs Legal costs of appeal, potential new trial and bad-faith litigation	**$3-6M**
Bad faith trial costs	**$2-3M**	Verdict stands on appeal and bad faith/failure to settle found Full judgment + plaintiff & insured legal fees owed	**$30-40M**
Post judgement interest owed on $1M (assumes 6 yrs)	**~$500k**	Post judgment interest on full verdict (assumes 6 yrs)	**~$15-21M**
TOTAL FINANCIAL EXPOSURE:	**$4.5 – 7.5M+**	**TOTAL FINANCIAL EXPOSURE:**	**$60M+**

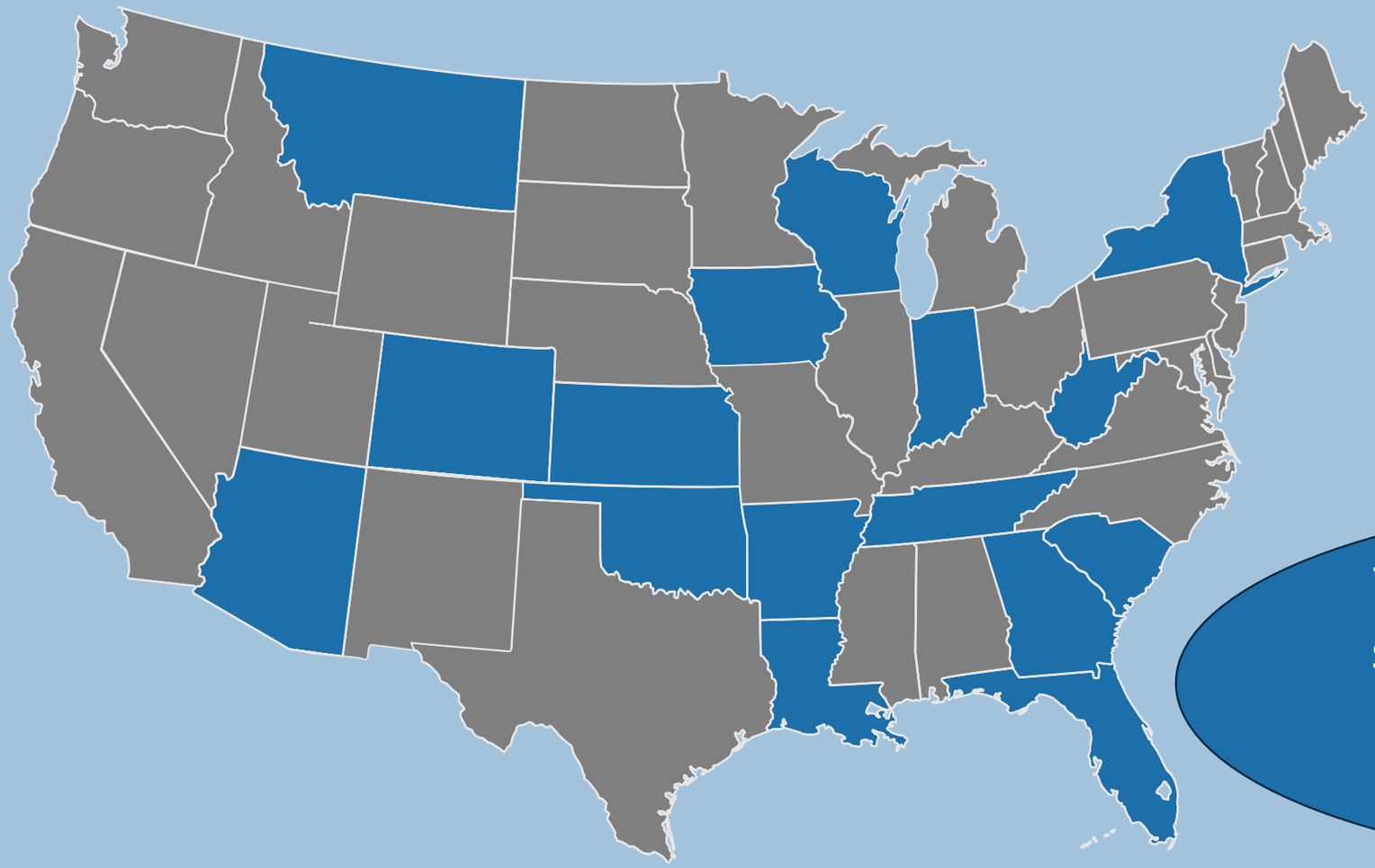
We settled the case for $7M – insured contributed $2M

Nuclear Verdicts Are Rising



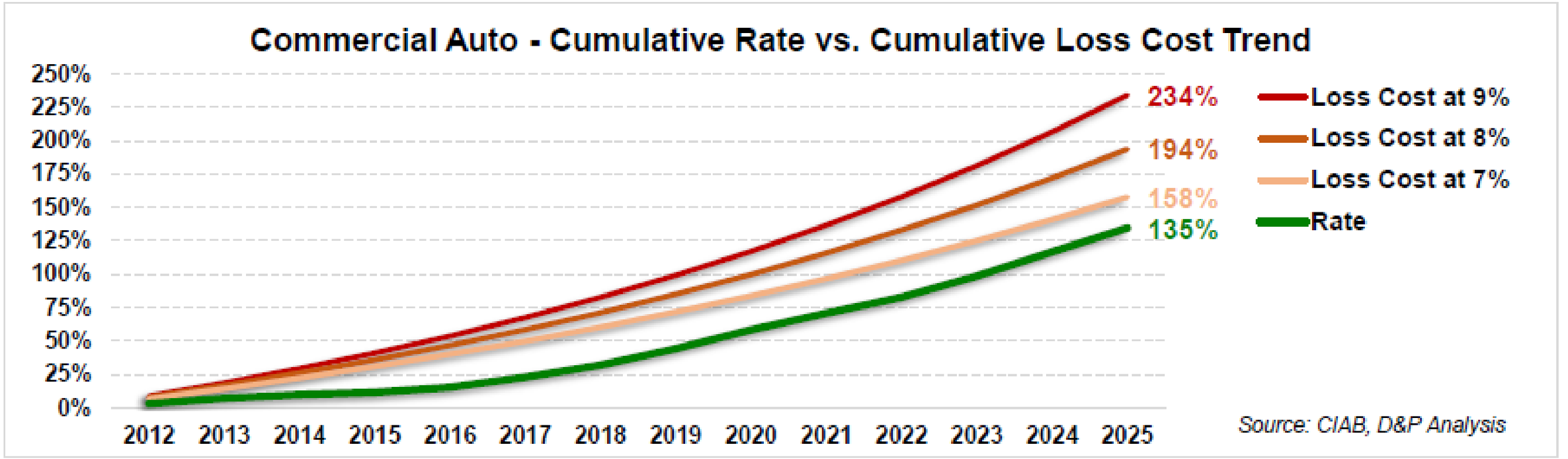
- Nuclear verdicts ($10M+) are increasing in both frequency and size
- Median nuclear verdict reached about $51M in 2024

States are beginning to enact tort reform measures



- Reforms attempting to enact more appropriate laws impacting Bad Faith
- Early indicators show litigation frequency declining in some jurisdictions
- Additional states considering litigation funding and liability reforms

The impact of these changes should be positive, but it will take several years to realize any benefit


Commercial Auto - Cumulative Rate vs. Cumulative Loss Cost Trend
250%
225%
200%
175%
150%
125%
100%
75%
50%
25%
0%
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
234%
194%
158%
135%
Loss Cost at 9%
Loss Cost at 8%
Loss Cost at 7%
Rate
Source: CIAB, D&P Analysis

Longer Term Economic Factors

Our industry has evolved from reacting to predicting and forecasting over the past two decades

Forecasting is cloudier as of late:

- Tort costs have accelerated beyond anything anyone would have predicted- where is it headed?

- Inflation:
  - Tariffs
  - Energy costs

Our industry has evolved from reacting to predicting and forecasting over the past two decades

The forces that will shape the next decade:

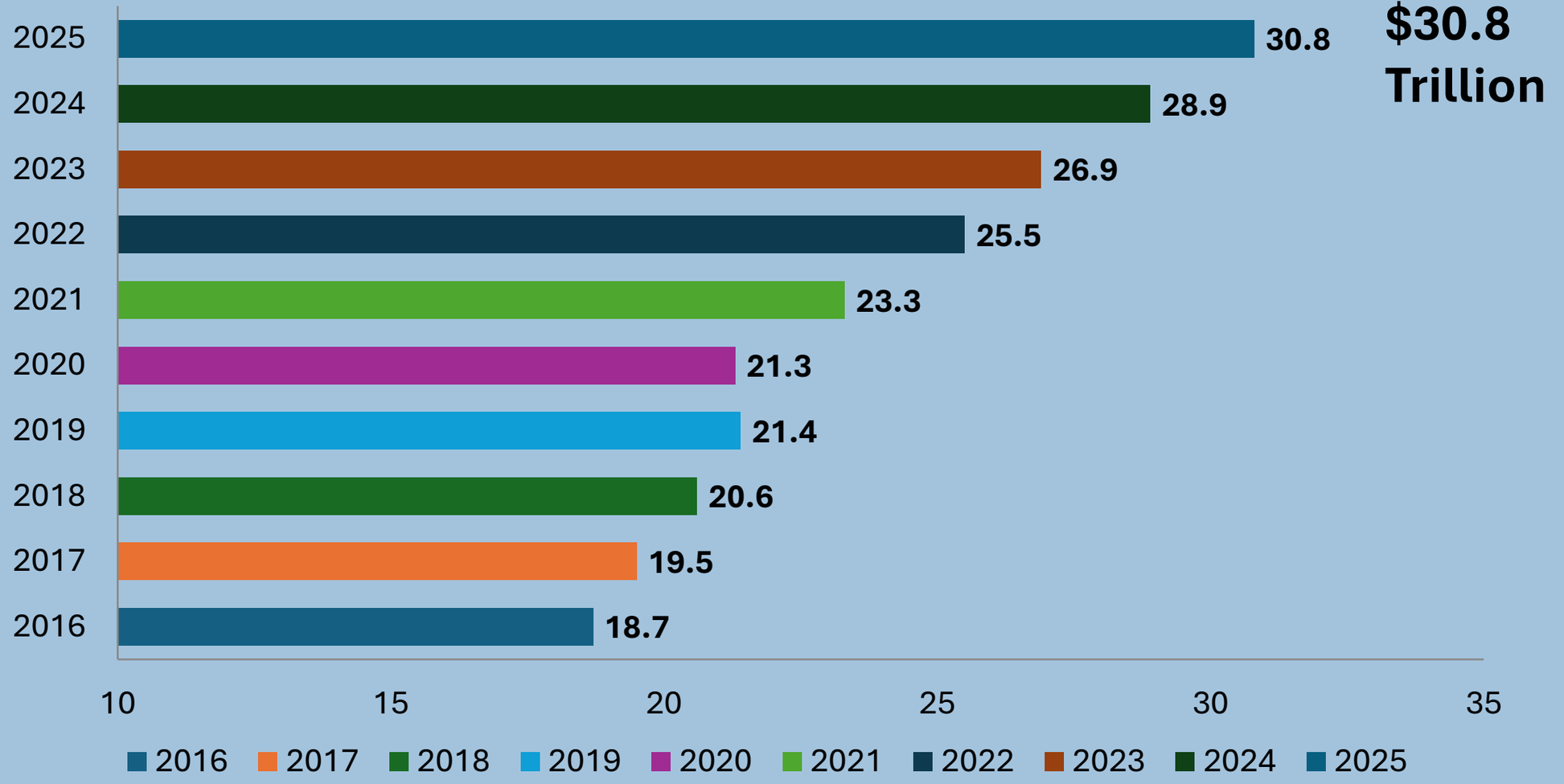
- Tariffs and the long-term impact on international trade
- Fed policy and independence
- Federal budget deficits and debt
- Immigration and population growth
- AI and productivity

The Economic Forces that Impact our Forecasting

The Key to a Healthy Economy is Growth

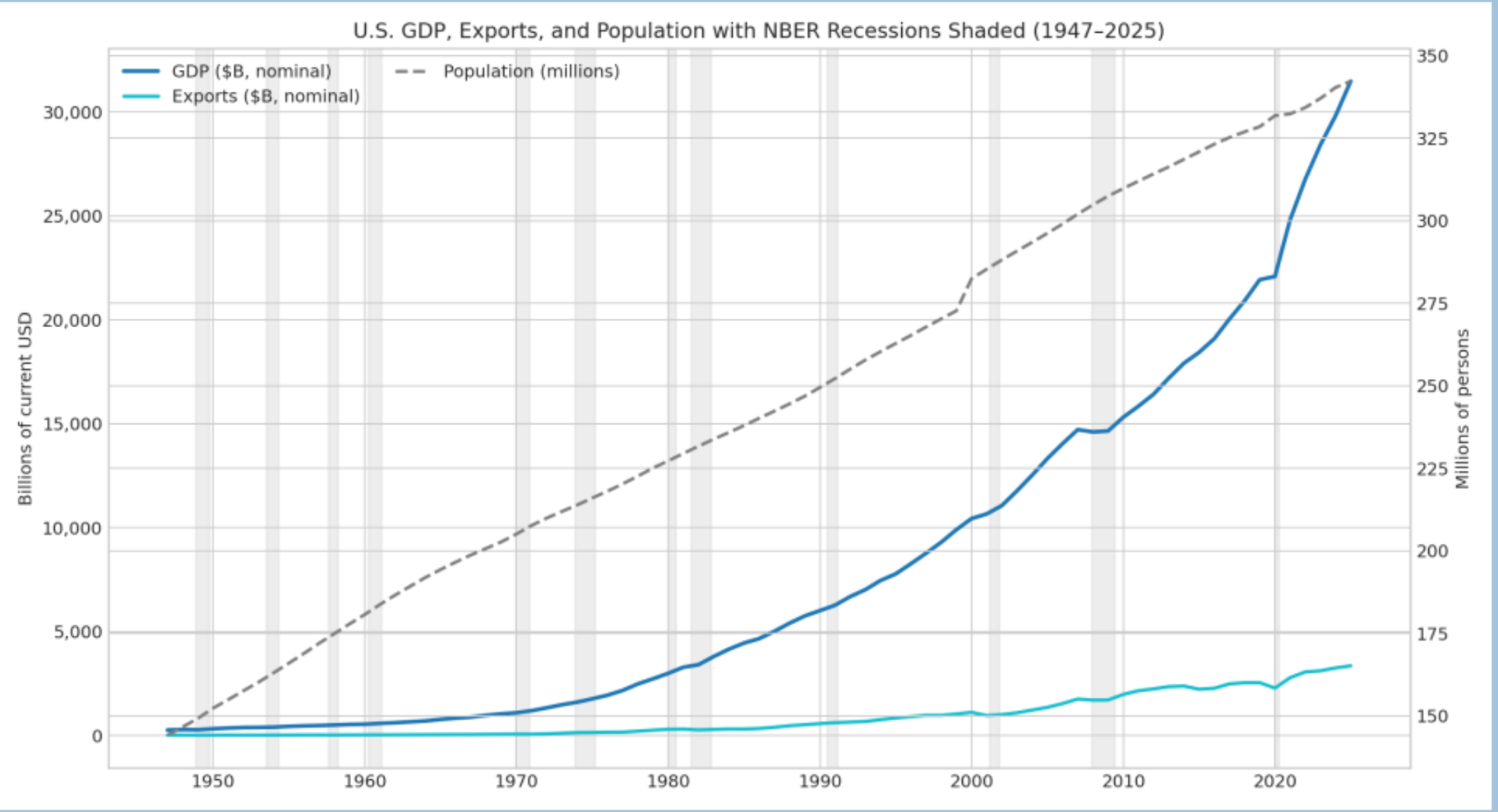
- Economic growth drives exposure, investment income, and loss trends
- Understanding those forces helps us navigate the road ahead together

The U.S. economy has grown 65% since 2016



$30.8 Trillion

GDP and Population Growth go Hand-in-Hand



Population

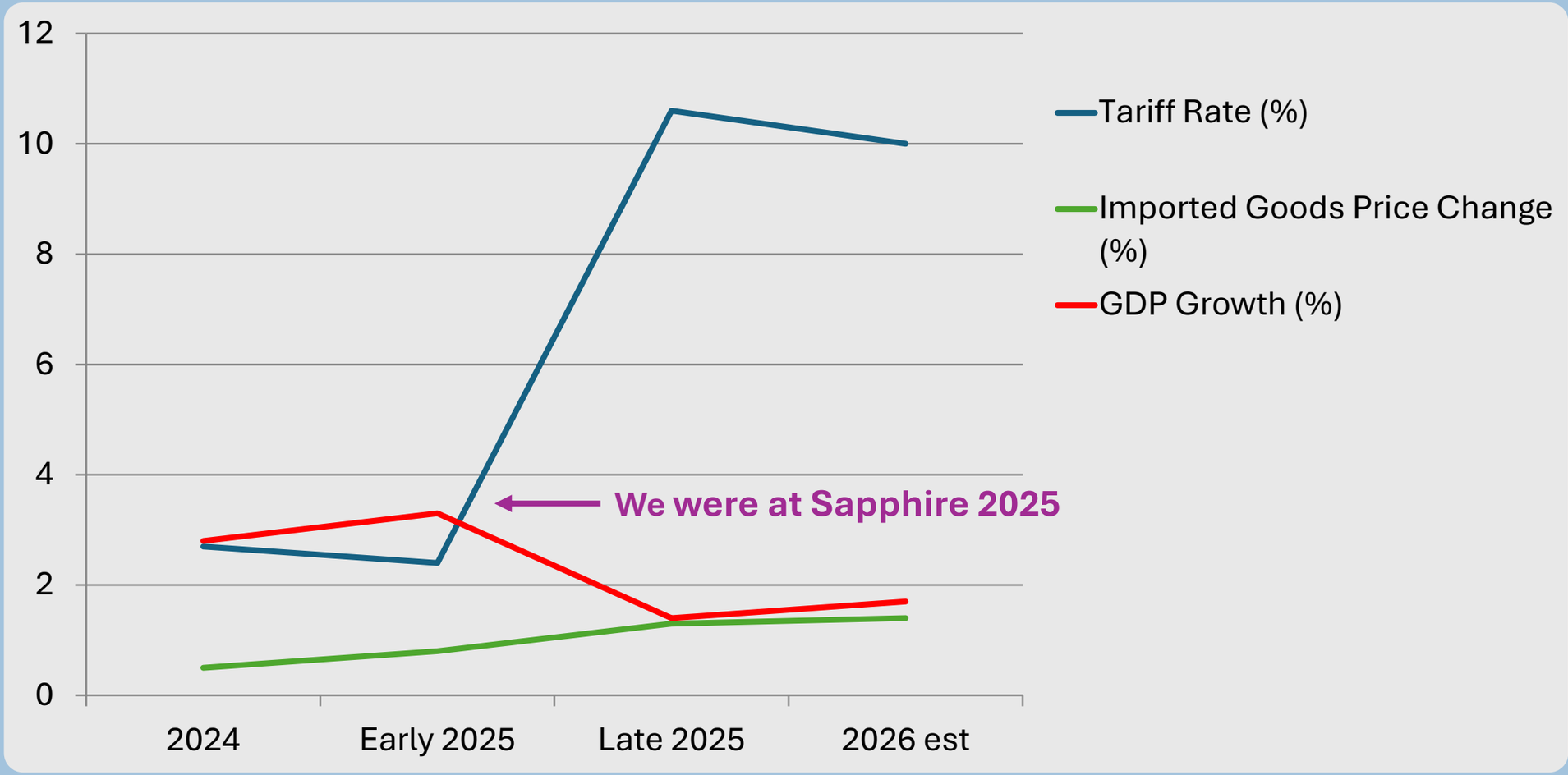
GDP

Exports

Exports are greater than 10% of our GDP

U.S. trade and tariff impact

2025 Tariffs: Price Pressure and Slower Growth



Trade is a key driver of the U.S. GDP

- The US exports 3.6 Trillion in goods and services which represents 12% of our GDP
- The U.S. is the world's largest goods importer @ $3.17 Trillion in 2025 (13.3% of world imports)
- Stable global trade lowers costs to U.S. consumers which frees up other disposable income and supports GDP growth
- **How significant will the impact be from global partners seeking to diversify away from U.S. markets and what will be the long-term impact, whether tariffs continue or not?**

A **10%** shift will reduce overall GDP by **1%**,
which is **~50%** of our annual growth

Tariffs are redirecting global trade – will it be permanent?

U.S. Industry	Examples	Buyers shifting away	Alternative suppliers/markets
Agriculture	Soybeans, pork, corn, dairy	China, EU, Mexico	Brazil, Argentina, Australia, EU
Steel / Autos / Machinery	Steel, aluminum, auto parts, equipment	Canada, EU, Mexico	Korea, Japan, EU, Mexico
Aircraft & heavy equipment	Aircraft, engines, construction equipment	EU, China, Asia	Airbus, EU, Japan, Korea
Technology / semiconductors	Chips, electronics, software	China, EU, Asia	Taiwan, Korea, EU

Will the U.S. exports be impacted long term?
Will the U.S. become more self reliant to offset the potential drop in exports?

The Federal Reserve’s policy and independence

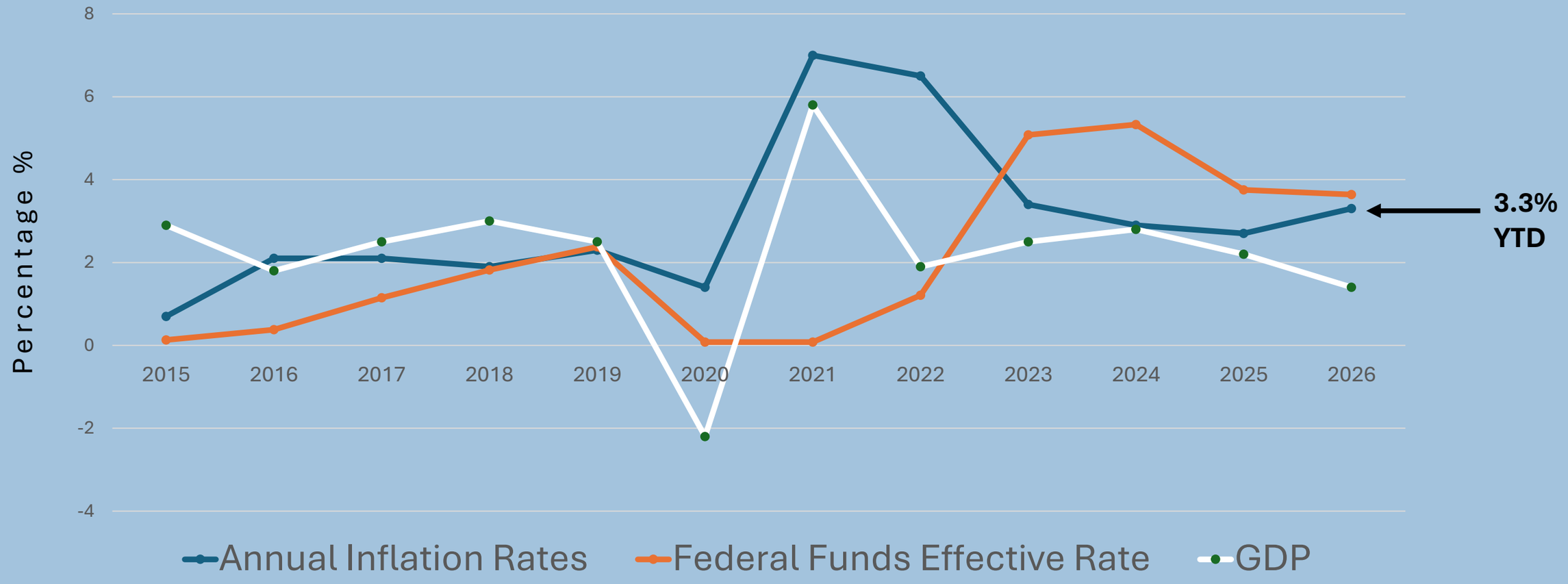
Reminder – The Federal Reserve's Role

Post WWII dual mandate:

- set interest rates to achieve 2% inflation over time
- optimize employment (4-6% unemployment)

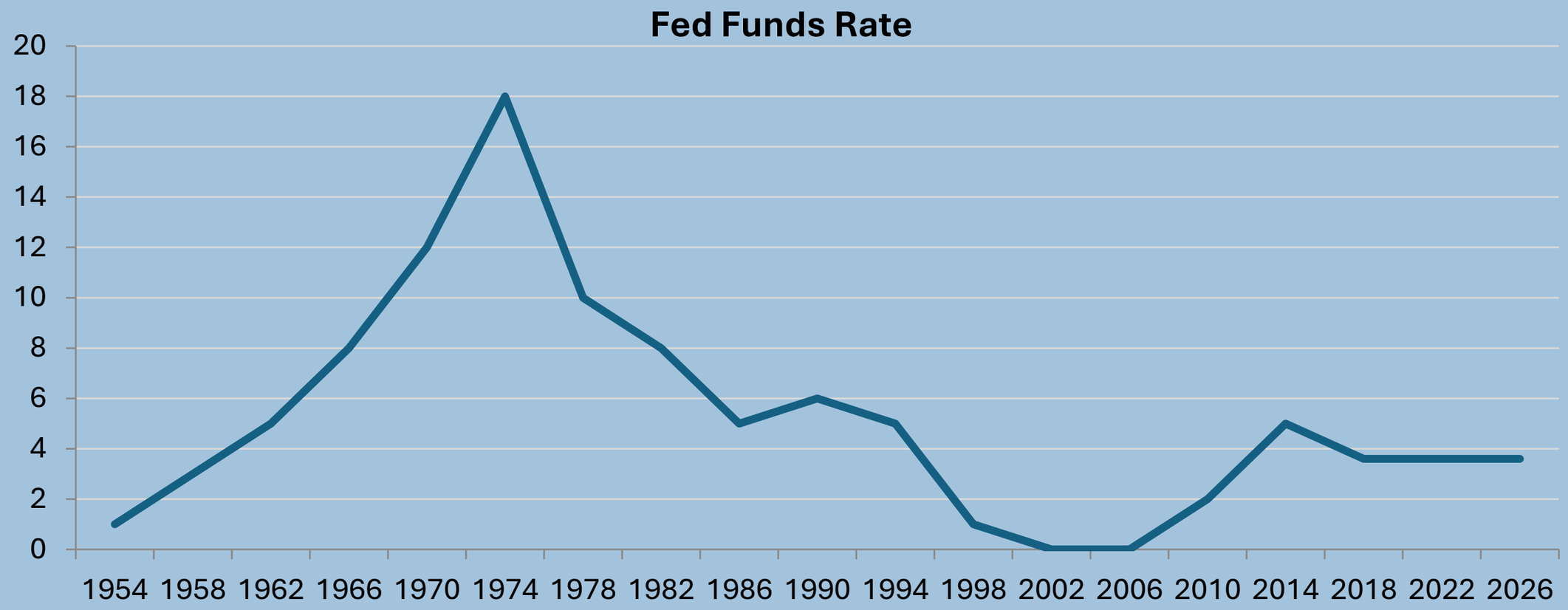
The Fed's independence is the key operating principle.

Inflation Rate, Federal Reserve Rate and GDP Growth in U.S. Annual 2015 – 2026 YTD



Inflation is still not at the long-term target, and employment is still strong at 4.3% unemployment.

Federal Funds Effective Rate (1954–2026)

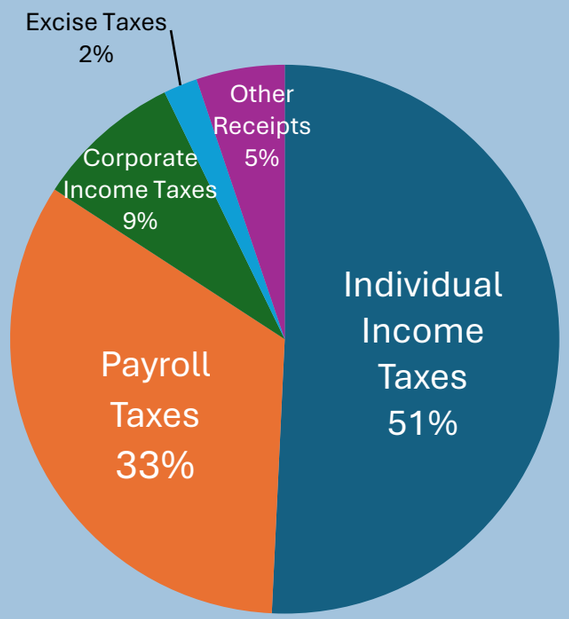


Interest rates still lower than historical norms.

Federal Budget and Snowballing Debt

Government overspend was $1.77 Trillion in 2025

Revenue: $5.23 Trillion

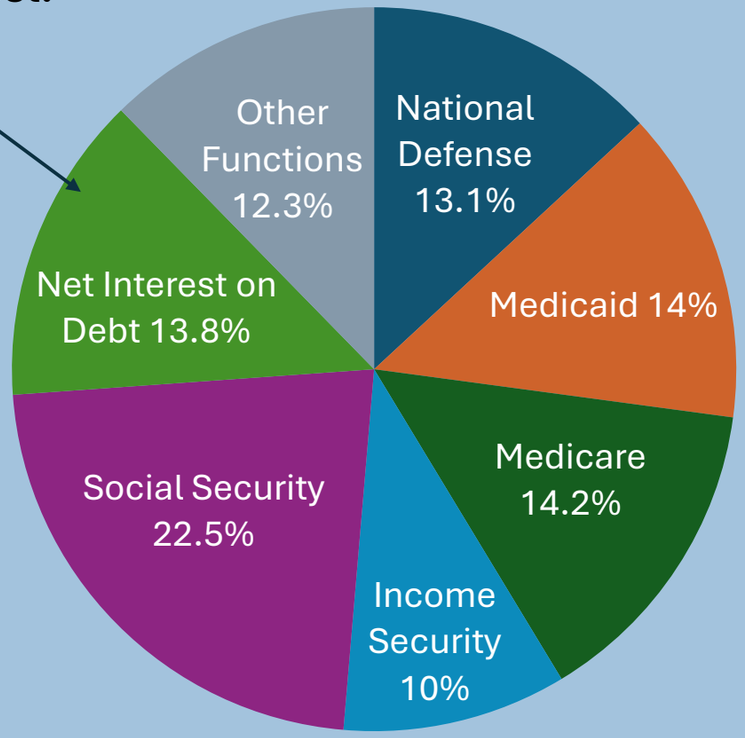


84%
of federal revenue comes from individual income and payroll taxes

Population: 350 Million

Outlays: $7 Trillion

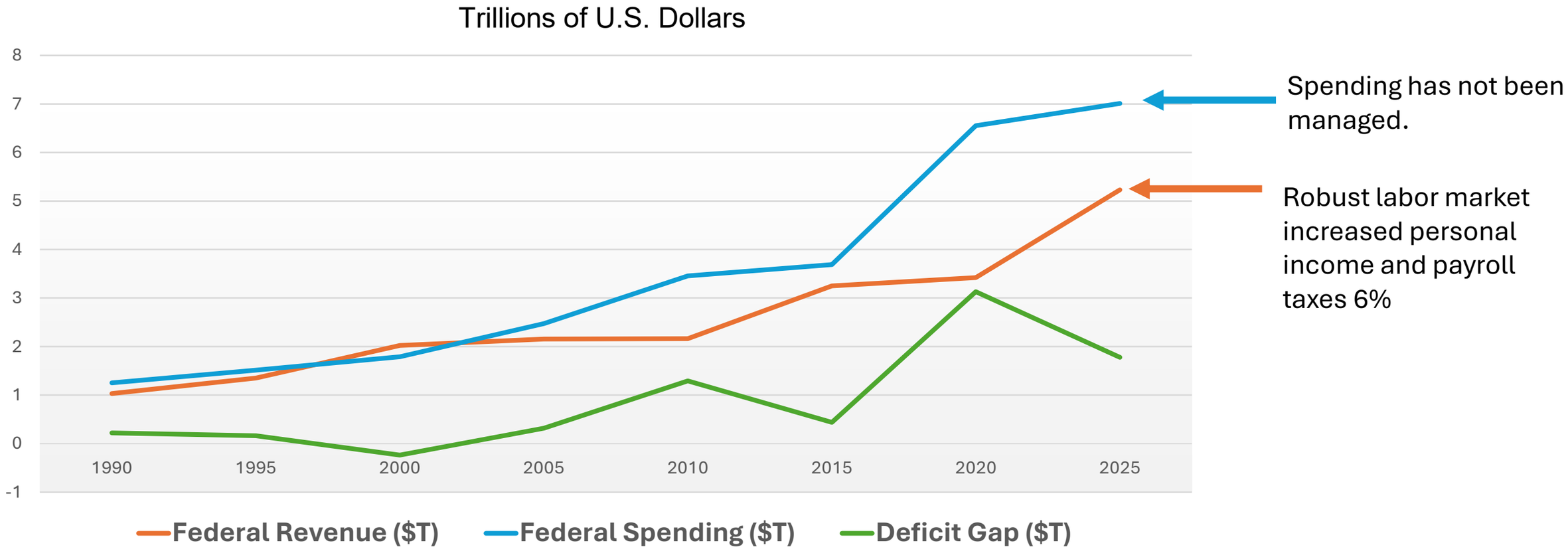
2025 net interest: $1 Trillion



24th consecutive year with a budget deficit

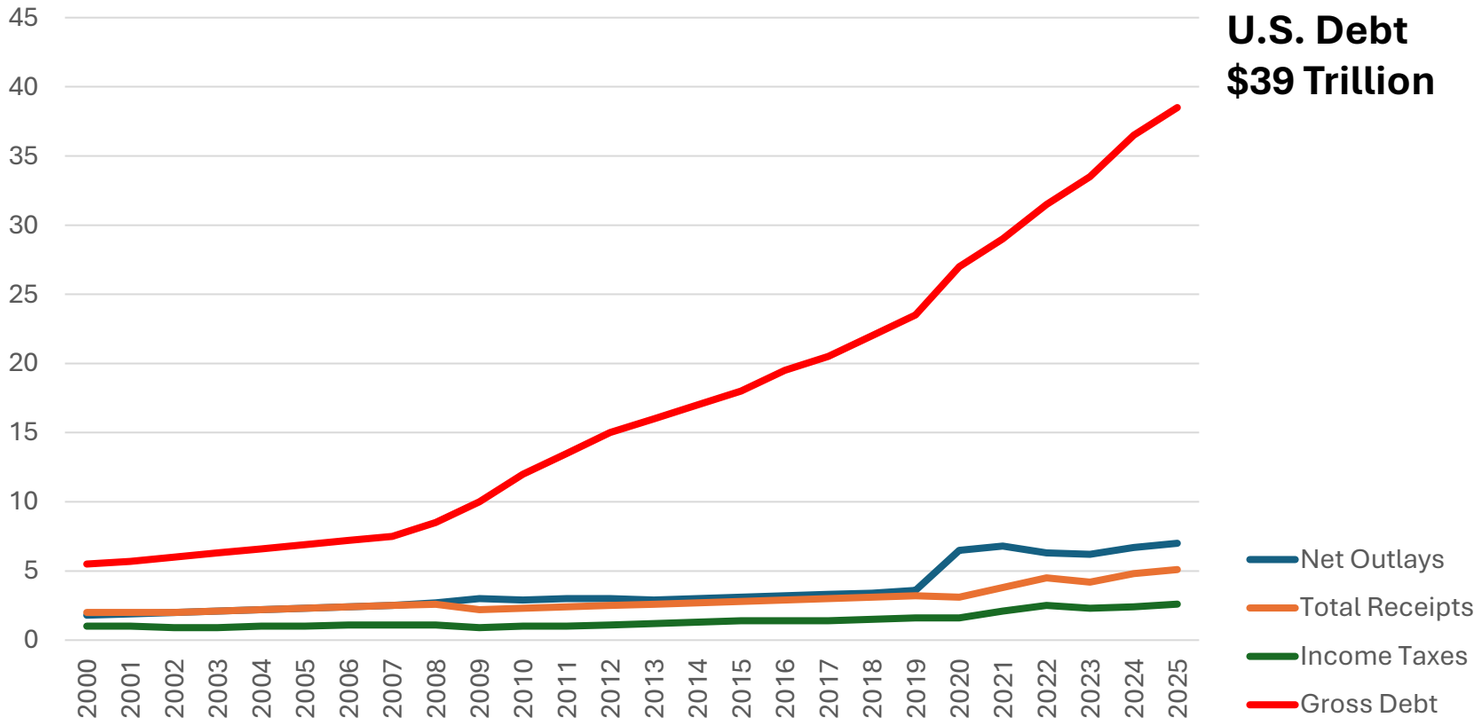
U.S. Federal Revenue vs Spending vs Deficit (2000–2025)

The U.S. economy generates enormous revenue – that's not the problem.

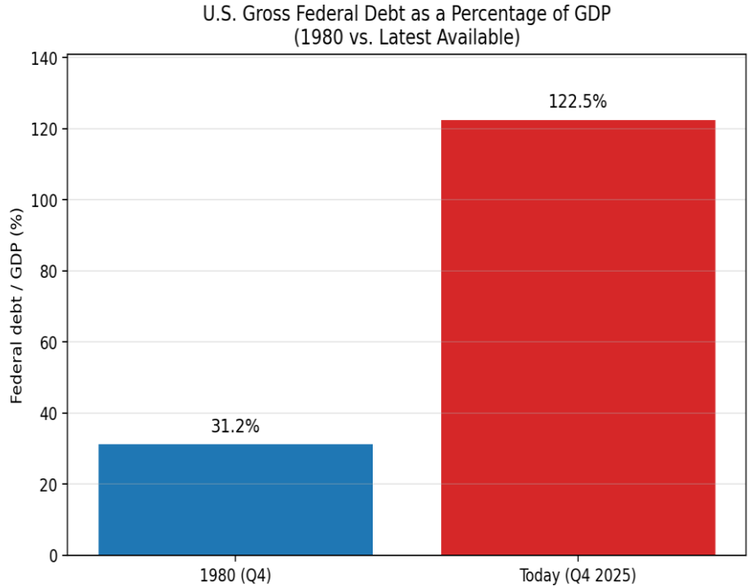


Spending is a big problem and the robust labor market has kept the deficit from widening.

Debt is snowballing as is the interest expense in the federal budget



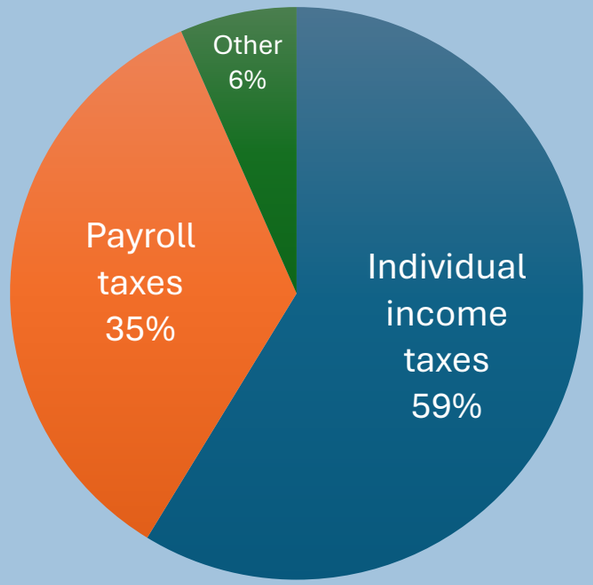
U.S. Debt
$39 Trillion



Notes: "Today" uses the latest available quarterly observation (Q4 2025) for FRED series GFDEGDQ188S: Federal Debt—Total Public Debt as % of GDP.
Source: Office of Management and Budget via St. Louis Fed (FRED).

The projected annual deficit is $2.6 Trillion by 2035

Revenue: $8 Trillion



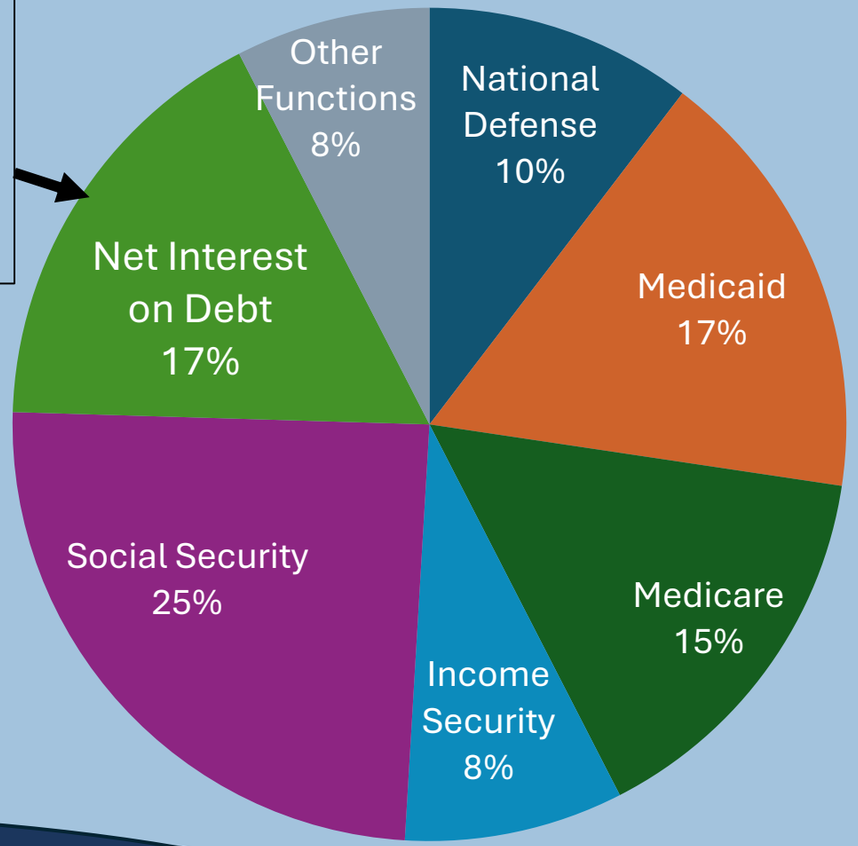
Population: ~364 Million

- Assumes .4% growth per year 2025-2035

U.S. Debt $55 Trillion

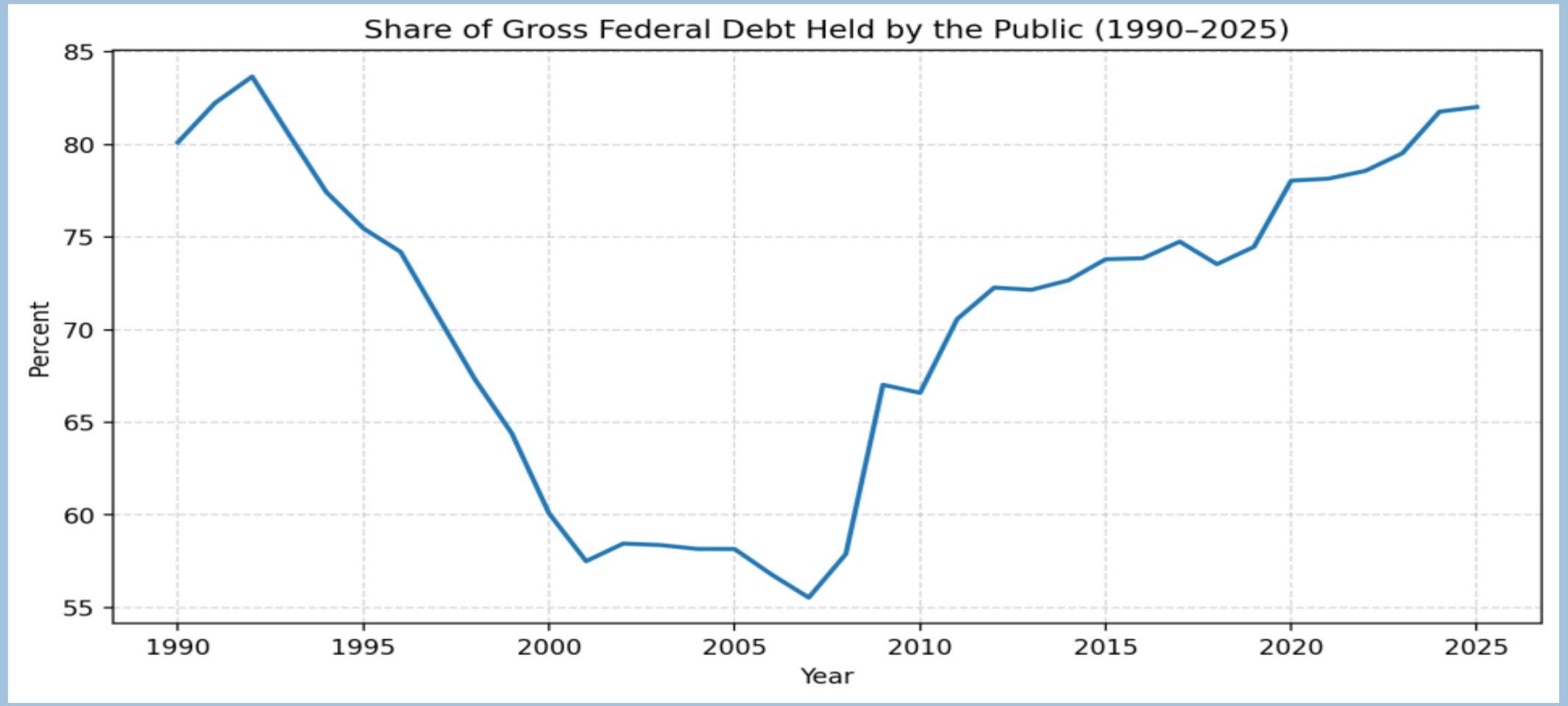
Net Interest $2 Trillion annually

Outlays: $10.6 Trillion



Aging population and less population growth increases costs and lowers tax revenue

% of federal debt held by the public

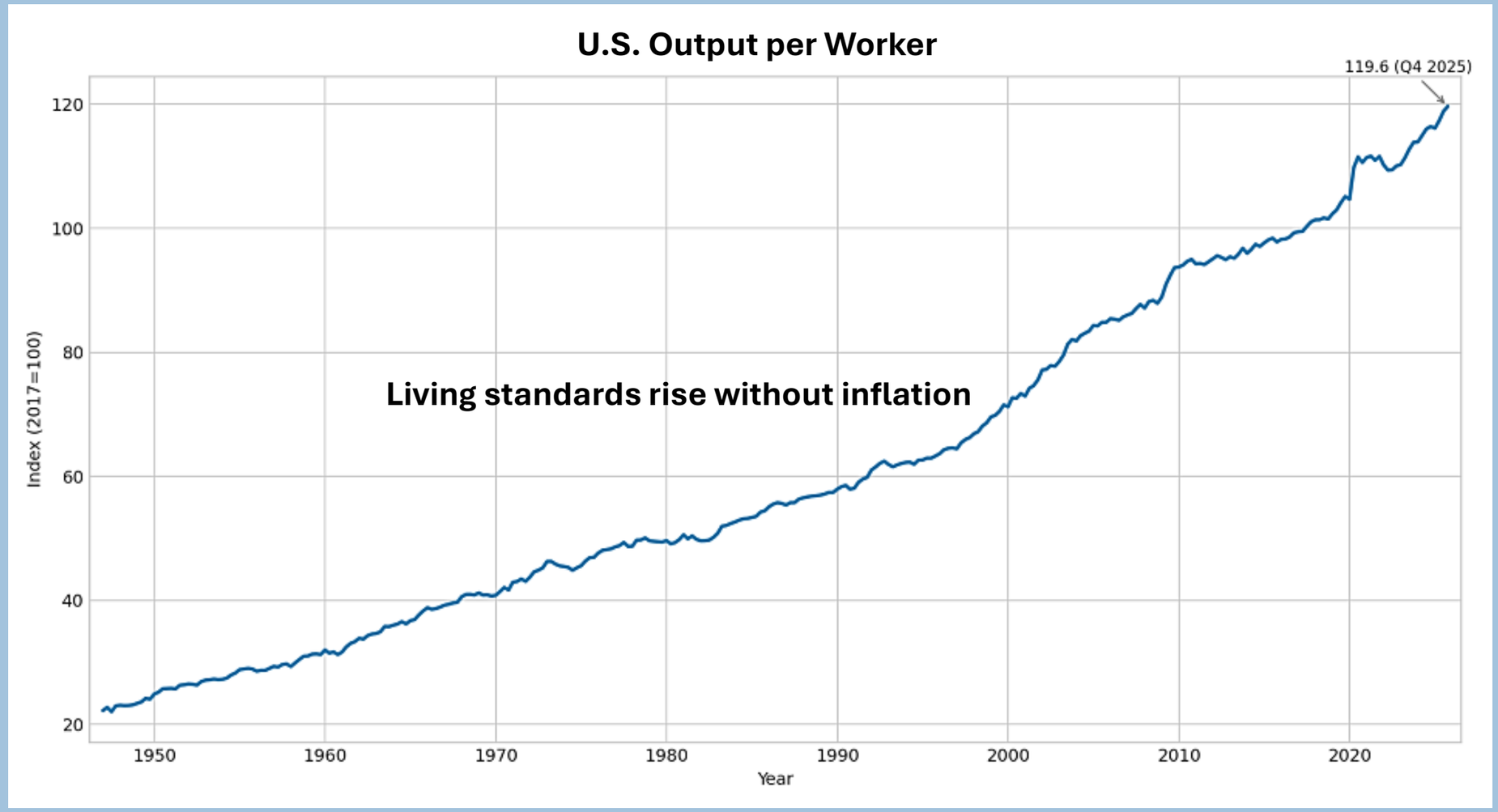


This trend line is positive. Any shift back towards 2000 averages will impact inflation

Immigration and Population Growth

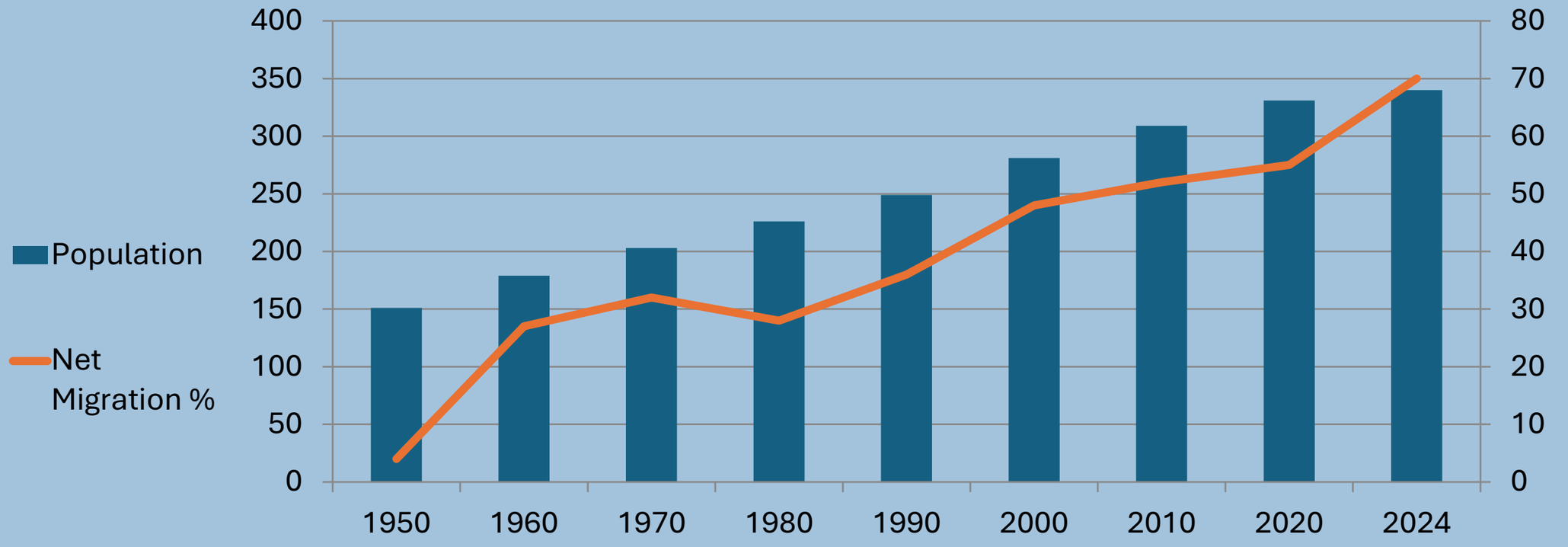
Productivity gains and population growth are key to economic growth and federal budget support

U.S. ingenuity and a skilled labor market has been a catalyst to our leading economic position

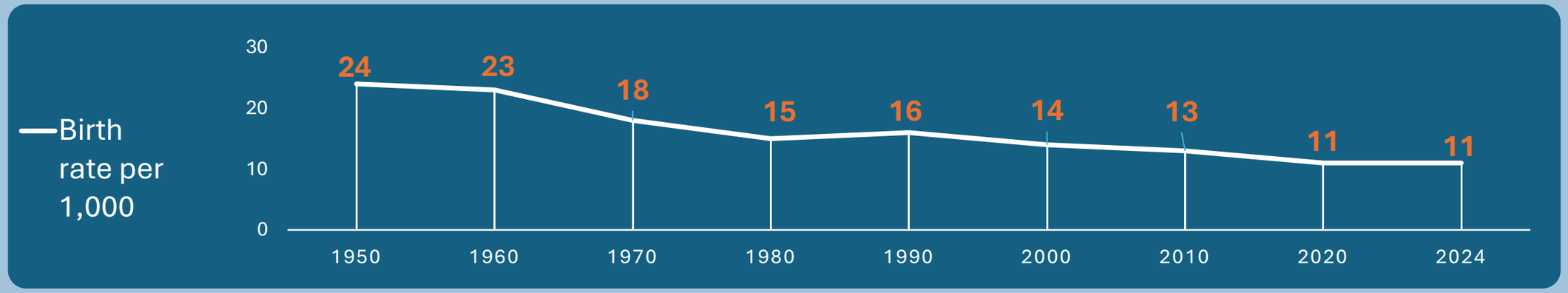


Wages can rise only when output per worker rises without cutting profitability

U.S. population growth has been dependent on immigration given declining birth rates



Birth rates have declined 50% since 1980



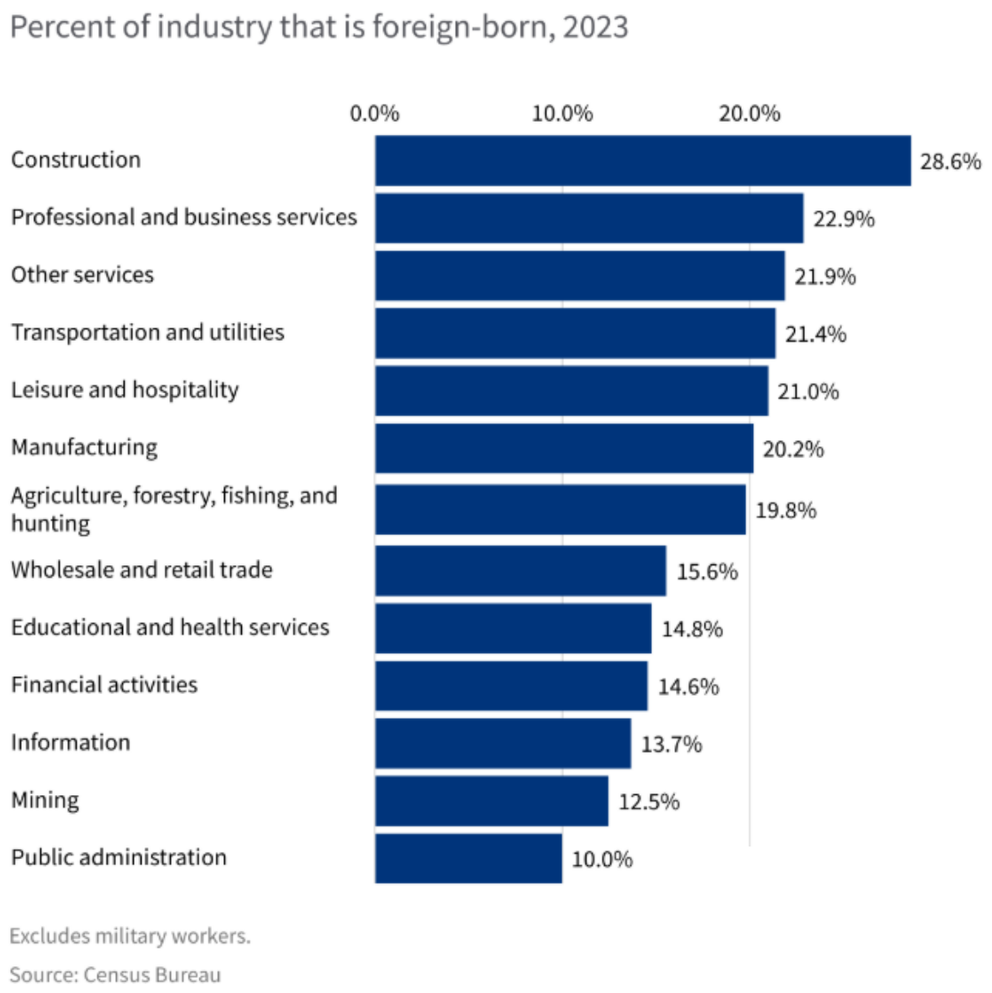
The Importance of Immigration on our Labor Market

- Approximately **19%** of the U.S. workforce are immigrants*
    - It's estimated that this has dropped by more than 1.2 million since the beginning of the year – combination of deportations and decreased new entrants

Without a proactive immigration policy, short term we will drive up labor costs, and long term reduce our consumer base which will cause economic contraction.

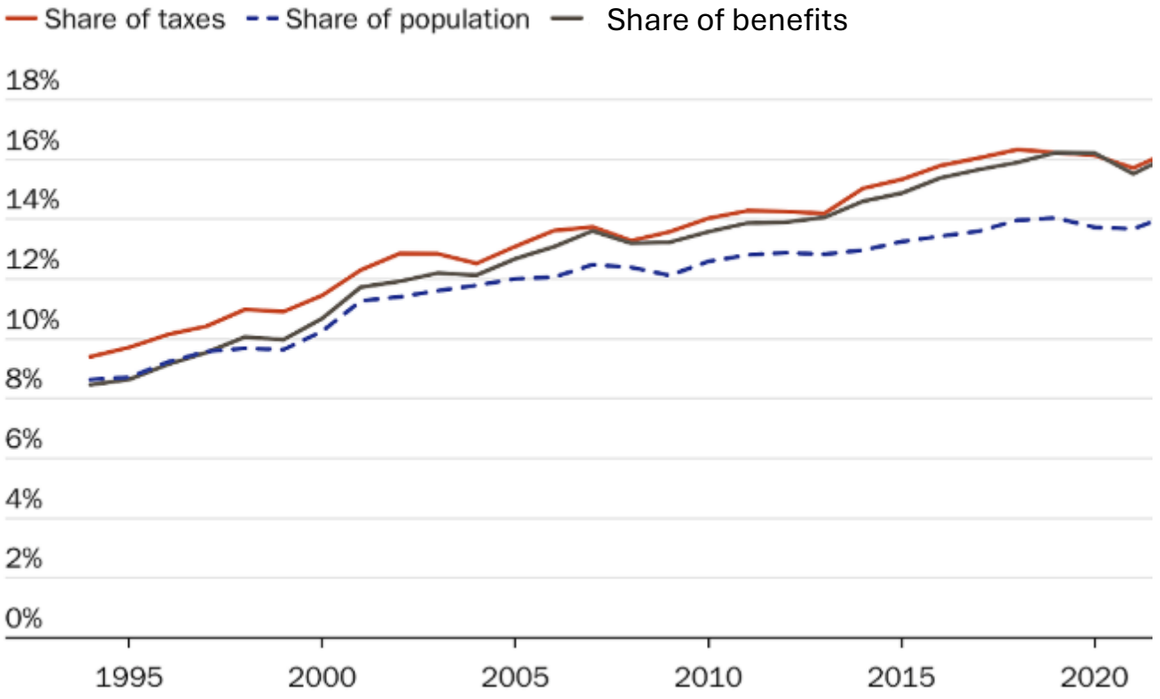
* Foreign-born residents, including those who became US citizens, are authorized to work in the US, or are undocumented workers

Immigration has been an important labor source across all industries

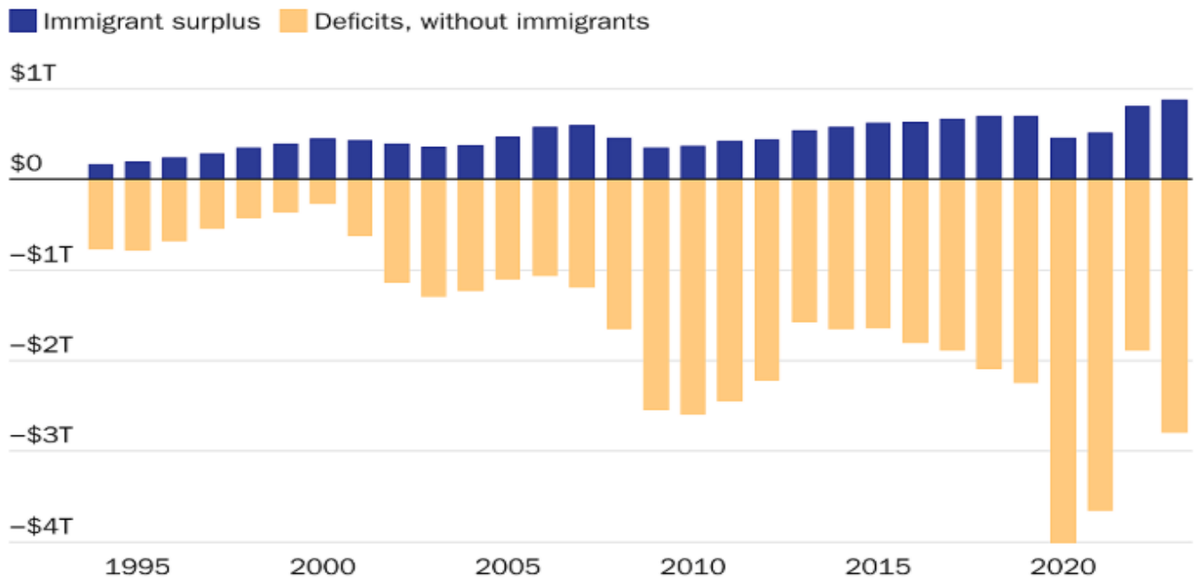


Immigration has had a positive impact on the Federal Budget

For each year from 1994 to 2023, the US immigrant population generated more in taxes than they received in benefits from all levels of government.

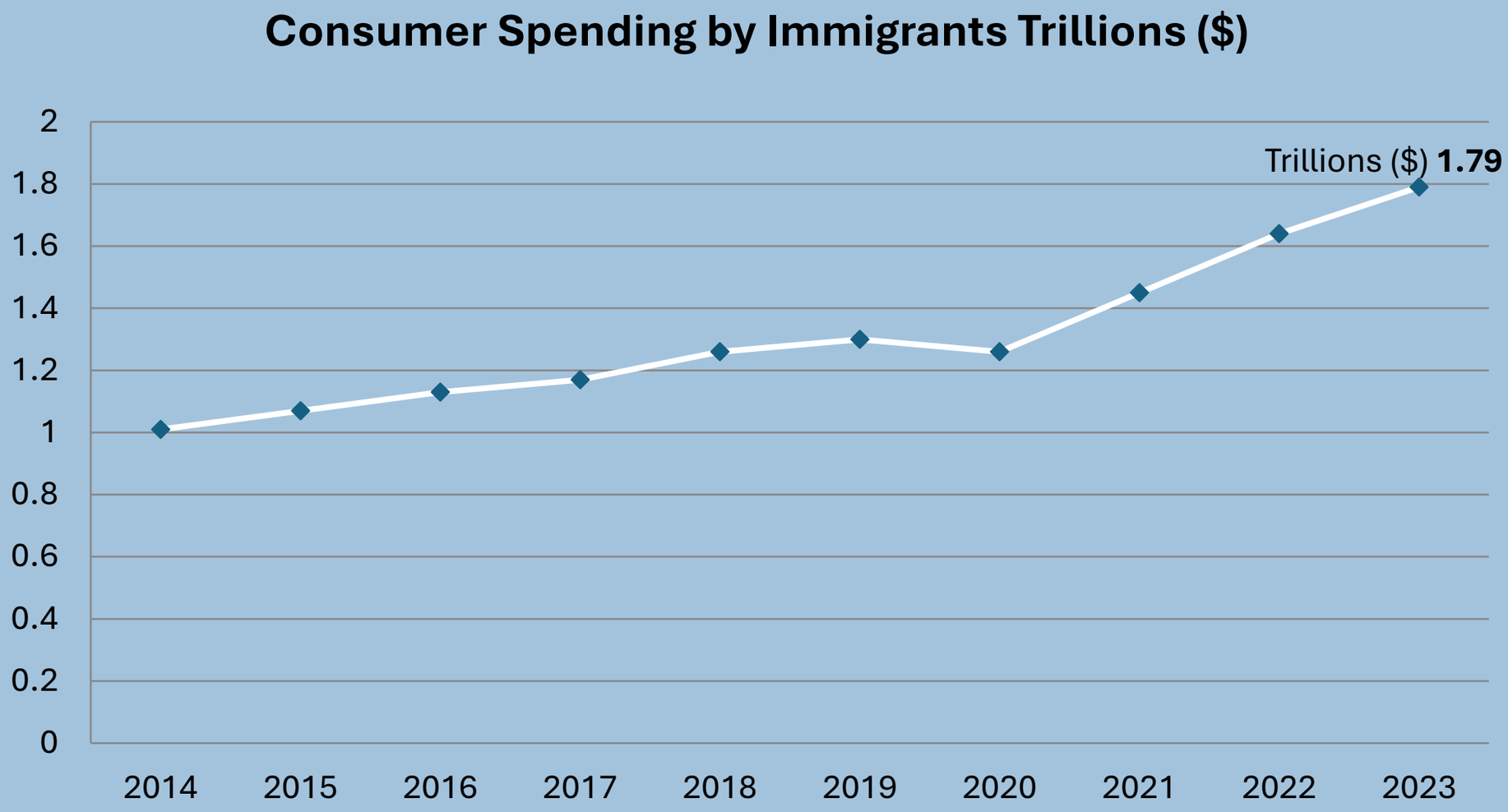


Over that period, immigrants created a cumulative fiscal surplus of $14.5 trillion in real 2024 US dollars, including $3.9 trillion in savings on interest on the debt.

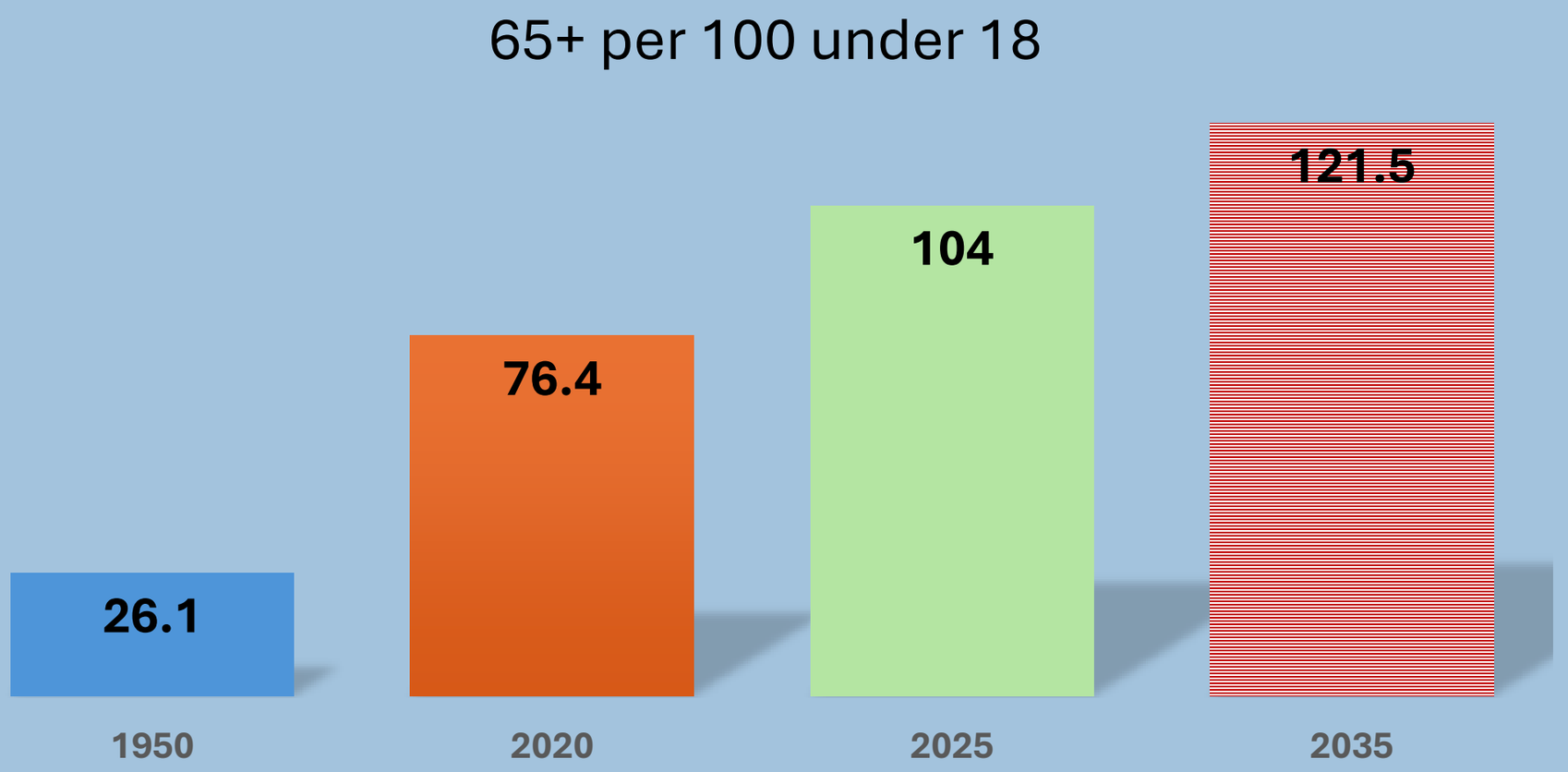


Without immigration, the US Federal debt would be $55 Trillion vs. $39T

Immigration has contributed to our economic growth



The % of people over 65 is projected to be 5X what it was in 1950



Without an improvement in birth rates or immigration, these trends will accelerate.

What if? scenarios

Scenarios

1. 2000 – 2022 historical norms projected out for the next 10 years

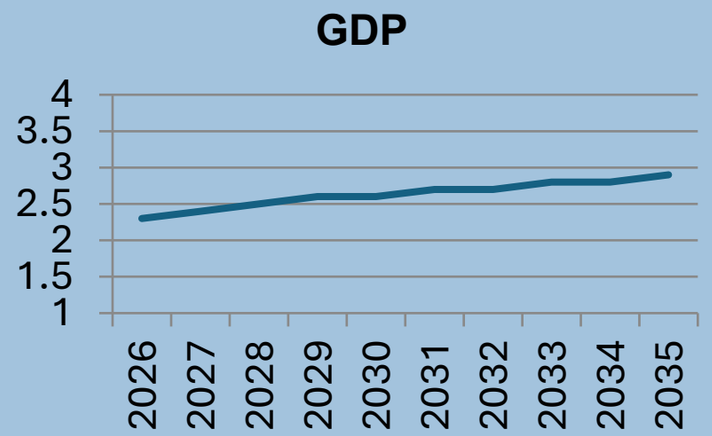
2. The current environment projected out for the next 10 years

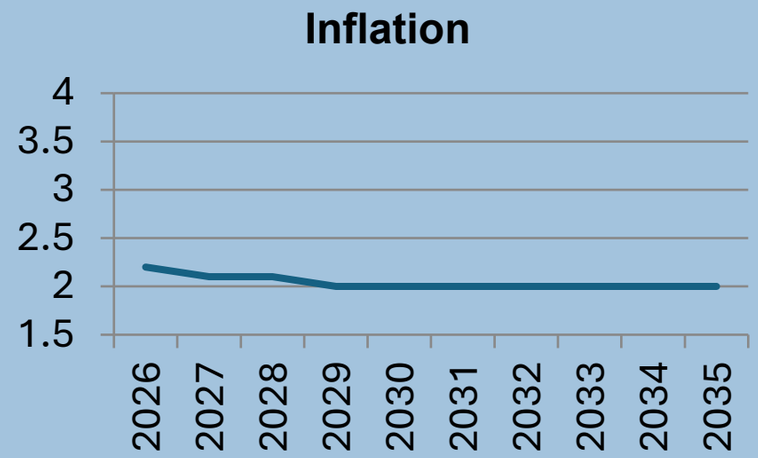
3. How will AI impact scenarios 1 and 2

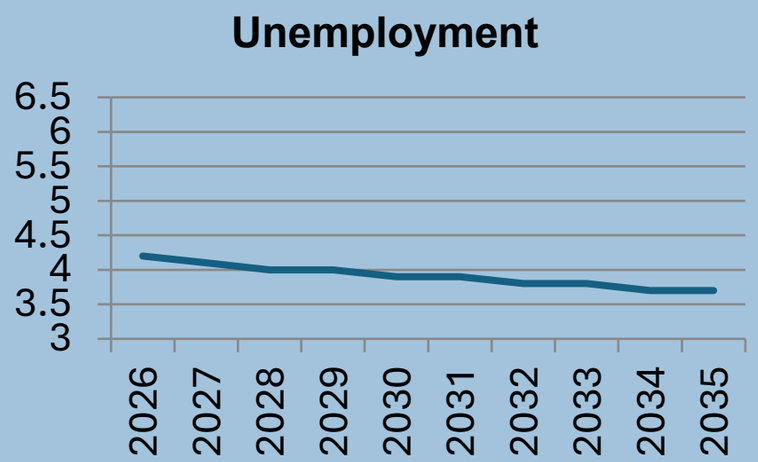
Scenario 1

2000 – 2022 historical norms for the next 10 years

Annual net immigration ~1million, tariffs ~2%, and Fed focused on managing inflation to 2%







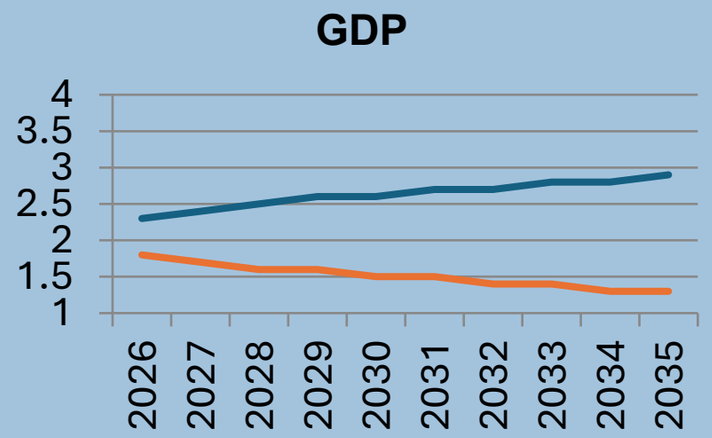
- This scenario best represents our **economic baseline scenario** coming out of the last 20 years.

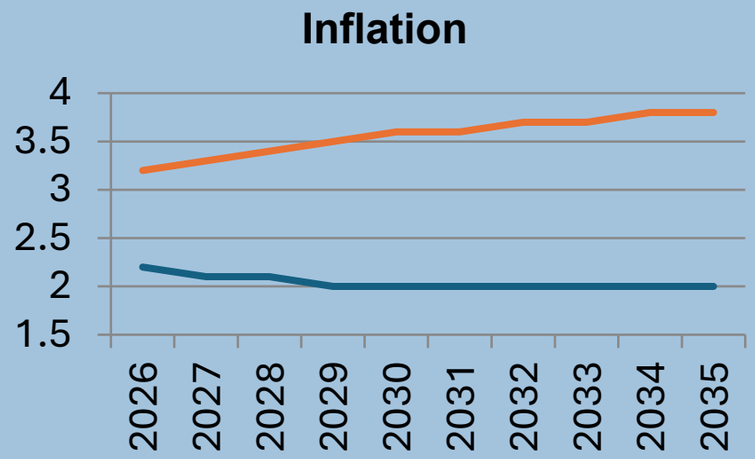
Scenario 1: Historical norms

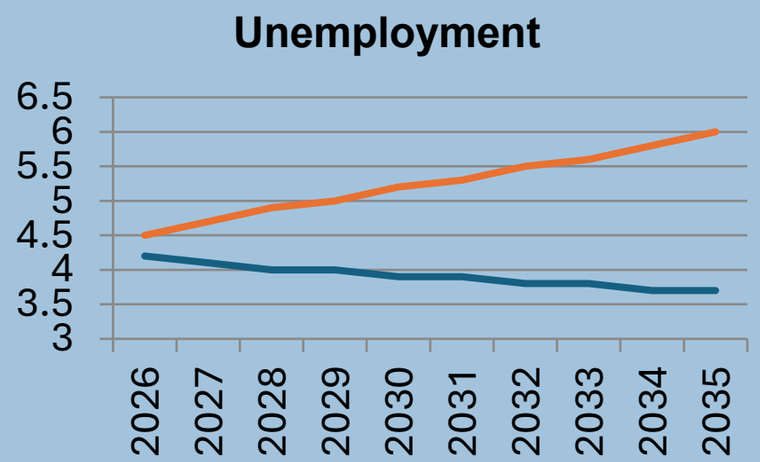
Scenario 2

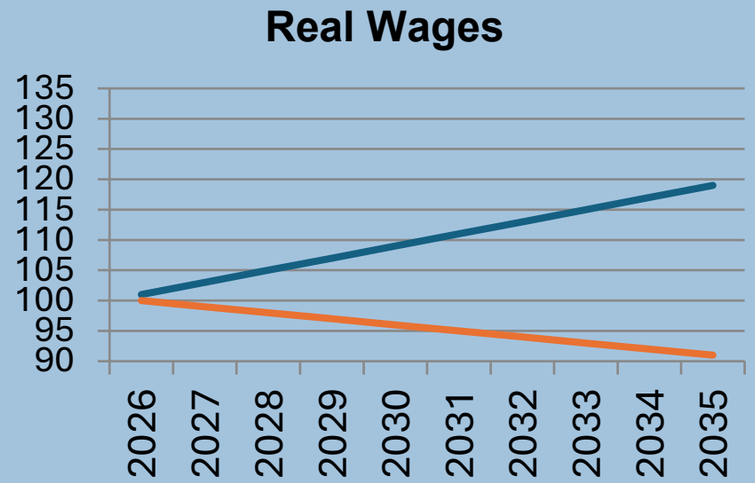
The current environment projected out for the next 10 years

~10% tariffs; Fed policy shifts to more of an interest rate focus; and very little immigration







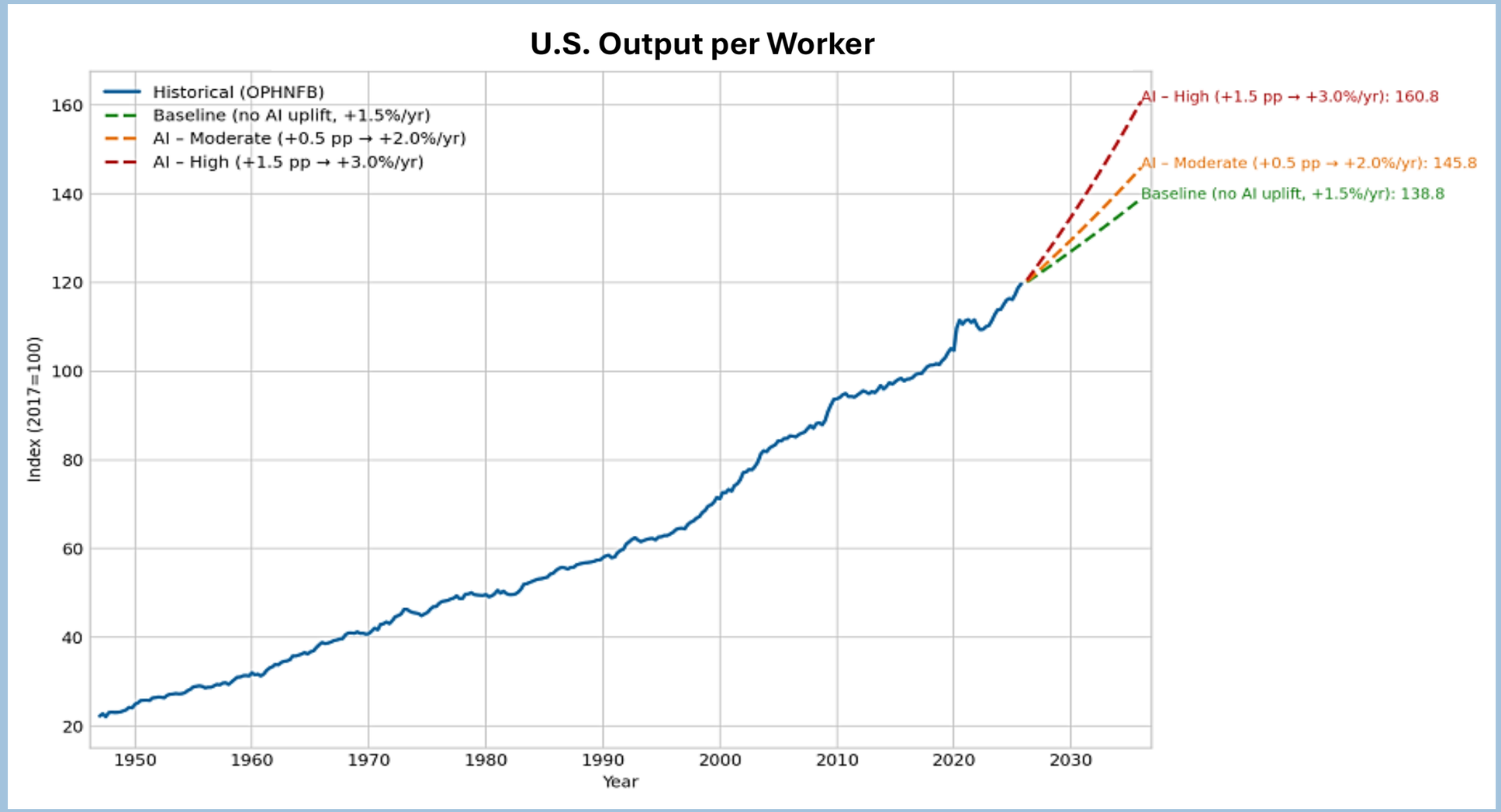


- **GDP growth slows** as demographics and trade friction plays out
- **Inflation rises** due to **higher labor costs**, lower interest rates and tariff impact
- **Unemployment rises** as businesses adjust labor costs to deal with tariffs and lower consumer demand
- **Wages lag** as purchasing power weakens
- This environment will pressure the need to **increase interest rates**

Scenario 1: Historical norms

Scenario 2: Current environment

AI accelerates productivity gains

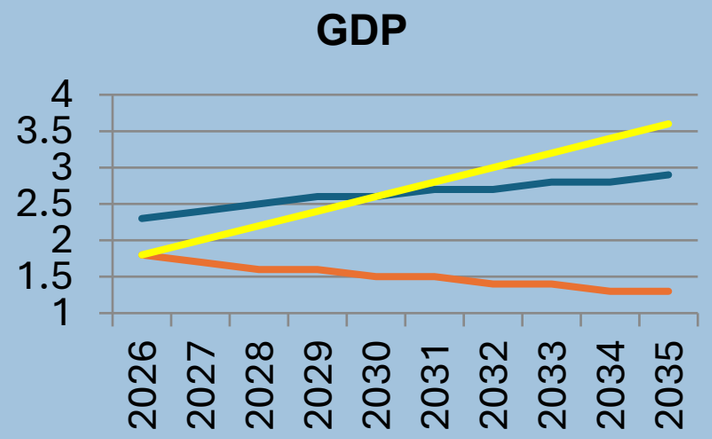


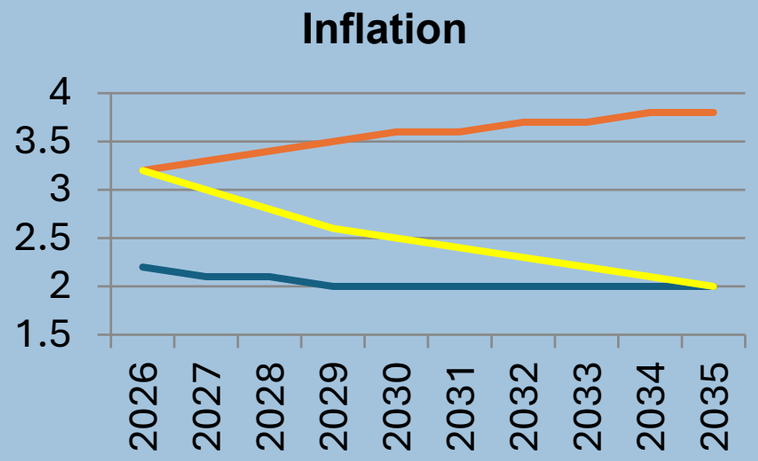
Increased productivity drives real wage growth = stronger economy, more consumption and investment.

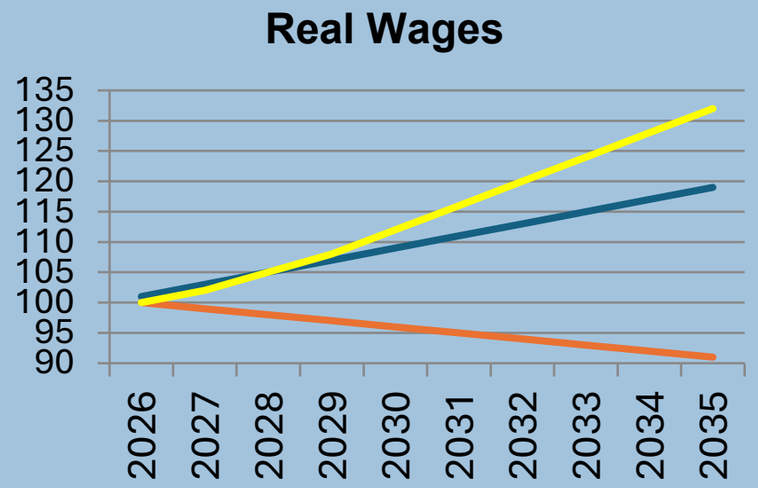
Scenario 3

AI Impact on Current Environment

What is the impact of AI on the current environment (10% tariffs, Fed focused on interest rates and little immigration) projected out over the next 10 years?







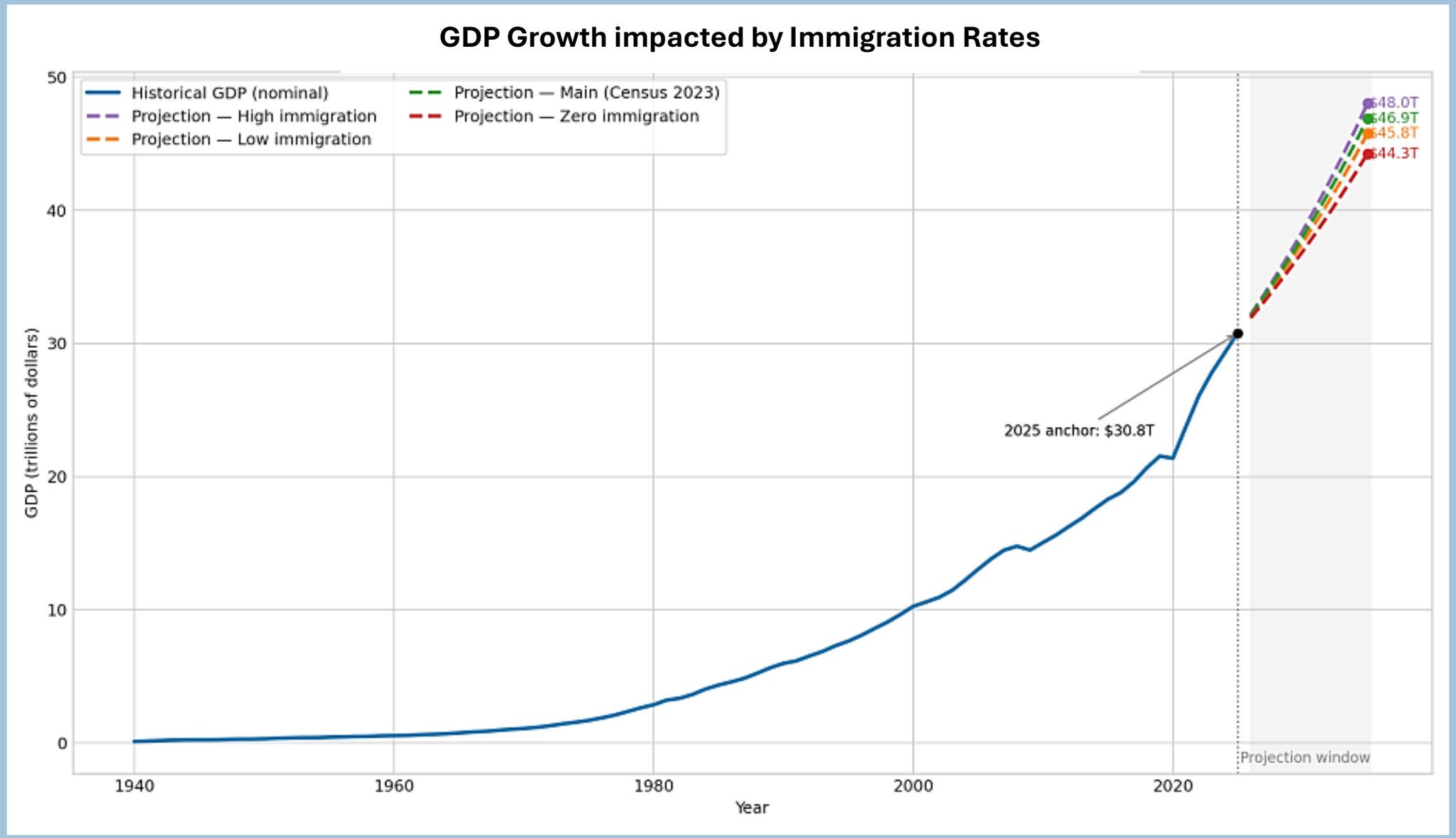
- While there will be short term job disruptions and displacement, it is projected that AI will **create more jobs** than it eliminates.
- Most jobs will be **augmented** vs. automated towards more complex tasks and decision making
- Reduced barriers to **entrepreneurship**
- **Productivity gains**
- **Cost efficiency**
- **Faster decision-making**
- **Wage growth potential**

Scenario 1: Historical norms

Scenario 2: Current environment

Scenario 3: Current with AI

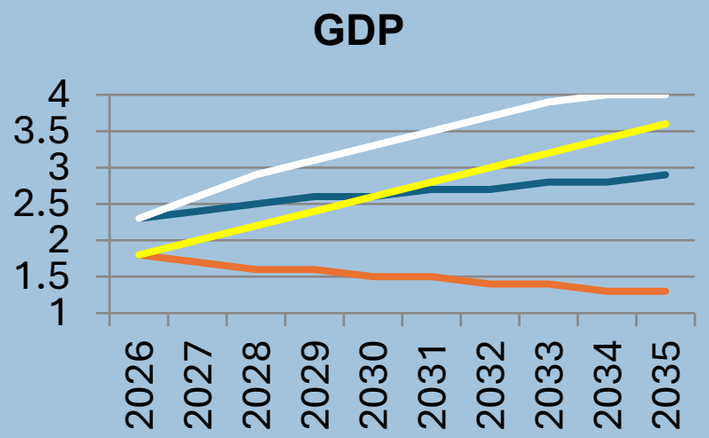
Our immigration policy will impact GDP growth

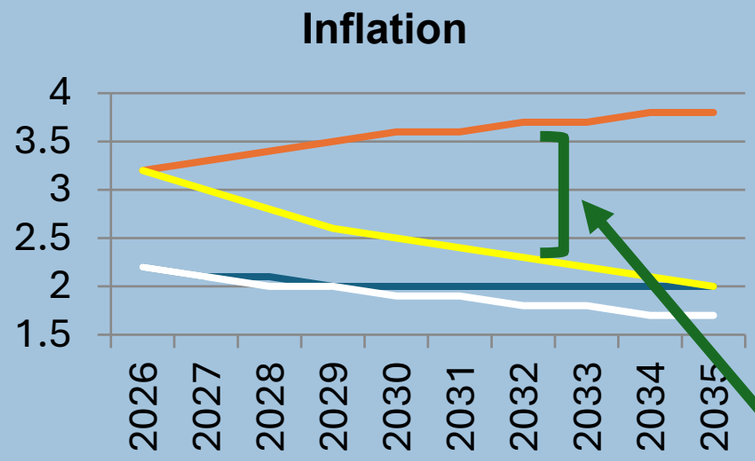


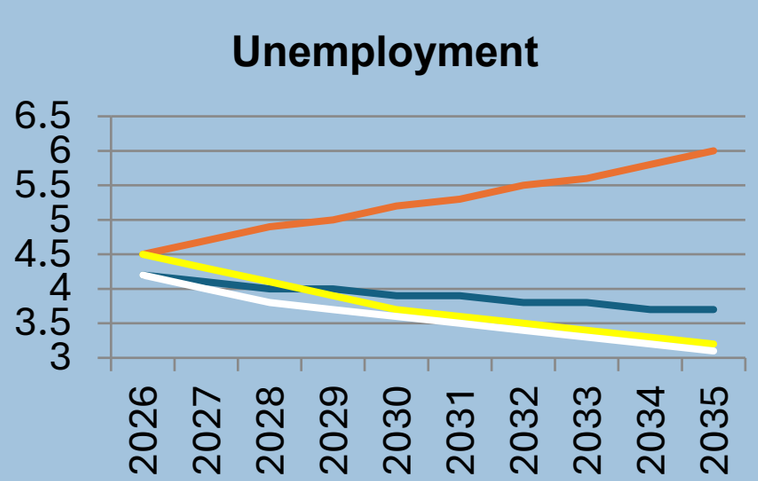
Scenario 4

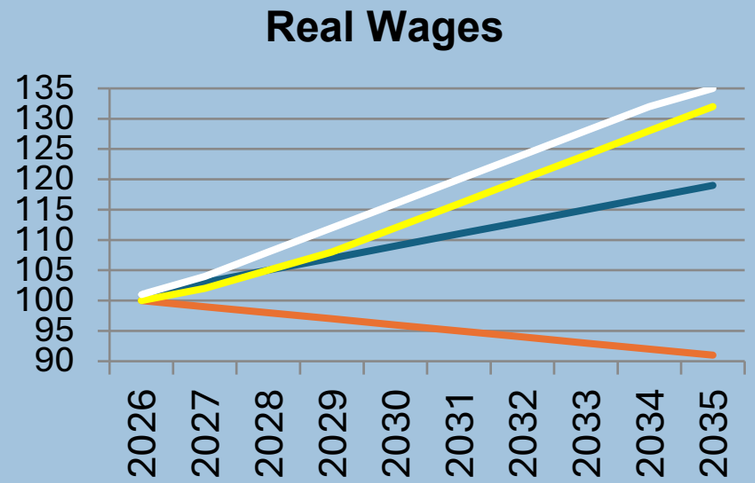
AI Impact on Historical Norms

What is the impact of AI on the historical norm environment (2000-2022) projected out over the next 10 years?









- The **impact of AI coupled with a growing population and less trade barriers** with tariffs results in a **very robust economic scenario**.
- This will also result in **less severe budget deficits**.

Inflation pressure continues for several years as both AI and an immigration policy will take time to impact

Scenario 1: Historical norms

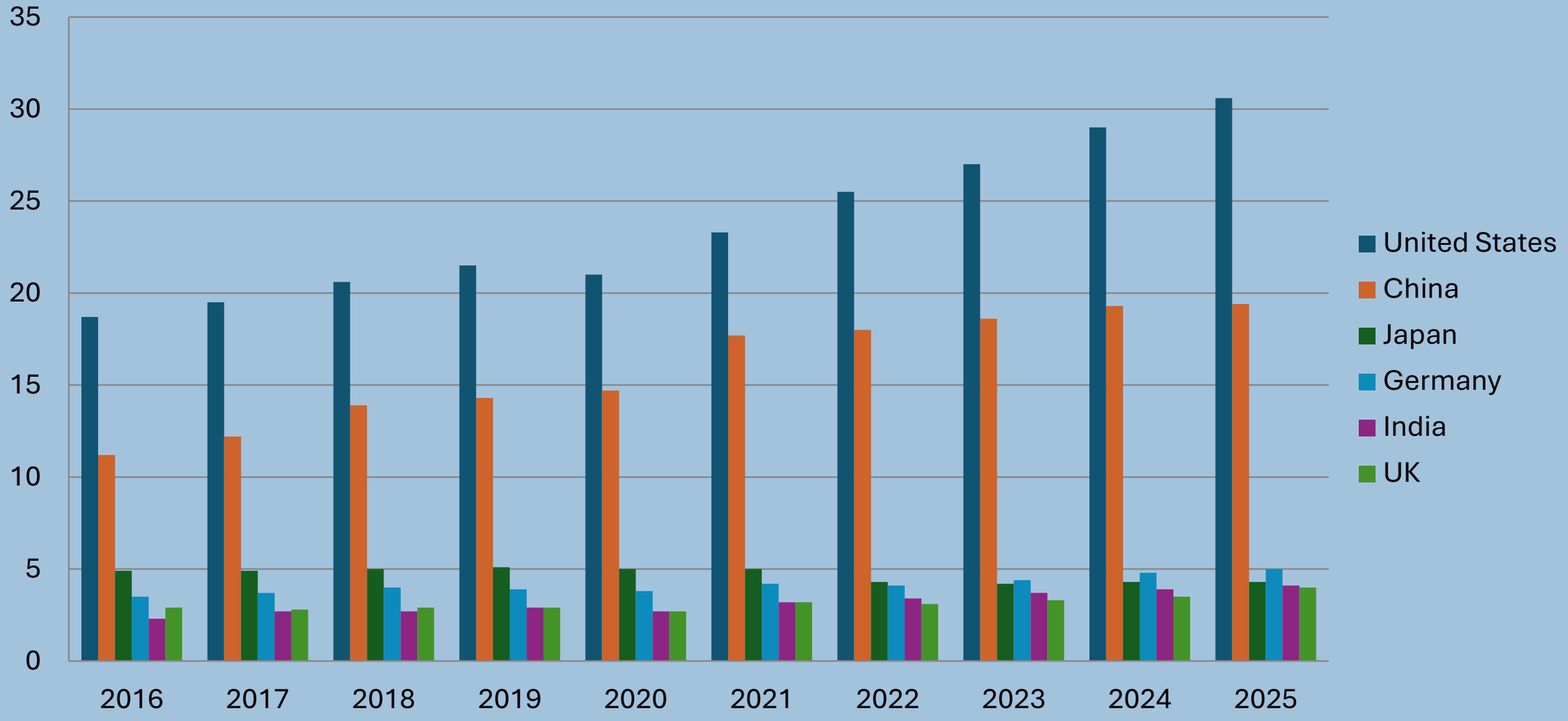
Scenario 2: Current environment

Scenario 3: Current with AI

Scenario 4: Historical norms with AI

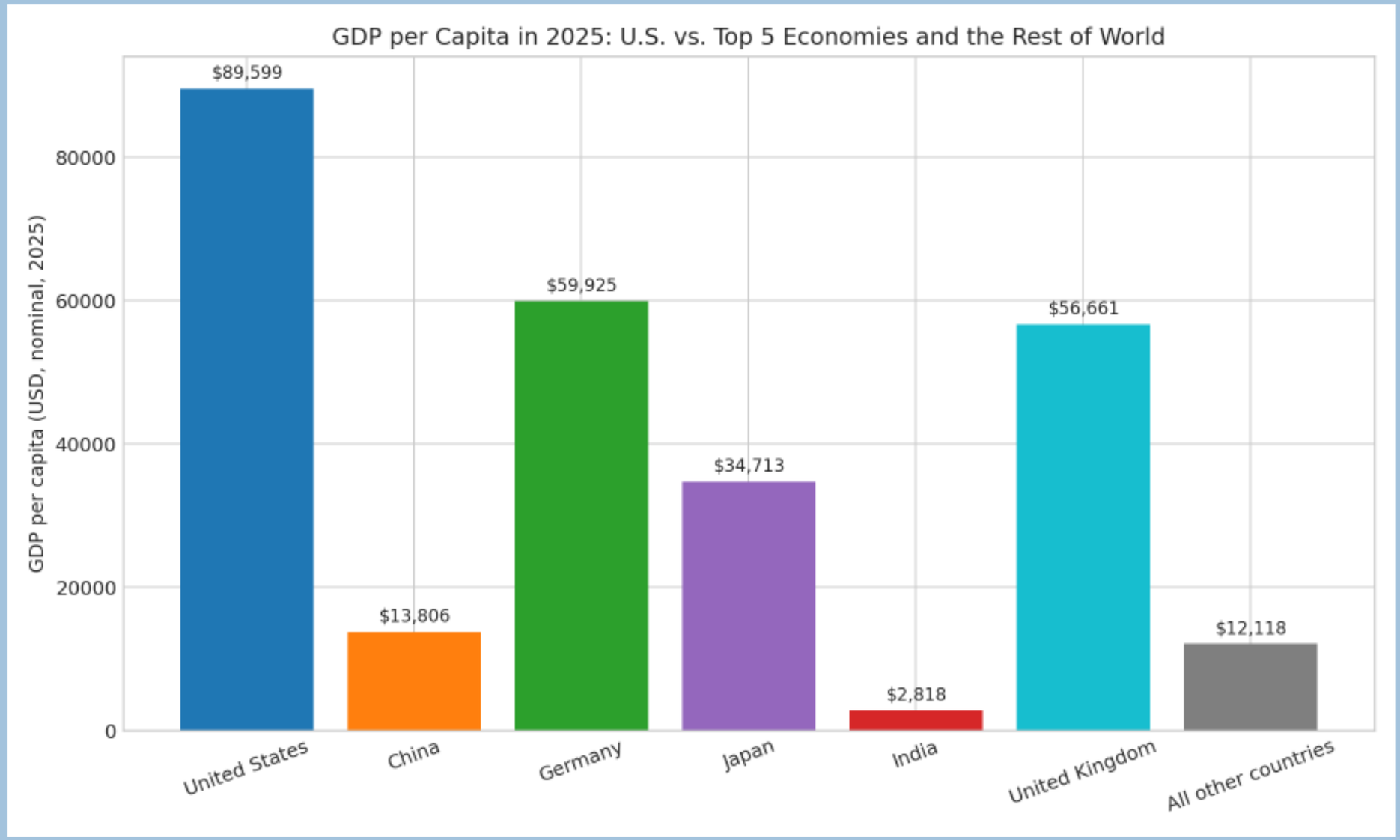
The U.S. Economic Advantage

GDP Comparison – US vs Top 5 Economies

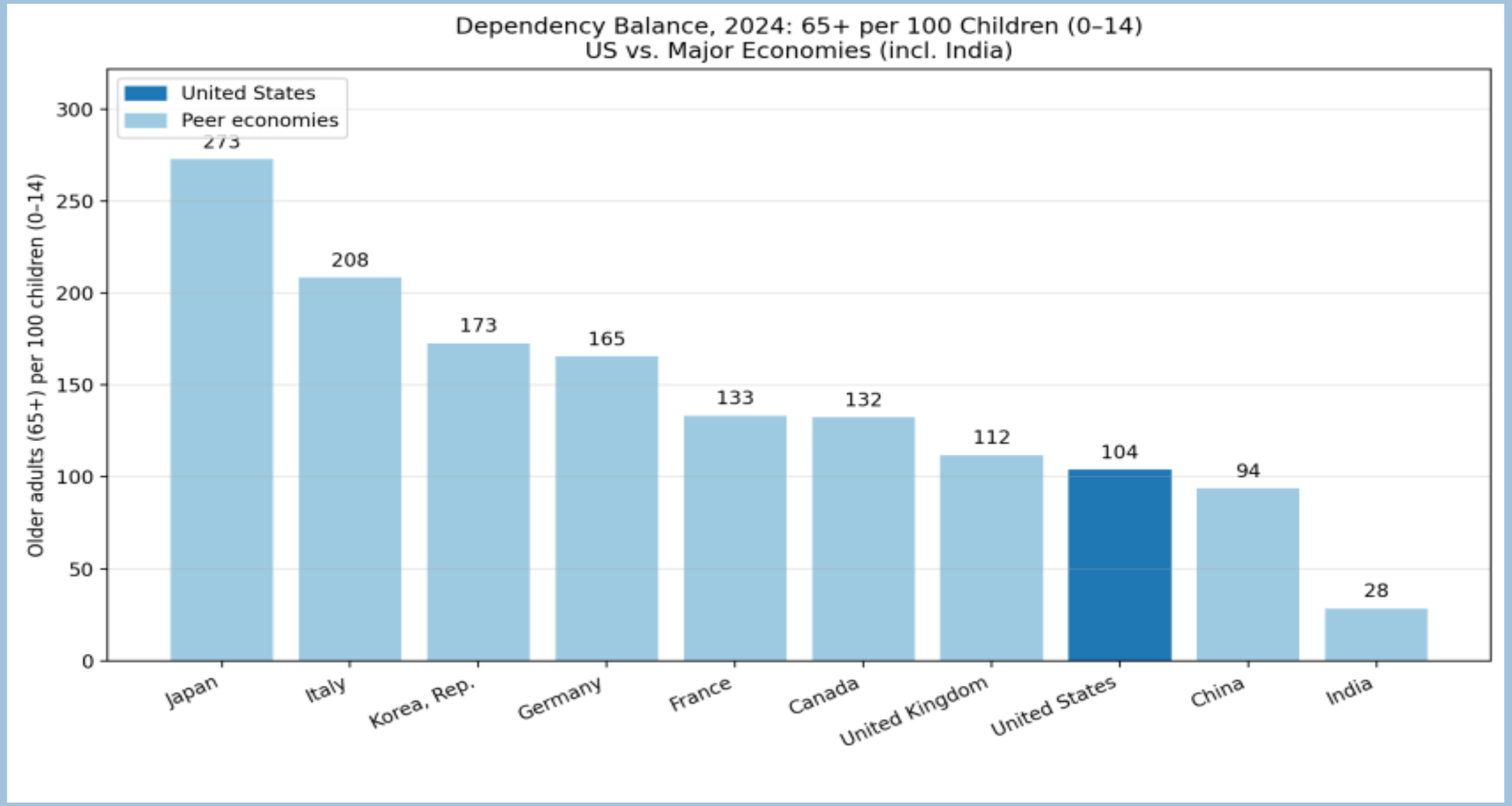


U.S. $39T, China $19T,
rest of the world < $5T

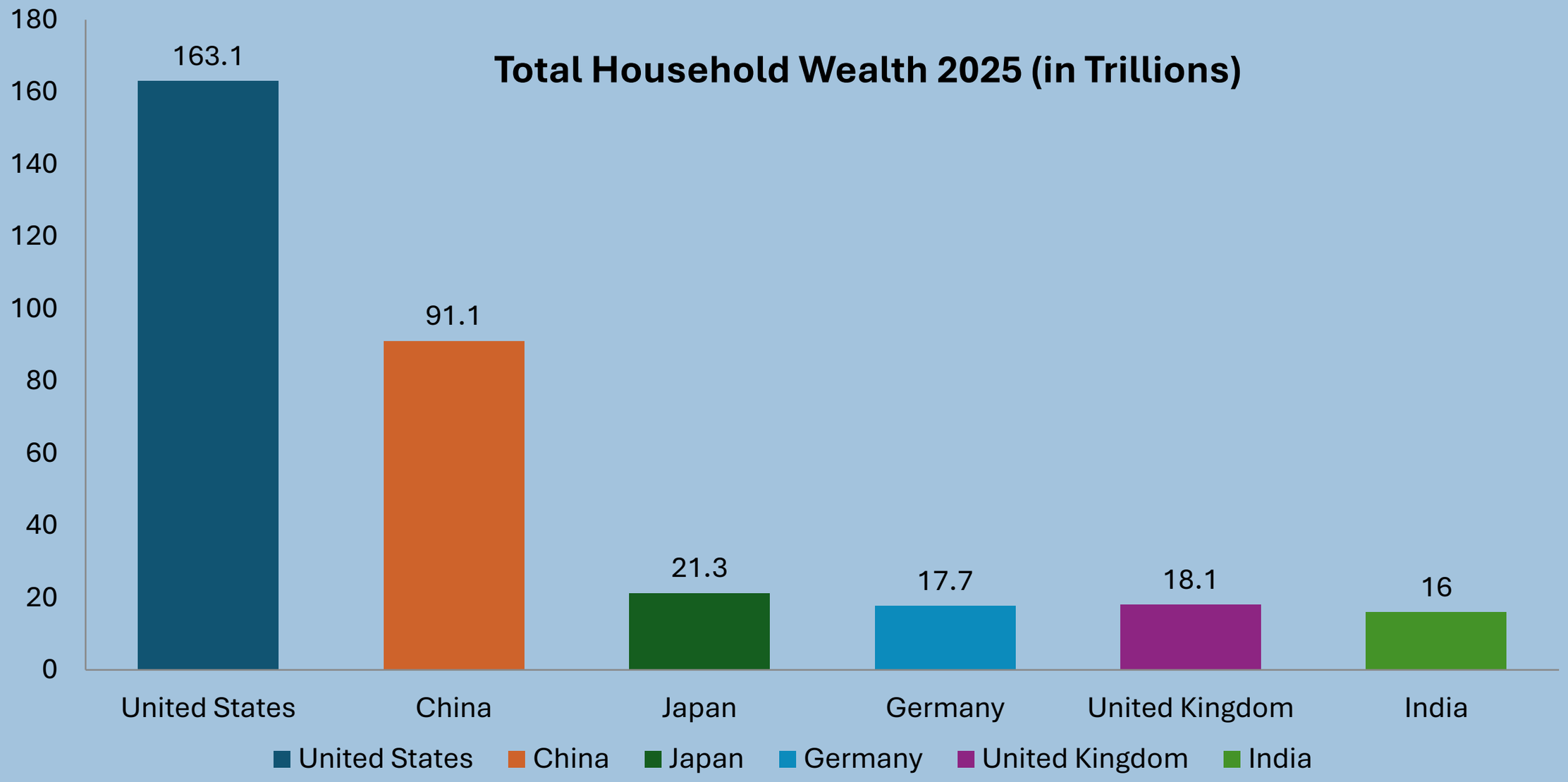
The U.S. has a significant advantage



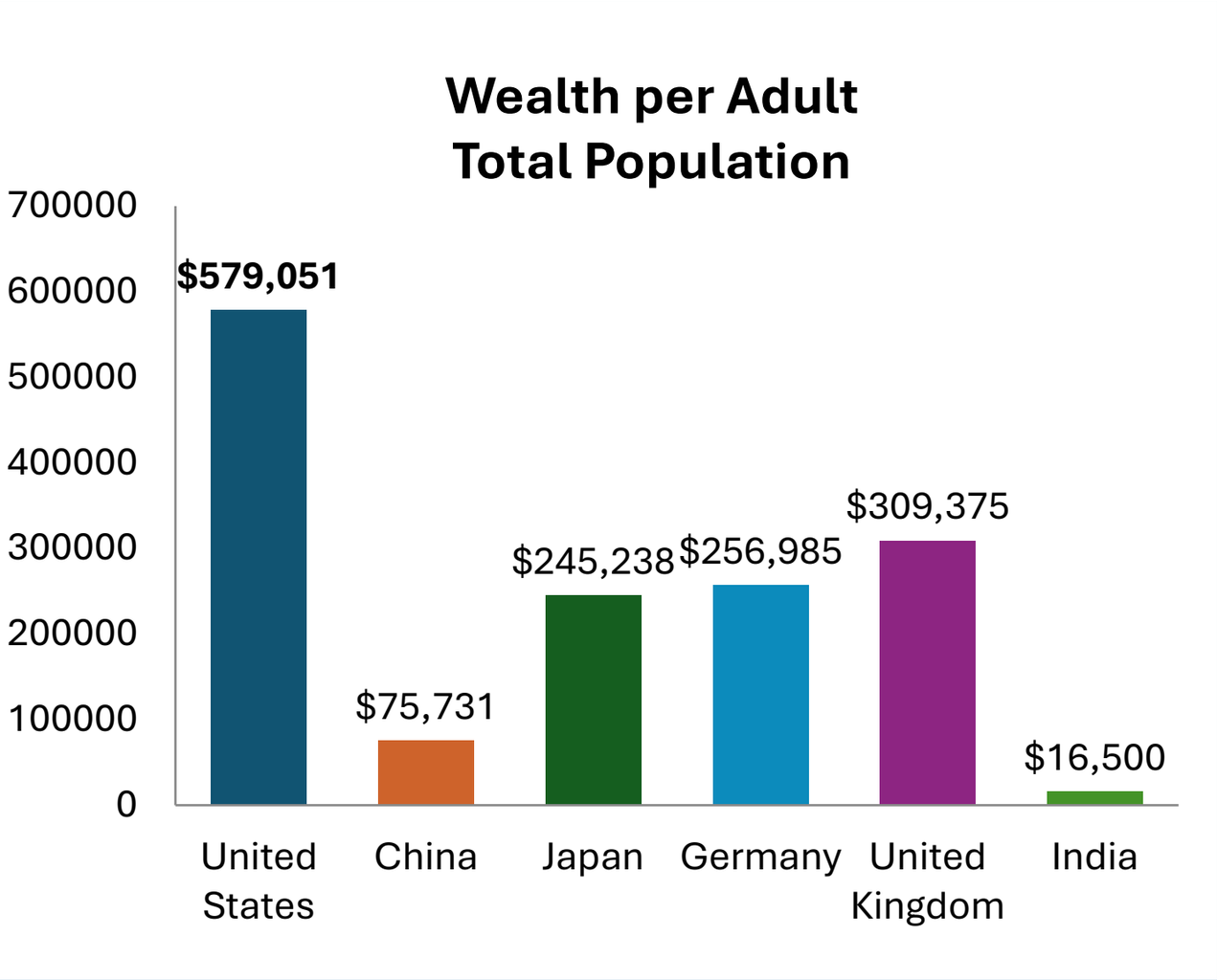
Our aging demographic is more tempered than most

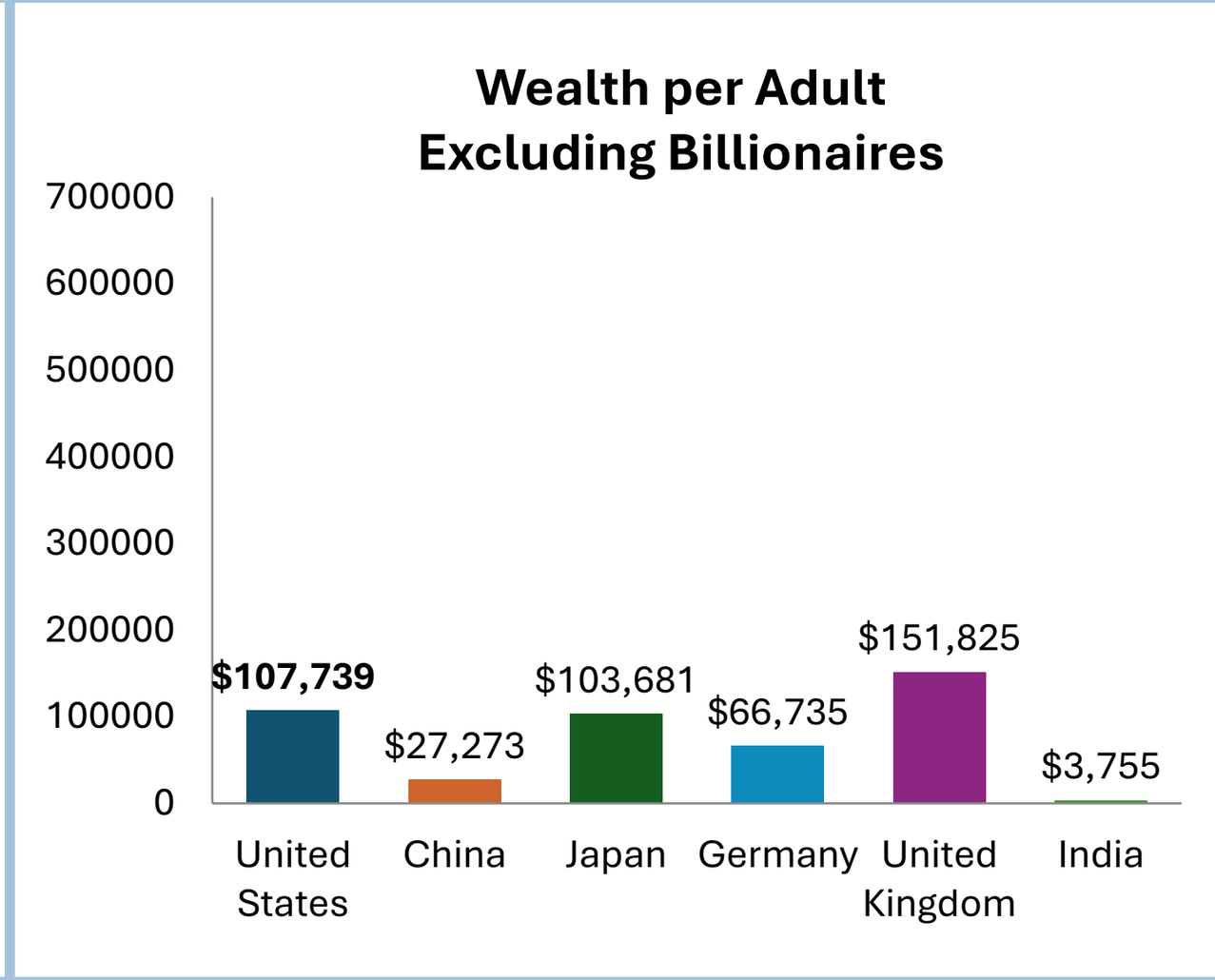


The U.S. has a wealth advantage



The U.S. has a wealth advantage...





...but we need to address the wealth gap for competitive reasons

The Great Wealth Transfer Advantage

$84 Trillion

- The U.S. will transfer significant wealth to younger generations over the next 20 years
- Driven by aging Baby Boom population
- Capital largely remains inside the U.S. economy

Our Outlook

Industry Outlook: Short Term

- Tort cost inflation will continue to be a major factor given social pressures
- Upward pressure on inflation – tariffs and energy costs
- Any additional prior year loss development will result in pressure on current loss picks, especially for liability lines
- Little confidence in projecting inflation due to uncertainty (tariffs, volatile energy pricing, labor costs, and Fed policy going forward)
- Declining workers compensation prior year redundancies and less margin on property lines will put profit pressure on the other lines of business

The lagging impact of inflation on prior accident years and a stronger likelihood inflation picks up prospectively will continue to **put rate pressure on most lines of business**

Longer Term Economic Outlook

- More pressure on inflation relative to the baseline scenario over the next several years
- More pressure on interest rates to manage inflation
- A more proactive immigration policy (while having control of our borders) will be critical to our economic growth and our Federal budget
- Government spending needs to be managed much more effectively
- Given U.S. consumer size/strength, our leverage will bring balance to the global trade environment over time
- The U.S. economy is resilient, and we are in a very competitive position relative to the rest of the world - addressing our wealth gap will make us more competitive
- The AI advancements will be strong catalysts helping drive increased productivity and economic growth – we all need to lean into it

AI: What’s Ahead?

AI for Faster Responses, Better Decisions

AI is a tool to strengthen underwriting, claims and service delivery — not replace it

Our focus:

- Helping our teams **analyze risk faster and more accurately**
- Improving **speed of response to agent partners**
- Using data and predictive analytics to support **better underwriting and claims decisions**
- Applying technology where it **improves outcomes for customers and partners**

Technology is only part of the answer.
The expertise and judgment of our people remain at the center of what we do.

Two Parts to our AI Strategy

Personal Productivity

- **Microsoft Copilot available to all employees**
  - 80% of employees use
  - Advanced Copilot to be rolled out in 2026
  - Encouraging employees to experiment

Usage examples:

- Underwriters summarizing account information
- IT using for requirements management, coding management, and testing
- Claims using for data gathering

Scalable Business Solutions

- Streamline business processes and improve operational efficiency
- Advanced analytics for predictive models and improved decision-making

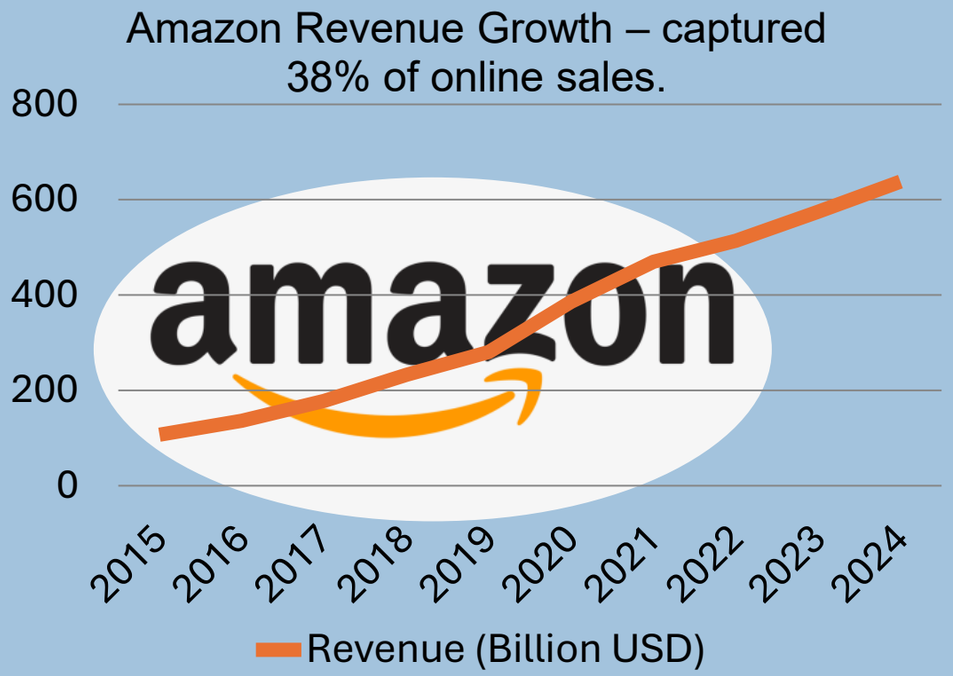
Usage examples:

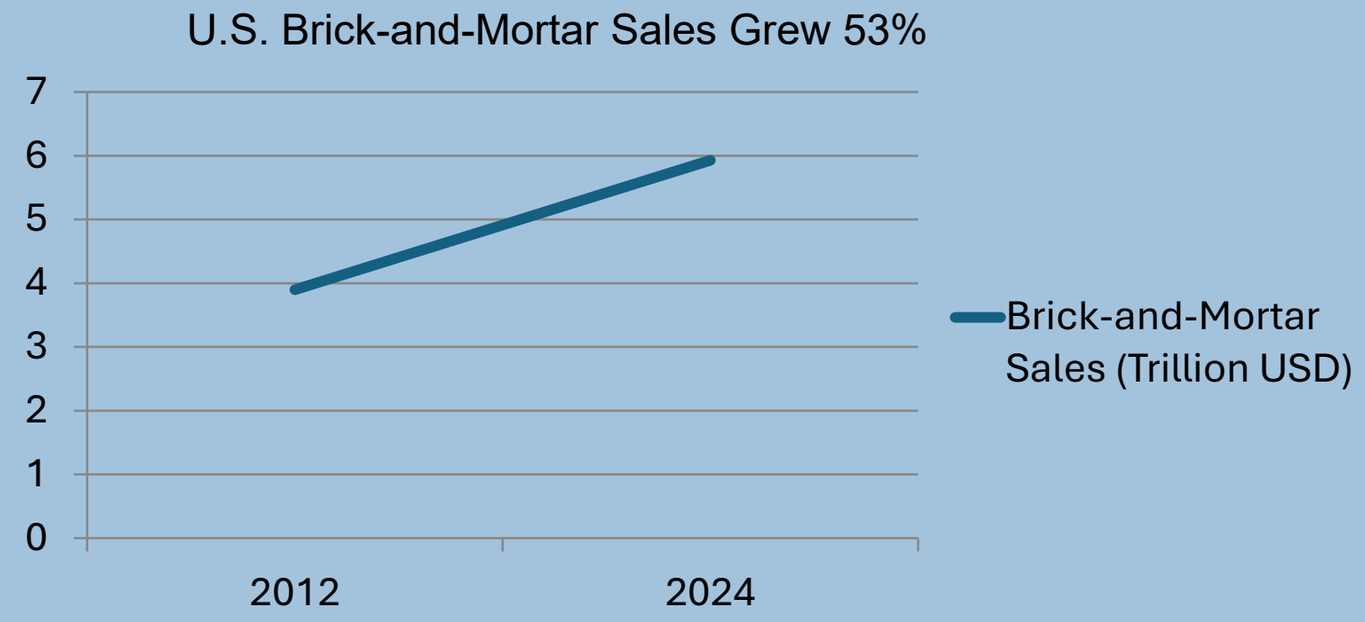
- **Predictive modeling**
- **BOTS** handling tasks (5 BOTs in place, including OFAC checks, Inland Marine Renewal tracker)
- More on the way

Enabling employees to focus on judgment and relationship-driven work

The Amazon Example (Let’s not overreact)

The expectation was that Amazon was going to put many retail stores out of business





86% of shoppers research online first but purchase in store

83% of all retail spending still occurs in physical stores

People adapt to new technology- but we still have a need to be engaged

- Autopilot exists – but people still want to be in control
  - **Only 12% of Tesla owners have purchased the self driving feature**
- Social media exploded – but people still gather in person
  - Concert attendance, travel and live sports attendance have never been stronger
- Productivity tools never reduced work – they changed it
  - Email didn’t reduce communication → increased it
  - Internet didn’t reduce research → expanded it
  - Smartphones didn’t save time → filled time

The Parallel: AI will do the same for Our Work

- Every major technological shift has made people more essential, not less
- AI will do the same for our work. It will enable us to focus on judgment, decisions and relationships
- We all need to lean into the opportunity: adopt the tools, elevate the work, and engage with each other even more effectively

Across multiple studies, ~70-80% of consumers report wanting human support for complex decisions like insurance.

The role you play and the advice you give to your customers will be as important as ever.

Thank you for your trust and partnership!

Sources and References

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Population, Labor & Immigration

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- U.S. Census Bureau
- Cato Institute

Trade & Policy

- Office of the U.S. Trade Representative
- World Trade Organization

Insurance & Risk Environment

- AM Best
- Swiss Re Institute
- Verisk Analytics
- Dowling & Partners

AI & Productivity Insights

- McKinsey & Company
- Goldman Sachs

Data compiled from publicly available sources and internal analysis. Forward-looking projections are directional. Select analysis supported by AI-assisted modeling and synthesis tools.