

CONSOLIDATED FINANCIAL STATEMENTS

Western & Southern Financial Group, Inc.
(a wholly owned subsidiary of Western & Southern
Mutual Holding Company)
Years Ended December 31, 2025 and 2024
With Report of Independent Auditors



Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

Contents

Report of Independent Auditors.....	1
Consolidated Financial Statements	
Consolidated Balance Sheets.....	3
Consolidated Statements of Income.....	4
Consolidated Statements of Comprehensive Income.....	5
Consolidated Statements of Changes in Equity.....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8



Ernst & Young LLP
221 East 4th Street
Suite 2900
Cincinnati, OH 45202

Tel: +1 513 612 1400
ey.com

**Shape the future
with confidence**

Report of Independent Auditors

The Board of Directors
Western & Southern Financial Group, Inc.

Opinion

We have audited the consolidated financial statements of Western & Southern Financial Group, Inc. (the Company), which comprise the consolidated balance sheets as of December 31, 2025, and 2024, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025, and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



**Shape the future
with confidence**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

April 20, 2026

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Consolidated Balance Sheets

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Assets		
Investments:		
Debt securities, available-for-sale at fair value, net of allowance for credit losses	\$ 53,029,495	\$ 48,852,049
Equity securities	4,640,308	3,993,755
Debt trading securities, at fair value ⁽¹⁾	3,701,487	3,653,832
Mortgage and other loans, net of allowance for credit losses	9,206,746	8,334,654
Real estate ⁽¹⁾	692,341	604,876
Policy loans	1,963,896	1,804,340
Short-term investments ⁽¹⁾	1,519,955	1,157,720
Other invested assets ⁽¹⁾ (measured at fair value under the fair value option: 2025 - \$2,090,008 ; 2024 - \$1,844,308)	4,562,321	3,811,408
Total investments	<u>79,316,549</u>	<u>72,212,634</u>
Cash and cash equivalents ⁽¹⁾	291,689	330,192
Accrued investment income ⁽¹⁾	668,030	616,828
Deferred acquisition costs, net	2,210,752	2,023,433
Goodwill and other intangible assets	1,558,353	1,592,694
Other assets ⁽¹⁾	1,180,035	1,119,440
Assets held in separate accounts	2,722,697	2,621,899
Total assets	<u>\$ 87,948,105</u>	<u>\$ 80,517,120</u>
Liabilities and equity		
Policy reserves	\$ 63,608,972	\$ 58,533,448
Securities lending obligation	1,127,441	1,204,894
Deferred income tax liability, net	509,323	190,973
Nonrecourse trust and partnership obligations ⁽¹⁾	1,151,068	1,129,488
Notes payable	1,487,374	1,484,262
Employee benefit liabilities	609,488	575,839
Other liabilities and accrued expenses ⁽¹⁾	1,318,827	1,243,710
Liabilities related to separate accounts	2,722,697	2,621,899
Total liabilities	<u>72,535,190</u>	<u>66,984,513</u>
Equity:		
Paid-in capital	5,000	5,000
Accumulated other comprehensive income (loss)	987,642	207,344
Retained earnings	13,019,887	12,107,192
Total equity attributable to Western & Southern Financial Group, Inc.	<u>14,012,529</u>	<u>12,319,536</u>
Noncontrolling interests	1,400,386	1,213,071
Total equity	<u>15,412,915</u>	<u>13,532,607</u>
Total liabilities and equity	<u>\$ 87,948,105</u>	<u>\$ 80,517,120</u>

⁽¹⁾ See Note 3 for details of balances associated with variable interest entities.

See accompanying notes.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Consolidated Statements of Income

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Revenue:		
Insurance premiums and other consideration	\$ 3,254,225	\$ 3,422,558
Universal life and investment-type product charges	167,400	165,693
Net investment income	3,843,949	3,534,176
Net investment gains (losses)	342,904	309,179
Commissions, fees and other income	465,005	485,253
Total revenue	8,073,483	7,916,859
Benefits and expenses:		
Policy benefits	3,555,239	3,707,062
Interest credited to policyholder account balances	1,496,999	1,283,946
Dividends to policyholders	177,498	160,928
Amortization of policyholder related intangibles	250,274	235,971
Other operating expenses	1,394,119	1,358,462
Total benefits and expenses	6,874,129	6,746,369
Income (loss) before income tax expense (benefit)	1,199,354	1,170,490
Income tax expense (benefit)	172,581	208,163
Net income (loss)	1,026,773	962,327
Less net income (loss) attributable to noncontrolling interests	114,078	71,280
Net income attributable to		
Western & Southern Financial Group, Inc.	\$ 912,695	\$ 891,047

See accompanying notes.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Consolidated Statements of Comprehensive Income

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Net income (loss)	\$ 1,026,773	\$ 962,327
Other comprehensive income (loss), net of tax:		
Change in net unrealized gains (losses) on securities	933,731	1,447
Change in market risk benefit non-performance risk gains (losses)	4,331	(2,957)
Change in policy reserve discount rate remeasurement gains (losses)	(185,945)	796,027
Change in unrecognized postretirement benefit obligation	28,181	101,593
Other comprehensive income (loss), net of tax	780,298	896,110
Total comprehensive income (loss), net of tax	1,807,071	1,858,437
Less comprehensive income (loss) attributable to noncontrolling interests	114,078	71,280
Comprehensive income (loss) attributable to Western & Southern Financial Group, Inc.	\$ 1,692,993	\$ 1,787,157

See accompanying notes.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Consolidated Statements of Changes in Equity

Western & Southern Financial Group, Inc.					
Accumulated					
Other					
	Paid-in	Comprehensive	Retained	Noncontrolling	Total
	Capital	Income (Loss)	Earnings	Interests	Equity
<i>(In Thousands)</i>					
Equity, January 1, 2024	\$ 5,000	\$ (1,458,367)	\$ 11,376,554	\$ 1,015,392	\$ 10,938,579
Change in noncontrolling interests' ownership	—	—	—	126,399	126,399
Dividend paid to parent	—	—	(1,500)	—	(1,500)
Net income (loss)	—	—	891,047	71,280	962,327
Other comprehensive income (loss)	—	896,110	—	—	896,110
Cumulative effect of accounting changes	—	769,601	(158,909)	—	610,692
Equity, December 31, 2024	5,000	207,344	12,107,192	1,213,071	13,532,607
Change in noncontrolling interests' ownership	—	—	—	73,237	73,237
Net income (loss)	—	—	912,695	114,078	1,026,773
Other comprehensive income (loss)	—	780,298	—	—	780,298
Equity, December 31, 2025	\$ 5,000	\$ 987,642	\$ 13,019,887	\$ 1,400,386	\$ 15,412,915

See accompanying notes.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Operating activities		
Net income (loss)	\$ 1,026,773	\$ 962,327
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Capitalization of acquisition costs	(414,020)	(386,890)
Amortization of intangibles	254,165	239,496
Net investment (gains) losses	(342,904)	(309,179)
Deferred federal income tax expense (benefit)	92,430	113,179
Purchases of debt trading securities, net of proceeds from sales	(276,030)	(252,414)
(Increase) decrease in other operating assets	(278,710)	(441,928)
Increase (decrease) in other operating liabilities and other policyholder balances	1,526,500	1,838,590
Net cash provided by operating activities	<u>1,588,204</u>	<u>1,763,181</u>
Investing activities		
Purchases:		
Debt securities, available-for-sale	(15,033,477)	(10,800,802)
Equity securities	(634,971)	(602,579)
Mortgage loans	(1,746,564)	(1,645,413)
Real estate and other invested assets	(1,951,994)	(1,411,079)
Proceeds from sales, call or maturities:		
Debt securities, available-for-sale		
Sales	3,525,618	3,408,599
Maturities, calls and pay downs	8,115,724	4,580,497
Equity securities	661,366	757,312
Mortgage loans	871,100	512,716
Real estate and other invested assets	1,524,129	1,200,838
(Increase) decrease in short-term investments	(362,235)	(127,064)
(Acquisitions) disposals of property and equipment, net	(59,460)	—
Increase (decrease) in cash collateral on derivatives contracts	60,191	26,438
Net cash used in investing activities	<u>(5,030,573)</u>	<u>(4,100,537)</u>
Financing activities		
Deposits and interest credited to universal life and investment-type product account balances	37,902,770	29,754,169
Withdrawals from universal life and investment-type product account balances	(34,466,242)	(27,183,502)
Other financing activities	(32,662)	(169,507)
Net cash provided by financing activities	<u>3,403,866</u>	<u>2,401,160</u>
Net increase (decrease) in cash and cash equivalents	(38,503)	63,804
Cash and cash equivalents at beginning of year	330,192	266,388
Cash and cash equivalents at end of year	<u>\$ 291,689</u>	<u>\$ 330,192</u>

See accompanying notes.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements

December 31, 2025

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Western & Southern Financial Group, Inc. (Western & Southern) is a wholly-owned subsidiary of Western & Southern Mutual Holding Company (Mutual Holding). Mutual Holding is an Ohio-domiciled mutual insurance holding company organized pursuant to the plan of reorganization of The Western and Southern Life Insurance Company (WSLIC) by which WSLIC converted from a mutual life insurance company to a stock life insurance company under a mutual insurance holding company structure pursuant to the Ohio Revised Code. Western & Southern and Mutual Holding were formed on the effective date of the conversion, September 19, 2000. Upon the conversion, WSLIC became a wholly-owned subsidiary of Western & Southern.

Western & Southern and its subsidiaries (collectively referred to herein as the Company) provide a broad array of insurance and financial products and services through a multi-channel distribution system. The Company provides a variety of traditional and non-traditional life insurance products, including whole life products, fixed and variable annuities, universal life contracts and other types of accumulation and protection products. The Company has two insurance subsidiaries, WSLIC and Lafayette Life Insurance Company (Lafayette Life). WSLIC has a number of direct and indirect insurance subsidiaries consisting of Western-Southern Life Assurance Company (WSLAC), Columbus Life Insurance Company (Columbus Life), Integrity Life Insurance Company (Integrity), National Integrity Life Insurance Company (National Integrity) and Gerber Life Insurance Company (Gerber Life). The Company sells its products and services to individuals of all income levels in all 50 states and the District of Columbia.

The Company's primary non-life insurance operations include (i) the Company's registered broker-dealer affiliates, Touchstone Securities, Inc. and W&S Brokerage Services, Inc.; (ii) the Company's investment advisory affiliates, Fort Washington Investment Advisors, Inc. and Touchstone Advisors, Inc.; (iii) the Company's real estate management affiliate, Eagle Realty Group, LLC; and (iv) the Company's insurance agency and third party administrator, Gerber Life Agency, LLC.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP).

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Closed Blocks

The Company operates two closed blocks. In conjunction with the formation of Mutual Holding, the Company formed a closed block for the benefit of participating individual ordinary and weekly premium industrial life insurance policyholders of WSLIC. A second closed block was formed as a result of the Company's 2005 merger with Lafayette Life for the benefit of participating life insurance policyholders of Lafayette Life.

The assets and liabilities allocated to the closed blocks are recorded in the Company's financial statements on the same basis as similar assets and liabilities. The carrying amounts of liabilities allocated to the closed blocks in excess of the carrying amounts of assets allocated to the closed blocks (adjusted to eliminate the impact of accumulated other comprehensive income) represent the maximum future earnings the Company may record into income over the duration of the closed blocks. The emergence of the earnings over the lives of the closed blocks has been developed through actuarial calculations and in conformity with related regulatory requirements.

If cumulative actual earnings are greater than expected, only expected earnings will be recognized in income. The excess earnings are recorded as a policyholder dividend obligation and will be paid to policyholders of the closed blocks through increased dividends unless offset by future results below expectations. If cumulative actual earnings are less than expected, only actual earnings will be recognized in income.

Changes in the policyholder dividend obligation arising from ordinary operations within the closed blocks are included in policy benefits in the consolidated statements of income. Changes in the policyholder dividend obligation arising from realized gains (losses) within the closed blocks are included in net investment gains (losses) in the consolidated statements of income.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries and, if applicable, variable interest entities (VIEs) in which the Company is the primary beneficiary and voting interest entities (VOEs) in which the Company controls the majority of voting interests. Intercompany balances and transactions have been eliminated.

A VIE is an entity that either has equity investors that lack certain essential characteristics of a controlling financial interest, including substantive voting rights, the obligation to absorb the entity's expected losses, or the rights to receive the entity's expected residual returns, or has equity investors that do not provide sufficient financial resources for the entity to support its

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

activities. A VIE is consolidated by the variable interest holder that is determined to be the primary beneficiary based upon qualitative and/or quantitative analysis. The Company is required to assess the need to consolidate a VIE depending upon the characteristics of the entity. The Company performs the assessment of whether the Company is the primary beneficiary of a VIE on an ongoing basis. See Note 3, Variable Interest Entities, for further discussion of the Company's relationship with VIEs.

Investments

The Company's debt and equity securities are reported at their estimated fair values. Debt securities are classified in one of two categories at purchase: available-for-sale or trading. See Note 8, Fair Values of Financial Instruments, for policies related to the determination of fair values. The cost of debt securities classified as available-for-sale is adjusted for amortization of premiums and accretion of discounts, both computed using the interest method. Unrealized investment gains and losses on available-for-sale securities are recorded as a separate component of other comprehensive income, net of policyholder-related amounts and deferred income taxes. The cost of available-for-sale debt securities is adjusted for impairments in value in the event the Company intends to sell the security or determines it is more likely than not it will be required to sell the security prior to the recovery of its amortized cost basis. The Company also reviews available-for-sale debt securities to determine if there is a credit related impairment of the value. In the event of a credit related impairment, the Company records a valuation allowance for the credit loss, limited to the extent that amortized cost of the available-for-sale debt security exceeds fair value. These adjustments are recorded as realized losses on investments in the period the determination is made. See further discussion in Note 2, Investments. Equity securities, excluding those that back certain employee benefit plans, and debt trading securities are carried at fair value and changes in fair value are recorded in net investment gains (losses) as they occur. Realized gains and losses on the sale or maturity of investments are based upon specific identification of the investments sold or matured and do not include amounts allocated to separate accounts. Equity securities used in certain employee benefit plans are accounted for at fair value with changes in fair value recorded as net investment income.

Short-term investments, other than cash and cash equivalents, are those investments used in the Company's investing activities and with a maturity of less than one year. These consist primarily of debt securities, commercial paper and money market funds. Short-term investments are reported at their estimated fair values.

Mortgage loans on real estate, that are not held for the purposes of resale, are carried at amortized cost less an allowance for credit loss. Interest income is accrued on the principal balance of the loan based on the loan's contractual interest rate. Loans are evaluated for or placed on nonaccrual status when there is concern regarding the collectability of future payments or

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

when a loan has matured without being paid off or extended. Interest payments received on loans on nonaccrual status are generally applied to principal or in accordance with the loan agreement unless the remaining principal balance has been determined to be fully collectible. The Company resumes accruing interest once a loan complies with all of its original or restructured terms. Accrued interest income is written off when deemed uncollectible.

The Company determines the adequacy of the allowance for credit losses for commercial mortgage loans based upon the overall loan portfolio composition, recent and historical loss experience and other pertinent factors. The Company uses a probability of default by loss given default (PDxLGD) methodology to estimate the allowance for credit losses. The Company measures and assesses the credit quality of commercial mortgage loans by using loan-to-value and debt-service coverage ratios. The loan-to-value ratio compares the principal amount of the loan to the fair value at origination of the underlying property collateralizing the loan and is commonly expressed as a percentage. Loan-to-value ratios greater than 100% indicate that the principal amount is greater than the collateral value. Therefore, all else being equal, a lower loan-to-value ratio generally indicates a higher quality loan. The debt-service coverage ratio compares a property's net operating income to its debt-service payments. Debt-service coverage ratios of less than 1.0 indicate that property operations do not generate enough income to cover its current debt payments. Therefore, all else being equal, a higher debt-service coverage ratio generally indicates a higher quality loan.

A loan is considered restructured when the Company makes certain modifications to contractual terms. Depending on the terms of the restructuring, the loan may be considered a new loan or a continuation of an existing loan. The Company considers a loan to be impaired when, based on current information and events, it is probable the Company will not be able to collect all amounts due, both interest and principal, according to the contractual terms of the loan agreement. Impaired loans also include loans that have been modified as a concession to borrowers experiencing financial difficulties. The Company evaluates for impairment all restructured loans and loans with higher impairment risk factors. The impairment recognized is measured as the excess of the loan's recorded investment over the present value of its expected principal and interest payments discounted at the loan's effective interest rate, the fair value of collateral or the loan's observable market price.

Mortgage loans purchased with the intent to resell are carried at the lower of amortized cost or fair value. The difference between cost and fair value is recorded as a valuation allowance with changes in the allowance reported as a component of net income. The fair value is determined on a group basis, split by whether the mortgage loans are commercial or residential.

Real estate is carried at depreciated cost less adjustments for impairments in value. In those cases where it is determined that the carrying amount of the real estate is not recoverable, an

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

impairment loss is recognized based on the difference between the depreciated cost and fair value of the asset. The Company reports impairment losses as part of net investment gains. Depreciation is computed by the straight-line method over the estimated useful life of the asset.

Policy loans are carried at outstanding indebtedness not in excess of policy cash surrender value.

Partnership and joint venture interests where the Company can exercise significant influence, but does not have a controlling interest, are accounted for using the equity method of accounting and included in other invested assets. The Company has elected the fair value option for certain real estate and tax credit partnership interests because management believes that the fair value option more closely aligns the changes in value of the investments with the financial reporting for these investments. The fair value of the investments is determined based upon an internally developed net present value analysis of the expected cash flows. The investments for which the Company has elected the fair value option are included in other invested assets on the Company's consolidated balance sheets. Changes in the fair value of these investments, excluding certain real estate partnership interests used in certain employee benefit plans, are reported in net investment gains in the consolidated statements of income. Partnership and joint venture interests used in certain employee benefit plans, including certain real estate, private debt, and private equity interests, are accounted for at fair value with changes in fair value recorded as net investment income. Dividends received from these investments are recorded as investment income.

The Company uses derivatives to help manage exposures to certain equity and interest rate-related risks and to help manage overall investment yields while exposing the Company to acceptable credit risk. Freestanding derivative investments are recorded at fair value and are reflected as either assets or liabilities, in other invested assets or other liabilities and accrued expenses, respectively, in the consolidated balance sheets. The Company primarily uses derivatives as economic hedges that are not designated as accounting hedges or do not qualify for hedge accounting treatment. If a derivative does not qualify for hedge accounting, the changes in its fair value and all scheduled periodic settlement receipts and payments are reported in net investment gains in the period of the change, except for interest rate swaps. For interest rate swaps, monthly interest payments paid/received are reported in net investment income. The change in fair value for interest rate swaps is reported in net investment gains. See Note 8, Fair Values of Financial Instruments, for policies related to the determination of fair values. See Note 2, Investments, for a detailed discussion of the types of derivatives utilized by the Company as part of its risk management strategy.

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Company considers short-term investments with an original maturity of three months or less when purchased that do not support the Company's investing activities to be cash equivalents. Cash equivalents are stated principally at amortized cost, which approximates fair value.

Premium Revenue and Benefits to Policyholders

The premiums and benefits for whole life and term insurance products and certain annuities with life contingencies (immediate annuities) are fixed and guaranteed. Such premiums are recognized as premium revenue when due. Benefits and expenses are associated with earned premiums so as to result in recognition of profits over the life of the contracts. This association is accomplished by means of the provision for policy benefits and the amortization of deferred acquisition costs.

Universal life policies and investment contracts are policies with terms that are not fixed and guaranteed. The terms that may be changed could include one or more of the amounts assessed to the policyholder, premiums paid by the policyholder or interest accrued to customer deposits. The amounts collected from policyholders for these policies are considered deposits, and only the deductions during the period for cost of insurance, policy administration and surrenders are included in revenue. Policy benefits and claims that are charged to expense include interest credited to contracts and benefit claims incurred in the period in excess of related policy account balances.

Deferred Acquisition Costs

The Company defers costs that are directly related to the successful acquisition or renewal of insurance contracts. Capitalized costs include incremental direct costs of contract acquisition such as commissions and premium taxes, as well as certain third-party and employee costs related directly to acquisition activities such as underwriting, policy issuance and processing, medical and inspection fees and sales force contract selling.

Deferred acquisition costs (DAC) are amortized on a constant-level basis over the expected life of the associated insurance contracts. In order to achieve an appropriate pattern of amortization that maintains symmetry between the amortization of DAC and the relative sizes of policies no longer in force, the following methods to weight contracts are applied:

- For traditional life insurance products and accident and health, DAC is amortized over policy count for whole life and accident and health, and over the face amount for term life.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

- For deferred annuities, DAC is amortized over initial premium.
- For universal life-type policies, DAC is amortized over current specified amount.
- For payout annuities involving life and investment contracts, DAC is amortized over benefits.

DAC is amortized using assumptions consistent with those used for measuring the related liabilities for policy reserves. The Company reviews these assumptions at least annually. The Company updates its expected experience each month utilizing the actual experience and incorporates this into its amortization.

Goodwill and Other Intangibles

The excess of cost over the fair value of tangible and other intangible net assets acquired (goodwill) is recognized as an indefinite-lived intangible asset, which is included in goodwill and other intangible assets in the consolidated balance sheets. Goodwill is evaluated for impairment on an annual basis, or more frequently whenever significant events occur or changes in circumstances indicate that an impairment may have occurred in relation to the intangible asset.

Other intangible assets, including the value of business acquired (VOBA), the value of customer relationships acquired (VOCRA), the value of distribution networks acquired (VODA), a trademark license agreement and mutual fund advisory contracts, are also included in goodwill and other intangible assets in the consolidated balance sheets. VOBA is amortized based on estimated gross profits or insurance inforce depending on the underlying insurance product characteristics. VOCRA is amortized based on insurance inforce. VODA is amortized straightline over the expected life of the acquired managing general underwriter relationships. The trademark license agreement is amortized straightline over its contractual life and the mutual fund advisory contracts are amortized straightline over the expected life of the managed funds. Intangible assets are evaluated for impairment on an annual basis, or more frequently whenever significant events occur or changes in circumstances indicate that an impairment may have occurred in relation to the intangible asset.

Impairments are recognized in current operating results to the extent future cash flows are insufficient to recover the value of goodwill or other intangible assets.

Market Risk Benefits

The Company offers contract features on certain products that provide protection to policyholders from capital market risk and expose the Company to capital market risk. These features are classified as market risk benefits (MRB) and are accounted for at fair value. The fair

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

value of MRBs is reported on a contract-by-contract basis with changes in MRBs reported in other expense, except for those changes associated with the Company's own credit risk, which are reported as a component of other comprehensive income. The balance of MRBs in an asset position reported in other assets were \$18.7 million and \$22.8 million as of December 31, 2025 and 2024, respectively. The balance of MRBs in a liability position reported in other liabilities and accrued expenses were \$35.6 million and \$33.4 million as of December 31, 2025 and 2024, respectively. The company reported a net increase (decrease) in total equity related to the MRB balance of \$(11.7) million and \$32.0 million in other expense and \$4.3 million and \$(3.0) million in other comprehensive income, net of tax, in 2025 and 2024, respectively.

Sales Inducements

The Company offers enhanced crediting rates or bonus payments to contractholders on certain fixed annuity products. The expense associated with the bonus is deferred and amortized over the life of the related contract in a pattern that is consistent with the amortization of DAC. The Company has recorded a deferred sales inducements (DSI) asset of \$14.3 million and \$15.9 million in other assets on its consolidated balance sheets as of December 31, 2025 and 2024, respectively. The Company deferred \$1.7 million of sales inducements in 2025 and \$3.4 million in 2024. Amortization expense related to DSI is included with interest credited to policyholder account balances in the consolidated statements of income, and was \$3.3 million and \$3.5 million for the years ended December 31, 2025 and 2024, respectively.

Reserves for Future Policy and Contract Benefits

Liabilities for future policy benefits (LFPB) for traditional life contracts are calculated using the net level premium method using assumptions as to interest and mortality. For dividend-paying traditional life contracts, the guaranteed mortality and dividend fund interest rate used is generally equivalent to the statutory interest rate and the mortality rates guaranteed in the calculation of cash surrender values described in the contract. For all other traditional life contracts and limited pay immediate annuities, key assumptions involving mortality and surrenders are based on best estimate assumptions. Assumptions for discount rates are based on the fixed income single-A discount rate at issuance, or an investment yield locked-in for issues prior to 2024, for presentation in the consolidated statements of income. There is an adjustment made through accumulated other comprehensive income (AOCI) to reflect the current single-A discount rates as of the balance sheet dates. Policy reserves on universal life and investment contracts consist primarily of policyholder account balances. These reserves also include additional liabilities for secondary guarantees on certain universal life policies that allow for the continuation of a policy if the account balance reaches zero. Deferred policy fees, referred to as unearned revenue reserves, are reported in other liabilities and are amortized using the same assumptions and factors used to amortize related DAC. For interest-sensitive life products, the

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Company performs premium deficiency testing annually, using best estimate assumptions, to determine whether reserves, less any associated DSI or VOBA assets, remain adequate. The premium test is performed using a discount rate aligned with the average crediting rate. Premium deficiency exists when the reserve, net of the associated assets, plus the present value of future gross premiums are determined to be insufficient to cover expected future benefits and non-level expenses.

Liabilities for indexed annuity products are equal to the accumulation of host contract values covering guaranteed benefits and the fair value of embedded equity options.

If the future benefits on investment contracts are guaranteed (immediate annuities with benefits paid for a period certain), the liability for future benefits is the present value of such guaranteed benefits.

Assets Held in Separate Accounts

The Company maintains separate account funds on which investment income and gains or losses accrue directly to certain policyholders of variable annuity contracts and group variable life insurance products. The assets of these accounts are legally segregated and are carried at fair value. See Note 8, Fair Values of Financial Instruments, for policies related to the determination of fair values. The related liabilities are recorded at amounts equal to the underlying assets. Investment income and gains or losses from those separate account assets accrue directly to the policyholder and are not included in income of the Company. The majority of variable annuity contracts offer various guaranteed death benefits. The death benefit under the group variable life insurance policies may vary with the investment performance of the underlying investments in the separate accounts. The Company has established reserves for these guarantees, with changes in such reserve balances recorded through a charge to earnings and not as activity within the separate accounts. The fees earned for administrative and contractholder maintenance services performed for these separate accounts are included in other income.

The Company also maintains separate account assets and liabilities for the assets supporting the Company-sponsored defined benefit plan.

Dividend Paying Traditional Insurance

Dividend paying traditional insurance represents approximately 15.5% and 16.0% of the Company's life insurance in force and 39.4% and 39.5% of the life insurance premiums in 2025 and 2024, respectively.

Dividends to policyholders are determined annually by the Board of Directors. The amount of the dividend is determined using factors based on approved dividend scales.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Federal Income Taxes

The Company files a consolidated income tax return with its eligible subsidiaries. The provision for federal income taxes is allocated to the individual companies using a separate return method based upon a written tax-sharing agreement. Under the agreement, the benefits from losses of subsidiaries are retained by the subsidiary companies. WSLIC pays all federal income taxes due for all members of the group. WSLIC then immediately charges or reimburses, as the case may be, the members of the group an amount consistent with the method described in the tax-sharing agreement.

The Company includes interest and penalties in the federal income tax line on the consolidated statements of income, including the after-tax cost of interest and penalties related to unrecognized tax benefits. The effect of a change in tax rates on deferred tax assets and liabilities is recorded in the federal income tax line on the consolidated statements of income in the period that includes the enactment date.

The provision for federal income taxes includes amounts currently payable and deferred income taxes resulting from the temporary differences in the assets and liabilities determined on a tax and financial reporting basis.

The Company evaluates uncertain tax positions on an eligible subsidiary basis and establishes a reserve for each eligible subsidiary where sustainability of the deduction is deemed uncertain.

Comprehensive Income

Comprehensive income encompasses all changes in equity, excluding transactions with owners, and includes net income, the effects of changes in unrealized appreciation (depreciation) in the fair value of available-for-sale debt securities, and the effects of changes in the rate used to discount cash flows of LFPBs for non-dividend paying traditional policies and life contingent payout annuities, among other items.

Subsequent Events

The Company evaluated events or transactions that may have occurred after the balance sheet date for potential recognition or disclosure through April 20, 2026, the date the consolidated financial statements were available to be issued.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Standards

Accounting Standards Update (ASU) 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts

On January 1, 2025, the Company adopted ASU 2018-12. The guidance was adopted using the modified retrospective method effective January 1, 2024, with the exception of market risk benefits which were adopted using the retrospective method. Adoption resulted in an increase of \$1,449.2 million to total equity as of December 31, 2024. The Company's consolidated balance sheets and statements of income as of, and for the years ended, December 31, 2024 and 2025, are presented with the effects of this new guidance.

There are four primary provisions of the updated guidance. The main provision of the guidance requires the periodic update of cash flow assumptions that were previously locked-in at contract issuance for liabilities for future policy benefits related to traditional and limited pay contracts and prescribes the discount rate used to discount cash flows used in valuation. In addition, the guidance simplifies the accounting for amortization of deferred acquisition costs, requires more product guarantees that subject the reporting entity to market volatility, referred to as market risk benefits, are to be accounted for at fair value, and increases disclosure requirements related to long duration contracts.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments

Debt Securities

As of December 31, 2025, the amortized cost, allowance for credit losses, gross unrealized gains and losses, and fair values of securities available-for-sale are as follows:

	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Fair Value
<i>(In Thousands)</i>					
December 31, 2025					
Debt securities:					
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 693,506	\$ —	\$ 2,025	\$ (4,408)	\$ 691,123
Debt securities issued by states of the U.S. and political subdivisions of the states	822,329	—	13,077	(50,619)	784,787
Non-U.S. government securities	597,563	—	7,178	(54,726)	550,015
Corporate securities	32,835,725	(17,047)	650,261	(1,374,306)	32,094,633
Residential mortgage-backed securities	5,121,216	(2,174)	70,712	(164,175)	5,025,579
Commercial mortgage-backed securities	4,679,567	(31,881)	35,520	(163,298)	4,519,908
Asset-backed securities	9,411,276	—	55,042	(102,868)	9,363,450
Total debt securities	\$54,161,182	\$ (51,102)	\$ 833,815	\$ (1,914,400)	\$53,029,495

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

As of December 31, 2024, the amortized cost, allowance for credit losses, gross unrealized gains and losses, and fair values of securities available-for-sale are as follows:

	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Fair Value
<i>(In Thousands)</i>					
December 31, 2024					
Debt securities:					
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 190,877	\$ —	\$ 81	\$ (3,845)	\$ 187,113
Debt securities issued by states of the U.S. and political subdivisions of the states	859,861	—	8,232	(68,335)	799,758
Non-U.S. government securities	652,843	—	1,026	(87,206)	566,663
Corporate securities	30,070,298	(5,000)	306,334	(1,904,681)	28,466,951
Residential mortgage-backed securities	4,716,503	(1,090)	38,221	(253,900)	4,499,734
Commercial mortgage-backed securities	5,186,822	—	29,068	(253,328)	4,962,562
Asset-backed securities	9,481,925	—	56,145	(168,802)	9,369,268
Total debt securities	\$51,159,129	\$ (6,090)	\$ 439,107	\$ (2,740,097)	\$48,852,049

The amortized cost and fair values of debt securities at December 31, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
<i>(In Thousands)</i>		
Years to maturity:		
One or less	\$ 1,156,811	\$ 1,158,258
After one through five	10,018,300	10,051,811
After five through ten	8,100,698	8,159,536
After ten	15,673,314	14,750,955
Mortgage-backed and asset-backed securities	19,212,059	18,908,935
Total	\$ 54,161,182	\$ 53,029,495

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

The Company monitors its portfolio closely to ensure that allowances for credit losses are recognized when appropriate. At December 31, 2025 and 2024, 2,716 and 3,552, respectively, of the Company's securities were in an unrealized loss position with no allowance for credit losses recorded. The aggregate amounts of unrealized losses for those securities, and the related fair values of those investments with unrealized losses for securities available-for-sale, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are shown below:

	Unrealized Losses Less Than or Equal to 12 Months		Unrealized Losses Greater Than 12 Months	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
	<i>(In Thousands)</i>			
December 31, 2025				
Debt securities:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ (4,153)	\$ 539,198	\$ (255)	\$ 21,004
Debt securities issued by states of the U.S. and political subdivisions of the states	(895)	44,761	(49,724)	413,849
Non-U.S. government securities	(430)	14,328	(54,296)	322,993
Corporate securities	(59,993)	2,730,989	(1,314,313)	10,699,702
Residential mortgage-backed securities	(3,023)	384,206	(161,152)	1,858,154
Commercial mortgage-backed securities	(12,628)	652,818	(150,670)	2,127,793
Asset-backed securities	(6,156)	1,256,207	(96,712)	1,984,961
Total debt securities	\$ (87,278)	\$ 5,622,507	\$ (1,827,122)	\$ 17,428,456

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

	Unrealized Losses Less Than or Equal to 12 Months		Unrealized Losses Greater Than 12 Months	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
	<i>(In Thousands)</i>			
December 31, 2024				
Debt securities:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ (2,902)	\$ 121,692	\$ (943)	\$ 23,232
Debt securities issued by states of the U.S. and political subdivisions of the states	(2,825)	124,894	(65,510)	427,741
Non-U.S. government securities	(11,624)	226,513	(75,582)	294,754
Corporate securities	(163,081)	6,181,294	(1,741,600)	12,354,797
Residential mortgage-backed securities	(13,777)	1,029,632	(240,123)	2,001,882
Commercial mortgage-backed securities	(7,117)	472,009	(246,211)	3,045,939
Asset-backed securities	(12,963)	1,048,428	(155,839)	2,587,647
Total debt securities	\$ (214,289)	\$ 9,204,462	\$ (2,525,808)	\$ 20,735,992

Each reporting period, all debt securities are reviewed to determine whether an allowance for credit losses should be recognized. The Company considers relevant facts and circumstances in evaluating whether an unrealized loss is credit related. Relevant facts and circumstances considered include: (1) the extent that fair value is below amortized cost; (2) the reasons for the decline in value; and (3) specific credit issues related to the issuer and current economic conditions, including the current and future impact of any specific events. In addition, for structured investments (e.g., residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities and other structured investments), the Company also considers factors such as overall deal structure and its position within the structure, quality of underlying collateral, delinquencies and defaults, loss severities, recoveries, prepayments and cumulative loss projections, and an evaluation of the present value of expected future cash flows in assessing potential credit losses of these investments.

The way in which impairment losses are recognized in the financial statements is dependent on the facts and circumstances related to the specific security. If the Company intends to sell a security or it is more likely than not that it would be required to sell a security before the

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

recovery of its amortized cost, the Company recognizes an impairment in net investment gains (losses) for the difference between amortized cost and fair value. If the Company does not intend to sell a security, or it is not more likely than not that it would be required to sell a security before the recovery of its amortized cost, and the Company determines that a security is in part in an unrealized loss position due to credit losses, then an allowance for credit losses is established. The change in the allowance for credit losses is recognized in net investment gains (losses).

Allowance for Credit Loss on Available-for-Sale Debt Securities

Changes in the allowance for credit losses on available-for-sale debt securities are as follows:

	Corporate securities	Residential mortgage- backed securities	Commercial mortgage- backed securities	Asset- backed securities	Total
	<i>(In Thousands)</i>				
Net balance, December 31, 2023	\$ (7,350)	\$ (1,048)	\$ (17,986)	\$ —	\$ (26,384)
(Addition to) release of allowance for credit losses	(5,000)	(129)	—	—	(5,129)
Write-offs, net of recoveries	7,350	86	17,986	—	25,422
Net balance, December 31, 2024 ⁽¹⁾	(5,000)	(1,091)	—	—	(6,091)
(Addition to) release of allowance for credit losses	(12,047)	(1,083)	(31,881)	—	(45,011)
Write-offs, net of recoveries	—	—	—	—	—
Net balance, December 31, 2025 ⁽¹⁾	\$ (17,047)	\$ (2,174)	\$ (31,881)	\$ —	\$ (51,102)

⁽¹⁾ Accrued interest related to available-for-sale debt securities was \$512.0 million and \$479.9 million as of December 31, 2025 and 2024, respectively, and is excluded from the estimate of expected credit losses.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

Net Investment Income

The major components of net investment income are summarized as follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Debt securities, available-for-sale	\$ 2,728,623	\$ 2,534,134
Equity securities	152,631	145,775
Debt trading securities	228,812	240,807
Mortgage loans	487,306	395,177
Real estate	182	(715)
Policy loans	113,171	99,842
Other invested assets	165,657	149,657
Short-term investments and other	32,506	27,997
Gross investment income	<u>3,908,888</u>	<u>3,592,674</u>
Investment expenses	64,939	58,498
Net investment income	<u>\$ 3,843,949</u>	<u>\$ 3,534,176</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

Net Investment Gains (Losses)

The major components of net investment gains (losses) are summarized as follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Sales of debt securities, available-for-sale:		
Gross gains	\$ 32,314	\$ 38,794
Gross losses (excluding credit losses)	(97,346)	(137,847)
Gains on sales of real estate	21,578	13,839
Change in carrying value of:		
Equity securities	344,027	450,777
Debt trading securities	98,036	3,806
Other invested assets	(27,738)	(85,084)
Credit losses:		
Available-for-sale debt securities	(50,082)	(5,129)
Mortgage and other loans	(2,211)	(5,772)
Impact on policyholder related intangibles	(9,864)	(507)
Other	34,190	36,302
Net investment gains (losses)	\$ 342,904	\$ 309,179

Proceeds from sales of investments in debt securities, available-for-sale during 2025 and 2024 were \$3,525.6 million and \$3,408.6 million, respectively. Proceeds from sales of investments in equity securities during 2025 and 2024 were \$661.4 million and \$757.3 million, respectively.

Unrealized gains (losses) on equity securities still held at the reporting date recorded within net investment gains (losses) were \$287.7 million and \$391.8 million for the years ended December 31, 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

Derivatives

Derivative instruments enable the Company to hedge or reduce exposure to various market risks associated with assets held or expected to be purchased or sold and liabilities incurred or expected to be incurred. The Company primarily enters into derivative agreements for risk management purposes related to the Company's products and operations.

Equity Indexed Products

The Company utilizes options to economically hedge the market risk associated with its indexed annuity and universal life liabilities. The options are designed to correlate with the market return portion of the equity indexed products. Options are contracts that give the option purchaser the right, but not the obligation, to buy or sell securities at a specified price during a specified period. The Company's options are call options that are based on the S&P 500 index and other indices. The Company's maximum exposure on options is limited to the fair market value as of the reporting date. As a purchaser or seller of options, the Company pays or receives, at the beginning of the contract, a premium for transferring the risk of a change in the price of the indices discussed above.

The fair value of the Company's call options as of December 31, 2025 and 2024, was \$151.2 million and \$106.9 million, respectively. The fair value of the Company's embedded derivatives as of December 31, 2025 and 2024, was \$385.5 million and \$348.2 million, respectively. The Company has recorded the fair value of purchased call options in other invested assets, the fair value of written call options in other liabilities and accrued expenses and the fair value of the embedded derivative on indexed annuities and universal life policies in policy reserves on the consolidated balance sheets. The Company records the changes in fair value of these instruments in net investment gains on the consolidated statements of income. The Company recognized a loss of \$(5.1) million and a gain of \$8.3 million for the years ended December 31, 2025 and 2024, respectively.

The Company has entered into a collateral agreement with the counterparty whereby, under certain conditions, the counterparty is required to post collateral on the Company's behalf. The posted amount is equal to the difference between the net positive fair value of the options and the agreed upon thresholds that are based on the credit rating of the counterparty. Inversely, if the net fair value of the option is negative, then the Company may be required to post collateral instead using similar thresholds. At December 31, 2025 and 2024, \$140.6 million and \$94.4 million cash collateral had been posted by the counterparty, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

Counterparty Exposure

Counterparties to derivative instruments expose the Company to credit risk in the event of nonperformance. The Company limits this exposure by diversifying among counterparties with high credit ratings. The Company's credit risk exposure is limited to the fair value of the call options, credit default swaps or interest rate swaps that it has recorded as an asset. The Company does not expect any counterparty to fail to meet its obligations.

The Company's derivative instruments are subject to master netting agreements and are eligible for offset in the consolidated balance sheets. A master netting agreement with a counterparty creates a right of offset for amounts due to and from that same counterparty that is enforceable in the event of a default or bankruptcy. The Company's policy is to recognize amounts subject to master netting agreements on a gross basis in the consolidated balance sheets. The following table presents the gross and net information about the Company's derivatives subject to master netting arrangements for the years ended December 31:

	2025	2024
	<i>(In Thousands)</i>	
Derivative assets:		
Gross amount of recognized assets	\$ 293,315	\$ 213,963
Gross amounts offset	—	—
Net amount of assets	293,315	213,963
Gross amounts not offset:		
Financial instruments	(124,854)	(102,954)
Collateral received	(157,745)	(97,304)
Net amount	\$ 10,716	\$ 13,705
Derivative liabilities:		
Gross amount of recognized liabilities	\$ (124,937)	\$ (102,954)
Gross amounts offset	—	—
Net amount of liabilities	(124,937)	(102,954)
Gross amounts not offset:		
Financial instruments	124,937	102,954
Collateral pledged	—	—
Net amount	\$ —	\$ —

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

Mortgage and Other Loans

The Company's mortgage loan portfolio includes commercial mortgage loans which consist of general purpose income-producing properties, including office buildings, retail facilities, apartments, hotels and industrial properties, and credit tenant loans where the Company relies on the credit analysis of the tenant for the repayment of the loan. Also included in the Company's mortgage loan portfolio are Government National Mortgage Association "early buyout" (GNMA EBO) residential mortgage loans. GNMA EBO's are Federal Housing Administration, U.S. Department of Veterans Affairs or U.S. Department of Agriculture insured loans that were subject to an early buyout by a mortgage servicer from a GNMA mortgage-backed security pool due to delinquency. GNMA EBO's are either partially or fully guaranteed by the full faith and credit of the U.S. government. The Company also has loans that it issues to businesses. These loans are made to non-public borrowers for the purpose of funding growth, acquisition, and working capital needs. The carrying amount of the Company's mortgage and other loan portfolio was as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Commercial mortgage loans	\$ 8,553,668	\$ 8,018,742
Residential mortgage loans	204,067	115,335
Private credit loans	494,602	243,957
Allowance for credit losses	(45,591)	(43,380)
Total carrying value	<u>\$ 9,206,746</u>	<u>\$ 8,334,654</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

As described in Note 1, the Company updates, at least annually, and analyzes the loan-to-value and debt-service coverage ratios as credit quality indicators for its commercial mortgage loans, which were as follows:

Loan-to-Value	December 31, 2025		
	Carrying Amount	Percent of Subtotal	Debt-Service Coverage Ratio
	<i>(In Thousands)</i>		
Less than 65%	\$ 6,992,543	81.7%	1.62
65% to 74%	1,289,537	15.1	1.34
75% to 100%	271,588	3.2	1.15
Greater than 100%	—	—	—
Total	\$ 8,553,668	100.0%	1.56

Loan-to-Value	December 31, 2024		
	Carrying Amount	Percent of Subtotal	Debt-Service Coverage Ratio
	<i>(In Thousands)</i>		
Less than 65%	\$ 6,847,435	85.4%	1.67
65% to 74%	916,770	11.4	1.41
75% to 100%	254,537	3.2	1.19
Greater than 100%	—	—	—
Total	\$ 8,018,742	100.0%	1.62

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

The Company's commercial mortgage loan portfolio is diversified by geographic region and specific collateral property type as follows:

	December 31			
	2025		2024	
	Carrying Amount	Percent of Total	Carrying Amount	Percent of Total
	<i>(In Thousands)</i>			
Geographic distribution				
New England	\$ 80,000	1%	\$ 80,000	1%
Middle Atlantic	307,828	4	281,828	4
East North Central	1,629,126	19	1,649,183	21
West North Central	275,525	3	265,487	3
South Atlantic	3,188,989	38	2,773,301	35
East South Central	586,350	7	581,056	7
West South Central	1,053,844	12	955,146	12
Mountain	727,564	9	794,399	10
Pacific	704,442	8	638,342	8
Allowance for credit losses	(45,591)	(1)	(43,380)	(1)
Total	\$ 8,508,077	100%	\$ 7,975,362	100%
Property-type distribution				
Medical office	\$ 78,385	1%	\$ 80,625	1%
Office	30,685	< 1	68,016	1
Retail	507,578	6	565,937	7
Industrial	1,301,349	15	992,756	12
Hotel	386,270	5	373,844	5
Apartment	6,249,401	74	5,937,564	75
Allowance for credit losses	(45,591)	(1)	(43,380)	(1)
Total	\$ 8,508,077	100%	\$ 7,975,362	100%

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

The Company periodically purchases and sells commercial mortgage loans it has originated; however, there were no commercial mortgage loan purchases or sales in 2025 and 2024.

The Company places commercial mortgage loans on nonaccrual status if there is concern regarding the collectability of future payments or if a loan has matured without being paid off or extended; however, there were no commercial mortgage loans on nonaccrual status as of December 31, 2025 and 2024.

The aging of commercial mortgage loans on nonaccrual status and commercial mortgage loans that were 90 days or more past due and still accruing interest were as follows:

December 31, 2025							
	30–59 Days Past Due	60–89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Mortgage Loans (Amortized Cost)	90 Days or More Past Due and Accruing
<i>(In Thousands)</i>							
Commercial	\$ —	\$ —	\$ —	\$ —	\$ 8,553,668	\$ 8,553,668	\$ —
December 31, 2024							
	30–59 Days Past Due	60–89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Mortgage Loans (Amortized Cost)	90 Days or More Past Due and Accruing
<i>(In Thousands)</i>							
Commercial	\$ —	\$ —	\$ 9,305	\$ 9,305	\$ 8,009,437	\$ 8,018,742	\$ 9,305

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

2. Investments (continued)

Allowance for Credit Losses on Commercial Mortgage and Other Loans

The following represents the activity related to the Company's allowance for credit losses on commercial mortgage and other loans. For commercial mortgage loans, the Company uses a probability of default by loss given default method to estimate the portfolio's expected credit losses:

	Commercial Mortgage Loans	Other
	<i>(In Thousands)</i>	
Net balance, December 31, 2023	\$ (37,608)	\$ —
(Addition to) release of allowance for credit losses	(5,772)	—
Write-offs, net of recoveries	—	—
Net balance, December 31, 2024 ⁽¹⁾	(43,380)	—
(Addition to) release of allowance for credit losses	(2,211)	—
Write-offs, net of recoveries	—	—
Net balance, December 31, 2025 ⁽¹⁾	\$ (45,591)	\$ —

⁽¹⁾ Accrued interest related to commercial mortgage loans was \$27.0 million and \$25.2 million as of December 31, 2025 and 2024, respectively, and is excluded from the estimate of expected credit losses.

Notes to Consolidated Financial Statements (continued)

3. Variable Interest Entities

Consolidated Variable Interest Entities

Affiliate Managed Investment Entities

The Company has investments with certain limited liability company (LLC), limited partnership (LP), and collateralized loan obligation (CLO) investment entities that qualify as VIEs (see Note 1) in which a subsidiary of the Company both performs investment management services as a central decision maker, and has a more-than-insignificant interest in investor interests. The Company is required to consolidate a VIE when the Company is determined to be the primary beneficiary of the entity. The guidance identifies the primary beneficiary of a VIE as the enterprise with the power to direct the activities of a VIE that most significantly impact the entity's economic performance and the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. In these circumstances, the management fee is considered a variable interest, and as both the asset manager with a variable interest and a more-than-insignificant investment interest, the Company has concluded it is the primary beneficiary of these VIEs.

Real Estate

The Company has relationships with certain LLCs and LPs that qualify as VIEs that invest in hospitality, multifamily and other commercial real estate. The Company is required to consolidate a VIE when the Company is determined to be the primary beneficiary of the entity. In these circumstances, the voting and other rights held by the Company give it the power to direct the activities that most significantly impact the entity's economic performance, and the Company has concluded that it is the primary beneficiary of these VIEs.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

3. Variable Interest Entities (continued)

The total assets, which can only be used to settle obligations of the respective VIE, and liabilities of the Company's consolidated VIEs are summarized in the table below:

	2025		2024	
	Affiliate Managed Investment Entities	Real Estate	Affiliate Managed Investment Entities	Real Estate
	<i>(In Thousands)</i>			
Debt trading securities	\$ 3,224,739	\$ —	\$ 2,900,637	\$ —
Real estate	—	179,701	—	6,396
Short-term investments	40,085	—	51,281	87
Other invested assets	270,420	—	303,099	—
Cash and cash equivalents	4,671	5,746	1,287	2,046
Accrued investment income	25,623	—	22,834	—
Other assets	9,719	7,500	5,547	417
Total assets of consolidated VIEs	\$ 3,575,257	\$ 192,947	\$ 3,284,685	\$ 8,946
Nonrecourse trust and partnership obligations	\$ 989,978	\$ 118,248	\$ 1,002,068	\$ —
Other liabilities and accrued expenses	40,522	3,786	29,227	321
Total liabilities of consolidated VIEs	\$ 1,030,500	\$ 122,034	\$ 1,031,295	\$ 321

Unconsolidated Variable Interest Entities

Private Equity and Private Debt Investment Entities

The Company holds variable interests in partnerships and other investment entities classified as VIEs that are managed by unaffiliated parties. These investment entities are considered VIEs due to investors' lack of both substantive rights to remove the central decision maker and substantive participating rights. Lacking the power to direct the activities that most impact the economics of the entity, the Company has determined that it is not the primary beneficiary. The total exposure to loss on these VIEs is limited to the amount of the Company's investment in the VIE.

In addition, certain investment entities, in which a subsidiary of the Company performs investment management services as a central decision maker, are not consolidated as the

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

3. Variable Interest Entities (continued)

Company is not the primary beneficiary due to lacking the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

Real Estate

The Company holds variable interests in real estate entities, in the form of LPs/LLCs, where the Company is not the primary beneficiary. This decision is primarily centered on whether the Company has substantive removal rights in relation to the central decision maker, or unilateral rights in relation to the activities that most impact the economics of the entity. The Company's decision making ability in these LPs/LLCs is primarily shared amongst its partners and substantive removal rights do not exist; therefore the Company has determined that it is not the primary beneficiary. The total exposure to loss on these VIEs is limited to the amount of the Company's investment in the VIE.

In addition, the Company holds investments in funds that, similar to the unconsolidated private equity and debt entities, are managed by a third party whereby the third party cannot be removed by a simple majority of fund investors. These are backed by a portfolio of mortgage loans, a portfolio of direct real estate investments, or a portfolio of entities that hold direct real estate investments. These funds are unconsolidated as the Company does not control the activities that most impact the economics of the VIE. Included in this category of investments, the Company has investments in low income housing tax credit ("LIHTC") partnerships. These partnerships have a similar investment structure, with a central party having decision making authority over the activities that most impact the economics of the entity and that cannot be removed by a simple majority of investors. The main source of return on investment within LIHTC partnerships comes from tax credits earned by the investments and not the underlying equity of the investments.

The carrying value of the Company's investment in unconsolidated VIEs by financial statement line item as of December 31, 2025 and 2024, respectively, is shown in the table below:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Other invested assets:		
Private equity and private debt entities	\$ 968,463	\$ 905,268
Real estate entities	1,638,458	1,537,236
Total assets	\$ 2,606,921	\$ 2,442,504

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

3. Variable Interest Entities (continued)

Structured Securities

The Company has investments in structured securities issued by VIEs that are managed by unaffiliated parties. These structured securities include residential mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities. These investment entities are considered VIEs due to lacking equity to finance the activities of the entity. Lacking the power to direct the activities that most impact the economics of the entity, the Company has determined that it is not the primary beneficiary. The total exposure to loss on these VIEs is limited to the amount of the Company's investment in the VIE. For information about these investments, see Note 2.

4. Deferred Acquisition Costs and Unearned Revenue Reserves

The following reconciles DAC to the balance reported on the consolidated balance sheets:

	DAC	
	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Deferred annuities	\$ 408,508	\$ 391,895
Universal life	695,735	670,032
Traditional with A&H	986,404	897,229
Life contingent payouts	86,610	41,651
Investment contracts	33,495	22,626
DAC	\$ 2,210,752	\$ 2,023,433

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

4. Deferred Acquisition Costs and Unearned Revenue Reserves (continued)

Changes in DAC are as follows:

	Deferred Acquisition Costs				
	Deferred Annuities	Universal Life	Traditional with A&H	Life Contingent Payouts	Investment Contracts
	<i>(In Thousands)</i>				
Net balance, December 31, 2023	\$ 373,123	\$ 647,188	\$ 803,010	\$ —	\$ 18,965
Capitalization of acquisition costs	116,905	60,729	159,701	43,223	6,332
Amortization expense	(98,133)	(37,885)	(65,482)	(1,572)	(2,671)
Net balance, December 31, 2024	391,895	670,032	897,229	41,651	22,626
Capitalization of acquisition costs	129,755	64,212	158,738	47,041	14,274
Amortization expense	(113,142)	(38,509)	(69,563)	(2,082)	(3,405)
Net balance, December 31, 2025	\$ 408,508	\$ 695,735	\$ 986,404	\$ 86,610	\$ 33,495

The following reconciles unearned revenue reserves to the balance reported on the consolidated balance sheets within other liabilities and accrued expenses:

	Unearned Revenue Reserves	
	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Universal life	\$ 302,354	\$ 266,031

Changes in unearned revenue reserves are as follows:

	Unearned Revenue Reserves	
	Year Ended December 31	
	2025	2024
	Universal life	
	<i>(In Thousands)</i>	
Net balance, January 1	\$ 266,031	\$ 230,658
Deferral	52,313	49,420
Recognition of revenue	(15,990)	(14,047)
Net balance, December 31	\$ 302,354	\$ 266,031

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

5. Goodwill and Other Intangible Assets

The following tables provide information on the changes in the goodwill, other intangible assets and VOBA assets for the years indicated:

	Goodwill	
	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Net balance, January 1	\$ 785,208	\$ 785,208
Acquisition	—	—
Disposition	—	—
Other	—	—
Net balance, December 31	<u>\$ 785,208</u>	<u>\$ 785,208</u>

	Other Intangible Assets with Definite Lives	
	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Net balance, January 1	\$ 119,578	\$ 131,795
Capitalization	17	246
Disposition	(22)	(218)
Amortization expense	(10,313)	(12,245)
Net balance, December 31	<u>\$ 109,260</u>	<u>\$ 119,578</u>
Accumulated amortization	<u>\$ 101,171</u>	<u>\$ 90,981</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

5. Goodwill and Other Intangible Assets (continued)

	Other Intangible Assets with Indefinite Lives	
	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Net balance, January 1	\$ 201,164	\$ 201,164
Acquisition	—	—
Disposition	—	—
Other	—	—
Net balance, December 31	\$ 201,164	\$ 201,164

	VOBA Assets	
	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Net balance, January 1	\$ 486,495	\$ 515,816
Capitalization	—	—
Disposition	—	—
Amortization allocated to:		
Net realized investment gains	—	—
Unrealized investment (gains) losses	(2,167)	(1,955)
Amortization expense	(21,607)	(27,366)
Net balance, December 31	\$ 462,721	\$ 486,495
Accumulated amortization	\$ 245,119	\$ 223,512

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

5. Goodwill and Other Intangible Assets (continued)

The Company estimates its future amortization expense for VOBA, VOCRA/VODA, its trademark license and its mutual fund advisory contracts to be as follows for the years ending December 31 (in thousands):

	VOBA	VOCRA/ VODA	Trademark License	Mutual Fund Advisory Contracts
2026	\$ 20,454	\$ 2,586	\$ 3,400	\$ 4,473
2027	19,493	2,493	3,400	4,473
2028	20,053	2,402	3,400	2,609
2029	22,436	937	3,400	—
2030	23,823	855	3,400	—

The estimated weighted-average amortization period for the Company's VOBA, VOCRA/VODA, trademark license and mutual fund advisory contract intangible assets are 16 years, 10 years, 12 years, and 3 years, respectively, as of December 31, 2025.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts

The following reconciles the components of policy reserves to the amount reported on the consolidated balance sheets:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
LFPBs		
Traditional with A&H	\$ 4,400,284	\$ 4,172,819
Life contingent payouts	10,494,791	9,356,008
Total LFPBs	<u>14,895,075</u>	<u>13,528,827</u>
Additional liability for certain benefit features		
Universal life	1,187,847	1,021,185
Total additional liability for certain benefit features	<u>1,187,847</u>	<u>1,021,185</u>
Policyholder account balances		
Deferred annuities	28,577,785	27,458,951
Universal life	3,463,928	3,383,616
Total policyholder account balances	<u>32,041,713</u>	<u>30,842,567</u>
Reconciling items:		
Investment contracts without significant fees	7,020,392	4,945,234
Dividend paying whole life contracts	7,791,866	7,484,090
Other	672,079	711,545
Policy reserves per consolidated balance sheets	<u>\$ 63,608,972</u>	<u>\$ 58,533,448</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

Liability for Future Policy Benefits

Changes in LFPBs are as follows:

	Year Ended December 31			
	2025		2024	
	Traditional with A&H	Life Contingent Payouts	Traditional with A&H	Life Contingent Payouts
	<i>(In Thousands)</i>			
Present value of expected net premiums				
Balance, beginning of year	\$ 3,006,573	\$ —	\$ 3,161,914	\$ —
Less: Effect of changes in discount rate assumption at beginning of period	(380,621)	—	(270,283)	—
Balance at original discount rate, beginning of year	3,387,194	—	3,432,197	—
Effect of change in cash flow assumptions	(72,483)	—	(2,078)	—
Effect of actual variances from expected experience	71,137	—	96,553	—
Adjusted beginning of year balance	3,385,848	—	3,526,672	—
Issuances	90,981	—	120,560	—
Interest accrual	133,919	—	133,660	—
Net premiums collected	(387,166)	—	(393,160)	—
NPR capping impact	(374)	—	(538)	—
Balance, end of year, at original discount rate	3,223,208	—	3,387,194	—
Effect of changes in discount rate assumptions	(278,227)	—	(380,621)	—
Balance, end of year	<u>\$ 2,944,981</u>	<u>\$ —</u>	<u>\$ 3,006,573</u>	<u>\$ —</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

	Year Ended December 31			
	2025		2024	
	Traditional with A&H	Life Contingent Payouts	Traditional with A&H	Life Contingent Payouts
	<i>(In Thousands)</i>			
Present value of expected future policy benefits				
Balance, beginning of year	\$ 7,128,213	\$ 9,356,008	\$ 7,647,897	\$ 8,644,700
Less: Effect of changes in discount rate assumption at beginning of period	(2,121,072)	(605,653)	(1,419,602)	(187,614)
Balance at original discount rate, beginning of year ⁽¹⁾	9,249,285	9,961,661	9,067,499	8,832,314
Effect of change in cash flow assumptions	(91,266)	—	(2,324)	—
Effect of actual variances from expected experience	61,213	(6,064)	92,447	(2,252)
Adjusted beginning of year balance	9,219,232	9,955,597	9,157,622	8,830,062
Issuances	91,681	1,296,124	121,460	1,465,752
Interest accrual	368,176	497,423	357,181	430,702
Benefit payments	(391,615)	(820,401)	(390,036)	(729,364)
Amortization	—	(44,294)	—	(40,759)
Other	5,261	2,609	3,058	5,268
Balance, end of year, at original discount rate ⁽¹⁾	9,292,735	10,887,058	9,249,285	9,961,661
Effect of changes in discount rate assumptions	(1,971,188)	(392,267)	(2,121,072)	(605,653)
Balance, end of year	7,321,547	10,494,791	7,128,213	9,356,008
Net LFPBs, pre-flooring	4,376,567	10,494,791	4,121,640	9,356,008
Flooring impact	23,717	—	51,179	—
Net LFPBs, post-flooring	4,400,284	10,494,791	4,172,819	9,356,008
Reinsurance impact	(54)	(7,186)	(44)	(5,282)
Net LFPBs, end of year, after reinsurance recoverable, post-flooring	\$ 4,400,230	\$ 10,487,605	\$ 4,172,775	\$ 9,350,726

⁽¹⁾ Includes deferred profit liabilities within Life Contingent Payouts of \$574.8 million and \$536.8 million as of 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

The following table presents the amount of revenue and interest recognized in premiums and benefits in the consolidated statements of income:

	Year Ended December 31			
	2025		2024	
	Traditional with A&H	Life Contingent Payouts	Traditional with A&H	Life Contingent Payouts
	<i>(In Thousands)</i>			
Gross premiums	\$ 780,583	\$ 1,296,124	\$ 768,612	\$ 1,465,752
Interest accretion	234,257	497,423	223,521	430,702

The following table presents the undiscounted and discounted expected future gross premiums and expected future benefits:

	Year Ended December 31			
	2025		2024	
	Traditional with A&H	Life Contingent Payouts	Traditional with A&H	Life Contingent Payouts
	<i>(In Thousands)</i>			
Expected discounted future gross premiums	\$ 6,963,911	\$ —	\$ 7,054,132	\$ —
Expected undiscounted future gross premiums	11,140,294	—	11,273,089	—
Expected discounted future benefit payments	9,237,976	9,877,336	9,195,764	8,771,611
Expected undiscounted future benefit payments	24,370,711	17,308,116	24,664,076	15,663,470

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

The following table presents the weighted-average interest accretion rate, weighted-average current discount rate, and the weighted-average duration of the liability:

	Year Ended December 31			
	2025		2024	
	Traditional with A&H	Life Contingent Payouts	Traditional with A&H	Life Contingent Payouts
Interest accretion rate	4.05 %	4.89 %	4.00 %	4.69 %
Current discount rate	5.61	5.18	5.70	5.36
Weighted-average liability (years)	22.7	9.5	23.8	9.5

For the year ended December 31, 2025, the Company's annual assumption review resulted in a \$17.2 million dollar decrease in the LFPB for Traditional with Accident & Health business based upon favorable updates to mortality and lapse assumptions. For the year ended December 31, 2024, the Company's annual assumption review did not result in any significant assumption updates. The Company did not have any significant deviation of actual experience from the expected experience.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

Additional Liability for Certain Benefit Features

Changes in the additional liability for certain benefit features are as follows:

	Year Ended December 31	
	2025	2024
	Universal Life	
	<i>(In Thousands)</i>	
Balance, beginning of year	\$ 1,021,185	\$ 901,054
Less: Cumulative effect of shadow reserve adjustments at beginning of period	(69,789)	(52,967)
Balance, beginning of year, before the cumulative effect of shadow reserve adjustments	1,090,974	954,021
Effect of change in cash flow assumptions	1,000	55,419
Effect of actual variances from expected experience	4,600	8,659
Adjusted beginning of year balance	1,096,574	1,018,099
Interest accrual	42,395	36,664
Net assessments collected	201,264	175,962
Benefit payments	(121,144)	(139,751)
Balance, end of year, before the cumulative effect of shadow reserve adjustments	1,219,089	1,090,974
Cumulative effect of shadow reserve adjustments at end of period	(31,242)	(69,789)
Balance, end of year	1,187,847	1,021,185
Reinsurance impact	(66,435)	(57,933)
Net additional liability, after reinsurance recoverable	\$ 1,121,412	\$ 963,252

For the years ended December 31, 2025 and 2024, the Company's annual assumption review did not result in any significant assumption updates. The Company did not have any significant deviation of actual experience from the expected experience.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

The following table presents the amount of revenue and interest recognized in premiums and benefits in the consolidated statements of income:

	Year Ended December 31	
	2025	2024
	Universal Life	
	<i>(In Thousands)</i>	
Gross assessments	\$ 290,916	\$ 256,805
Interest accretion	42,395	36,664

The following table presents the weighted-average interest accretion rate, and the weighted-average duration of the liability:

	Year Ended December 31	
	2025	2024
	Universal Life	
Interest accretion rate	3.74 %	3.65 %
Weighted-average liability (years)	23.9	26.0

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

Policyholder Account Balances

Changes in the policyholder account balances are as follows:

	Year Ended December 31			
	2025		2024	
	Deferred Annuities	Universal Life	Deferred Annuities	Universal Life
	<i>(In Thousands)</i>			
Balance, beginning of year	\$ 27,458,951	\$ 3,383,616	\$ 25,654,942	\$ 3,327,607
Premiums received	5,675,537	518,433	5,008,774	471,543
Policy charges	(7,322)	(400,323)	(7,519)	(364,164)
Surrenders, withdrawals, benefit payments	(5,663,997)	(219,163)	(4,118,459)	(200,052)
Interest credited	1,095,395	148,557	918,493	150,478
Transfers from (to) separate accounts	(4,978)	(27)	(2,741)	265
Other	24,199	32,835	5,461	(2,061)
Balance, end of year	<u>\$ 28,577,785</u>	<u>\$ 3,463,928</u>	<u>\$ 27,458,951</u>	<u>\$ 3,383,616</u>
Weighted-average credited rate	3.99%	4.45%	3.52%	4.59%
Net amount at risk	\$ —	\$ 22,823,594	\$ —	\$ 22,611,089
Cash surrender value	\$ 27,125,861	\$ 3,357,080	\$ 25,985,798	\$ 3,258,098

For the years ended December 31, 2025 and 2024, the Company's annual assumption review did not result in any significant assumption updates. The Company did not have any significant deviation of actual experience from expected experience.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

The following table presents the policyholder account balances disaggregated by the range of minimum rates guaranteed to the policyholder, as well as the difference in basis points between the credited rate and the guaranteed minimum rate for the contract:

	As of December 31, 2025					
	At guaranteed minimum	1-50 basis points above	51-100 basis points above	101-200 basis points above	Greater than 200 basis points above	Total
	<i>(In Thousands)</i>					
Deferred annuities						
Up to 1.00%	\$ 113,842	\$ 407,699	\$ 431,895	\$ 154,913	\$ 5,638,956	\$ 6,747,305
1.01% - 2.00%	528,584	57,981	90,229	190,666	13,398,351	14,265,811
2.01% - 3.00%	2,162,882	112,157	389,292	1,428,345	1,010,489	5,103,165
3.01% - 4.00%	375,205	341	7	55	—	375,608
4.01% and above	7,969	—	—	—	—	7,969
No GMIR	—	—	—	—	—	2,077,927
Total	\$ 3,188,482	\$ 578,178	\$ 911,423	\$ 1,773,979	\$20,047,796	\$28,577,785
Universal life						
Up to 1.00%	\$ 126	\$ —	\$ —	\$ 23,563	\$ —	\$ 23,689
1.01% - 2.00%	587,384	42,292	28,562	19,624	89,208	767,070
2.01% - 3.00%	150,771	199,466	107,212	193,256	—	650,705
3.01% - 4.00%	662,503	183,856	6,771	3,778	60	856,968
4.01% and above	139,368	83,242	—	—	—	222,610
No GMIR	—	—	—	—	—	942,886
Total	\$ 1,540,152	\$ 508,856	\$ 142,545	\$ 240,221	\$ 89,268	\$ 3,463,928

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

As of December 31, 2024						
	At Guaranteed Minimum	1-50 Basis Points Above	51-100 Basis Points Above	101-200 Basis Points Above	Greater Than 200 Basis Points Above	Total
<i>(In Thousands)</i>						
Deferred annuities						
Up to 1.00%	\$ 339,880	\$ 394,774	\$ 307,144	\$ 410,205	\$ 9,170,296	\$10,622,299
1.01% - 2.00%	649,061	46,409	52,806	219,029	8,336,092	9,303,397
2.01% - 3.00%	2,560,167	109,545	336,428	998,116	841,213	4,845,469
3.01% - 4.00%	413,199	482	57	57	99	413,894
4.01% and above	8,471	—	—	—	—	8,471
No GMIR	—	—	—	—	—	2,265,421
Total	\$ 3,970,778	\$ 551,210	\$ 696,435	\$ 1,627,407	\$18,347,700	\$27,458,951
Universal life						
Up to 1.00%	\$ —	\$ —	\$ —	\$ 25,011	\$ —	\$ 25,011
1.01% - 2.00%	574,433	46,626	29,378	20,635	61,225	732,297
2.01% - 3.00%	142,093	205,545	113,983	212,516	—	674,137
3.01% - 4.00%	708,644	193,107	6,810	3,578	56	912,195
4.01% and above	144,949	86,953	—	—	—	231,902
No GMIR	—	—	—	—	—	808,074
Total	\$ 1,570,119	\$ 532,231	\$ 150,171	\$ 261,740	\$ 61,281	\$ 3,383,616

The following table shows the reconciliation of separate accounts liabilities to the consolidated balance sheets:

	Year Ended December 31	
	2025	2024
<i>(In Thousands)</i>		
Unitized policyholder separate account liabilities		
Deferred annuities	\$ 1,059,568	\$ 1,090,438
Universal life	316,019	299,684
Total unitized policyholder separate account liabilities	1,375,587	1,390,122
Reconciling items:		
Pension liability	1,310,658	1,207,335
Other operations	36,452	24,442
Liabilities related to separate accounts per consolidated balance sheets	\$ 2,722,697	\$ 2,621,899

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

6. Policy Reserves and Liabilities Related to Separate Accounts (continued)

The following table presents a rollforward of the separate account balance associated with unitized policyholder funds:

	Year Ended December 31			
	2025		2024	
	Deferred Annuity	Universal Life	Deferred Annuity	Universal Life
	<i>(In Thousands)</i>			
Unitized policyholder reserves				
Balance, beginning of year	\$ 1,090,438	\$ 299,684	\$ 1,102,798	\$ 146,748
Premiums received	15,283	989	15,845	151,366
Policy charges	(3,375)	(3,586)	(4,624)	(3,640)
Surrenders, withdrawals and benefit payments	(175,666)	(6,531)	(167,688)	(5,598)
Change in market performance	127,628	30,104	141,250	15,853
Transfers to (from) separate account	4,884	(205)	2,726	(292)
Other	376	(4,436)	131	(4,753)
Balance, end of year	<u>\$ 1,059,568</u>	<u>\$ 316,019</u>	<u>\$ 1,090,438</u>	<u>\$ 299,684</u>
Cash surrender value	\$ 1,041,909	\$ 299,679	\$ 1,069,038	\$ 299,591

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

7. Closed Blocks

Closed block assets and liabilities are as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Closed block liabilities:		
Policy reserves	\$ 2,528,283	\$ 2,595,188
Other policyholder funds	47,433	49,674
Policyholder dividend obligation	—	—
Other accrued liabilities	77,859	59,577
Total closed block liabilities	2,653,575	2,704,439
Closed block assets:		
Investments:		
Debt securities available-for-sale, at fair value	2,125,142	2,134,659
Mortgage loans, net	21,736	22,430
Policy loans	188,214	197,904
Cash and other invested assets	71,944	40,761
Accrued investment income	28,275	28,145
Deferred tax asset	57,499	77,638
Other assets	10,532	13,809
Total closed block assets	2,503,342	2,515,346
Closed block liabilities in excess of closed block assets	150,233	189,093
Amounts representing other accumulated comprehensive income (loss):		
Unrealized gains (losses), net of income tax expense (benefit) of (\$26,442) and (\$36,827) in 2025 and 2024, respectively	(99,471)	(138,541)
Allocated to policyholder dividend obligation, net of income tax expense (benefit) of \$6,173 and \$5,727 in 2025 and 2024, respectively	23,221	21,544
Maximum future earnings to be recognized from closed block assets and liabilities	\$ 73,983	\$ 72,096

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

7. Closed Blocks (continued)

Closed block revenue and expenses are as follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Insurance premiums and other considerations	\$ 77,932	\$ 85,961
Net investment income	122,169	124,561
Net investment gains (losses)	(2,768)	(278)
Total revenue	<u>197,333</u>	210,244
Policy benefits	125,347	131,122
Dividends to policyholders	44,449	46,932
Change in policyholder dividend obligation	2,741	2,116
Other operating expenses	27,773	27,906
Total benefits and expenses	<u>200,310</u>	208,076
Closed block earnings before income taxes	(2,977)	2,168
Income taxes	(1,090)	338
Closed block earnings	<u>\$ (1,887)</u>	<u>\$ 1,830</u>
Maximum future earnings to be recognized from closed block assets and liabilities:		
Beginning of year	\$ 72,096	\$ 73,926
Funding adjustment	—	—
End of year	73,983	72,096
Change in maximum future earnings	<u>\$ 1,887</u>	<u>\$ (1,830)</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

7. Closed Blocks (continued)

The change in policyholder dividend obligation is as follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Balance at beginning of year	\$ —	\$ —
Amount resulting from and allocated to net investment gains (losses)	9,354	234
Amount allocated to policyholder dividends	2,741	2,116
Amount resulting from and allocated to unrealized gains (losses)	(2,123)	(23,686)
Amount resulting from tax rate adjustment	(9,972)	21,336
Balance at end of year	\$ —	\$ —

At least annually, management performs premium deficiency testing to project whether future earnings on the closed block are sufficient to support the payment of future closed block contractual benefits. The most recent deficiency testing demonstrated that the projected future earnings of the closed block are sufficient.

8. Debt

Debt and other liabilities consist of the following:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Securities lending obligations	\$ 1,127,441	\$ 1,204,894
Nonrecourse trust and partnership obligations	1,151,068	1,129,488
Senior notes, 5.75% interest rate, due 2033	497,203	496,841
Surplus notes, 5.15% interest rate, due 2049	492,202	492,032
Surplus notes, 3.75% interest rate, due 2061	492,164	492,061
Other notes payable	5,805	3,328
	\$ 3,765,883	\$ 3,818,644

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

8. Debt (continued)

On July 7, 2003, the Company completed a senior notes offering (The Notes) pursuant to Rule 144A under the Securities Act of 1933, as amended. The Notes consist of unsecured senior obligations with an aggregate principal amount of \$350.0 million at an interest rate of 5.75%. The Notes mature on July 15, 2033. Interest is paid semiannually on January 15 and July 15 of each year, beginning January 15, 2004.

On January 15, 2004, the Company completed a reopening of The Notes issued on July 7, 2003. The reopening constituted a further issuance of, and has been consolidated with, The Notes issued on July 7, 2003. The reopening was sold with an original issue discount of \$3.9 million creating an effective yield for the reopening of 5.94%. The aggregate amount of principal in the reopening was \$150.0 million, for a total amount of \$500.0 million unsecured senior obligations under The Notes, as of January 15, 2004.

The Company completed two surplus notes issuances (collectively the Surplus Notes), the first on January 23, 2019 (the 2019 Surplus Notes) and the second on April 28, 2021 (the 2021 Surplus Notes), pursuant to Rule 144A as defined by the Securities Act of 1933, as amended. Each issuance consisted of unsecured obligations with an aggregate principal amount of \$500.0 million in exchange for \$497.4 million and \$497.6 million in cash, respectively, for the 2019 Surplus Notes and the 2021 Surplus Notes. The 2019 Surplus Notes have an annual interest rate of 5.15%, with interest paid semi-annually on January 15 and July 15 of each year, and a maturity date of January 15, 2049. The 2021 Surplus Notes have an annual interest rate of 3.75%, with interest paid semi-annually on April 28 and October 28 of each year, and a maturity date of April 28, 2061. Each payment of principal, of interest on or redemption price with respect to the Surplus Notes, may be made only with the prior approval of the Ohio Director of Insurance.

The nonrecourse trust and partnership obligations are primarily related to CLO, real estate partnerships and limited liability companies. At December 31, 2025 and 2024, the non-recourse debt associated with CLO totaled \$990.0 million and \$1,002.1 million, respectively, and the non-recourse debt associated with real estate partnerships and limited liability companies totaled \$161.1 million and \$127.4 million, respectively.

Included in other liabilities and accrued expenses on the Company's consolidated balance sheets are other partnership obligations, which are primarily related to real estate partnerships and limited liability companies, with certain recourse provisions up to \$7.3 million and \$2.2 million at December 31, 2025 and 2024, respectively.

During 2025 and 2024, the Company engaged in certain securities lending transactions for the purpose of enhancing the yield on its investment securities portfolio. The securities lending program is administered by Mitsubishi UFJ Trust and Banking Corporation. The Company loaned \$1,100.0 million and \$1,176.0 million of various U.S. Treasury securities, corporate

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

8. Debt (continued)

securities and equity securities as part of a securities lending program as of December 31, 2025 and 2024, respectively. The Company requires collateral in the amount of 102% of fair value of the applicable securities loaned. The Company monitors the fair value of the underlying securities as compared with the related receivable or payable, including accrued interest, and requests additional collateral as necessary. The Company maintains effective control over all loaned securities and, therefore, continues to report such securities as invested assets in the consolidated balance sheets. The collateral received is primarily invested in debt securities and short-term investments with an offsetting liability recognized in securities lending obligations for the obligation to return the collateral. The Company had \$1,122.9 million and \$1,211.9 million of collateral as of December 31, 2025 and 2024, respectively.

The remaining contractual maturities for securities lending transactions accounted for as secured borrowings were as follows:

	As of December 31, 2025				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater than 90 Days	Total
	<i>(In Thousands)</i>				
Securities Lending Transactions					
Corporate securities	\$ 641,898	\$ —	\$ —	\$ —	\$ 641,898
Asset-backed securities	—	—	—	—	—
U.S. Treasury securities and obligations of U.S. government corporations and agencies	16,930	—	—	—	16,930
Debt securities issued by states of the U.S. and political subdivisions of the states	64,735	—	—	—	64,735
Short-term investments	403,878	—	—	—	403,878
Total	\$ 1,127,441	\$ —	\$ —	\$ —	\$ 1,127,441
Gross amount of recognized liabilities for securities lending:					\$ 1,127,441
Amounts related to agreements not included in offsetting disclosures:					\$ 1,127,441

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

8. Debt (continued)

	As of December 31, 2024				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater than 90 Days	Total
	<i>(In Thousands)</i>				
Securities Lending Transactions					
Corporate securities	\$ 532,757	\$ —	\$ —	\$ —	\$ 532,757
Asset-backed securities	—	—	—	—	—
U.S. Treasury securities and obligations of U.S. government corporations and agencies	28,529	—	—	—	28,529
Debt securities issued by states of the U.S. and political subdivisions of the states	63,375	—	—	—	63,375
Short-term investments	580,233	—	—	—	580,233
Total	\$ 1,204,894	\$ —	\$ —	\$ —	\$ 1,204,894
Gross amount of recognized liabilities for securities lending:					\$ 1,204,894
Amounts related to agreements not included in offsetting disclosures:					\$ 1,204,894

Interest paid by the Company on total debt was \$142.5 million and \$154.0 million, and interest expensed by the Company was \$153.0 million and \$157.6 million for 2025 and 2024, respectively. Interest expense is included in other operating expenses within the Company's consolidated statements of income. Included in interest paid was \$28.8 million and \$28.8 million and included in interest expensed was \$29.1 million and \$29.1 million in 2025 and 2024, respectively, related to The Notes. Included in interest paid was \$44.5 million and \$44.5 million and included in interest expensed was \$44.8 million and \$44.8 million in 2025 and 2024, respectively, related to the Surplus Notes. The remaining amounts of interest paid and interest expensed relate primarily to nonrecourse trust and partnership obligations.

Aggregate maturities of the Company's long-term debt (excluding securities lending obligations) are as follows: 2026 – \$77.4 million; 2027 – \$54.2 million; 2028 – \$0.2 million; 2029 – \$43.4 million; 2030 – \$0.0 million and thereafter – \$2,470.5 million.

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments

The Company uses fair value measurements to record the fair value of certain assets and liabilities and to estimate the fair value of financial instruments not recorded at fair value but required to be disclosed at fair value. The Company follows fair value measurement principles in determining fair value disclosure amounts. Certain financial instruments, particularly policyholder liabilities other than investment-type contracts, are excluded from this fair value discussion.

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company's Level 1 assets and liabilities primarily include U.S. Treasury securities, exchange-traded equity securities, mutual funds and short-term investments.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The Company's Level 2 assets and liabilities primarily include certain debt and equity securities, debt trading securities, freestanding derivatives for which public price quotations are not available but that use other market observable inputs from third-party pricing service quotes or internal valuation models using observable inputs and nonrecourse trust and partnership obligations.
- Level 3 – Significant unobservable inputs for the asset or liability. The Company's Level 3 assets and liabilities primarily include certain debt securities, certain real estate and tax credit partnership interests, MRBs, freestanding derivatives and embedded derivatives that must be priced using non-binding broker quotes or other valuation techniques that utilize significant unobservable inputs.

The following discussion describes the valuation methodologies utilized by the Company for assets and liabilities measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows and the credit standing of the issuer. Such estimates do not consider the tax impact of the realization of unrealized gains or losses. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial instrument.

As described below, certain fair values are determined through the use of third-party pricing services. The Company does not adjust prices received from third parties; however, the Company does analyze the third-party pricing services' valuation methodologies and related inputs and perform additional evaluation to determine the appropriate level within the fair value hierarchy.

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

The Company performs annual due diligence of third-party pricing services, which includes assessing the vendor's valuation qualifications, control environment, analysis of asset class specific valuation methodologies and understanding of market observable assumptions and unobservable assumptions, if any, employed in the valuation methodology.

For Level 3 investments, the fair value estimates cannot be substantiated by comparison to independent markets. Care should be exercised in deriving conclusions about the Company's business, its value or financial position based on the fair value information of financial instruments presented below.

Debt Securities

The fair values of actively traded debt securities have been determined through the use of third-party pricing services utilizing market observable inputs. Private placement securities trading in less liquid or illiquid markets with limited or no pricing information are valued using either broker quotes or by discounting the expected cash flows using current market-consistent rates applicable to the yield, credit quality and maturity of each security.

Equity Securities

The fair values of actively traded equity securities have been determined utilizing publicly quoted prices obtained from third-party pricing services. The fair values of certain equity securities for which no publicly quoted prices are available have been determined through the use of third-party pricing services utilizing market observable inputs. Actively traded mutual funds are valued using the net asset values of the funds.

Debt Trading Securities

The fair values of these assets have been determined using the same methodologies outlined above for debt and equity securities.

Short-Term Investments

The fair values of short-term investments are based on quoted market prices.

Other Invested Assets

The fair values of private equity investments have been determined using available sales prices, the net asset values of the funds or internal valuation methodologies appropriate for the specific assets.

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

The fair values of freestanding derivative instruments, primarily call options, are determined using market observable inputs from third-party pricing service quotes or internal valuation models using observable inputs, when available. When market observable inputs are unavailable the Company utilizes valuation models incorporating significant unobservable inputs, including projected discounted cash flows, applicable swap curves and implied volatilities.

The fair values of certain real estate partnership investments have been determined utilizing third-party appraisals or internal valuation methodologies appropriate for the specific assets.

Assets Held in Separate Accounts

Assets held in separate accounts include debt securities, equity securities, mutual funds, private funds that invest primarily in domestic debt securities and private equity investments. The fair values of these assets have been determined using the same methodologies outlined above for debt and equity securities.

Other Assets

On variable annuity and equity indexed annuity contracts, guaranteed living and death benefits are fair valued under MRB guidance. The fair value of MRBs is calculated based on actuarial and capital market assumptions reflecting the projected cash flows over the life of the contract and incorporating expected policyholder behavior and the Company's own credit risk.

Policy Reserves

Equity indexed annuity contracts and universal life policies include embedded derivatives that have been bifurcated from the host contract. The fair value of embedded derivatives is calculated based on actuarial and capital market assumptions reflecting the projected cash flows over the life of the contract and incorporating expected policyholder behavior and the Company's own credit risk.

Nonrecourse Trust and Partnership Obligations

Nonrecourse trust and partnership obligations held at fair value consist of debt issued by CLOs consolidated by the Company. The Company has elected to use a practical expedient, allowing the Company to calculate the carrying value of the CLO liabilities based on the fair value of the associated CLO assets (which have more observable fair values) as an alternative to reporting those liabilities at a separately measured fair value. As a result, the liabilities are reported within the fair value hierarchy on the same proportional basis as the CLO assets.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

Other Liabilities and Accrued Expenses

Other liabilities and accrued expenses include certain freestanding derivatives, primarily written call options, certain embedded derivatives related to modified coinsurance arrangements, and MRBs. The fair values of the freestanding derivative instruments have been determined using the same methodologies outlined above for derivative assets. The fair values of the embedded derivatives are determined using the fair values of the underlying securities of the agreement. The fair value of the MRBs are determined using the methodology outlined above for other assets.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

Assets and liabilities measured at fair value on a recurring basis at December 31, 2025 and 2024, are outlined below:

	December 31, 2025				
	Assets/ (Liabilities) Measured at Fair Value	Amount Measured at Net Asset Value	Fair Value Hierarchy Level		
			Level 1	Level 2	Level 3
<i>(In Thousands)</i>					
Assets					
Debt securities:					
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 691,123	\$ —	\$ 665,969	\$ 25,154	\$ —
Debt securities issued by states of the U.S. and political subdivisions of the states	784,787	—	—	783,787	1,000
Non-U.S. government securities	550,015	—	—	550,015	—
Corporate securities	32,094,633	—	—	31,392,187	702,446
Residential mortgage-backed securities	5,025,579	—	—	4,858,409	167,170
Commercial mortgage-backed securities	4,519,908	—	—	4,477,894	42,014
Asset-backed securities	9,363,450	—	—	9,089,227	274,223
Total debt securities	53,029,495	—	665,969	51,176,673	1,186,853
Equity securities:					
Common equity	3,551,818	16,793	3,514,538	—	20,487
Mutual funds	472,607	—	472,607	—	—
Preferred stock	615,883	—	—	578,314	37,569
Total equity securities	4,640,308	16,793	3,987,145	578,314	58,056
Debt trading securities	3,701,487	—	4,608	3,696,879	—
Short-term investments	1,519,955	—	1,519,955	—	—
Other invested assets	2,690,855	235,155	16,818	221,738	2,217,144
Assets held in separate accounts ⁽¹⁾	2,722,697	241,862	1,986,845	441,903	52,087
Other assets	18,665	—	—	—	18,665
Total assets	\$ 68,323,462	\$ 493,810	\$ 8,181,340	\$ 56,115,507	\$ 3,532,805
Liabilities					
Policy reserves	\$ (385,517)	\$ —	\$ —	\$ —	\$ (385,517)
Nonrecourse trust and partnership obligations	(989,978)	—	—	(989,978)	—
Other liabilities and accrued expenses	(160,581)	—	—	(124,937)	(35,644)
Total liabilities	\$ (1,536,076)	\$ —	\$ —	\$ (1,114,915)	\$ (421,161)

⁽¹⁾ Assets held in separate accounts includes \$533.6 million of debt securities, \$834.2 million of equity securities, and \$44.3 million of cash and cash equivalents related to separate accounts, excluding the pension (see Note 11 for details on assets backing the pension).

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

	December 31, 2024				
	Assets/ (Liabilities) Measured at Fair Value	Amount Measured at Net Asset Value	Fair Value Hierarchy Level		
			Level 1	Level 2	Level 3
<i>(In Thousands)</i>					
Assets					
Debt securities:					
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 187,113	\$ —	\$ 142,219	\$ 44,894	\$ —
Debt securities issued by states of the U.S. and political subdivisions of the states	799,758	—	—	798,758	1,000
Non-U.S. government securities	566,663	—	—	566,663	—
Corporate securities	28,466,951	—	—	27,877,024	589,927
Residential mortgage-backed securities	4,499,734	—	—	4,078,289	421,445
Commercial mortgage-backed securities	4,962,562	—	—	4,911,460	51,102
Asset-backed securities	9,369,268	—	—	9,154,539	214,729
Total debt securities	48,852,049	—	142,219	47,431,627	1,278,203
Equity securities:					
Common equity	3,157,990	16,799	3,124,660	—	16,531
Mutual funds	377,380	—	377,380	—	—
Preferred stock	458,385	—	—	420,732	37,653
Total equity securities	3,993,755	16,799	3,502,040	420,732	54,184
Debt trading securities	3,653,832	—	—	3,653,832	—
Short-term investments	1,157,720	—	1,157,720	—	—
Other invested assets	2,385,636	301,767	5,204	134,950	1,943,715
Assets held in separate accounts ⁽¹⁾	2,621,899	224,541	1,944,132	413,907	39,319
Other assets	22,824	—	—	—	22,824
Total assets	\$ 62,687,715	\$ 543,107	\$ 6,751,315	\$ 52,055,048	\$ 3,338,245
Liabilities					
Policy reserves	\$ (348,190)	\$ —	\$ —	\$ —	\$ (348,190)
Nonrecourse trust and partnership obligations	(1,002,068)	—	—	(1,002,068)	—
Other liabilities and accrued expenses	(136,338)	—	—	(75,131)	(61,207)
Total liabilities	\$ (1,486,596)	\$ —	\$ —	\$ (1,077,199)	\$ (409,397)

⁽¹⁾ Assets held in separate accounts includes \$517.3 million of debt securities, \$862.9 million of equity securities, and \$34.4 million of cash and cash equivalents related to separate accounts, excluding the pension (see Note 11 for details on assets backing the pension).

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

Included in other invested assets in the tables above are the Company's investments in certain private equity funds held at fair value. The Company invests in private equity funds that primarily make direct and indirect venture capital and buyout investments. The fair values of private equity investments are, in most cases, determined based upon the net asset value of the funds and have not been classified in the fair value hierarchy. The private equity funds are primarily closed-end funds in which the Company's investments are not eligible for redemption. Distributions will be received from these funds as the underlying assets are liquidated and it is estimated that substantially all of the underlying assets of existing funds will be liquidated over the next 15 years. The fair values of the Company's investments in these private equity funds were \$307.6 million and \$328.0 million and unfunded commitments to these private equity funds were \$134.8 million and \$136.3 million as of December 31, 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

The reconciliation, including gross purchases, issuances, sales and settlements, for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2025, is as follows:

	Beginning Assets/ (Liabilities) as of January 1, 2025	Total Realized/ Unrealized Gains (Losses)	Purchases	Issuances	Sales and Settlements	Transfers Into Level 3 ⁽¹⁾	Transfers Out of Level 3 ⁽¹⁾	Ending Assets/ (Liabilities) as of December 31, 2025
<i>(In Thousands)</i>								
Assets								
Debt securities:								
Debt securities issued by states of the U.S. and political subdivisions of the states	\$ 1,000	\$ —	\$ 80	\$ —	\$ (80)	\$ —	\$ —	\$ 1,000
Corporate securities	589,927	4,498	237,615	—	(90,911)	—	(38,683)	702,446
Residential mortgage-backed securities	421,445	464	45,470	—	(42,455)	—	(257,754)	167,170
Commercial mortgage-backed securities	51,102	(2,222)	—	—	(567)	—	(6,299)	42,014
Asset-backed securities	214,729	4,177	154,657	—	(6,381)	—	(92,959)	274,223
Common equity	16,531	2,831	1,125	—	—	—	—	20,487
Preferred stock	37,653	(4,677)	4,593	—	—	—	—	37,569
Other invested assets	1,943,715	(15,249)	483,813	—	(151,913)	35,534	(78,756)	2,217,144
Assets held in separate accounts	39,319	1,154	12,400	—	(786)	—	—	52,087
Liabilities								
Policy reserves	(348,190)	(96,611)	—	(7,842)	67,126	—	—	(385,517)
Other liabilities and accrued expenses ⁽²⁾	(27,824)	—	—	—	—	—	27,824	—
Net MRB (Asset) Liability	(10,559)	(7,070)	—	(7)	657	—	—	(16,979)

⁽¹⁾ Transfers into/out of Level 3 are recognized as of the beginning of the reporting period. Transfers into Level 3 represent other invested assets typically priced at NAV but moved to Level 3 due to a change in the pricing source. Transfers out of Level 3 for debt securities and other liabilities and accrued expenses are due to securities where the price source has changed to utilizing third party pricing services utilizing market observable inputs. Transfers out of Level 3 for other invested assets include the consolidation of an other invested asset previously held at fair value.

⁽²⁾ Amounts within other assets and other liabilities and accrued expenses related to MRBs are reported under the heading net MRB (asset) liability

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

9. Fair Values of Financial Instruments (continued)

The reconciliation, including gross purchases, issuances, sales and settlements, for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2024, is as follows:

	Beginning Assets/ (Liabilities) as of January 1, 2024	Total Realized/ Unrealized Gains (Losses)	Purchases	Issuances	Sales and Settlements	Transfers Into Level 3 ⁽¹⁾	Transfers Out of Level 3 ⁽¹⁾	Ending Assets/ (Liabilities) as of December 31, 2024
<i>(In Thousands)</i>								
Assets								
Debt securities:								
Debt securities issued by states of the U.S. and political subdivisions of the states	\$ 1,000	\$ —	\$ 55	\$ —	\$ (55)	\$ —	\$ —	\$ 1,000
Corporate securities	530,102	842	112,760	—	(53,777)	—	—	589,927
Residential mortgage-backed securities	367,895	18,598	88,051	—	(66,579)	13,480	—	421,445
Commercial mortgage-backed securities	36,308	1,316	15,000	—	(1,522)	—	—	51,102
Asset-backed securities	229,853	(6,393)	—	—	(8,731)	—	—	214,729
Common equity	23,865	(432)	—	—	(6,902)	—	—	16,531
Preferred stock	27,176	(523)	11,000	—	—	—	—	37,653
Debt trading securities	2,399	28	—	—	(2,427)	—	—	—
Other invested assets	1,716,028	(128,900)	604,578	—	(249,855)	1,864	—	1,943,715
Assets held in separate accounts	23,734	1,224	15,998	—	(1,637)	—	—	39,319
Liabilities								
Policy reserves	(369,733)	(40,272)	—	(12,383)	74,198	—	—	(348,190)
Other liabilities and accrued expenses ⁽²⁾	(39,654)	28,513	—	(17,325)	642	—	—	(27,824)
Net MRB Asset (Liability)	(38,840)	27,733	—	(37)	585	—	—	(10,559)

⁽¹⁾ Transfers into/out of Level 3 are recognized as of the beginning of the reporting period. Transfers into Level 3 are due to securities where the price source has changed to utilizing a valuation methodology that incorporates significant unobservable inputs.

⁽²⁾ Amounts within other assets and other liabilities and accrued expenses related to MRBs are reported under the heading net MRB (asset) liability

During 2025 and 2024, the Company did not experience any transfers between Level 1 and Level 2 of the fair value hierarchy. During 2025 and 2024, there were no material assets or liabilities measured at fair value on a nonrecurring basis.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

10. Funding Agreements

Through its association with the Federal Home Loan Bank (FHLB), the Company can enter into funding agreements. The Company had liabilities for these funding agreements of \$3,915.7 million and \$3,570.4 million as of December 31, 2025 and 2024, respectively. The contracts are recorded in policy reserves on the consolidated balance sheets, and will mature between 2026 and 2032. Interest is credited monthly at fixed annual rates ranging between 1.99% and 5.45% in 2025 and 1.46% and 5.45% in 2024. The Company pledged collateral for these funding agreements, which consisted of investments with a fair value of \$9,055.6 million and \$8,284.3 million at December 31, 2025 and 2024, respectively. Based on the outstanding funding agreements and pledged collateral, the Company is maintaining collateral in excess of what is required at the FHLB of approximately \$4.2 billion and \$3.9 billion at December 31, 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans

The Company has a noncontributory pension plan under a deposit administration group annuity contract covering substantially all employees and field representatives that meet eligibility requirements while working for the Company and attaining normal retirement age. In addition, the Company provides certain healthcare and life insurance benefits for certain retired employees or their beneficiaries.

Information regarding the funded status of the pension plan and other postretirement healthcare and life insurance benefits as a whole is as follows:

	Pension Benefits		Postretirement Healthcare and Life Insurance Benefits	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
Change in projected benefit obligation:				
Benefit obligation, beginning of year	\$ 833,406	\$ 874,864	\$ 161,091	\$ 182,618
Service cost	19,554	22,811	782	1,007
Interest cost	44,913	42,679	8,080	8,241
Actuarial loss (gain)	32,804	(55,528)	(4,801)	(18,610)
Plan amendments	—	—	—	—
Settlements	—	—	—	—
Contributions by plan participants	—	—	4,250	4,611
Benefits paid during year	(52,035)	(51,420)	(14,470)	(16,776)
Benefit obligation, end of year	<u>\$ 878,642</u>	<u>\$ 833,406</u>	<u>\$ 154,932</u>	<u>\$ 161,091</u>
Change in plan assets:				
Fair value of assets, beginning of year	\$ 1,207,335	\$ 1,113,295	\$ 547	\$ 570
Actual return on assets	155,358	145,460	(22)	(24)
Employer contribution	—	—	10,220	12,166
Plan participants' contributions	—	—	4,250	4,611
Settlements	—	—	—	—
Benefits paid	(52,035)	(51,420)	(14,470)	(16,776)
Fair value of assets, end of year	<u>\$ 1,310,658</u>	<u>\$ 1,207,335</u>	<u>\$ 525</u>	<u>\$ 547</u>
Funded status	<u>\$ 432,016</u>	<u>\$ 373,929</u>	<u>\$ (154,407)</u>	<u>\$ (160,544)</u>
Assets (liabilities) recognized in the consolidated balance sheets	<u>\$ 432,016</u>	<u>\$ 373,929</u>	<u>\$ (154,407)</u>	<u>\$ (160,544)</u>

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

Information regarding the amounts recognized in accumulated other comprehensive income (loss), net of income taxes, related to the pension plan and other postretirement healthcare and life insurance benefits plan is as follows at December 31, 2025 and 2024:

	Pension Benefits		Postretirement Healthcare and Life Insurance Benefits	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
Actuarial loss (gain)	\$ (98,814)	\$ (70,858)	\$ (59,195)	\$ (59,560)
Prior service cost (credit)	1,074	1,493	(124)	(155)
Total	\$ (97,740)	\$ (69,365)	\$ (59,319)	\$ (59,715)

Information regarding the amounts recognized in other comprehensive income, net of income taxes, related to the pension plan and other postretirement healthcare and life insurance benefits plan is as follows for the years ended December 31, 2025 and 2024:

	Pension Benefits		Postretirement Healthcare and Life Insurance Benefits	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
Change in actuarial loss (gain)	\$ (27,956)	\$ (92,619)	\$ 365	\$ (4,798)
Change in prior service cost (credit)	(419)	(420)	31	31
Total	\$ (28,375)	\$ (93,039)	\$ 396	\$ (4,767)

The accumulated benefit obligation for the defined benefit pension plan was \$815.0 million and \$767.4 million at December 31, 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

The assumptions used to determine net periodic benefit cost for the year ended December 31 were as follows:

	Pension Benefits		Postretirement Healthcare and Life Insurance Benefits	
	2025	2024	2025	2024
Discount rate	5.73%	5.13%	5.70%	5.11%
Rate of compensation increase	4.60%	4.60%	N/A	N/A
Expected return on plan assets	7.50%	7.50%	N/A	N/A

The assumptions used to determine the benefit obligation as of December 31 were as follows:

	Pension Benefits		Postretirement Healthcare and Life Insurance Benefits	
	2025	2024	2025	2024
Discount rate	5.64%	5.72%	5.56%	5.69%
Rate of compensation increase	4.60%	4.60%	N/A	N/A

The Company utilizes a full yield curve approach in the estimation of liabilities, service cost, and interest cost for pension and postretirement benefits by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. The yield curve utilized in the cash flow analysis is comprised of highly rated (Aaa or Aa) corporate bonds. The discount rate was decreased from 5.72% at December 31, 2024 to 5.64% at December 31, 2025 which resulted in a \$12.7 million increase in the pension benefit obligation in 2025. The discount rate was increased from 5.13% at December 31, 2023 to 5.72% at December 31, 2024 which resulted in a \$57.1 million decrease in the pension benefit obligation in 2024.

The Company's mortality assumption for plan participants, including future mortality improvements, is generally derived from tables published by the Society of Actuaries (SOA). As of December 31, 2025, the mortality assumptions for active and retired participants were updated to the SOA white collar tables. The change to the mortality assumption resulted in a \$21.7 million increase in the pension benefit obligation in 2025.

The Company employs a prospective building block approach in determining the long-term expected rate of return for plan assets. Historical returns are determined by asset class. The

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

historical relationships between equities, fixed income securities, and other assets are reviewed. The Company applies long-term asset return estimates to the plan's target asset allocation to determine the weighted-average long-term return. The Company's long-term asset allocation was determined through modeling long-term returns and asset return volatilities and is guided by an investment policy statement created for the plan.

For purposes of measuring the benefit obligation, a 5.275% rate of increase in the cost of covered healthcare benefits was assumed for 2026. The rate was assumed to decrease gradually to 4.75% for 2033 and remain at that level thereafter.

The Company uses a December 31 measurement date for all plans.

The actual asset allocation for the defined benefit pension plan at the end of 2025 and 2024, and the target allocation for 2025, by asset category, are as follows:

	Target Allocation Percentage	Actual Percentage of Plan Assets	
		2025	2024
Asset category			
Equity securities	60%	65%	65%
Debt securities	13%	16	16
Other	27%	19	19
Total		100%	100%

The plan employs a total return investment approach whereby a mix of fixed income and equity investments is used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. The total portfolio is structured with multiple sub-portfolios, each with a specific fixed income or equity asset management discipline. Each sub-portfolio is subject to individual limitations and performance benchmarks as well as limitations at the consolidated portfolio level. Quarterly asset allocation meetings are held to evaluate portfolio asset allocation and to establish the optimal mix of assets given current market conditions and risk tolerance. Investment mix is measured and monitored on an ongoing basis through regular investment reviews, annual liability measurements and periodic asset/liability studies.

The Company's pension plan assets consist primarily of debt and equity securities, mutual funds and private equity funds, all of which are carried at fair value.

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company’s Level 1 assets primarily include exchange-traded equity securities and mutual funds.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The Company’s Level 2 assets primarily include certain debt securities for which public price quotations are not available, but that use other market observable inputs from third-party pricing service quotes or internal valuation models using observable inputs. Level 2 assets also include private funds that invest primarily in domestic debt securities where the Company has the right to redeem its interest at net asset values. The underlying debt securities within these funds employ similar valuation methodologies as the Company’s other investments in debt securities.
- Level 3 – Significant unobservable inputs for the asset or liability. The Company’s Level 3 assets primarily include real estate partnership interests.

Debt Securities

The fair values of actively traded debt securities have been determined through the use of third-party pricing services utilizing market observable inputs.

Equity Securities

The fair values of actively traded equity securities have been determined utilizing publicly quoted prices from third-party pricing services.

Mutual Funds

The fair values of mutual funds have been determined utilizing the net asset values of the funds.

Private Equity and Fixed Income Funds

The Company invests in private equity funds, which primarily make direct and indirect venture capital and buyout investments, and fixed income funds, which primarily make direct investments in fixed income securities across various sectors. The fair values of private equity and fixed income funds have been determined utilizing the net asset values of the funds. The unfunded commitment to private equity funds was approximately \$52.4 million and \$68.2 million at December 31, 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

The fair value of the pension plan's assets by asset category is as follows:

	December 31, 2025				
	Assets Measured at Fair Value	Amount Measured at Net Asset Value	Fair Value Hierarchy Level		
			Level 1	Level 2	Level 3
	<i>(In Thousands)</i>				
Debt securities:					
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ —	\$ —	\$ —	\$ —	\$ —
Debt securities issued by states of the U.S. and political subdivisions of the states	1,995	—	—	1,995	—
Corporate securities	160,509	—	—	159,123	1,386
Residential mortgage-backed securities	531	—	—	531	—
Asset-backed securities	11,019	—	—	11,019	—
Equity securities:					
Common equity	686,356	49,077	637,279	—	—
Mutual funds	163,056	—	163,056	—	—
Mutual funds - fixed income ETFs	32,723	—	32,723	—	—
Preferred stock	—	—	—	—	—
Other invested assets:					
Private equity and fixed income funds	192,785	192,785	—	—	—
Other assets	61,684	—	8,669	2,315	50,700
Total plan assets	\$ 1,310,658	\$ 241,862	\$ 841,727	\$ 174,983	\$ 52,086

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

December 31, 2024						
Assets Measured at Fair Value	Amount Measured at Net Asset Value	Fair Value Hierarchy Level				
		Level 1	Level 2	Level 3		
<i>(In Thousands)</i>						
Debt securities:						
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Debt securities issued by states of the U.S. and political subdivisions of the states	2,009	—	—	2,009	—	—
Corporate securities	146,984	—	—	145,755	1,229	—
Residential mortgage-backed securities	605	—	—	605	—	—
Asset-backed securities	11,052	—	—	11,052	—	—
Equity securities:						
Common equity	647,296	45,479	601,817	—	—	—
Mutual funds	133,849	—	133,849	—	—	—
Mutual funds - fixed income ETFs	32,036	—	32,036	—	—	—
Preferred stock	605	—	—	605	—	—
Other invested assets:						
Private equity and fixed income funds	179,062	179,062	—	—	—	—
Other assets	53,837	—	13,138	2,609	38,090	—
Total plan assets	\$ 1,207,335	\$ 224,541	\$ 780,840	\$ 162,635	\$ 39,319	\$ —

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

The reconciliation for all plan assets measured at fair value using significant unobservable inputs (Level 3) for the year ended December 31, 2025, is as follows:

	<u>Actual Return Gains (Losses) on Plan Assets</u>						
	Beginning Assets as of January 1, 2025	Relating to Assets Still Held at the Reporting Date	Relating to Assets Sold During the Period	Purchases, Sales and Settlements	Transfers Into Level 3 ⁽¹⁾	Transfers Out of Level 3 ⁽¹⁾	Ending Assets as of December 31, 2025
<i>(In Thousands)</i>							
Debt securities:							
Corporate securities	\$ 1,229	\$ 157	\$ —	\$ —	\$ —	\$ —	\$ 1,386
Other assets	38,090	997	—	11,613	—	—	50,700
Total	\$ 39,319	\$ 1,154	\$ —	\$ 11,613	\$ —	\$ —	\$ 52,086

⁽¹⁾ Transfers into/out of Level 3 are recognized as of the beginning of the reporting period.

The reconciliation for all plan assets measured at fair value using significant unobservable inputs (Level 3) for the year ended December 31, 2024, is as follows:

	<u>Actual Return Gains (Losses) on Plan Assets</u>						
	Beginning Assets as of January 1, 2024	Relating to Assets Still Held at the Reporting Date	Relating to Assets Sold During the Period	Purchases, Sales and Settlements	Transfers Into Level 3 ⁽¹⁾	Transfers Out of Level 3 ⁽¹⁾	Ending Assets as of December 31, 2024
<i>(In Thousands)</i>							
Debt securities:							
Corporate securities	\$ —	\$ (131)	\$ —	\$ 1,360	\$ —	\$ —	\$ 1,229
Other assets	23,734	1,355	—	13,001	—	—	38,090
Total	\$ 23,734	\$ 1,224	\$ —	\$ 14,361	\$ —	\$ —	\$ 39,319

⁽¹⁾ Transfers into/out of Level 3 are recognized as of the beginning of the reporting period.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

Components of net periodic benefit cost for the pension plan and the other postretirement healthcare and life insurance benefits are as follows:

	Pension Benefits		Postretirement Healthcare and Life Insurance Benefits	
	2025	2024	2025	2024
	<i>(In Thousands)</i>			
Service cost	\$ 19,554	\$ 22,812	\$ 782	\$ 1,008
Interest cost ⁽²⁾	44,913	42,679	8,080	8,241
Expected return on assets ⁽²⁾	(87,167)	(83,750)	(8)	(9)
Amount of recognized loss (gain) ⁽¹⁾⁽²⁾	—	—	(5,233)	(12,504)
Amortization of prior service cost (credit) ⁽¹⁾⁽²⁾	531	531	(39)	(39)
Net periodic benefit cost	\$ (22,169)	\$ (17,728)	\$ 3,582	\$ (3,303)

⁽¹⁾ Reclassifications from other comprehensive income to net investment gains (losses).

⁽²⁾ Included in net investment gains (losses).

The assets of the Company's pension included approximately \$51.7 million and \$97.4 million invested in Touchstone Funds - mutual funds administered by a subsidiary of the Company - as of December 31, 2025 and December 31, 2024, respectively. The assets of the Company's pension also included approximately \$221.6 million and \$205.2 million invested in private equity and fixed income funds managed by Fort Washington Investment Advisors, Inc. as of December 31, 2025 and December 31, 2024, respectively.

The Company did not contribute to the pension plan in 2025 and 2024. The Company does not expect to make contributions to the pension plan during 2026.

The Company contributed \$13.2 million to the postretirement healthcare and life insurance benefits plan in 2025.

As of December 31, 2025, future benefit payments for the pension plan are expected as follows: 2026 – \$55.2 million; 2027 – \$56.3 million; 2028 – \$57.4 million; 2029 – \$58.4 million; 2030 – \$59.4 million; and the five years thereafter – \$310.1 million. Future net benefit payments for the postretirement healthcare and life insurance benefits plan, which will be made by the Company, are expected as follows: 2026 – \$11.6 million; 2027 – \$11.4 million; 2028 – \$11.1 million; 2029 – \$11.1 million; 2030 – \$11.1 million; and the five years thereafter – \$53.8 million.

The Company sponsors a defined contribution plan covering substantially all eligible, full-time employees. This plan is subject to the provisions of the Employee Retirement Income Security

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

11. Pension and Other Postretirement Benefit Plans (continued)

Act of 1974 (ERISA). The Company's contributions to the plan are based on a combination of the employee's contributions to the plan and a percentage of the employee's earnings for the year. Total Company contributions to the defined contribution plan were \$6.3 million and \$5.9 million for 2025 and 2024, respectively.

12. Income Taxes

The components of income taxes are as follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Current federal income tax expense	\$ 75,349	\$ 85,765
Deferred federal income tax expense (benefit)	92,430	113,179
State income tax expense (net of federal income tax benefit)	4,802	9,219
Income tax expense (benefit)	<u>\$ 172,581</u>	<u>\$ 208,163</u>

A reconciliation of the income tax attributable to continuing operations computed at the U.S. statutory tax rates to the income tax expense (benefit) included in the consolidated statements of income follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Income tax computed at statutory tax rate	\$ 239,217	\$ 233,935
Income tax attributable to noncontrolling interests	(11,309)	(3,101)
Current and deferred beginning balance adjustment	(14,843)	26,491
Tax credits	(38,432)	(38,298)
Dividends received deduction	(8,158)	(6,217)
State income tax (net of federal income tax benefit)	4,802	9,219
Other, net	1,304	(13,866)
Income tax expense (benefit)	<u>\$ 172,581</u>	<u>\$ 208,163</u>

Income taxes paid were \$25.0 million and \$117.0 million in 2025 and 2024, respectively.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

The Company recognizes the after-tax cost of interest and penalties related to income taxes in state and federal income tax expense.

The following table provides a reconciliation of the beginning and ending amounts of the Company's unrecognized tax benefits:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Unrecognized tax benefits at January 1	\$ 4,862	\$ 4,862
Gross increases for tax positions taken during the prior period	—	—
Gross decreases for tax positions taken during the prior period	—	—
Gross increases for tax positions taken during the current period	—	—
Settlements with taxing authorities from positions taken in the prior period	—	—
Unrecognized tax benefits at December 31 ⁽¹⁾	\$ 4,862	\$ 4,862

⁽¹⁾ With the exception of \$2.7 million and \$2.7 million in 2025 and 2024, respectively, all amounts represent unrecognized tax benefits that, if recognized, would affect the annual effective tax rate.

The Company's unrecognized tax benefits as of December 31, 2025 and 2024 primarily related to federal income tax items that IRS examiners have indicated their disagreement with the Company's treatment on original and amended tax returns. While it is reasonably possible that the amount of the unrecognized tax benefits with respect to certain of the Company's uncertain tax positions could increase or decrease during the next twelve months, the Company believes it is unlikely that its unrecognized tax benefits will change by a material amount in the next twelve months.

The Company's 2014 through 2017 and 2022 through 2025 tax years remain subject to examination by the IRS and/or other tax jurisdictions.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

The main components of the deferred tax amounts are as follows:

	December 31	
	2025	2024
	<i>(In Thousands)</i>	
Deferred tax assets:		
Deferred acquisition costs	\$ 244,090	\$ 274,493
Debt and equity securities	327,460	664,939
Future policy and contract benefits	130,570	57,110
Accrued dividends and policyholder dividend obligation	3,617	4,333
Benefits for employees and agents	40,132	46,463
Separate accounts	24,811	44,635
Trademark license	16,828	20,314
Other	46,008	23,501
Gross deferred tax assets	833,516	1,135,788
Deferred tax liabilities:		
Deferred acquisition costs	466,778	477,454
Debt and equity securities	509,277	503,785
Future policy and contract benefits	9,999	31,895
Accrued dividends and policyholder dividend obligation	1,949	20,589
Other invested assets	197,988	166,783
Reinsurance	29,111	12,484
Separate accounts	29,035	32,558
VOBA intangible	69,945	61,845
Other	28,757	19,368
Gross deferred tax liabilities	1,342,839	1,326,761
Net deferred income tax (asset) liability	\$ 509,323	\$ 190,973

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

13. Equity

The components of the Company's capital structure at December 31, 2025 and 2024, are as follows (in thousands):

Equity Type	Par Value	Number of Shares Authorized	Number of Shares Issued	Number of Shares Outstanding	Voting Rights
Class A Common Stock	\$ —	500,000	—	—	Yes
Class B Common Stock	—	350,000	350,000	350,000	Yes
Class A Preferred Stock	—	100,000	—	—	Yes
Class B Preferred Stock	—	100,000	—	—	No

14. Comprehensive Income (Loss)

The following summarizes the changes in other comprehensive income (loss) by component (in thousands):

	Available- for-Sale Debt Securities	Gains (Losses) from Changes in Nonperformance Risk on Market Risk Benefits	Interest Rate Remeasurement of Liability for Future Policy Benefits	Unrecognized Postretirement Benefit Obligation	Total Accumulated Other Comprehensive Income (Loss)
<i>(In Thousands)</i>					
Balance, December 31, 2023	\$ (1,492,494)	\$ —	\$ —	\$ 34,127	\$ (1,458,367)
Change in OCI before reclassifications	(105,607)	(3,743)	1,007,629	140,611	1,038,890
Reclassification adjustment for amounts realized in net income	107,439	—	—	(12,012)	95,427
Income tax benefit (expense)	(385)	786	(211,602)	(27,006)	(238,207)
Cumulative effect of accounting changes	(249,222)	2,494	1,016,329	—	769,601
Balance, December 31, 2024	\$ (1,740,269)	\$ (463)	\$ 1,812,356	\$ 135,720	\$ 207,344
Change in OCI before reclassifications	1,063,702	5,482	(235,373)	40,413	874,224
Reclassification adjustment for amounts realized in net income	118,236	—	—	(4,741)	113,495
Income tax benefit (expense)	(248,207)	(1,151)	49,428	(7,491)	(207,421)
Balance, December 31, 2025	\$ (806,538)	\$ 3,868	\$ 1,626,411	\$ 163,901	\$ 987,642

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

14. Comprehensive Income (Loss) (continued)

The following provides detail on the reclassifications out of other comprehensive income (loss):

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Unrealized gain (loss) on available-for-sale debt securities:		
Gross reclassification	\$ 115,115	\$ 104,731
Change in DSI and policyholder dividend obligation	3,121	2,708
Reclassification before income tax benefit (expense) ⁽¹⁾	118,236	107,439
Income tax benefit (expense) ⁽²⁾	(24,830)	(22,562)
Reclassification, net of income tax	\$ 93,406	\$ 84,877
 Amortization of defined benefit items:		
Recognized loss (gain)	\$ (5,233)	\$ (12,504)
Prior service cost (credit)	492	492
Reclassification before income tax benefit (expense) ⁽¹⁾	(4,741)	(12,012)
Income tax benefit (expense) ⁽²⁾	996	2,523
Reclassification, net of income tax	\$ (3,745)	\$ (9,489)

⁽¹⁾ Amount reported in net investment gains (losses) on the consolidated statements of income.

⁽²⁾ Amount reported in income tax expense (benefit) on the consolidated statements of income.

15. Regulatory Matters

The Company's insurance subsidiaries are required by statutory regulations to meet minimum risk-based capital standards. Risk-based capital is a method of measuring the minimum amount of capital appropriate for an insurance company to support its overall business operations, considering its size and risk profile. Insurance companies are also required to file financial statements with state insurance regulatory authorities prepared on an accounting basis prescribed or permitted by such authorities (statutory basis). At December 31, 2025 and 2024, WSLIC had statutory-basis capital and surplus of \$7,700.5 million and \$7,266.7 million, respectively, and Lafayette Life had statutory-basis capital and surplus of \$531.9 million and \$468.9 million, respectively. These amounts significantly exceeded the minimum risk-based capital requirements for WSLIC and Lafayette Life.

State regulatory authorities have powers relating to granting and revoking licenses to transact business, the licensing of agents, the regulation of premium rates and trade practices, the form and content of insurance policies and the content of advertising material. These regulatory authorities also limit the amount of dividends based on earnings and surplus, which can be paid

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

15. Regulatory Matters (continued)

to a parent in a holding company structure. Based on these limitations, WSLIC is able to pay Western & Southern dividends of up to \$770.1 million in 2026 without seeking prior regulatory approval. Lafayette Life can pay Western & Southern dividends of up to \$53.2 million in 2026 without seeking prior regulatory approval.

16. Related-Party Transactions

At December 31, 2025 and 2024, the Company had \$515.7 million and \$435.8 million, respectively, invested in the Touchstone Funds, mutual funds administered by a subsidiary of the Company.

17. Commitments and Contingencies

The Company is named as a defendant in various legal actions arising principally from claims made under insurance policies and contracts. The Company believes the resolution of these actions will not have a material effect on the Company's financial position or results of operations.

The Company is a defendant in a certified class action lawsuit (the "Matter") that alleges, among other things, misleading marketing and advertising of certain policies associated with Gerber Life. The Matter seeks, among other relief, class-wide monetary relief and attorneys' fees and costs. The Company intends to defend itself against the claims. As of December 31, 2025, the Company has not recorded a liability related to this Matter. Based on currently available information, including the range of potential outcomes, the Company is unable to reasonably estimate the amount of loss, if any, that may result from an adverse resolution of the Matter.

At December 31, 2025, the Company does not have any significant lease agreements as a lessee for office space or equipment.

As of December 31, 2025, the Company has future commitments to joint ventures, limited partnerships and limited liability companies, including those related to Low Income Housing Tax Credits, in the amount of \$831.8 million.

As of December 31, 2025, the Company had commitments to fund \$880.3 million of commercial mortgage loans. In addition, the Company had commitments to fund \$524.7 million of debt capital.

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

18. Reinsurance

The Company routinely enters into reinsurance transactions with other insurance companies. This reinsurance involves either ceding risks to or assuming risks from other insurance companies. The primary purpose of ceded reinsurance is to protect the Company from potential losses in excess of levels that it is prepared to accept. The Company's general practice is to retain no more than \$2.0 million of risk on any one person's life. The Company reinsures certain of its risks to reinsurers under yearly renewable term, coinsurance and modified coinsurance arrangements. Yearly renewable term and coinsurance arrangements result in passing a portion of the risk to the reinsurer. Generally, the reinsurer receives a proportionate amount of the premiums less an allowance for commissions and expenses and is liable for a corresponding proportionate amount of all benefit payments. Modified coinsurance is similar to coinsurance except that the cash and investments and the related liabilities contract benefits are not transferred to the assuming company, and settlements are made on a net basis between the companies. Reinsurance accounting is followed for ceded transactions when risk transfer provisions have been met.

Assets and liabilities related to reinsurance ceded are reported on a gross basis. Premiums and expenses are reported net of reinsurance ceded. The effects of reinsurance on premiums and other considerations and policy and contract benefits and expenses, excluding the change in policyholder reserves, were as follows:

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Insurance premiums and other considerations:		
Direct	\$ 3,524,922	\$ 3,703,841
Assumed	62,039	51,735
Ceded	(332,736)	(333,018)
Net insurance premiums and other considerations	\$ 3,254,225	\$ 3,422,558

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
Benefits and expenses:		
Direct	\$ 2,252,431	\$ 2,144,576
Assumed	41,047	35,906
Ceded	(240,176)	(267,266)
Net benefits and expenses	\$ 2,053,302	\$ 1,913,216

Western & Southern Financial Group, Inc.
(a wholly-owned subsidiary of Western & Southern Mutual Holding Company)

Notes to Consolidated Financial Statements (continued)

18. Reinsurance (continued)

Reinsurance does not discharge the Company from its primary liability to policyholders and to the extent that a reinsurer should be unable to meet its obligations, the Company would be liable to policyholders. The Company enters into reinsurance agreements only with highly rated reinsurers and monitors ratings during the life of the agreements. The Company has not incurred any significant credit losses from reinsurance activities in 2025 or 2024. At December 31, 2025 and 2024, the Company had \$118.3 million and \$141.0 million of net reinsurance recoverables, respectively, from its various reinsurance arrangements. The cost of reinsurance is accounted for over the terms of the underlying reinsured policies using assumptions consistent with those used to account for the policies. At December 31, 2025 and 2024, respectively, the Company had reinsured \$52.4 billion and \$50.2 billion of life insurance in force, representing 32.2% and 31.7% of the Company's total life insurance in force, respectively.