Q4 2010 Earnings Call

Company Participants

- Beth Farrell, VP IR
- Dominic Addesso, EVP, CFO
- Joseph Taranto, Chairman, CEO

Other Participants

- Brian Meredith, Analyst
- Josh Shanker, Analyst
- Vinay Misquith, Analyst

Presentation

Operator

Good day, everyone, welcome to the Everest Re Group Limited Fourth Quarter 2010 earnings release call. Today's conference is being recorded. At this time, for opening remarks and introductions, I would like to turn the conference over to Ms. Beth Farrell, Vice President of Investor Relations. Please go ahead.

Beth Farrell {BIO 19732216 <GO>}

Thank you, Artebia. Good morning. Welcome to Everest Re Group's Fourth Quarter and full-year 2010 earnings conference call. With me today are Joe Taranto, the Company's Chairman and Chief Executive Officer; and Dom Addesso, our Chief Financial Officer. Before we begin, I will preface our comments by noting that our SEC filings include extensive disclosures with respect to forward-looking statements. In that regard, I note that statements made during today's call which are forward-looking in nature such as statements about projections, estimates, expectations, and the like, are subject to various risks.

As you know, actual results could differ materially from current projections or expectations. Our SEC filings have a full listing of the risks that investors should consider in connection with such statements. Now let me turn the call over to Joe.

Joseph Taranto {BIO 1495653 <GO>}

Thanks, Beth. Good morning. We are pleased to have achieved an annualized ROE of 18% in the Fourth Quarter on $258 million of operating earnings. These strong results were enhanced by excellent investment income returns and a tax benefit from prior years.

Despite a challenging marketplace, and a significant number of global (inaudible) our operating ROE was 9%, and we grew book value per share by 12%.

We finished the year with $6.3 billion of capital, an increase of $182 million from where we started, a testimony to the strength of our core earnings when you consider that we had $571 million of cat losses, $400 million of share repurchases, and $108 million of dividend payments. Our year-end reserve studies essentially confirmed last year's estimates as there was modest favorable development for the year. We have booked accident year 2010 at solid estimates, fully reflective of market changes, looking to maintain sound estimates overall. Dom will provide more details on the financials momentarily.

January renewals did not provide any great surprises. Property catastrophe and retro rates were off 5%-ish but generally continued to rate adequately. Reinsurance rates, terms and conditions remained stable on most property and casualty cash treaties unless prior losses required a correction, as was the case with Chile, Australian cat business as well as the energy space for BP losses. We continued to concentrate our support in the casualty reinsurance market on core clients.

We also continued to benefit internationally from our strong ratings, solid reputation and long-established presence. Underlying insurance rates both casualty and property continued to slowly decline both in the US and abroad. As rates decline, we will reduce our proportional treaties if we cannot make the appropriate returns. Looking forward, barring favorable market changes, I do not see 2011 as a year where we expect top line growth. We will continue to plant seeds for the future, as we have in the recent past in our expansion into Brazil and China, or most recently in our expansion into the insurance market in Canada and we will selectively move into spaces that we believe have very favorable short-term and long-term prospects as is the case for our recent acquisition of Heartland.

If the market doesn't improve, our mandate will be to underwrite, don't overreach and grow selectively. Whereas I don't expect top line growth, I am hopeful that Everest will have 2011 earnings that surpass 2010. I am hopeful for an improved underwriting performance both for our insurance and reinsurance operations, as well as continued strong investment returns which will be helped by the very strong cash flow we experienced in 2010. I expect all of this will be enhanced by continued stock buyback.

Let me provide some details on why I expect these improvements. First, our insurance operation. Although it had a poor 2010, I believe we can achieve an underwriting profit in 2011. This operation is undergoing a significant transformation. An important part of this transformation is our acquisition of Heartland. We are exceedingly pleased to have Mike Miller and his team become part of the Everest Group.

Mike has done an outstanding job of growing his operation, which wrote roughly $300 million of crop business. It is our belief that together we can continue to profitably grow the business into the future. It is also our belief that we can right this business to a double-digit underwriting profit through the course of the future. Heartland will convert to using our paper in July, between reinsurance and insurance we expect about $175 million worth of business in 2011. Led by Heartland, roughly 40% of Everest National's book will be short-tail business in 2011.

This includes our California and Florida property operation, as well as our Brownstone and non-standard auto book. It is my belief that this 40% of our insurance book will run to a meaningful underwriting profit. Roughly another 25% of our 2011 insurance writings will be California workers comp. In 2010, we achieved nearly 9% in rate increases. We are looking to continue to raise rates by double-digits in 2011.

I believe the market, which has been hurt by recent results, will allow us to achieve our goals. It is our belief that these increases will allow us to achieve an underwriting profit in this sector in 2011. Roughly 15% of our insurance business in 2011 will be produced by our New York direct operation which writes D&O and E&O products mostly for financial institutions. This operation has been quite profitable and I believe it will continue to be so in 2011. Putting these three pieces together, we have 80% of the book which is expected to perform well.

The other 20% is mainly general liability where market competition remains strong. This sector will be much smaller for us in 2011, as we phase out our C.V. Starr business from our paper to Starr's paper. Starr's been a great partner and we will continue to support them as a reinsurer in 2011. We will continue to press for rate increases in this class but if the market does not follow, this sector will remain difficult. Nonetheless, I expect our overall book to do well.

On the reinsurance side, our operation will undergo a little change. But it's my hope we will experience less catastrophes, despite the fact that the industry has started the year with the Australian floods. Last year, as the third largest reinsurer in Latin America we experienced substantial losses in Chile. In response, we have lowered our aggregates both in Chile and other peak zones. In summary, despite challenging conditions, we will look to develop our business for the long term, while achieving quality results short term and long term. Dom?

Dominic Addesso {BIO 1428096 <GO>}

Thank you, Joe. And good morning. As noted, operating earnings for the quarter were $4.70 per diluted share. When combined with net realized capital gains, it resulted in net income of $5.51 per diluted share. Net after-tax realized gains, which totaled $44.7 million or $0.81 per diluted share, were the result of $30.8 million of after-tax fair value adjustments on the portfolio, and $13.9 million of after-tax gains resulting from sales of securities.

Securities sales were in part driven by tax strategies and the sale of $480 million of tax exempt bonds. Operating income for the quarter was $258 million, and was comprised of a pre-tax underwriting gain of $14 million, pre-tax investment income of $185 million, pre-tax other income of $21 million, and a one-time tax benefit of $50 million. These income items were offset by interest expense and other corporate expenses pre-tax of $16 million.

First, let me address the federal income tax benefit in the quarter. The Company had appealed the examination results of certain tax years, primarily related to the gain on inter-Company asset sales. Due to the uncertainty of the outcome, the Company had accrued contingency reserves in the event of an adverse ruling. Ultimately our position was upheld which resulted in a tax refund plus interest, the reversal of the reserve, and other miscellaneous adjustments, all of which totaled approximately $50 million or $0.90 per diluted share.

Absent this benefit, operating earnings per share were $3.80. On a year-to-date basis, the effective tax rate on operating income without the one-time tax benefit was 4.2%. This was lower than prior quarters in part due to year-end reserve adjustments impacting mostly taxable entities. Turning to the underwriting accounts, premiums earned for the quarter and year-to-date were relatively flat over prior periods. This, of course, varies by segment.

Insurance is down, reflecting termination of certain programs and audit premium adjustments. On the reinsurance side, there were no material movements one period versus the other. This is generally reflecting a relatively soft market resulting in non-renewals in some cases, offset by only a modest amount of new business in this market and also some rate increases in our international book as a result of recent cat events.

The details on the underwriting results for the quarter are as follows. A 70.6% loss ratio, and a 28.1% expense ratio, resulting in a combined ratio of 98.7%. The expense ratio is generally consistent with other periods, and on a year-to-date basis it is down slightly. The loss ratio has three components. The current year attritional result was at 63.6% for the quarter and 60.8% on a year-to-date basis.

For the quarter, the increase over prior periods is a result of higher accident year selected loss ratios in most lines which reflects a continued soft market, with the result in the quarter for the current accident year also reflects our year-end reserve study. For the year-to-date, the attrition was also up over prior year periods in all segments, again, as a consequence of softer market conditions. The attritional combined ratio was, nevertheless, still very positive at an 88.7 combined ratio. The second largest component of the overall loss ratio was cat losses. This was 5.6 points in the quarter, and 14.5 points in the year-to-date results.

In the Fourth Quarter, there were $57 million in cat losses, $31million for New Zealand and Chile earthquakes, and $25 million reserved for the Australian floods which occurred during the last days of the year and continued into 2011. It is expected that these floods will be deemed to be at least two events, and, therefore, this required an estimated allocation between 2010 and 2011. Our method assumed a market loss of $4 billion, and a market share of approximately 1.75%. Roughly one-third of this amount, $25 million, was allocated to 2010. This leaves an expected 2011 charge of $45 million.

While a reasonable estimate, it is still very early in the loss adjustment process and, therefore, these estimates are subject to revisions in either direction. It should be noted that while multiple events could have a more beneficial impact to reinsurers, since primary companies are then subject to multiple retentions, this was not factored into the estimates at this time. The final item impacting losses is adjustments to prior year reserves. In the quarter, there was a charge of $14 million, or 1.4 loss ratio points, for prior year development. However, for the year, there was a benefit or redundancy of $15 million or 0.4 loss ratio points.

Prior year development for the quarter and year-to-date is primarily from casualty classes in both the insurance and US reinsurance segments. Casualty development for the most part is stemming from discontinued business in both insurance and facultative reinsurance. Positive developments were noted in Bermuda casualty and international property lines. Investment income for the quarter was quite strong at $185 million compared to $146 million one year ago. The majority of this increase is income from limited partnerships at $40 million in the most recent quarter, compared to $10 million in last year's quarter.

As mentioned on the Third Quarter call, it was anticipated that strong Third Quarter equity markets would be reflected in the valuations of these investments in the Fourth Quarter. All other categories are up in investment income reflecting for the most part increased investment assets. Dividend income is higher as a result of increasing our equity exposure with an emphasis on dividend yield. The income also reflects an allocation to high yield bonds, floating rate bank loans, and emerging market debt. These strategies are intended to help preserve yield while also reducing the sensitivity of the portfolio to increases in interest rates.

These allocations, currently at 6% of the total portfolio, have not had a material impact on the overall credit quality of the portfolio which remains at AA. As mentioned previously, there were sales of tax exempt holdings during the quarter as we seek to decrease our exposure to this sector. While we have a well-positioned, high quality portfolio, there are many reasons to be more cautious in this space and redeploy assets into sectors that will likely outperform in the near; to mid-term. Nevertheless, with nearly 81% of this portfolio rated AA and better, including almost 30% in pre-refunded bonds, we can work through our portfolio in a diligent manner to further reduce any excessive credit risk over time without reacting inappropriately to headline risk.

Our portfolio is well-diversified, with limited concentrations in individual issues and while market values will likely be volatile for a while, the portfolio is expected to have minimal credit risk. Other income for the quarter amounted to $21 million, compared to a loss of $3 million one year ago. This increase was primarily due to income from the equity index put contracts, which carry higher valuations primarily due to rising equity markets and rising interest rates. On a year-to-date basis, the positive swing of $35 million was due to foreign currency gains of $18 million versus a loss of $22 million in 2009.

Other comprehensive income for the quarter was a loss of $227 million, due to unrealized losses on the bond portfolio of $251 million after-tax, primarily due to rising interest rates. On a year-to-date basis, other comprehensive income of $60 million was driven by an increase in unrealized gains for the year. Overall, the total bond portfolio stands at a pre-tax unrealized gain position of $439 million. Total comprehensive income for the year was $671 million, and when combined with dividends of $108 million and share repurchases of $399 million, resulted in total book value of $6.3 billion or $115.45 per share.

This represents an increase for the year of $12.58 or 12.2%. This represents a solid return for shareholders for the year and leaves us in a strong position for growth and continued share repurchases. With that, I'll turn it back to Beth for Q&A. Thank you.

Beth Farrell {BIO 19732216 <GO>}

Yes, Artebia, that concludes our prepared remarks.

Questions And Answers

Operator

The question-and-answer session will be conducted electronically. (Operator Instructions) We'll take our first question from Brian Meredith with UBS.

Q - Brian Meredith {BIO 3108204 <GO>}

Yes. Good morning. A couple questions here. First, could you give us some explanation behind what happened with the insurance business attritional loss ratio in the quarter. Was there any current year development in that number?

A - Dominic Addesso {BIO 1428096 <GO>}

Brian, what do you mean by current year development?

Q - Brian Meredith {BIO 3108204 <GO>}

Meaning development, meaning from like first or Second Quarter 2010, because it was a 92.1 attritional loss ratio.

A - Dominic Addesso {BIO 1428096 <GO>}

Yes, as a result of our year end reserve studies, and this is true for both the insurance and the reinsurance, any time we do a reserve study we're obviously doing not only prior year but assessing the current year. So that's just a natural course of events. So, yes, we did have some movement in some loss ratios in the current year.

Q - Brian Meredith {BIO 3108204 <GO>}

Do we know how much that is? Just trying to get a sense for what the kind of good run rate attritional loss ratio in that business is?

A - Dominic Addesso {BIO 1428096 <GO>}

Well, I think if you look at the -- it's hard to look at the quarter, obviously.

Q - Brian Meredith {BIO 3108204 <GO>}

Sure.

A - Dominic Addesso {BIO 1428096 <GO>}

Because the attritional current year ran at a 92. And that's exactly to your point, reflected current year adjustments. So the current year attritional at a 78.3 for the full year is how we've pegged 2010. Now, having said that, as Joe mentioned earlier, we're anticipating rate increases on workers compensation which will serve to temper that number down slightly.

A - Joseph Taranto {BIO 1495653 <GO>}

Yes, Brian, I was trying to give you some help for 2011.

Q - Brian Meredith {BIO 3108204 <GO>}

Yes.

A - Joseph Taranto {BIO 1495653 <GO>}

We see it for the insurance book as a very, very different picture than 2010. Certainly, part of it is Heartland and the short-tail business which is new for us, and some of it is what's going out, we'll be doing much less in the excess and GL space which is mainly driven by Starr, and the change on that book. But both of those make for significant change.

And then if you take the comp business and the other business where we are achieving good rate increases, we did in 2010, I think we got something like 13% in January on the comp business. So we believe it's going to be a very different answer in 2011 and that's really to help you formulate that. That's why I wanted to go through that segment of our book for 2011 in detail.

Q - Brian Meredith {BIO 3108204 <GO>}

Great. And then just quickly on property reinsurance, property cat reinsurance, your kind of assessment of 2011 renewals and then what impact you think the changes in RMS model may have on mid-year renewals?

A - Joseph Taranto {BIO 1495653 <GO>}

We haven't really seen much impact so far from any model changes. I'm sorry to say. Whether they're up or down to a degree, as it just seems as if there is more capacity and relative to the demand. And so that really is more dictating the flow and that's why rates are generally speaking coming down 5%-ish and I don't really see that trend being changed by model changes. So I think, again, as we proceed into the year, you'll continue to see that taking place.

Now, everyone, be it RMS or AIR or whatever other model they're using, are still satisfying themselves that the ROEs on the cat business and the retro business is more than sufficient. It's not what it was. It's not as high as they'd like it to be, but it's still in the main high enough for them to continue to write the business. So I think you'll see that trend, barring major catastrophes, to continue to be the case.

Q - Brian Meredith {BIO 3108204 <GO>}

Great. And then last question. Buyback was down in the quarter versus Third Quarter. I guess, question will be, one, excess capital position right now, any thoughts on why it was down and what we could look for potentially going forward?

A - Joseph Taranto {BIO 1495653 <GO>}

Sure. We continue not to want to forecast that.

Q - Brian Meredith {BIO 3108204 <GO>}

Right.

A - Joseph Taranto {BIO 1495653 <GO>}

But at the same time, we're major advocates of buying back. We think it's a great way for us to increase shareholder value. We bought $400 million on the year, which is certainly a very good number. In the Fourth Quarter, well, we had the Heartland going on. We had the muni world being a bit unstable and that certainly colored our thinking as well in doing a bit less there, but we remain bullish on buyback. I'll let Dom speak to the excess capital position.

A - Dominic Addesso {BIO 1428096 <GO>}

Our excess capital position really hasn't changed dramatically, of course, since we've added earnings and our total shareholders equity is up and premiums being relatively flat. So we're still in a very strong excess capital position and, as Joe said, that means that we're still bullish on the stock. We also had during the Fourth Quarter a lot of additional cat events that were occurring, as well as some noise around New Zealand estimates which ultimately for us did not really turn out to be that bad of a situation.

But, nevertheless, there was a lot of noise around cat events, both current and prior, which were also driving part of our decision in terms of limiting our ability. And then, of course, when those things did become clearer, meaning that it was not going to be as significant an event for us, that's when we got into the Heartland situation, so we were really basically in a blackout relative to that.

Q - Brian Meredith {BIO 3108204 <GO>}

Great. Thank you.

Operator

(Operator Instructions) We'll pause for just a moment to assemble the queue. We'll take our next question from Josh Shanker with Deutsche Bank.

Q - Josh Shanker {BIO 5292022 <GO>}

Yes. Going through each of the -- how you doing this morning?

A - Joseph Taranto {BIO 1495653 <GO>}

Fine, thank you.

Q - Josh Shanker {BIO 5292022 <GO>}

Good, good. Going through each of the segments, I was wondering if we can talk about -- a little about the specifics of the reserve moves, the extent to which the changes are attritional and finally what the sense of the reserve position is going forward?

A - Dominic Addesso {BIO 1428096 <GO>}

Well, sure. What would you like to talk about relative to each of those? I'll just give a summary and then maybe you might want to have a follow-up.

Q - Josh Shanker {BIO 5292022 <GO>}

I'm talking about in general going through each of the individual segments would be helpful.

A - Dominic Addesso {BIO 1428096 <GO>}

Well, first of all, again, I think it's worth reminding all of us that for the year we had positive development of $15 million. So it essentially validates the position we had a year ago. In addition, we continue to generally be more conservative around our current year pick, and, in fact, in many cases we are selecting current year picks which are slightly in excess of what our reserve study is suggesting. Again, reflecting some uncertainty in the market relative to pricing.

Just an overall conservative view of the current period. That generally is affecting all of our lines of business and we are not doing any one less than the other. It's across the board. What we did find, of course, in the current period, most of the impact was for prior year as it relates to insurance. And I think that's probably what you're referencing, or most concerned about, Josh.

And, again, this is part of a $9.3 billion reserve position that we have and there are things that move around from time to time. I think what our first order of business is to ensure that $9.3 billion overall is adequate and obviously we feel it is adequate, and it developed off positively as I mentioned in the year. The reserve development as it relates to insurance and, quite frankly, in US reinsurance is all from discontinued business, discontinued program business. We re-examine that book of business each and every year and that reserve study indicated a higher number. I'm not sure that -- at least I hope that helps as a start.

Q - Josh Shanker {BIO 5292022 <GO>}

If we take that -- were there attritional reserve benefits that were offsetting run-off reserve deficiencies?

A - Dominic Addesso {BIO 1428096 <GO>}

Are you talking current year? Prior year?

Q - Josh Shanker {BIO 5292022 <GO>}

I'm talking about current year, let's just take insurance, $30 million in net reserve deficiencies, were the prior year run-off businesses actually more deficient than that, offset by some attritional reserve releases, or were there reserves for ongoing operations dead-on and that's merely sort of a deficiency to cover some losses that emerged?

A - Dominic Addesso {BIO 1428096 <GO>}

I'll try again. I'm not sure I understood that question. The process, whether it's around insurance or reinsurance, we do our year-end reserve study. By the way, I should add that we continue to make improvements in our process there, but one notable improvement is that we are now doing our reserve studies with more current data. We've improved our system to the point where we can -- our reserve studies are either on a quarter or six-month lag to the valuation date.

So that's very helpful in terms of assessing your overall reserve position. But when we do our reserve study it's around both current and prior year. It causes you to reflect changes to the current year pick as well as to the prior year pick. And there were changes to our current year pick in both insurance and the reinsurance lines, and I'm not sure if that's answering your question, but that is something that occurred in the Fourth Quarter and which is really what Brian was getting at earlier, which is why the Fourth Quarter current year attritional number was higher than the other quarters, was to basically bring the year in line to what we felt that accident year should be.

Now, naturally, there are lines of business in both -- or segments of our business in both current year, in both the attritional and in both insurance and reinsurance, where there are pluses and minuses to that current year pick and the same thing would be true to our prior year loss picture. There are pluses and minuses relative to each of these portfolios.

We have approximately 200 different reserve buckets that we examine to determine our reserve adequacy and naturally you're going to find that when you start looking at things at that level of detail, that there's going to be pluses and minuses and that you have the benefit of the overall portfolio to help smooth out those answers. And clearly, that's what did happen this year which then resulted in a positive development of $15 million.

A - Joseph Taranto {BIO 1495653 <GO>}

I'll just add to that. As Dom noted, you have different buckets. When you put it all together it did kind of even itself out. Whatever adjustments you make, you end up making them in the Fourth Quarter so it certainly gives you a lumpiness in the Fourth Quarter. It's better off if you look at the year.

But as part of that study, as Dom noted, and as we kind of replied to Brian, when it did come to making a selection for 2010 we decided to essentially make a selection higher than what we had been selecting for the first nine months of the year. Once again, that gives you some lumpiness in that bucket as well. But when you put it all together, on a Company-wide basis, all it did was reconfirm the estimates that we started with at the end of 2009. And give us numbers for 2010 that we feel good about.

A - Dominic Addesso {BIO 1428096 <GO>}

And with an attritional current year combined ratio of 88.7.

Q - Josh Shanker {BIO 5292022 <GO>}

That's helpful. And additionally, if we can review the type of reserves that are housed in the Bermuda segment as opposed to those in international and US. I realize it's probably a very generalizing type of question but maybe we can clarify that a little bit?

A - Dominic Addesso {BIO 1428096 <GO>}

The positive development we had in Bermuda related to older accident years. It's mostly excess casualty, 2007 and prior. And some of it goes back to 2001, 2002, 2006 was actually the largest year of benefit and it's excess casualty. It takes a while to develop and before we feel comfortable as to how those years are going to end up. And our detailed valuation this year revealed that those years were running off very, very well.

Q - Josh Shanker {BIO 5292022 <GO>}

And that's continuing operations for the most part?

A - Dominic Addesso {BIO 1428096 <GO>}

Correct.

Q - Josh Shanker {BIO 5292022 <GO>}

Okay. Thank you, very much.

Operator

We'll take our next question from Vinay Misquith with Credit Suisse.

Q - Vinay Misquith {BIO 6989856 <GO>}

Hi. Good morning. Just a clarification on the Bermuda segment, the attritional loss ratio once again ticked up this quarter versus prior quarters. Was wondering whether there was some prior period adverse developments, prior quarter adverse developments there, and a little bit surprised because you had favorable prior year development yet the attritional ticked up this quarter.

A - Dominic Addesso {BIO 1428096 <GO>}

Vinay, I didn't necessarily understand the second part of your question, but as it relates to the current year, with respect to Bermuda, as Joe indicated earlier, as well as myself, the current year just reflects a level of conservatism that we've built into the book. There's really no difference in particular in the operation. Certainly, it's reflective of all the reserve study work that we do, but also just a conservative pick as we're in this phase of the cycle.

Q - Vinay Misquith {BIO 6989856 <GO>}

Was it some prior quarter development in this quarter?

A - Dominic Addesso {BIO 1428096 <GO>}

Well, I don't like to think of what's happening in the current year as prior development, if in fact we're just truing up the current year accident ratio. I'm not sure I would characterize it that way, but certainly to the extent that the Fourth Quarter is higher than the previous quarters, then, yes, there's a little bit of -- certainly you could suggest that it's catch-up relative to the other quarters. But it's just getting that accident year in line with what we think the full year should be.

Q - Vinay Misquith {BIO 6989856 <GO>}

Fair enough. And the second question was on the reserves. Correct me if I'm wrong, but I think you said that now you'll be reviewing it every three or six months versus, I think, normally you have a full in-depth review once a year?

A - Dominic Addesso {BIO 1428096 <GO>}

No, no, Vinay, that's not what I was saying. What I was saying is that previously when we did our reserve reviews, for example, if we did our reserve review in the Fourth Quarter we were working with data with respect to those reserve buckets that was from the previous year-end. Now, depending on the line of business, it could be data that's as of more current, meaning it's losses up through June of that year and/or September of that year.

So what I'm getting at is the quality of the data that we're using relative to evaluating our reserves is better because it's more current. It's not that we're undertaking reserve studies, full reserve studies more than once a year. We do, however, review our reserves through other methods during each of the quarters during the year.

Q - Vinay Misquith {BIO 6989856 <GO>}

That's great. Thank you.

A - Dominic Addesso {BIO 1428096 <GO>}

Okay.

Operator

(Operator Instructions) We'll pause for just a moment to assemble the queue. And at this time, we have no further questions in queue.

A - Beth Farrell {BIO 19732216 <GO>}

Okay. Well, thank you very much for participating on the conference call and, certainly, as always, if you have any questions after, feel free to call me or Dom. Thank you, again.

A - Dominic Addesso {BIO 1428096 <GO>}

Thank you.

Operator

That concludes today's conference. Thank you for your participation.