Assurant Q1 2024 Earnings Transcript

PARTICIPANTS

Corporate Participants

Keith Demmings - President & Chief Executive Officer, Assurant, Inc.

Keith Meier - Executive Vice President, Chief Financial Officer, Assurant, Inc.

Sean Moshier - Vice President, Investor Relations, Assurant, Inc.

Other Participants

Mark Hughes - Analyst, Truist Securities

Brian Meredith - Analyst, UBS Securities LLC

Thomas McJoynt-Griffith - Analyst, Keefe, Bruyette & Woods

MANAGEMENT DISCUSSION SECTION

Operator: Welcome to Assurant's first quarter 2024 conference call and webcast. At this time, all participants have been placed in a listen-only mode and the floor will be open for your questions following management's prepared remarks. [Operator Instructions]

It is now my pleasure to turn the floor over to Sean Moshier, Vice President of Investor Relations. You may begin.

Sean Moshier, Vice President, Investor Relations, Assurant, Inc.

Thank you, operator. And good morning, everyone. We look forward to discussing our first quarter 2024 results with you today. Joining me for Assurant's conference call are Keith Demmings our President and Chief Executive Officer, and Keith Meier, our Chief Financial Officer.

Yesterday after the market closed, we issued a news release announcing our results for the first quarter 2024. The release and corresponding financial supplement are available on assurant.com. Also on our website is a slide presentation that we introduced this quarter for our webcast participants. Some of the statements made today are forward-looking. Forward-looking statements are based upon our historical performance and current expectations and subject to risks, uncertainties and other factors that may cause actual results to differ materially from those contemplated by these statements.

Additional information regarding these factors can be found in the earnings release, presentation, and financial supplement on our website as well as in our SEC reports. During today's call, we will refer to non-

GAAP financial measures, which we believe are important in evaluating the company's performance. For more details on these measures to the most comparable GAAP measures and a reconciliation of the two, please refer to the news release and supporting materials. We'll start today's call with remarks before moving into Q&A.

Keith Demmings, President & Chief Executive Officer, Assurant, Inc.

Thanks, Sean, and good morning, everyone. Our first quarter results represent a strong start to 2024, reflecting the position of strength from which Assurant continues to operate. Adjusted EBITDA grew 31% year-over-year to $384 million, and Adjusted EPS grew 42% year-over-year, both excluding reportable catastrophes. Our first quarter results were driven by the continued strength of our Global Housing segment, as well as growth in Global Lifestyle. Our ability to continue to drive financial performance and operational excellence has supported strong cash flow generation and a solid capital position.

Before reviewing the highlights across our business segments, I'd like to take a moment to reiterate how our unique and differentiated business model has led us to consistently deliver financial results. Assurant holds market leadership positions across a variety of attractive, specialized markets, where we benefit from both scale and deep integration with our B2B2C client base. Our competitive advantages across our businesses have allowed us to be flexible and agile in executing for our partners and for end consumers.

Cost savings from targeted actions such as our previously announced restructuring plan and ongoing technology innovation, including digital-first and artificial intelligence, have supported reinvestment in businesses where we have leadership positions. These high return initiatives have enhanced our capabilities and supported new partnerships, laying the groundwork for continued growth.

The ultimate driver of our success is our people. In March, Assurant was recognized by Ethisphere as one of the World's Most Ethical Companies in 2024. Operating ethically is foundational to protecting our clients' brands across the globe, as well as our own. This recognition is a testament to the thousands of Assurant employees who champion our values every day.

Collectively, our unique advantages have led to long-term profitable growth and shareholder value creation. We've continued to drive outperformance versus the broader P&C market, as evidenced by our long-term results compared to the S&P Composite 1500 P&C Index. Since 2019, Assurant has delivered double-digit Adjusted earnings growth, including and excluding cats, outperforming the broader P&C Index.

Now turning to the quarter, I'd like to share highlights across our business segments. Global Lifestyle delivered Adjusted EBITDA of $208 million in the first quarter of 2024. This reflects a year-over-year increase of 4%, or 5% on a constant currency basis, which is in line with our full year growth expectation. Growth was led by our Connected Living business, which delivered double-digit Adjusted EBITA growth in the first quarter. To support growth, we're continuing to make several important investments in new

partnerships, including for recently announced new launches such as Telstra, Australia's largest mobile carrier, where we completed the initial launch of several offerings. We are currently offering protection, upgrade and trade in to Telstra's postpaid subscriber base.

Additionally, we recently completed a multi-year extension of our partnership with Spectrum Mobile, demonstrating the strength of our relationship. The expanded relationship includes the launch of two new mobile programs. The first of the two programs, the new anytime upgrade benefit, which is now included in the Spectrum Mobile unlimited plus data plan at no extra cost to consumers allows new and existing customers to upgrade their phones whenever they want. The second program is a new Spectrum Mobile Repair and Replacement Plan, which offers customers device protection and is supported by our dynamic fulfillment and claims management capabilities. These innovative new offerings with Spectrum Mobile are the result of our long-standing partnership and reflect our ongoing commitment to deliver market-first solutions to meet the needs of end consumers.

During the quarter, we also enhanced our global capabilities. For example, in Europe, we acquired iSmash, a leading independent tech-repair brand in the United Kingdom, offering express drop and repair services for smartphones, tablets, laptops, with nearly 40 retail locations. This acquisition further scales our walk-in repair offerings and is a prime example of the investments we're making globally to win new business and enhance existing relationships.

Moving to Global Automotive. Similar to others in the industry, first quarter results reflected persistent inflation impacts to vehicle parts and labor repair costs. We've continued to take actions to address elevated inflation, including implementing additional rate increases in the first quarter that build upon those take-in over the past 18 months, while also strengthening and enhancing our claims adjudication process.

For 2024, we expect Auto earnings to be flat. Investment income growth and disciplined expense management efforts are expected to be offset by continued claims inflation. We remain confident in the long-term growth prospects of our Auto business. Over the next several years, we expect rate actions to provide a tailwind for the business, with the pace and timing of earnings growth dependent on broader market trends.

Now let's discuss Global Housing, which drove our first quarter outperformance. Global Housing earnings grew significantly in the first quarter, up nearly 75%, excluding reportable cats. Following an extraordinary 2023, Housing's first quarter performance reinforces the power of our unique business model, which is highly differentiated versus the broader P&C market. Housing's competitive advantages have led to a compelling shift in its financial return over the past two years, delivering strong financial performance with attractive returns.

We have several distinct advantages in Global Housing. First, we have strong market positions in our core housing businesses. Specifically in lender-placed, we have strong relationships with the largest US banks and mortgage servicers, including our new client, Bank of America, which we began to onboard in the first quarter.

Second, as seen over the past 18 months to 24 months in our lender-placed business, we've been able to achieve rate adequacy quickly through the built-in annual inflation guard product feature designed to adjust with building and materials costs and normal course state rate filings. Third, our scale and focus on operational efficiencies have created meaningful expense leverage, which we will continue to benefit from going forward.

Lastly, our lender-placed business provides a countercyclical hedge in the event of potential broader housing market weakness. While we would not expect tailwinds to be as significant as in prior recessions, we still expect policy placement increases if the housing market goes through a cyclical downturn.

Similarly, in our Renters and Other business, we operate as a market leader across our affinity and property management company channels. The business has an attractive capital-light financial profile with limited catastrophe exposure and remains well-positioned for long-term growth as we continue to innovate with our partners and capitalize on secular tailwinds within the rental market. During the quarter, we increased gross written premiums by over 15%, driven by strong growth in our P&C channel.

We continue to leverage enterprise-wide capabilities to improve our customer experience and create value for our clients. For example, we leveraged our premium technical support capabilities from Connected Living to help us launch Assurant TechPro for the multifamily housing channel, providing residents access to technical troubleshooting services, which is a first in the industry.

Turning to our enterprise outlook. For 2024, we continue to expect enterprise Adjusted EBITDA to grow by mid-single digits, excluding cats. Based on our strong first quarter performance within Global Housing, which included $22 million of favorable prior period reserve development, our 2024 results are trending towards the higher end of the mid-single digit outlook. We now anticipate Global Housing will lead our enterprise growth.

In Global Lifestyle, our full year outlook remains unchanged, driven by growth in Connected Living, which is partially offset by incremental investments to support long-term growth. We continue to monitor global macroeconomic conditions, including inflation, foreign exchange and interest rate levels, as well as new business investments.

Looking at earnings per share, we now expect Adjusted EPS growth to approximate Adjusted EBITDA growth reflecting lower expected depreciation expense, as well as higher earnings within Global Housing.

I'll now turn it over to Keith Meier to review our first quarter results and 2024 outlook in further detail.

Keith Meier, Executive Vice President & Chief Financial Officer, Assurant, Inc.

Thanks, Keith, and good morning, everyone. With our strong first quarter performance, we continue to focus on driving long-term shareholder value with thoughtful and decisive actions to continue to grow and outperform. To achieve this, we are committed to a deep understanding of our global partners and their end consumers' needs, executing on the opportunities identified as well as disciplined capital management to enable long-term growth.

Now let's review the details of our first quarter results. In the first quarter, Adjusted EBITDA grew 31% to $384 million, and Adjusted EPS increased by 42% to $4.97, both excluding reportable catastrophes. From a capital perspective, we generated $254 million of segment dividends in the first quarter, ending the quarter with $622 million of holding company liquidity, up from $606 million at year-end.

Our strong capital position allowed us to return $77 million to shareholders in the quarter, including $40 million of share repurchases. In addition, we repurchased $10 million of shares between April 1 and May 3.

Turning to our business segments, let's begin with Global Lifestyle. For the quarter, Adjusted EBITDA grew 4% to $208 million, or 5% on a constant-currency basis. Year-over-year growth was driven by strong performance in Connected Living, particularly in the US, which was partially offset by lower results in Global Automotive.

In Connected Living, earnings increased 14% or $16 million, primarily driven by continued momentum in our US mobile protection programs and higher investment income. Results were partially offset by investments in new capabilities and client partnerships. In the US, Connected Living growth also benefited from modest improvements in loss experience within extended service contracts resulting from rate actions taken over the last 18 months to offset higher claim severities from inflation.

Trade-in results were flat as higher margins and contributions from new US programs were partially offset by a decline in carrier volumes, including impacts from lower promotional activity. International Connected Living results included a $7 million favorable one-time extended service contract client benefit in Japan. Excluding this item, international results were stable on a constant currency basis, consistent with the trends from the end of 2023. Foreign exchange remains a headwind impacting Lifestyle's Adjusted EBITDA growth by 1 percentage point in the quarter.

In Global Automotive, first quarter Adjusted EBITDA declined 9% or $7 million, driven by higher claims costs due to persistent inflation impacts, as well as the normalization of select ancillary products. The impacts of inflation continue to be felt throughout the auto industry. As indicated in the March Consumer Price Index, where motor vehicle repair costs rose nearly 12% year-over-year and accelerated over the quarter. Elevated claims costs were partially offset by higher investment income.

Turning to net earned premiums fees and other income, Lifestyle grew by $148 million or 7%, and Connected Living increased 11%, benefiting from contributions from new trade-in programs in North America and mobile protection programs. Growth from Global Automotive's net earned premiums, fees and other income was 3%, which was primarily driven by prior period sales of vehicle service contracts. For full year 2024, we continue to expect Global Lifestyle's Adjusted EBITDA to grow driven by Connected Living. We expect growth in Connected Living to be led by the continued expansion of our US business.

In Global Auto, we expect Adjusted EBITDA to be flat as higher investment income is offset by continued loss from inflation. Prospective rate actions taken over the past 18 months are expected to drive improvement over time, depending on the timing and pace of claims inflation impacts. Investments related to new clients and programs will temper Lifestyle growth in 2024, but will be a critical driver in the strengthening of our business over the long-term.

We continue to monitor foreign exchange impacts, broader macroeconomic conditions and interest rates, which may impact the pace and timing of growth. As we enter the second quarter, we expect our sequential Adjusted EBITDA trend to be impacted by the absence of the one-time client benefit and seasonally lower mobile trade-in volumes both in Connected Living.

Moving to Global Housing. First quarter Adjusted EBITDA was $193 million, which included $13 million of reportable catastrophes. Excluding reportable cats, Adjusted EBITDA increased by 74% or $88 million to $205 million. Over half of the increase was driven by improving non-cat loss ratios from moderating claims trends and higher average premiums. A portion of the claims improvement was related to a $16 million favorable year-over-year net impact to prior period reserve development. This was comprised of a $22 million reserve reduction in the current quarter, compared to a $6 million reserve reduction in the first quarter of 2023.

The remainder of the Adjusted EBITDA increase was mainly driven by continued top line growth in homeowners and an increase in the number of in-force policies, lower catastrophe reinsurance costs and higher investment income. For renters and other, earnings increased from growth in our property management channel. As Keith mentioned, expense leverage throughout housing continues to be a strong differentiator as our technology investments and innovations are enabling a superior customer experience. This has played a critical role in our outperformance.

Given the strong first quarter performance, we expect Global Housing's full year 2024 Adjusted EBITDA growth, excluding cats, to lead our overall enterprise growth. We anticipate growth will be driven by favorable non-cat loss experience, continued top line momentum in homeowners and lower catastrophe reinsurance costs.

Over the course of 2024, our lender-placed business is expected to be impacted by ongoing client portfolio movements. This includes the addition of multiple client portfolios, including the onboarding of Bank of America, as well as expected offboarding impacts from the sale of a client to another party. Given the

unique composition of each portfolio, these movements are expected to impact track loans and placement rate from quarter-to-quarter. However, policies in force, a key driver of earnings is expected to grow overall for 2024.

As we turn to the second quarter, please keep in mind the following. First, we had $22 million of first quarter prior year reserve development. Second, we expect normalized catastrophe reinsurance costs following lower costs in the first quarter, which were impacted by timing differences related to the program transition to a single placement, as well as favorable 2023 exposure true-ups. Beginning in the second quarter, we expect quarterly reinsurance premiums to be modestly above $50 million, which is an increase from the $34 million in the first quarter. And lastly, the second quarter tends to be an elevated period for non-cat loss experience.

Next, I wanted to summarize the placement of our 2024 catastrophe reinsurance program, which has now transitioned to a single April 1 placement date. We are pleased with our increased coverage at attractive terms, including cost savings realized in this year's placement. 2024 catastrophe reinsurance premiums for the total program are estimated to be approximately $190 million, a reduction in comparison to $207 million in 2023. As previously communicated, our per event retention increased to $150 million, aligning with the one-in-five-year probable maximum loss or PML.

Our main US program will provide nearly $1.5 billion in loss coverage in excess of our retention, protecting Assurant and its policyholders against the PML of approximately one-in-265-year storm, an increase above the 2023 limit aligned to a one-in-225-year PML. Overall, this year's placement was diversified and supported by the strength of our relationships with 40-plus highly-rated reinsurers.

Moving to Corporate, the first quarter Adjusted EBITDA loss was $30 million, a $5 million year-over-year increase, mainly due to higher enterprise growth initiatives. We now expect the 2024 Corporate Adjusted EBITDA loss to approximate $110 million, consistent with 2023.

Turning to capital management, we generated significant deployable capital in the first quarter, upstreaming $254 million in segment dividends. For 2024, we expect our businesses to continue to generate meaningful cash flow. Cash conversion to the holding company is expected to approximate two-thirds of segment Adjusted EBITDA, including reportable catastrophes. Cash flow expectations assume a continuation of the current macroeconomic environment and are subject to the growth of the businesses, investment portfolio performance and rating agency and regulatory requirements.

As we look forward to the remainder of the year, we continue to be focused on maintaining balance and flexibility to support new business growth and return capital to shareholders. From a share repurchase perspective, we continue to expect to be in the range of $200 million to $300 million, which will depend on strategic M&A opportunities, market conditions and cat activity. Through the strength of our differentiated business model and given our first quarter results, we are increasingly confident in achieving our 2024

financial objectives. Our strong capital position provides us with the necessary resources to support business growth and shareholder value over the long-term.

And with that operator, please open the call for questions.

Question & Answer Section

Operator: The floor is now open for your questions. [Operator Instructions] Thank you. Our first question is coming from Mark Hughes with Truist Securities. Please go ahead.

Keith Demmings: Morning, Mark.

Mark Hughes, Analyst, Truist Securities, Inc.:

Keith Demmings: Good morning, Mark.

Keith Meier: Hey, Mark.

Mark Hughes, Analyst, Truist Securities, Inc.: Yeah, thank you very much. Good morning. Hello. In the Connected Living, your EBITDA growth 14%, super strong. When you look at your covered device count, it's relatively stable, trade-ins were stable, but you're getting strong top line growth. How long can you continue to push the top line and profitability in an environment where covered devices seem to be relatively steady?

Keith Demmings: Yeah, it's a great question. I think we're really pleased with certainly how Connected Living started the year largely driven by the strength of the US Connected Living business overall and we've talked about this in the past, but we've had double-digit growth in Connected Living for probably seven or so years pretty consistently. As I look at the first quarter results, domestic Connected Living again was up double digits, high single last year. So I think we feel incredibly well-positioned. We did see a little bit of softness in the devices covered count. A little bit of that is in Japan, which we've talked about, although our margins have been quite stable in that market, a little bit in the prepaid side as well. But the bulk of our US postpaid business, which drives the lion share of the economics, clients are performing incredibly well and feel really well-positioned longer term.

Mark Hughes, Analyst, Truist Securities, Inc.: Your inflation guard in the Homeowners business, when does that get updated and what does that look like for this go-round?

Keith Demmings: Yeah, it'll get updated July 1. It will be a very modest adjustment, roughly 1%. I think last year it was a little north of 3%, and then the year before it was in the low to mid-teens. So, fairly normalized level I think as we look forward this year.

Mark Hughes, Analyst, Truist Securities, Inc.: And then the non-cat loss experience in housing was good. How would you judge the weather this quarter - it sounds like you're benefiting from rates, better claims trends, how much of a weather impact you think there was in Q1?

Keith Demmings: Yeah, I think if you set aside the development, which we called out at $22 million in the quarter, the non-cat loss ratio was just under 39%. I'd say that was relatively in line with our expectations, in line with what we would expect, for the full year around that loss ratio factor. So I would say, certainly we'll see normalized severity levels as inflation has come down. And then to your point, obviously a lot of impact in the business from rate, but then a tremendous amount of leverage in terms of the operating expenses both with scale, but also the efforts that we've made to continue to drive automation. And Keith, do you want to add anything?

Mark Hughes, Analyst, Truist Securities, Inc.: Thank you.

Keith Meier: Yeah, sure. I think a good way to think about that, Mark, as well as, Keith mentioned 39% non-cat loss ratio. We have an expense ratio of about 38% combined is 77%. If you add in some cat coverage, you're probably in that mid-to-high 80s that we talk about on a normal basis. So I think it was pretty well in that line, maybe a little bit better than that.

Mark Hughes, Analyst, Truist Securities, Inc.: Understood. Appreciate the detail.

Keith Demmings: Great. Thanks, Mark.

Operator: Our next question comes from Brian Meredith with UBS. Your line is open.

Keith Demmings: Good morning, Brian.

Brian Meredith, Analyst, UBS Securities LLC: Yeah, thanks. Good morning. Couple of questions here. First, I'm just curious onboarding expenses for Bank of America and maybe Telstra, are those largely completed this point or are we going to see some more of that going forward? Your expenses were quite below where I was expecting this quarter.

Keith Meier: Yeah. So on Bank of America, we've been ramping them up this over the last quarter. And so those loans are now being tracked and then in the second and third quarter, those policies should be coming online. And then by the end of the third quarter, we should be fully up and running on Bank of America. So I think the outlook for Bank of America should be improving as we go through the year. And then with Telstra, we just launched the rest of the program, the main part of the program earlier this month. And so we went through a lot of investment there. There's still more to come for Telstra, but we're in a really good place getting Telstra launched in terms of the main part of the program.

Brian Meredith, Analyst, UBS Securities LLC: Great. So...

Keith Demmings: Maybe just to add a little bit of color as well, Brian, in terms of the question about ongoing investment. So if I'm thinking about Global Connected Living in first quarter, I'd probably size, $5

million of incremental investments in long-term growth in the quarter. We continue to think that will be 2% to 3% impact to the overall growth for the full year. So think about that trend line continuing as we move forward. And then it's just a question of at what pace and urgency do we deploy some of the solutions with, not just the clients that we've talked about publicly, but a number of clients and prospects that we're actively working on in real time, which we'll disclose more on later in the year.

Brian Meredith, Analyst, UBS Securities LLC: Great. And my second question related to Global Auto, I know historically you said it was a couple of clients maybe they were really the issues. I'm wondering which become more pervasive and is there anything that you're kind of thinking about doing with contracts or maybe mitigate some of this inflationary aspect here going forward?

Keith Demmings: Yeah. So, it's – that first part of your question, it's unchanged. So the clients that we've been monitoring and working on based on the deal structures, they're profit share type arrangements, if losses go over a 100%, it creates short-term pressure in our P&L and then we look to recover that contractually with rate adjustments. So it isn't more pervasive than it was. But obviously there's a little elevation in terms of the severity around parts and labor costs in the Auto sector, which I think everyone is seeing. I do feel – continue to feel real good about our long-term opportunity in Auto.

Clients are working with us incredibly well. We've taken a number of rate increases over the last 18 months, 20 months. We took more rate adjustments in the first quarter. We'll do more in the second quarter. So, really, it's a – it's about getting this business to the right spot over the long-term. We talk about relative stability in the P&L at Auto in 2024 and then progressively getting better as we enter 2025.

Brian Meredith, Analyst, UBS Securities LLC: Great. Thank you.

Keith Demmings: You bet.

Operator: [Operator Instructions] You have another question comes from the line of Tommy McJoynt with KBW. Your line is open.

Keith Demmings: Hey, Tommy. Good morning.

Keith Meier: Hey, Tommy.

Thomas McJoynt-Griffith, Analyst, Keefe, Bruyette & Woods: Hey, good morning, guys. Thanks for taking my questions. The first one, can you talk about, as the Bank of America portfolio comes on board and perhaps also considering any other service sort of client additions or deletions? Is there anything that we should expect in the placement rate or the average insured values that would be different than what we should just see in a broader economy in terms of tracking mortgage delinquencies and home price appreciation? Anything different that's kind of changing about the nature of your tracks portfolio?

Keith Meier: Yeah. So I think I've mentioned in the opening remarks where we've got various changes that go on within our portfolio. Obviously, Bank of America, we've talked about we have another client that was

added by another one of our clients. So that was a positive. We also have another client that was acquired by a third-party, so those loans will be coming off. So I think there's going to be a little bit of ups and downs. Some of those have lower placement rates than the average. Some of them have higher placement rates. But when you think about between now and the end of the year, overall, we should be up in our policy counts when you net those kind of movements within the quarters.

Keith Demmings: Yeah. And I think at a relatively stable placement rate as we exit the year, Tommy, and it may bounce around a little bit, but to Keith's point policy counts at the end of the year should be higher than where we sit today.

Thomas McJoynt-Griffith, Analyst, Keefe, Bruyette & Woods: Okay. Got it. That's a good color. And then switching over, can you talk about the current level and perhaps your expectations for trade-in programs and promotional activity from the carriers? And just whether or not you think that could be a swing factor in the bottom line of Connected Living as we proceed through the year?

Keith Demmings: Yeah, I think we've done a really good job maintaining overall margins in the trade-in side of the business. If you think about the first quarter, obviously devices serviced were down, but as we signaled margins are quite stable and we're making up some of that with additional volume with new clients as well. So I think we feel really good about how we're positioned. And to your point, the promotional activity was relatively light in the quarter. I think clients were focused on other things within their portfolios and moving customers to higher tier premium rate plans, et cetera. And driving upgrades wasn't a huge priority in the market, but we still performed quite well financially. So I think we're well-positioned and the dynamic environment particularly with the big three mobile operators is hard to predict. And obviously we're well-positioned should that activity pick up here in the second quarter and beyond. So it's hard to predict right now, Tommy, but I think we feel really well-positioned.

Thomas McJoynt-Griffith, Analyst, Keefe, Bruyette & Woods: Okay. Got it. And then last one, I think I may have missed it during the remarks. I think I heard you say that the reinsurance costs decreased. I didn't catch – well, first off, could you repeat those numbers? And then secondly, did you mention like what is happening to the per event retention if there were changes to that?

Keith Meier: Yeah, sure. So well, I guess, first of all, we're really pleased with the outcome of moving to the single placement. It's really simplified the program. I think it was well-received by the reinsurers. We mentioned that the cost of the program was down year-over-year. So we're expecting it to be approximately $190 million this year versus $207 million from last year. And overall, our per event retention stayed at a one-in-five probable maximum loss. So that was up from $125 million - the top end of the program, we actually increased from $1.4 million to $1.63 million[(1)].

So moving it from one in 225-year to one-in-265-year event. So lot of good protection and lower cost. So I think overall, moving the program to the 4/1 placement date was, I think a very favorable move for us. And

then also just in general, in terms of the rates, the rates were favorable on-line given the reinsurance market and I think that was a reflection of the quality of our book and our overall performance.

Thomas McJoynt-Griffith, Analyst, Keefe, Bruyette & Woods: Got it. Thanks for recapping that. Thank you.

Keith Meier: My pleasure.

Operator: There are no more further questions at this time.

Keith Demmings: Wonderful. Well, thanks, everybody. And we'll look forward to the next quarter call. And please reach out to the IR team if you have any questions. Have a great day.

Keith Meier: Thank you.

(1) 2024 catastrophe reinsurance program provides ~$1.5 billion of coverage in excess of $150 million retention.