Assurant Q2 2026 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

Tommy McJoynt - Analyst, KBW

Jeff Schmitt – Analyst, William Blair

Charlie Lederer - Analyst, BMO

Paul Newsome – Analyst, Piper Sandler

Management Discussion Session

Operator: Welcome to Assurant's Second Quarter 2026 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 the management's prepared remarks. We ask that you please hold all questions until the completion of the formal remarks, at which time you'll be given instructions for the question-and-answer session. 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 second quarter 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 an earnings release announcing our results for the second quarter 2026. The release and corresponding financial supplement are available on assurant.com. Also on our website is a slide presentation for our webcast participants.

Some of the statements made today are forward-looking. Forward-looking statements are based upon our historical 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 to analyzing the company's performance. For more details on these measures, the most comparable GAAP measures and a reconciliation of the two, please refer to the earnings release, presentation and financial supplement on our website.

We'll start today's call with remarks before moving into Q&A. I will now turn the call over to Keith Demmings.

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

Good morning, and thank you for joining us. Following a strong start to the year, we delivered our second consecutive quarter of record earnings. This was supported by profitable growth across Assurant, reinforcing the durability of our business model, value of our embedded partnerships, and our disciplined approach to investing for the long-term.

Our second quarter results extended the momentum that we carried into the year, with adjusted EBITDA and adjusted EPS growth rates in the high-teens, both excluding reportable catastrophes. For the first six months of 2026, we generated 12% adjusted EBITDA growth and 14% adjusted EPS growth, both excluding reportable cats.

What's most important is what these results say about Assurant. In a dynamic operating environment, Assurant continues to deliver, as we balance near-term execution with long-term investments, including within data, automation, and AI. These capabilities are helping us operate with greater speed and precision, improve decision-making, and strengthen the support we deliver for clients and consumers.

At the same time, we're maintaining our disciplined approach to capital allocation, returning excess capital to shareholders while preserving flexibility to invest in attractive growth opportunities across the businesses. Most importantly, our performance continues to be powered by our people. Their commitment to execution, innovation, and service is what enables Assurant to consistently deliver.

As we look ahead, we're very well-positioned to deliver our 10th consecutive year of profitable growth, while continuing to create value for our clients, customers, and shareholders. Our success is rooted in a clear strategy and business model built for durable growth. We're a trusted B2B2C partner to many of the world's leading brands, with longstanding partnerships built by helping our clients solve complex challenges, while serving hundreds of millions of consumers.

Our relationships are grounded in transparency and a relentless focus on shared outcomes, driven by operational excellence. We're strategic partners helping clients grow, while strengthening customer loyalty. Our value extends well beyond protection products across Global Lifestyle and Global Housing. We've built integrated ecosystems of services, technology, data and operational capabilities, supported by AI, that create value throughout the client and customer journey. These capabilities are difficult to replicate and increasingly important as our clients seek partners who can solve broad business challenges at scale.

In Connected Living, for example, we've evolved from a protection provider to a business partnerthat enables end-to-end mobile and technology solutions. Through continuous innovation, powered by technology, and a willingness to disrupt ourselves, we've expanded the value we deliver far beyond the original protection product.

We remain laser focused on markets where we have a clear right to win. Disciplined execution through global scale and specialized capabilities create meaningful competitive advantages and generate multiple paths for continued growth. The results speak for themselves.

In addition to our exceptional year-to-date performance, Assurant has a multi-year track record of proven results. Since 2020, Assurant delivered an 11% compound annual growth rate in adjusted EBITDA, and a 17% CAGR in adjusted EPS, both excluding catastrophes, while continuing to generate attractive returns for shareholders.

Let's move to our segment highlights. Global Lifestyle delivered another outstanding quarter. Adjusted EBITDA increased 21% both in the second quarter and year-to-date, reflecting continued momentum in Connected Living and ongoing earnings expansion in Global Automotive.

In Connected Living, earnings increased 24% year-to-date, benefiting from growth with existing clients and continued optimization of recently added programs. Targeted investments in technology, capabilities, innovation and customer experience have supported significant momentum across the business and have created multiple growth vectors to support ongoing earnings growth.

Our momentum is undeniable and we're incredibly proud of how we've strengthened our market position. We've expanded and reinforced our relationship with T-Mobile, migrating US Cellular's large in-force business, and launching a new reverse logistics program through a co-located facility.

We've made tremendous progress as we continue to expand and deepen partnerships with all other large US mobile carriers and cable operators. We're driving growth through the optimization of programs across mobile, extended service contracts and financial services, including key wins with Telstra, BestBuy, and Chase Card Services.

We're extending our presence into adjacent markets, including Home Warranty, where our partnership with the largest US brokerage continues to progress. And internationally, we're expanding capabilities, deepening client relationships, and increasing our presence in key markets around the world, particularly within mobile and extended service contracts.

Our competitive position has enabled us to create differentiated value across the Connected Living value chain.

Turning to Global Automotive. Earnings increased in the quarter, supported by growth in global partnerships. We also continue to see loss improvement. Year-to-date, adjusted EBITDA has grown 15%. We remain focused on deepening relationships with existing partners, while expanding our global footprint. A key example is the long-term renewal with one of our largest automotive clients, which reflects the strength of our partnership and positions us to create additional value together over time.

Internationally, we continue to gain traction with OEMs and vehicle retailers, further expanding our opportunities for auto growth.

Moving to Global Housing. Our products continue to play an important role across the US housing ecosystem, while delivering strong earnings performance. Our homeowners' products and services support homeowners, mortgage servicers, and lenders by protecting properties and maintaining continuity of coverage contributing to stability across the housing ecosystem.

Beyond protecting properties, our solutions facilitate the repair and recovery process following covered losses, supporting homeowners and helping preserve long-term property values.

As we scale the business and continue to invest in AI and other technology, data and operational capabilities, we're enhancing the customer experience, improving efficiency, and delivering value for clients, homeowners, and policyholders.

We're very pleased to announce a new partnership in our Lender-Placed business. During the second quarter, we began providing Lender-Placed insurance services to Freedom Mortgage, a top 10 US mortgage servicing partner, with approximately 2.6 million loans, further enhancing our market position and validating the competitive strength of our offerings. This partnership is a result of our operational excellence and commitment to delivering an exceptional customer experience.

We continue to see additional opportunities to add new partnerships across the servicing market. Within renters, our Cover360 platform remains a key growth driver. After the second quarter launch of a new partner, we now serve 7 of the top 10 property management companies. Through deeper integration with PMC partners, Cover360 continues to improve penetration rates and coverage.

Overall, our success across Global Housing has supported continued earnings expansion with 7% year-to-date adjusted EBITDA growth, excluding cats.

Excluding prior year reserve development, underlying year-to-date EBITDA growth in housing was double-digits.

As we position Assurant to deliver our 10th consecutive year of profitable growth, our differentiation is clear. We have market-leading businesses, trusted client partnerships, and a disciplined operating model with multiple avenues for growth. A growing portion of our earnings comes from embedded services and protection partnerships that generate recurring revenue streams and are less dependent on traditional insurance market cycles.

Combining fee-based revenue, specialized protection products, strategic risk management, and disciplined capital allocation, creates a more stable and less cyclical earnings profile than many traditional property and casualty insurers.

Within our countercyclical lender-placed business in housing, our risk profile remains broadly diversified across the United States while our inflation guard mechanisms and pricing framework help mitigate claims inflation pressures over time. Taken together, these advantages give us confidence in the durability of our results across various market environments over the long-term.

We look forward to updating you on our continued progress in the quarters ahead.

Now, over to Keith Meier

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

Thanks, Keith, and good morning, everyone. We were very pleased with the record performance in the quarter, driven by strength of both Global Lifestyle and Global Housing. Second quarter growth was exceptional, with adjusted EBITDA increasing 18% and adjusted earnings per share growing 19%, both excluding cats. We're proud of the underlying strength of Assurant, as we continue to drive growth, and strong financial performance through our intense focus on innovation and product differentiation.

Our outstanding second quarter performance supports another increase to our full year 2026 outlook. Before reviewing our increased outlook, let me start by highlighting our second quarter results, beginning with Global Lifestyle.

Second quarter adjusted EBITDA increased 21% or $43 million compared to last year. Within Connected Living, EBITDA growth was 29% or $39 million. Results included non-run rate benefits of approximately $10 million from a client adjustment within extended service contracts, and an international tax benefit within mobile. When normalized for these non-run rate items, Connected Living adjusted EBITDA increased by 22%.

Strong growth was driven primarily by our mobile business. Our growing global supply chain business, which includes reverse logistics, trade in and upgrade, claims fulfillment and other capabilities, serviced over 7 million devices, an increase of approximately 1.8 million compared to last year, driven by our new reverse logistics programs.

Underlying margin improvement as we scaled and matured programs, also contributed to growth. Within device protection programs, we continued to see strong subscriber growth over the last year, adding over 4 million devices protected across our US and international partnerships. In addition, growth within financial services was led by the optimization of programs within our Growing Card Benefits business.

In Global Automotive. Adjusted EBITDA increased 6% or $4 million. Growth was driven by the expansion of global partnerships, particularly in Latin America and Europe, where our value proposition and market credibility has led to higher earnings from scaling programs and new opportunities. Auto results continue to reflect improving loss experience.

Moving to Global Housing. Second quarter adjusted EBITDA was $275 million, including $12 million of reportable catastrophes. Excluding cats, adjusted EBITDA was $287 million, an increase of $43 million or

18%. Results benefited from a lower than typical second quarter non-cat loss ratio of approximately 35%, excluding prior period reserve development.

Favorable loss ratio trends are the result of reduced claims frequencies in the quarter, given the lower number of weather events. On a year-to-date basis, the non-cat loss ratio is relatively consistent to 2025. Lower cat reinsurance costs also contributed to growth, driven by favorable pricing following the April 1 placement of our 2026 program.

Additionally, top line growth within Specialty Products and higher average premiums in Lender-Placed also contributed to growth. Second quarter results were partially offset by $12 million of lower favorable prior period reserve development. Within Lender-Placed, our total tracked loans grew 9% to over [ph] 34 million (00:26:42) loans, driven by our exciting new partnership with Freedom Mortgage.

As previously communicated, we did experience some fluctuation within our quarterly placement rate of 2.02%. Although relatively flat year-over-year, our placement rate was down sequentially. During the quarter, a client transferred a portion of their loan portfolio to another loan servicer, which is not an Assurant client. The decline to our placement rate was entirely driven by these loan movements, which were related to a small block of loans with a higher than average placement rate.

Supported by the new client win, which will have policies ramp up over the next 12 months and our expectations for continued growth in 2026, we remain excited about the performance of our housing business as we continue to grow our leadership position in the market.

Turning to capital, our liquidity position at quarter end was $911 million, providing flexibility to continue to invest in growth, returning capital to shareholders and drive innovation. This quarter we returned $123 million to our shareholders, including $75 million of share repurchases and $48 million in dividends.

Our strong capital position, supported by record earnings, enabled us to accelerate our repurchase plans during the first half of the year. Through July 31, we've repurchased an additional $30 million, bringing our year-to-date total to $230 million.

Let's move on to our increased outlook for 2026. We now expect full year adjusted EBITDA and adjusted earnings per share to grow mid-single-digits, both excluding cats, overcoming $71 million of lower favorable prior year reserve development. The reserve development includes $113 million in 2025 and $42 million in the first half of 2026.

Excluding the impact of prior year reserve development, we expect approximately 10% underlying growth in both adjusted EBITDA and adjusted earnings per share, excluding cats.

Global Lifestyle is expected to lead the growth for Assurant. We're increasing our outlook for lifestyle and now expect growth of low double digits, reflecting our strong first half results. Connected Living results for the year will benefit from continued optimization of new programs, expansion with existing clients, and contributions from new programs and capabilities, demonstrating the returns we've achieved through previous investments. Global Auto is expected to grow from higher investment income, continued loss improvement, and growth of global partnerships.

Turning to Global Housing. Our outlook has also increased as we now expect earnings to grow modestly, excluding cats. Absent impacts from lower prior year reserve development, we expect solid underlying growth for the full year.

Consistent with our past approach, our 2026 outlook does not contemplate incremental prior year reserve development for the remainder of the year. From a capital perspective, our strong cash generation creates flexibility, enabling us to reinvest for growth, including M&A, and return excess capital to shareholders. Over the remainder of the year, we'll continue to evaluate capital deployment opportunities anchored to our disciplined and balanced approach.

For 2026, we are increasing our expectations for share repurchases to be towards the upper end of our $300 million to $350 million repurchase range.

Our second quarter and year-to-date results demonstrate that Assurant continues to operate from a position of strength with momentum across each of our differentiated businesses. We are well-positioned to deliver our 10th consecutive year of profitable growth, extending our proven track record of strong performance. As we execute against our increased financial objectives, we remain focused on investing in future growth opportunities while leveraging our strong capital position to create long-term value.

With that, operator, please open the call for questions.

Question & Answer Section

Operator: Thank you. The floor is now open for questions. Our first question comes from Mark Hughes with Truist. Please unmute your line and ask your question.

Mark Hughes - Truist: Morning, Keith. Morning, Keith, Sean. Just a very broad question. You had spoken earlier this year and last year about the investments you're making in new customer agreements. Those things were expected to ramp up. You've certainly seen that here in 2026 in the first half. How would you describe the pipeline and investments, your visibility as it pertains to 2027? Just sort of trying to understand, are we harvesting the fruits of that earlier momentum or is there a continuing momentum under the – under the surface?

Keith Demmings, President & Chief Executive Officer: Yeah, that's a great question. First of all, obviously, incredibly proud of what we've put up in the first half of the year. This is coming off the back of three years of double-digit growth in earnings and EPS and now having our second straight quarter of record earnings. Super proud of that result. It's really broad-based here when you look across all the businesses. Lifestyle, both Connected Living and Auto, Housing, even international is performing well. So, I think from that perspective, we feel really good. Obviously, in great shape this year to deliver our 10th year consecutive earnings growth.

And I think we'd like to highlight the resiliency of the business. And clearly you see our leadership position showing through the momentum, as you said, with clients. And obviously excited to raise the guidance for the full year. As I think about the momentum broadly, you're right, we are certainly benefiting from the investments we made in 2024 and 2025, and those are now scaling. We're certainly optimizing the performance against many of those programs, so that's a big contributor to why things are performing so well in the first half year-over-year.

I think we do have great momentum across the board. We've talked a lot about it. We had a great national event, showcase some of the capabilities that we're building in Mobile, helping demonstrate why we see great long opportunity, long-term opportunity for growth. You saw great growth in ESG, financial services. We're seeing auto inflect and then housing, with Freedom Mortgage now giving us more power and scale over time.

So, I do think we'll continue to make investments. We've got lots of opportunities to do more with clients. And certainly feel really good about our momentum heading into 2027. Maybe, Keith, would you like to add anything?

Keith Meier, Chief Financial Officer: Yeah, I think the only thing I would add is, we've announced four additional programs last quarter for Connected Living. So, I think that gives us some good momentum as we continue on through this year. And then, as Keith mentioned, we also have some nice momentum with the large client win in housing. So, I think the good feeling that we had reaping the benefits of those investments, Mark, I think there's some good momentum still to come.

Mark Hughes - Truist: Excellent. And then on Global Automotive, I think you might have just used the inflection word around growth. You've talked about kind of international partnerships. Could you maybe give a little more detail on what's changed there, why the greater optimism?

Keith Demmings President, Chief Executive Officer: Yeah, I mean, I think we've talked a lot about the work we've done over the last several years. Since 2022, we've put 26 rate increases in against a handful of client programs where we had some risk. So, that is certainly benefiting our financial performance. And then we talk about momentum internationally and also we think there's a great long-term opportunity with large dealers in the US. Our team is hyper focused on execution, very much in growth mode, trying to innovate and drive change in the market. But what else would you add, Keith?

Keith Meier, Chief Financial Officer: No, I think we have been pleased with how Auto is continuing to progress. We saw the growth in International coming out where we focused more on OEMs. And we also have dealerships there, but we feel good about that. And then we also see opportunities to gain additional share with national dealers in the US as well. So, we're pleased with the progress we're making since the inflection point last year and, you know, continue to want to grow that business.

Mark Hughes – Truist: Appreciate it. Thank you.

Keith Demmings, President, Chief Executive Officer: Thanks, Mark.

Operator: Thank you. Our next question comes from Charlie Lederer with BMO. Please unmute your line and ask your question.

Keith Demmings, President, Chief Executive Officer: Hey, Charlie. Morning.

Keith Meier, Chief Financial Officer: Hello, Charlie.

Charlie Lederer – BMO: Morning. Can you guys hear me because I can barely hear you all.

Keith Demmings, President, Chief Executive Officer: Yeah, we can hear you.

Charlie Lederer – BMO: Okay. So, in Housing, congrats on the new client win. In the past, you've alluded to the growth in this segment being helped by the hard market in insurance, which is moderating or reversing to an extent now. Should we expect that to lead some of your Lender-Placed policyholders to return to traditional home insurance policies? Are you seeing any of that? And was that, did the change in the gross written premium trend this quarter in that segment, is that affected by that or was that related to the – the – the dynamic you called out in your prepared remarks? Thanks.

Keith Demmings, President, Chief Executive Officer: Great. Yeah, maybe I'll start on the placement rate. I would say if you set aside the loan movement that we described, which was at a higher than normal placement rate, the underlying placement rate is very stable. Sequentially, it's actually still up year-over-year. So, we're definitely seeing more moderation. We're not seeing the escalation of growth in placement rate as a result of the voluntary market challenges. But I'd say it's very stable when we look at it.

It deviates across state, as you'd imagine. I think Florida where year-to-date were down in policies about 2%. Texas, California, we're up 1% or 2%. On balance, very steady and very stable. I think we feel really good about our outlook going forward. And then layer on top of that, obviously 2.6 million loans, that will build over the next 12 months in terms of policies. And that will give us a nice opportunity to continue to drive growth. But maybe Keith can share some thoughts as well.

Keith Meier, Chief Financial Officer: Yeah. And Charlie you mentioned the gross written premium. That was due to the client that transferred a portion of their loan portfolio to another servicer. So, that did affect the current quarter, but we feel good that the new client that we're putting on, that will more than compensate for that over the next 12 months. So, we – we feel good about that continued momentum there.

Charlie Lederer, BMO: Thanks. And then maybe switching over to Lifestyle or Connected Living. The – the EBITDA growth year-over-year comparisons do get tougher here in the back half. Appreciate, you had all the four new announcements last quarter. I guess how should we think about that growth trend evolving as we head into the back half? Thanks.

Keith Demmings, President, Chief Executive Officer: Yeah. And I think – I think you've seen really good performance in particular in connected living with mobile. Our device protection subscribers are up 4 million year-over-year. We've seen a step change in devices services. Obviously, we've launched a lot of new programs around reverse logistics. Those two things are certainly benefiting, but we're also scaling across our client base as well. So, I do feel really good about how we're positioned. Certainly, as we look forward, I expect within lifestyle, we're talking about low-double-digit EBITDA growth in 2026. I think Connected Living will be the bigger driver of the two, but Auto is certainly performing well and on balance. We feel really good about how we're situated for the rest of the year and obviously how that builds momentum into 2027.

Charlie Lederer – BMO: Thanks, guys.

Keith Demmings, President, Chief Executive Officer: Yeah. Thank you.

Operator: Thank you. Our next question comes from Jeff Schmitt with William Blair. Please unmute your line and ask your question.

Jeff Schmitt – William Blair: Hi. Good morning.

Keith Demmings, President, Chief Executive Officer: Good morning, Jeff.

Keith Meier, Chief Financial Officer: Hey, Jeff.

Jeff Schmitt – William Blair: Hi. Another question on the Lender-Placed business. Again, good to see the win. Loans tracked are increasing. Are there other deals in the works? I mean maybe if you could talk about your pipeline there, what that looks like. And just in general, are there a lot of opportunities in that market? I mean you have a high market share, so just curious.

Keith Demmings, President, Chief Executive Officer: Yeah, it's – it's sort of fascinating, right. Because we do have a great market position, but I think that's allowed us to leverage our scale to deeply invest in our capabilities. And I feel like we've got a great pipeline of long-term opportunities for growth because we're so intensely focused on – on scaling and investing in this area.

I think when you see announcements, like a couple of years ago, bringing on Bank of America, now Freedom Mortgage, every time we launch another major client, we raise the bar in terms of what we deliver, the capabilities that we're investing in, how we're leveraging technology.

So, I think as time goes on, our offerings become richer and more robust. And I think our opportunity for growth is better today than it was three years ago because of the investments we're making.

Jeff Schmitt – William Blair: Okay. And then you continue to make good progress on the reverse logistics partnership. It's driving high fee growth in Global Lifestyle. Just curious how much more capacity do you have in the Nashville Device Care Center? And then maybe if you could just talk about the margins on that business, versus your kind of core device protection business?

Keith Meier, Chief Financial Officer: Yeah. So, Jeff, I would first say, we've got device care centers in Nashville and also multiple centers in Texas as well. And we have plenty of room to expand and take on more business in those, so that is definitely not a gating item for us. And then in terms of the contributions, we certainly were pleased with the contributions as we mature these programs in the second quarter. The device protection programs are the – the drivers for our economics, but it's certainly a nice complementary element, and really just allows us to deliver unique value for the whole device lifecycle ecosystem.

Keith Demmings, President, Chief Executive Officer: Yeah. And one other thought is, as we operate very much as a global company, which is particularly true across lifestyle, we're building out and have infrastructure in most of our key markets in terms of device care centers, whether it's Canada, Japan, Europe, Australia, et cetera. So, we feel really good that we're trying to build our ecosystem of services consistently around the world, to create better long-term growth opportunities.

Jeff Schmitt – William Blair: Great. Thank you.

Keith Demmings, President, Chief Executive Officer: You bet.

Operator: Thank you. Our next question comes from Tommy McJoynt with KBW. Please unmute your line and ask your question.

Keith Demmings, President, Chief Executive Officer: Good morning, Tommy.

Keith Meier, Chief Financial: Hello, Tommy.

Tommy McJoynt – KBW: Hey, good morning, and thanks for taking our questions. Starting off on the Connected Living side, adjusted EBITDA in the first half was up almost 20%, even after excluding the one timers. Is there any correlation there to the – to the global chip and memory shortage, and your service of protecting and processing devices, being able to – to generate outsized margins around that? Or is this strength really separate from that cycle and just a more structural and sustainable improvement?

Keith Meier - Chief Financial Officer: Yeah. So, in terms of the quarter, I would say the biggest drivers are contributions across our supply chain business that we – that we've talked about. Also the growth in our protection program. And we also seeing a maturing of our – of our financial services business that are being contributing as well. So, I think we've gotten contributions across the board there in the US. And then International is – is delivering, too. So, I think that's the biggest driver, Tommy, of the second quarter.

And then I think in general, the memory costs and new device prices, I think those are probably call it neutral to positive for us, over the – the longer term. And – and there's lots of reasons for that but a couple of highlights is, one, when devices are more expensive, people tend to want to protect them more, so that's usually a positive element for us. And then also as new – new phones are more expensive, it also allows us to take advantage of our certified pre-owned devices and be able to also fill a need for less expensive devices.

So, those are a couple of – of examples where I think it should be a good dynamic for us, as – as those memory costs evolve.

Tommy McJoynt – KBW: Got it. Thanks for that color. And then switching over to the capital side and the priorities around that. When we look at the – the amount of dividends that you're getting from your subs up to the holdco and we think about the allocation of capital to interest, and to paying the quarterly dividend, there's still a ton of excess capital across, available for – for buybacks and M&A. Any interest in thinking about increasing your buybacks, going kind of surpassing that $350 million you're targeting for this year? And then conversely, what are you guys looking at on the – on the M&A front? Are there any pockets you're looking to sell in your [ph] processes (00:46:11) or what can you say about that? Thanks.

Keith Meier, Chief Financial Officer: Yeah. First of all, I would say appreciate you highlighting the great cash flow generation that we have in our businesses. We do have $911 million of liquidity at our holding company today. We did raise our repurchase outlook to the upper end of our $300 million to $350 million range. But, overall, we really like the position we're in to have the flexibility to be able to make organic and M&A investments, as you touched on, Tommy.

We always have a pipeline of opportunities that we're looking at and we want to make sure we are in a strong position to play offense and be able to invest for the long-term future. So, we really like the position we're in currently. And we'll continue to make sure that we're being disciplined in terms of the capital allocation long-term.

Tommy McJoynt – KBW: Thanks.

Keith Demmings, President, Chief Executive Officer: Sure.

Operator: Thank you. Our next question comes from Paul Newsome with Piper Sandler. Please unmute your line and ask your question.

Keith Demmings, President, Chief Executive Officer: Hey, Paul.

Keith Meier, Chief Financial Officer: Hello, Paul.

Paul Newsome - Piper Sandler: Good morning. Thanks for the call. I was hoping you could touch on your most recent thoughts on what you're seeing from a claims inflation perspective in both the auto and the home business, ex-cats. Not a ton of movement, but we've seen some inflation, some in the CPI in some key areas that would affect your businesses. So, curious as what your book is seeing.

Keith Meier, Chief Financial Officer: Yeah, I think, Paul, in terms of Auto, it's been pretty stable actually, quarter-over-quarter in terms of the CPI and – and what we're seeing specifically for – for our business. And then in Housing, we see ourselves as well-positioned in terms of inflation there. We're not seeing it be an impact. And you saw that in our – in our strong loss ratios this quarter, so I'd say it's been very manageable to this point. But I think on both fronts, we feel – we feel okay about inflation at the moment. And – and we've got lots of levers as we talked about in terms of how our businesses are resilient in different macroeconomic times.

Keith Demmings, President, Chief Executive Officer: Yeah. And I think we've – we've done a really good job, certainly on the Auto side, working with partners to manage claims cost to be as efficient as we can, but also put rate in as necessary and that's a big mitigator to any inflation. And then I think as you – as you know on the Housing side, we've got our automatic inflation guard feature. If you look at average insured values, they're up 5% year-over-year. We continue to see that as we move forward. So, that's a nice an offset to certainly inflationary pressure. And then as we look at the quarter, certainly Q2 was favorable from a loss ratio perspective for Housing. But year-to-date, it's maybe a 100 basis point delta in the first half versus first half last year. So, it's not a huge driver of our overall outperformance.

Paul Newsome - Piper Sandler: Maybe a quick follow up, just on the Auto piece. Some disagree with the industry what was going on with frequency. Obviously, you're more indirect, but have you seen changes and even small ones in frequency of late?

Keith Meier, Chief Financial Officer: I wouldn't say anything significant. I think, in general, we're making the progress on our claims experience, both for the vehicle service contracts and our gap programs. So, there's nothing that I would call out, Paul.

Paul Newsome - Piper Sandler: Okay. Appreciate the help. Thank you, guys.

Keith Demmings, President, Chief Executive Officer: Thank you.

Keith Meier, Chief Financial Officer: Thank you.

Operator: Thank you. Our last question comes from Mark Hughes with Truist. Please unmute your line and ask your question.

Keith Demmings, President, Chief Executive Officer: You got back in line, Mark.

Mark Hughes - Truist: How could I resist. In the Lender-Placed business, you talked about not as much RAM in the current environment as you might have seen in earlier periods, still up in certain markets, down in Florida. How are you seeing that play out in terms of the duration of the policies as they come on board? I think one of the benefits you've seen is the lengthening of that duration. Is that reversing itself or are you just seeing fewer deceleration in the pace of new loans coming into the placement rate?

Keith Demmings, President, Chief Executive Officer: Yeah, I wouldn't say we've seen a meaningful change in the duration. We've certainly seen the duration extend over the last couple of years. I'd say it's holding relatively steady.

Mark Hughes - Truist: Okay. And then on the Home Warranty side, how productive is that brokerage relationship and is that meeting your expectations?

Keith Demmings, President, Chief Executive Officer: Yeah, I mean, for sure, as far as – if you want to launch a new program with a partner, they've been a fantastic client to partner with. I think like I've talked about before, very aligned to the vision around serving consumers, leveraging technology, building the agent experience. Lot of work going on to continue to integrate and refine how we go-to-market, how we optimize. But yeah, super excited and I still feel very convicted about the long-term growth opportunity and we're excited to continue to drive momentum forward.

Paul Newsome – Piper Sandler: Thank you very much.

Keith Demmings, President, Chief Executive Officer: Thank you.

Keith Demmings, President, Chief Executive Officer: All right. I think that was the last question. So, just a couple of final comments. First of all, super proud of where we sit here today. Looking forward very much to executing on the revised and increased outlook for 2026 to deliver our 10th year of growth.

Thanks, everybody, for your time, and look forward to speaking to you again next quarter. Have a great day.

Operator: Thank you. This concludes today's teleconference. Please disconnect your lines at this time and have a wonderful day.