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EDITED TRANSCRIPT

WRB - W. R. Berkley Corp at KBW Insurance Conference

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CORPORATE PARTICIPANTS

William Robert Berkley *W. R. Berkley Corporation - Executive Chairman of the Board*

William Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

PRESENTATION

Unidentified Analyst

We're going to get started. We've got W. R. Berkley. We have Bill Berkley, Executive Chairman; and Rob Berkley, who is the President and CEO. And in the room we also have CFO, Rich Baio, that's right, Rich Baio; and Karen Horvath, who heads Investor Relations.

QUESTIONS AND ANSWERS

Unidentified Analyst

I want to start with sort of a process question. And we've seen over the past couple of years, we've seen over the past many years a consistent sort of strategy of forming new business units. Most recently, I've got -- we got Berkley One in the high net worth personal lines, Berkley Healthcare. Can you take us through, one, what's the background process to this sort of new unit formation? And then, whatever updates you can provide in terms of how newer units are playing out relative to expectations?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Do you want to -- I'll speak later.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

When you look at our organization, we're made up of 54 different operating units, the vast majority of them, as you point out, are businesses that we effectively started from scratch. We identify an opportunity in the marketplace and then go seek the talent or we find talent and we are looking at the marketplace and we think that the opportunity exists. We've developed a bit of a reputation for this. So at this stage, we have the good fortune of often times very talented people actually seeking us out. The process itself, again, in no particular order, starts out with getting comfortable that you believe that there is a long-term market opportunity, where you believe you'd be able to make good underwriting results, which ultimately will deliver good risk-adjusted returns. We historically and continue to focus on the specialty lines because we think those are parts of the market where intellectual capital and expertise are the great differentiator. And we think our approach to the business, our decentralized model lends itself particularly well. So when you look at the myriad of businesses that we've started over the past decade, there are at points in their development, but by and large, the businesses that we start, it is a combination of, we're able to find the talent and we believe that there is a long-term market opportunity. If we don't believe in the market opportunity, it doesn't matter how talented the people are, and it doesn't matter how good the market opportunity is if we can't find the people that we think can actually manage the capital in that space.

As far as you mentioned the medical space. And we recently made an announcement that we have a new business that's focused on that. We've been in certain issues within the professional liability/healthcare space for an extended period of time. We've offered hospital professional liability for an extended period of time. But when we look at healthcare as a percentage of the economy overall and how it continues to become an increasingly more significant part of the economy, we were looking for ways to increase our exposure to that component of the -- of overall GDP. Hence, the further establishment of this business that we released on recently. Berkley One would be another business that is relatively new to us. It's a different business, it brings us into the consumer space in a front and center way, but again, our focus, no different than on the commercial line space, in the consumer space or the personal line space is very much specialized. We want to be looking to serve customers that are going to recognize the value we bring because of our knowledge and our expertise and it is not just about it's lowest price available. Certain businesses develop more quickly than others. For example, Berkley One, it's a significant build out, it's an admitted product. It's a product in the consumer

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space. The regulation, the systems, the platform, it takes time. We're pleased with the progress, but that is a very different build than when we will start a business in the nonadmitted or E&S space, where we've had situations where we can get those businesses up and running in a myriad of -- few weeks, and ultimately, we've had some businesses that actually become profitable before the end of year 2.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

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I think -- the only thing I'd add to that is there are some businesses we get in that we know we want to get in and we just take a lot of time trying to find the right people. Berkley One was a great example that we thought the high net worth segment of business was a great business. And it took us years to find a way of getting in the right people and whatever. There are lots of businesses like that that we think about, and we're waiting for the right people, the right opportunity to come along. So it's not just the people coming along, there is a long list of businesses that we think are attractive. Rob pointed out the healthcare business. We've been trying to figure out how do we get a bigger share of that market. So they're not people who have come along, it's that these are opportunities, and we're trying to find ways of taking advantage of. And we have that continuing long list that are in our back pocket, and we're searching for ways to take advantage of.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

So just to add to that. So the high net worth operation, which -- our operation known as Berkley One, we spent more than a decade looking for the right opportunity between the market opportunity, but even more so the right talent. And we're pleased and remain convinced that we have that.

Unidentified Analyst

Yes. It's interesting to me that when you talk about the long-term opportunities, you hadn't talked about maybe short-term pricing opportunities. How does that factor into the decision-making process for newer units?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

From our perspective, ultimately, on a macro level, we have to believe in the long-term fundamentals. Certainly, when there is a tailwind or the market is working with you, it gives you a little bit more wiggle room, it may shorten the period of time to when you will achieve profitability, how long will it take for that earned premium to really build and what should you expect the margins to be. So is timing a component? Without a doubt, but certainly, the priority is, do you believe in the opportunity in the long-term or over the cycle? In the short run, pricing may give you a little bit of flexibility.

Unidentified Analyst

I would imagine, and please correct me if I'm wrong, that when you've got industry consolidation going on, whether it's actual deals like corporate buying navigators or unsuccessful attempts like Covéa and SCOR, for example, that that can probably shake some people loose and maybe accelerate the ability to identify talent. Am I thinking about that in the right way? And how does that impact time line for you?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Well, certainly, if you look at our experience and our history, when there has been certain activities that have created uncertainty or dislocation in the market, that has often times converted into opportunity for our organization on many levels. It often times can stem from M&A as you referenced, but there have also, as we all know, over the past decade plus, been other types of (inaudible) that created opportunity as well. So we are constantly looking for those opportunities. We're constantly looking for the talent. As we suggested earlier, we have a list of pockets of the marketplace where

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we think there is good long-term opportunity that we may not have as much exposure or any exposure to, but we would like to, and we just keep a close eye on where that talent may be.

Unidentified Analyst

As always, I'm going to be looking throughout the room to see if there are questions to keep us as interactive as possible. So [Heather]?

Unidentified Analyst

(inaudible)

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Look, as far as the D&O market goes, certainly, from our perspective, it's a pretty big universe. So you need to bifurcate it, if you will, between the Fortune 5000 and smaller public companies and then you get into the private companies, not-for-profit, et cetera. But a lot of the attention has been on, what I would define as, the Fortune 5000, and it's been an exceptionally competitive market over the past several years. We've seen rates continue to erode, and we think that market participants should be cautious and concerned. There are pieces of that overall portfolio that are performing reasonably well, and there are other pieces that have -- again have a bit of a headwind. It's challenging, D&O being an example of a severity line of business without a huge amount of frequency that often times people can drift off course. And it takes some time until that severity starts to rear its head for people to realize that they actually had veered off course. As far as what we have done from a pricing perspective, attachment point, terms and conditions, so on and so forth, probably, it doesn't make sense for us to get into that level of granularity and how the people that are running that operation for us are navigating the environment. But I would tell you that it's been, again, very competitive, particularly in the Fortune 5000 over the past several years. And there are early signs that, that maybe bottoming out. And the question is how much pain needs to be experienced to serve as a catalyst for the momentum to shift direction.

Unidentified Analyst

(inaudible)

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

It will -- it is in the states that they're currently operating in and will be in all states that they're operating in, not dissimilar to other high net worth consumer offerings, homeowners, auto, collections, everything that affluent people would need as it relates to protecting their assets.

Unidentified Analyst

(inaudible)

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Through traditional distribution, retailers.

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Unidentified Analyst

We want to broaden the question on D&O a little bit, and I will share my own prejudice, which is we've heard different executives offer different opinions of whether social employees (inaudible) whatever is heating up. My suspicion is that it is, not everyone sees it, not everyone who sees it admits it. You've been very vocal about the fact that you are seeing a reemergence of inflation. I was hoping you could share a little bit about what you're actually seeing? And maybe more broadly, how that should affect the marketplace over the next 2 years, 3 years?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

From our perspective, obviously, inflation is a big deal, and inflation comes in different flavors. The industry, historically, has been very focused on financial inflation as they should be, what does that mean for loss cost, what does that mean for the investment portfolio, et cetera, et cetera. But social inflation, we think, is very levered as well. Unfortunately, not as easy to quantify. From our perspective, and we've started to talk about, that's probably give or take more than 6 months, less than 18 months ago that we were seeing early signs in claims activity in our numbers as well as industry numbers that the awards that were coming out of the legal system made us pause. It seems as though the awards were on the rise and the general demeanor of both the judges as well as juries was shifting a bet, and we've just seen a growing amount of evidence. Certainly, we all have heard about things such as round up and other things that have gotten headlines. But I think those are just the headlines, there is clearly a growing ground swell on the -- amongst the plaintiff attorneys to get more aggressive and are getting traction compared to where things were 3, 4, 5 years ago. So how do you quantify that? How do you take that into consideration in your pricing? We do a fair amount of work on it. And ultimately, it's the judgment, and a lot of it is dependent on historical data and expertise and experience. But we do believe that there is a growing amount of evidence that would suggest that social inflation is here, it is real. And even if you are not one that pays a close attention to the day-to-day that's coming out of the legal system, you certainly are seeing more advertisements on TV coming from law firms that some in the industry might suggest are ambulance chasers of a large scale. And you are seeing awards coming out of the legal systems that are very meaningful.

Unidentified Analyst

I'm laughing a little bit because my father is retired now, but he was, for lack of a better term, an ambulance chaser in Canada.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

We're glad he's retired.

Unidentified Analyst

That brings to another sort of broad philosophical question. And we've had some executives say they don't think that insurance is cyclical anymore because there is so much in the way of data and analytics that the potential surprises, the divergence from expected returns to actual returns is small, and, therefore, it's less cyclical. I have sort of been skeptical on that because I think it is just that we haven't had that catalyst for a negative performance and where we have, commercial auto being a great example, you've seen all of the manifestations of cyclicality. How does Berkley think about that in terms of whether the industry is still cyclical and, therefore, what that means for tactical approaches to business lines and products?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

You want to?

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William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

So why don't we start by saying it's amazing how many losses occur with all this ability to predict. I think that the industry responds more quickly, and the cycles are generally less severe subject to people understanding them. So commercial auto being a great example of one where people are losing money, and their answer was we didn't have enough volume. So they competed to get more business and then they've lost more money. I think the sophistication of analytic tools is overrated because it relies on the quality of your data. And at this point, data is okay, but far from perfect. I would tell you that 10 years from now the industry will be cyclical, but shorter-term cycles and -- cycles will be somewhat smoother. Over the current period of time, we're still busy gathering data. The caveat to that is facts change, which will make yesterday's data not reflective of what's going on tomorrow, a court ruling that says all the prior decisions get thrown out and, therefore, the data that I use is of no value. So I would suggest that the business will continue to be cyclical, the industry's ability to respond more quickly is going to get better, and I think that we're still in an extremely volatile period of time, which will prevent data analytics in the shorter run from eliminating the cyclicality, the exception being very large lines like commercial, like personal auto. They have so much data you can probably get by.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Just to add to that, I think that we, as it was suggested, continue to see every day what we would define as evidence of irrational behavior. I think as you've commented from time to time, the insurance industry and the cycle in the property, causality insurance industry is driven by 2 human emotions, fear and greed. And it just is the matter of, at any moment in time, which one is overshadowing the other. But whether it be commercial auto and the amount of pain that was required to change the behavior, well, quite frankly, it would appear as though as far as Workers' Compensation, which I believe is the largest component of the commercial line space in this marketplace, all signs would suggest that it's pointed in the wrong direction. And I think that there is real question of while there is still margin in the business, how quickly will that in fact erode?

Unidentified Analyst

On that topic, can you give us some insights into Berkley's proprietary data and analytics capabilities?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

So it's proprietary, so we're probably not going to get into a lot of details, otherwise, we probably wouldn't think that to that length. But we are doing more today with data and analytics than we ever had in the past. We think that once upon a time the industry thought that this was stuff for actuaries or a data scientist to play around with and what maybe would help you make better decisions in certain pockets of the underwriting process. From our perspective, the applicability goes far beyond underwriting. We're finding ways to have predictive models and other tools that we've developed to be helpful on the claims side. We're doing things with these types of tools as to distribution management. There is a full wide array. I would suggest to that perhaps one of the most exciting parts is that, historically, these type of activities have been looking at traditional data sets that are very historical in nature. Today, with the information that is out there, what I would define as nontraditional data sets in many respects are really giving us the best opportunities, the greatest insights to develop and apply some of these data tools.

Unidentified Analyst

Okay.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

So was it nonanswer answer?

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Unidentified Analyst

Right, but it's helpful to understand what you're sharing and to know that there are things that you're not because, ultimately, you only get for long-term advantage. This is an upward segue, but even long-term advocates of leveling the playing field between domestic insurers and insurers that are based elsewhere that have been able to, historically, take advantage of lower tax jurisdictions outside United States, look like that playing field has been somewhat leveled. How are you seeing that play out?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Well, first of all, it's not upwards. It's only truth, justice, the American way. The fact is that the structure of the taxation of insurance companies is such that nondomestic insurers had a tax advantage that was created in the '86 Tax Code. And it was created because no one thought about it and paid attention to it. Our objective was, in the long run, we couldn't compete as domestic companies if that existed. And it was obvious that was true because you saw the industry migrating offshore and premium migrated offshore. And we spent substantial length of time along with a few of our compatriots in the domestic companies working to get the law changed and we were successful in this tax law changing, which says, in essence, if you reinsure to an affiliate that's offshore, you have to pay tax on that. And the key element of that is not just moving underwriting profits, but it's also when you -- when you move loss reserves offshore, you don't have to pay tax on the discounted value of the loss reserves. So those 2 items effectively gave offshore reinsurers or insurers a benefit of between 7 and 9 percentage points in their combined ratio. It allowed them to compete in a way that clearly the tax law wasn't meant to be. Part of the tax code now eliminates that and the nondomestic insurers are continuing as they did and compete, but they're not going to make the same extraordinarily high profits they used to. It's always been a competitive business. They're continuing to compete as they did with the prices that allow you to have the margin, but their margin is now more aligned with the domestic companies' margin.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

So just to follow up on that as far as the specifics in the market. No, we are not seeing a change in behavior from a pricing perspective, and all of a sudden because of this lower tax rate, the domestic companies are benefiting there, is the margin being dissipated, absolutely not. And I think the other speculation that came from some that perhaps had a different perspective than we do and most domestic companies do, this idea that there was going to be this drain of available capacity for certain tax prone areas, that has been anything but the truth. There is as much reinsurance capacity and insurance capacity for both cat and non-cat as there has been as long as I can remember.

Unidentified Analyst

Not necessarily. Certainly think we've seen just tremendous amounts of reinsurance capital, traditional, nontraditional, suppressing for property focus. I know this were reinsurers, suppressing the rate increases people had in the past (inaudible) we're not seeing that?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

No, but we're not seeing the shortage. I think there was a suggestion by some of the offshore organizations suggesting that well, it's all of a sudden, you bring these taxes in and our economic model changes, we may curtail the amount of capacity that we'll be offering. And there is 0 evidence of that. If thing, it's to the contrary.

Unidentified Analyst

Right. And I would just point out that after a year with $100-plus billion of catastrophe losses, didn't happen then, probably not happening. So we talked about reinsurance. This is obviously a segment that's been under some significant pressure within Berkley. You've been controlling premiums in response. How do you think about the long-term value proposition of the reinsurance business?

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William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Would you like to...

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

No, no, you're not giving that to me. It's yours.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

I'm happy to answer. So we have a long history in the reinsurance business both domestically and more recently, relatively speaking, outside of the U.S. We have an operation -- we have operations focused on both treaty as well as fac. There is no doubt across-the-board the reinsurance marketplace has been exceptionally competitive for an extended period of time. Do we believe that this is the new normal indefinitely? Certainly, this thought has crossed our mind, but at this stage we are not convinced of that. Having said that, there are many market participants that are very focused on this idea of remaining relevant. From our perspective, as always, whether it be reinsurance or anything else that we do, we are focused on making money. We are not going to write the business, we are not going to deploy the capital if we don't think we can get a reasonable return. You might say, well, dude, we've been looking at your combined ratios and that's not exactly perhaps most peoples definition of a reasonable return, fair assumption or fair comment. Having said that, if you break down the combined ratio, a lot of what is driving that is the expense ratio and how a lack of willingness to write what we believe is unprofitable business, yet we have a certain amount of fixed cost to manage the operation. So long story short, certainly, we are aware that the results are far below what we look to achieve or target over a cycle. We remain convinced that there is a place for reinsurance in our organization. And at the moment, this is just a period of time where the expense ratio is somewhat inflated because of our underwriting discipline, having said that we have a lot of history that would suggest this approach, not just in reinsurance, but across the organization bodes well for our focus on long-term results.

Unidentified Analyst

And as always, if there are questions in the room. [Gus]?

Unidentified Analyst

All that expense ratio now that you're talking about (inaudible) not going to grow the top line with other (inaudible) How do you do that (inaudible)

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Just to make sure, [Gus], I understand the question, was the first part focused on reinsurance or across the board?

Unidentified Analyst

Across the board.

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

So as far as our expense ratio goes, at this stage, specifically the -- sort of running at around a 33-ish or so. When you look at the various components and you look at how much specialty primary business we write and how much is coming through wholesalers and what the commission is on that, I don't think the expense ratio is completely out of sorts. Having said that, there certainly is ongoing efforts within the organization to bring that

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down. I think, one of us, I don't know if that was you, Rich and myself, we did comment on the expense ratio hopefully making some progress over the next several quarters where we're going to be looking to shave a point or 2 over time off of that. Part of it will come from scale, part of it's going to come from efficiency. We have a variety of efficiency efforts going on within the organization to help us just bring expense out of the operation where we are able to use technology and just improve our processes, one. In addition to that, just we see over the next several quarters, we're likely going to see the earned premium begin to grow again. Our insurance business has reasonable growth in the second quarter. Certainly, our expectation that the insurance business, unless we see the bottom fall out in the world of Workers' Compensation, should be able to earn the aggregate growth over the next several quarters and as that earned premium comes through, you will see us leveraging the expenses that much more. The piece about standard markets coming in to the specialty space, honestly, for the past several years, it was the reinsurers coming into the specialty space. For some, it worked out. For others, it didn't work out. Standard markets coming into the specialty space, I'm, quite frankly, not particularly bothered by them making acquisitions and hopefully they will be responsible operators. The real question is when does the standard market appetite begin to broaden again, and what type of pressure does that put on the specialty, particularly the E&S market where that population of risks begins to shrink. And at this stage, we've not seen any evidence of that.

Unidentified Analyst

Historically, I would tie that to pricing pressure. In other words, when the market's soft, it's a reflection of broadening underwriting appetite. And one other manifestation of that are standard companies nudging their way into quasi-specialty risks. I know you don't like to talk too much about line of business pricing, in particular, but can you give us a broad picture of what you are seeing on those 2 elements, new competitors and pricing -- for pricing side?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Again, at this stage, we haven't seen the standard market going whole hog and trying to come into the specialty or particularly the E&S space. Clearly, the parts of the market that are getting the rate per the comments earlier, auto would probably stand out the most. On the other end of the spectrum, certainly the state rating bureaus are taking significant action as it relates to Workers' Compensation. And in some states we're seeing the rates coming down at a pretty healthy pace. Having said that, there are parts of the Workers' Comp market that the margins are still very healthy and very impressive, and we view that as a green light part of the market, where we're still very happy to grow. And there are other parts of the comp market where we haven't put both feet on the brake and pulled the emergency brake, but we've taken our foot clearly off the accelerator. So those would be probably the 2 ends of the spectrum. And then, you have the property, the casualty lines and professional lines, you need to get a little more granular as to where they are on the spectrum. And of course, just going back to the reinsurance component, from our perspective, by and large that market is for the most part just as competitive today as it was yesterday, maybe it's incrementally better. But it's really account by account, opportunity by opportunity.

Unidentified Analyst

Can we distinguish at all between casualty reinsurance and property reinsurance?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Look, from our perspective, on the property reinsurance front, we have been astonished by the lack of reaction to the loss activity that occurred, that the industry experienced last year, particularly in the third quarter. I think the casualty market, there is perhaps more opportunity there from our perspective. Speculation of this being, you don't have the alternative capital, putting a lid on the casualty reinsurance market the way it has on the property cat market.

Unidentified Analyst

Yes, go ahead.

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Unidentified Analyst

Commercial auto, (inaudible)

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

I don't know how to put. Commercial auto, that's a pretty broad brush that we're using. There are parts of the marketplace where we are comfortably convinced that we have a healthy margin. There are parts of the market where we see other people doing certain things, which maybe they get an 8, 10 points of rate and even 15 points of rate, and we think that they're just beginning to scratch the surface, they got a long way to go. So no, I would not say that it is open season, if you will, in the commercial auto space at all. I would say that if you have people with skills and knowledge and discipline, there are opportunities to find niches here and there that will make a reasonable return.

Unidentified Analyst

Okay. And if there are no other questions from the audience, I had one final question. Just hoping you could explain to us how we should think about scales in light of an intentionally decentralized platform of operations?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Do you want to?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

Well, I think -- I'd comment on a piece of that, and then Rob can comment on more. Because I think when we started the business, being close to the customer was the cornerstone of our decentralized operation. And making decisions more quickly, because we knew more about what was going on, was the cornerstone of what we did. Our technology has changed and allowed people to better know what was going on and know what the customers are doing. That became less of a competitive advantage. And I think it became more important for us to try to find ways to compete expense-wise and otherwise. And I think that over the past 5 years, we've begun to put things in and we continue to put things in that will take away the excess expenses of a decentralized operation, while still keeping the benefits of being close to the customer. So Rob has initiated a whole number of those things over the past 5 years and continues to do that. And I think that we still believe that making decisions close to the customer is a big competitive advantage, and we're trying at the same time to eliminate the costs of being a decentralized organization. Do you want to add to that?

William Robert Berkley - *W. R. Berkley Corporation - Executive Chairman of the Board*

No. I think you covered it. From our perspective, what we're able to have our team committed to, we remain wed to that idea of specialized expertise close to the market, close to the customer allows us to be more responsive. And I think it's one of our great competitive advantages and that's how we differentiate ourselves in the market at a very granular level where many of our competitors with a traditional model have not been able to do so. At the same time, doing certain activities that are more generic in nature, doing them 54 different ways in 54 different places is something that's not in our front -- out our front windshield, that's in our rearview mirror. And we are finding ways to improve that. I think there has been a lot of progress made, thanks to the hard work of many colleagues, and to the question earlier, I think that there is a lot of opportunity for us to improve from here.

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Unidentified Analyst

Okay, with that, if there are no other questions in the room, then please join me in thanking both Berkley and Robert. Pleased to have a very helpful presentation.

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