FINAL

Bloomberg Transcript

Q2 2021 Earnings Call

Company Participants

- Brett Shirreffs, Head of Investor Relations
- Kevin Rehnberg, Chief Executive Officer
- Scott Kirk, Chief Financial Officer

Other Participants

- Casey Alexander, Analyst
- Greg Peters, Analyst
- Jeff Schmitt, Analyst
- Matt Carletti, Analyst
- Ronald Bobman, Analyst

Presentation

Operator

Good day, everyone, and welcome to the Argo Group Second Quarter 2021 Earnings Call. All participants will be in a listen-only mode. (Operator Instructions) After today's presentation, there will be an opportunity to ask questions. (Operator Instructions) Please note that this event is being recorded.

I would now like to turn the conference over to Brett Shirreffs, Head of Investor Relations. Please go ahead.

Brett Shirreffs {BIO 15817618 <GO>}

Thanks, and good morning. Welcome to Argo Group's conference call for the second quarter of 2021.

After the market closed last night, we issued a press release on our earnings which is available in the Investors section of our website at www.argogroup.com and was filed with the SEC.

Presenting on today's call is Kevin Rehnberg, Chief Executive Officer; and Scott Kirk, Chief Financial Officer. As the operator mentioned, this call is being recorded.

As a result of this conference call, Argo management may make comments that reflect their intentions, beliefs and expectations for the future. Such forward-looking statements are qualified by the inherent risks and uncertainties surrounding future expectations generally and may materially differ from actual future results involving any one or more of such statements. Argo Group undertakes no obligation to publicly update forward-looking statements as a result of events or developments subsequent to this call. For a more detailed discussion of such risks and uncertainties, please see Argo Group's filings with the SEC.

Also note that we will be referencing certain non-GAAP financial information. More information regarding these non-GAAP measures are provided in our earnings release.

I will now turn the call over to Kevin Rehnberg, Chief Executive Officer of Argo Group.

Kevin Rehnberg {BIO 3832713 <GO>}

Good morning. Thank you for the introduction, Brett. Welcome to everyone on the call. I'm happy to be able to speak to everyone today about a strong quarter on many fronts. The key areas I will focus on during the call are our strong earnings, accelerating growth results, attractive market conditions and our progress on reducing volatility. As we dive into these areas a little deeper, we will describe how we are delivering on objectives we laid out earlier this year. All of this is focused on our long-term financial objectives and in creating value for shareholders.

From an earnings perspective, we reported our best quarterly operating income in more than 10 years. I'm pleased that we had strong contributions from both underwriting and investment results. Our loss ratio of 57.7% for the second quarter reflects lower catastrophe losses, favorable reserve development and an improved underlying loss ratio. The underlying loss ratio improved modestly from the second quarter of 2020, even though prior year was a particularly tough comparison since like pain in (Technical Difficulty) the industry, we benefited from a significant reduction in claims frequency at the beginning of the pandemic.

If you look back to the second quarter of 2019, before the pandemic, our underlying loss ratio improved 370 basis points relative to that period. So I'm very pleased with the quarter's results and the overall progress.

On the investment side, we reported very strong results with a significant contribution from our alternative investments. (Technical Difficulty) we ended the quarter with 13% [ph] (Technical Difficulty) in return (Technical Difficulty) positive year-over-year change in gross and net premiums. Our gross premiums were up approximately 14% in the second quarter after adjusting for businesses sold or placed into run off over the last 12 months, including Ariel Re.

In the US, we continue to see solid rate increases in the mid single-digits on average. This is a bit less than the increase that we experienced over the last couple of quarters, but we feel very good about the rates we're getting in direction of our margins. Over the last three years, our cumulative rate change on renewals is about 25% in the US.

In the US, gross premiums were up 7% in the quarter. There was a meaningful top line impact from our decisions to reduce property exposure in a couple of our underperforming business units. On a year-to-date basis these actions have been a headwind of more than $50 million to our top line. Performance across our remaining US businesses were strong and the six business units we highlighted at our Investor update: Argo Pro, Casualty, Construction, Environmental, Inland Marine and Surety were up 25% collectively during the quarter. These businesses now represent almost two-thirds of our US premium base and, most importantly, remain highly profitable with combined ratio comfortably in the 80s with minimal catastrophe losses.

In terms of submissions, we have continued to see positive trends in submission flow, particularly in our focused business units. Excluding businesses where we have been consciously reducing our exposure submissions in the US were up 8%. Over the past month, we've announced new leaders in three of our US business units; Argo Pro, Construction and Inland Marine. These individuals included internal promotions and an external hire. They all have strong underwriting backgrounds and they have brought diverse (Technical Difficulty) perspectives and new energy to the business. We are confident they will be able to take advantage of our platform and market conditions to continue our growth and profit plans.

Turning to international, gross premiums would have been up approximately 23% after adjusting for (Technical Difficulty) businesses we have exited over the last (Technical Difficulty) quarters. Gross (Technical Difficulty) written premiums increased from (Technical Difficulty) strong (Technical Difficulty). Reported gross premiums were down about 5% in the second quarter due to the impact of businesses sold or placed into run off over the last 12 months. Pricing continue to be strong (Technical Difficulty) during the quarter with rate increases averaging just above 10% in international and remained broad-based.

Over the past three years, cumulative rate change for Syndicate 1200 has been 30% and approximately 90% for Bermuda Insurance. These businesses are well positioned to continue to generate attractive underlying margins. (Technical Difficulty) very attractive market conditions across most of our platform and we're taking actions or de-emphasizing business where we're not getting returns we want.

Across the group, we have achieved 30% compound renewal rate increases over the last three years. At the end of the day and of greater significance, we continue to execute on limit reduction efforts to bring down gross and net lines.

For example, in Argo Pro's commercial book, we have been able to reduce the average limit by more than 12% [ph] (Technical Difficulty) over the last 18 months. More than 90% of the portfolio now has limits of $5 million or less.

In our excess casualty portfolio, we have continued to increase attachment points and reduced limits. During the first six months of 2021, average attachment points are up 10%, while limits are down 10% in our US excess casualty business.

In the Bermuda excess casualty book, the attachment points were up 15% and limits were down 8% during the first half of the year. Not only is this continued prudent risk management for our balance sheet, but limit reduction protects us from potential spikes and social inflation and we expect it will help reduce volatility in our underwriting results going forward. The market has allowed us to take these actions while still growing our business and we have capitalized on these opportunities.

On the property side, we are also ahead of plan in terms of net exposure reduction. As we outlined at our investor update in March, we have been focused on bringing down our average annual loss, AAL, and probable maximum loss, PMLs. This work has been through a combination of lower gross exposure and some changes to our ceded reinsurance program.

Back in March, we outlined a plan to reduce our AAL by 40% by the end of 2022. Through our gross property reductions in some additional reinsurance purchases, we have already completed this reduction as of July 1, more than a year ahead of schedule. Since the beginning of the year, we have also reduced our peak, 1 in 250-year PML to less than 4% of our common equity. This is ahead of the schedule we laid out a few months ago and gives us comfort as we head further into wind season, particularly in light of all the other natural catastrophes occurring and the inflation already associated with those events.

In total, I'm very pleased with our results for the quarter and the progress we've been able to make on our strategic objectives.

I will now turn the call over to Scott to discuss our results in more detail.

Scott Kirk {BIO 18973074 <GO>}

Hi. Thank you, Kevin; and good morning, everybody. As Kevin touched on, we reported strong earnings during the second quarter of 2021 driven by continued improvement in our combined ratio in addition to a strong contribution from alternative investments. Our operating EPS was $1.60 for the second quarter and marks the highest quarterly operating income in more than a decade with both underwriting and investments contributing to the results. Argo's annualized operating return on common equity was 13.1%.

Turning to our consolidated operating results. Gross written premiums increased 2% in the second quarter of 2021. However, allowing for the impact of the sale of Ariel Re in 2020 and the exits of our Italian, Malta and the US grocery businesses announced over the last few quarters, premiums were up approximately 14% during the second quarter of 2021.

Now our gross premiums increased 2%. Gross and net written and net earned premiums was higher at approximately 8% in the quarter. And as we discussed previously, there are a couple of key drivers of net premium growth. First, we've retained very little of Ariel Re's business on a net basis. So this exit have a relatively small impact on our net written and net earned premiums.

And, second, in 2021, we are taking a largest share of Syndicate 1200 results where we retain a higher portion of that business mix. And we would expect net premium growth to continue to outpace the change in gross written premiums for the balance of this year.

In the second quarter of 2021, we reported a loss ratio of 57.7%, down a 5.3 points from 63% during the prior year period. The improvement reflected lower cat losses, favorable reserve development and an improved ex-cat current accident year loss ratio. Our cat losses totaled $11 million from 2.4 points of the combined ratio on the second quarter of 2021, of which $6 million related to natural catastrophes and $5 million related to the impact from COVID. This result compares favorably to catastrophe losses of $28 million or 6.4 points from the prior year quarter, which included $17 million related to COVID-19 pandemic.

Favorable reserve development totaled $1 million or 0.3 points in the second quarter of 2021 with modest favorable development in both our US and international segments. The prior year quarter included $2 million or 0.4 points of adverse reserve development.

The ex-cat current accident year loss ratio came in at 55.6% in the second quarter, which represents a 60 basis point improvement from the prior year quarter. The improvements reflect the impact of continued rate increases, as well as the benefits from our underwriting actions.

Turning now to expenses. Our expense ratio was 37.7% in the second quarter of 2021 and it was up 80 basis points from the prior year quarter, but a slight improvement on the first quarter of this year. The main driver of the increase in our expense ratio was an increase in our acquisition expenses.

Our acquisition ratio increased by 130 basis points to 17.4%, which is driven primarily by changes in business mix. Conversely, the general and administrative expense ratio of 20.3% improved when compared to both Q2 2020 and the first quarter of this year as we continue to focus on managing expenses. As we said previously, we expect to drive the expense ratio lower through a combination of higher earned premium and identified expense savings.

As expected, earned premium growth is driving the better G&A ratio at the early stages of our program. We are making good progress against reducing the future G&A expenses and we should start to see some of the benefits emerge in the coming quarters. We have said this improvement was not going to be linear and we remain committed to the 36% expense ratio target in 2022.

You will notice that we also incurred $11 million of non-operating expenses in the second quarter of 2021. Now these costs primarily related to certain initiatives that are aimed to reducing our expense base longer term.

As an example, during the second quarter, we took actions to proactively reduce our real estate footprint and we expect the benefits to begin to materialize in 2022.

Turning to our segment results. In the US, gross written premiums were up 7% compared with the second quarter of 2020. Growth was primarily driven by liability and professional lines, while premiums in property lines declined. Adjusting for the impact of exiting the grocery business and targeted underwriting actions to reduce property focused and certain underperforming businesses, gross written premiums were up 20% during the second quarter.

The US segment reported underwriting income of $25 million on a combined ratio of 92% in the second quarter of 2021. The loss ratio was 58.3% compared with 56.8% in the prior year second quarter. It is worth noting that the loss ratio in Q2 2020 benefited from a reduction in claims frequency due to the broader economic slowdown, whilst the current quarter claim activity was more in line with our expectations.

The expense ratio of 33.7% was up 2 points from the prior year quarter. This is primarily driven by a higher acquisition ratio, while the G&A ratio was broadly flat. The increase in the acquisition ratio was primarily driven by changes in business mix.

Turning now to our international segment. Gross written premiums declined 5% in the second quarter of 2021 due to the previously announced business exits with the largest decrease in property lines. Excluding the impact of these actions, gross written premium would have increased approximately 23% in the second quarter of 2021. The increase was largely driven by our increased participation in Syndicate 1200 results in addition to rate increases.

Our net written premiums increased 15% versus the prior year quarter, due mainly to the sale of Ariel Re as we historically retained only a small portion of this premium on a net basis. As we continue through the year, we expect the net to gross retention in international will continue to increase relative to the prior year period.

In the second quarter of 2021, net premium retention was up at 58% compared with 48% in the prior year quarter.

International reported underwriting income of $8 million in the second quarter of 2021 compared to an underwriting loss of $27 million in the prior year quarter. The reported combined ratio was 95.1% and reflects a significantly improved ex-cat accident year loss ratio, reduced cat losses, favorable development and a lower expense ratio.

The current accident year ex-cat loss ratio was 51%, which decreased 830 basis points from the prior year quarter. The improvement was largely due to improved rate earning through the results and a reduction in large loss frequency compared to the second quarter of 2020.

The cat losses during the second quarter of 2021 were $9 million or 6 points of the combined ratio. These losses did include some strengthening to our loss estimates related to winter storm Uri as well as losses related to COVID-19 on our event cancellation exposures. The expense ratio of 39.4% was down 4% from the prior year quarter with improvements in both the acquisition ratio and the G&A ratio. The acquisition expense ratio was 20.1%, was down 50 basis points compared to the second quarter of 2020.

Now we've previously spoken about exiting business with higher acquisition costs and the benefit of these actions continue to earn through. The G&A expense ratio decreased just under 4 points from the prior year quarter to 19.3%. Now this was largely attributable to growth in earned premiums.

Moving on to investments, we've reported net investment income of $53 million in the quarter. The results included $30 million of income from alternative investments, principally mark-to-market gains on our private-equity and hedge fund investments. Although we're certainly pleased with this result, I would caution that the last four quarters have included elevated returns from these investments. Now our net investment income from the remainder of our portfolio was $23 million in the quarter, which was down 8% from the prior year quarter. This decline reflects the derisking actions over the last 18 to 24 months as well as lower overall yields available in the market.

And, finally, our book value per share was $50.34 at June 30, increased 5% including dividends from the end of the first quarter 2021. The increase was driven by strong retained earnings and modest net unrealized gains on our fixed income securities. Now this quarter provided some nice growth in our balance sheet and capital position. We continue to see attractive uses for that capital in the business today, as evidenced by our targeted growth and solid underwriting margins.

Now while this remains our top priority in terms of deploying capital, we currently have approximately $50 million remaining on our share repurchase authority under the 2016 share repurchase program. Now subject to market conditions and other factors, we may begin repurchasing shares prior to year end.

Operator, that concludes our prepared remarks and we are now ready to take questions.

Questions And Answers

Operator

Thank you. We will now begin the question-and-answer session. (Operator Instructions) Our first question today will come from Casey Alexander with Compass Point. Please go ahead.

Q - Casey Alexander {BIO 1521572 <GO>}

Yeah. Yeah, hi. Good morning. My question is related to the expense ratio were already answered, but just one question for Kevin. Within this segment of the business where you discussed the increasing the attachment point and lowering the limit, what's happening to rate inside that business? Because if rate is staying the same, while you're increasing the attachment point and lowering the limit, it sort of works as a de facto price increase, even though you're not getting an increase in rate, if I understand that correctly?

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah. Good morning, Casey. That is (Technical Difficulty) right. However, the rate (Technical Difficulty) so in the commercial (Technical Difficulty) highlighted (Technical Difficulty) and our access points (Technical Difficulty). In the US and our international, it is -- just bare with me a minute, because you're asking several details (Technical Difficulty) expected (Technical Difficulty) international. (Technical Difficulty) Sorry. I do (Technical Difficulty)

Q - Casey Alexander {BIO 1521572 <GO>}

I hate to say this, Kevin, but you're completely breaking up on us. I can't really understand any part of your answer.

A - Kevin Rehnberg {BIO 3832713 <GO>}

(Technical Difficulty) Can you hear it (Technical Difficulty) now?

Q - Casey Alexander {BIO 1521572 <GO>}

You are still breaking up quite a bit. I'd say what, you guys can come back to me offline with the answer. That's the last of my questions. Thanks.

A - Kevin Rehnberg {BIO 3832713 <GO>}

Great. Thank you.

A - Scott Kirk {BIO 18973074 <GO>}

Thanks, Casey.

Operator

And our next question will come from Greg Peters with Raymond James. Please go ahead.

Q - Greg Peters {BIO 3111497 <GO>}

Yeah. Good morning. So just to pile on, Kevin, if you're calling in on a cell phone or wherever you're calling from, you're definitely fading in and out, it's virtually impossible to understand how you're answering. So maybe we can pivot the answer to someone else here. But the question -- for -- the only question I will have today would be focused on just the legacy accident years where there have been prior period reserve development. And, of course, I'm speaking to the London, the Bermuda, the professional liability within domestic. And I guess what I'm looking for is, any color around our new claims, closed claims, open claims, unresolved claims, where we are in that spectrum, because clearly the stock is -- there is concerns out there that there might be some more legacy charges at some point. So maybe you can help us to understand that? Thank you.

A - Kevin Rehnberg {BIO 3832713 <GO>}

Scott, since I'm breaking up, do you want to take this? I'm going to try and dial in back in. Thanks.

A - Scott Kirk {BIO 18973074 <GO>}

Yeah. Thanks, and thanks, Greg. Well, I mean I'll go back to the fact that we have a robust reserving process. Clearly, we look back at all of the trends that are there. I mean, yes, there are always going to be ups and downs across various lines and across various years, but the reality is that, I think, we remain very comfortable with our reserving position as it stands. I mean, I think that's the best way to answer that question.

Q - Greg Peters {BIO 3111497 <GO>}

Well, I mean honestly you didn't answer the question, because we're just -- the legacy reserves that -- the legacy accident years that resulted in all of the reserve charges, it's been several quarters since we've seen anything like that, but if we could have some -- and maybe you don't have the information available right now, but if we could have some information about just where we are with those legacy claims? Are they -- are we -- are they -- are we 90% of the way through the open claims, are there no new claims on those accident years, things like that would be very helpful. And I understand if you're not prepared to answer it right now, but in the context of just gaining confidence on the go-forward picture that would be very helpful. And so -- and that was my only point.

A - Scott Kirk {BIO 18973074 <GO>}

Yeah. Okay, Greg. Look, I get your point there. I mean, clearly, obviously we have the RITC that was in there that we completed last year. I think that's for 2017 and prior years, so there is greater certainty or certainly around those from our international business, but look leave it with us and we'll come back to you for some greater clarity around those.

Q - Greg Peters {BIO 3111497 <GO>}

Yeah. Thank you. And on the RITC, I mean you've raised a good point, that's in there, but is it capped out? I mean, one of the risks when we see things like that as you pull through the top of it on legacy and then it comes back to bite, I'm not sure if those accident years are completely closed out through the RITC or maybe I'm misunderstanding it altogether.

A - Scott Kirk {BIO 18973074 <GO>}

Yeah. Look, we can get you some details on that for sure and come back.

Q - Greg Peters {BIO 3111497 <GO>}

Got it. Thanks so much for your time. Congratulations on the quarter.

A - Scott Kirk {BIO 18973074 <GO>}

Okay. Yeah. No problem. Yeah. Thanks, Greg. I appreciate it.

Operator

And our next question will come from Jeff Schmitt with William Blair. Please go ahead.

Q - Jeff Schmitt {BIO 19747235 <GO>}

Hi. Good morning, everyone. Could you talk about the COVID losses in the international book. They were around $5 million in the quarter. Are you seeing claims sort of continue to roll in from the pandemic, or is that stopped and you're really just settling past claims at this point or is it sort of delta emergence kind of resulting in some new claims? I mean, there's been restrictions put back on in various places, so can you just help me think about -- think through that?

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah, it's Kevin. Can you hear me all right now?

Q - Jeff Schmitt {BIO 19747235 <GO>}

Yeah. Yup.

A - Scott Kirk {BIO 18973074 <GO>}

Yeah.

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah. Okay. So I apologize for that before. I'm now on a cellphone. I was not on a cellphone before. So as we did mention when we first started going through the COVID losses that we expected that they would decline by quarter and the last two quarters have been relatively flat, which isn't surprising since the pandemic has taken longer. These are things that are associated with our contingent liability book and, as an example, the things around the Olympics or concert festivals that were moved out and moved on, some have been moved on and got canceled, some of them moved on and people unfortunately died. So there's a number of things that have happened. So we'll continue to see probably some very small numbers there, but like we said in the beginning, we expected it to decline and it's only the further extend of the pandemic related to that book that we're seeing at this point.

Q - Jeff Schmitt {BIO 19747235 <GO>}

Okay. And then the underlying loss ratio in international, obviously, down quite a bit, 51%. Hasn't been that low in a long time. Can you help us sort of quantify the drivers of that? I mean, how much of that's driven by the business mix changing, how much is really rate in excess of loss costs? And I guess why not just play it safer there at this point until we get a little farther path to pandemic?

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah. Those are -- that's a good question. We've been re-underwriting that book since 2018 in some circumstances, right. So you're into the fourth year of underwriting actions and removal from completely getting out of certain lines. So when it comes to playing it safer, we've got to be realistic about what the actual losses look like and what they are and the ratios range depending on the product lines. But we have gotten out of things that were significantly problematic for us and we've reduced our overall exposure. So we sort of highlighting the underwriting loss -- underlying loss ratio and the improvement there in that book going back to the second half of last year where it started to get on an adjusted basis for what we were remaining and into the low-50, so it's just in line with what we've been saying and we're happy to see it continue.

Q - Jeff Schmitt {BIO 19747235 <GO>}

Okay. Thanks for the answers.

Operator

And your next question will come from Matt Carletti with JMP. Please go ahead.

Q - Matt Carletti {BIO 5249827 <GO>}

Thanks. Good morning. The larger picture question I was going to ask have been answered. I just have a couple of, kind of, more specific questions relating to Syndicate 1200 and those are, one, I was hoping you could tell us what the funds at Lloyd's requirements are and maybe just trying to sort through kind of the moving pieces there in terms of the moving mix of business as well as the increased retention? And then also where has that been running out of combined ratio basis, either Q1, Q2 or six months whatever kind of metric you might have?

A - Kevin Rehnberg {BIO 3832713 <GO>}

All right. Matt, so on 1200, we are -- as we mentioned, we took a larger retention last year. So we kept more of the business with less third party and we are effectively keeping that business flat and expect to do so as we go forward, but the underwriting results are improving as we continue to get rate through various lines and the market conditions remain favorable, and we are exiting the businesses that we wanted to exit. So we feel good about where that's going at the moment.

Q - Matt Carletti {BIO 5249827 <GO>}

Okay. Thank you.

Operator

(Operator Instructions) Our next question will come from Ron Bobman with Capital Returns. Please go ahead.

Q - Ronald Bobman {BIO 17308423 <GO>}

Hi. Thanks a lot. A good report, and welcome to the call, Kevin. It's good to hear you, the back portion.

A - Kevin Rehnberg {BIO 3832713 <GO>}

Thanks.

Q - Ronald Bobman {BIO 17308423 <GO>}

So you didn't really explicitly answer Matt's -- the last question about, is 1200 profitable from an underwriting perspective, either on the half-year or second quarter?

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah, it is on both. Sorry about that. It is on both.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay. Okay.

A - Kevin Rehnberg {BIO 3832713 <GO>}

So -- hang on. Ex-Uri, right, the underlying stuff. All right. So from a cat standpoint, Uri was costly there, but the underlying business ex-cat we feel really good about.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay. All right. And then I had a question about the US insurance business, what portion of that, I guess, from a GWP perspective is -- it comes by way of a program manager or underwriting manager?

A - Kevin Rehnberg {BIO 3832713 <GO>}

Oh, the percentage of the total? Yeah.

Q - Ronald Bobman {BIO 17308423 <GO>}

Roughly. What percentage of the book is coming through sort of some degree of delegated authority, whether it's a program manager or a --

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah. All right. So we highlighted that in the investor update and I don't remember off the top of my head right now. But what it looks like it -- well, it looks like it has grown in the last year is because, Trident moved from in-house to a program manager. So that would have been the large increase. And those are folks that worked here for years. So we'll get you the exact numbers, but I believe it would be in line with what it was where we highlighted it as a percentage from the investor update.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay. (multiple speakers) Sorry.

A - Kevin Rehnberg {BIO 3832713 <GO>}

It would be under what we call specialty programs.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay. I'll circle back afterwards to getting a ballpark on that. And do you have a funds at Lloyd's figure for 1200?

A - Kevin Rehnberg {BIO 3832713 <GO>}

I don't have on the top of my head. Scott, do you have that?

A - Scott Kirk {BIO 18973074 <GO>}

Yeah. And, Ron, there's a couple of pieces to this, right, because there is like a 100% for the Syndicate, all these our share of the Syndicate and you have to be careful of that, because we don't have a 100% ownership. But, look, I'll give you a ballpark, it's not going to be hugely different, it's around the GBP300 million to GBP350 million mark.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay. But you're at 90% of the Syndicate now, right? Isn't that the (Multiple Speakers)

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah. For the '21 year, yes. But you do have a blend of ownership levels across the various years, so I would point you if you want to go and have a look at the Syndicate results, I think there we can -- if they're not -- well, I'll have to check whether they are outlaid, but I think it's around the GBP350 million.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay. No, I read the Lloyd's report, but I didn't see the FAL number in there. And then the GBP300 million to GBP350 million ballpark, that the amount that covers really '18, '19, '20 and year-to-date '21, it's sort of supporting all of those years, right?

A - Kevin Rehnberg {BIO 3832713 <GO>}

That is correct. Yes, it does support all of those years.

Q - Ronald Bobman {BIO 17308423 <GO>}

Okay, got you. All right. Thanks for the help. I'm done. Thanks, guys.

Operator

And this will conclude our question-and-answer session. I'd like to turn the conference back over to Kevin Rehnberg for any closing remarks.

A - Kevin Rehnberg {BIO 3832713 <GO>}

Yeah. Thanks, everybody, for your interest and support. Thanks to our employees and producers for continuing to do what you've been doing and I would also welcome anyone to call back for any pieces where I broke up earlier in the call. I apologize for that, and look forward to connecting with you soon. Thank you.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect your lines at this time.