Autonomous Future of Insurance Conference

Company Participants

- Chris Schaper, Chief Executive Officer

Other Participants

- Ryan James Tunis

Presentation

Chris Schaper {BIO 17403314 <GO>}

(Starts Abruptly) which is a traditional re-insurance, a flagship company when Validus Holdings initiated. And Validus redeploys capital through balance sheet-based approach. And they focused kind of across the board on property, casualty, and specialty lines.

Talbot Treaty is another one of the operating entities. It is part of Talbot UK, but it's -- because it's a reinsurance operation, it sorts itself through Validus Re and then ultimately to AIG Re. Talbot Treaty is also a traditional reinsurer utilizing Talbot's balance sheet in terms of its deployment of capital, and it too focuses on property, casualty, and specialty lines.

AlphaCat is the third operating entity. And AlphaCat is an asset manager in the reinsurance space. It assumes capital through pension funds, sovereign wealth funds, family offices, has about 40 to 50 competitors in its space, does focus more or so on short tail lines of business such as property catastrophe, treaty, reinsurance, and has about $4 billion of assets under management.

Now, each of the entities were built through a focus on three core elements, those being capital, analytics, and risk selection in particular to manage exposure and volatility. And in terms of their business risk assumption, it's closely aligned with AIG General Insurance to make sure that the overall portfolio is taken on and properly established. And Validus Re is a global business. It has locations worldwide. It has -- it's based in Bermuda. It has ops in North America in particular, U.S. as well as Canada. It has ops in the UK for Talbot, as I mentioned, and also in Europe, in Switzerland and then in Asia and Singapore and also supports the Latin American market through its Miami office.

So that's Validus Re on a global. Talbot Treaty, as I mentioned, is based in the UK itself. And AlphaCat has ops in Bermuda as well as the United States.

I would just say that the teams for each are very knowledgeable, certainly very capable, and also very disciplined. And that's really important in any environment, whether it's hard to stock market, whatever it might be, it's very important. And so that disciplined approach was an approach that Validus had from its very beginning and continues very significantly to this day.

One item that I think is important to note concerns, why did AIG purchase Validus? And first off, Validus was a well-established enterprise, but there were also a number of other aspects that were important to AIG, which include business diversification. The reinsurance business was certainly complementary to AIG. Geographic diversity was important as well. The ILS capabilities and accessing for growth was important, the ability to scale the business up and down based on market conditions, and also the cat modeling and research capabilities that were brought to the table is really terrific intellect coming from the group and also the sharing of best practices across both entities or enterprises. So real reasons and very significant reasons why AIG's thought to purchase Validus?

Lastly, just in terms of AIG really, as you've heard on AIG's earnings calls, within AIG, a significant amount of work has gone into the turnaround in the organization. The assumed reinsurance business though at AIG really does not need such changes. It was in very good shape when it came over. So not only are we and have we been in good position, we do view that we're in very good position to enhance our business proposition in the current environment.

And what that does? That actually brings me to my second topic, which involves observations on the current environment. So firstly, I would say, clearly, over the past year and notably in recent months, we've seen challenges arise between the pandemic situation as well as high-profile incidents that have raised the global attention to social injustice issues. These issues plus those associated with climate change and past losses from climate risk, including wildfires and hurricane loss now lead us to a point where we're in a highly dynamic environment. And so there are certain facts that are emerging, and they include following.

COVID-19 losses are going to be geographically widespread and will affect many lines within the insurance industry. Those losses will transfer into the reinsurance market collectively in both insurance and reinsurance, we don't know, it's a great (inaudible) with terms and conditions. They have been and they will strengthen. And that's going to lead us to a hard market on a global basis. Now, in this market, there will be firms that will execute well and will achieve terrific outcomes. But there are going to be other firms that need to focus internally and work themselves out of a problematic situation. So it's dynamic in different ways.

And AIG Re, just to bring it back to AIG Re for a moment, it's well positioned. We do have a strong capital base. We view we have a very strong parent, very strong leadership with clean portfolio. And we have a very well-oiled internal operating structure, and also, as I mentioned, with a very sound personnel to execute. So overall, we view there will be a flight to quality, we view that, that will serve us well in this environment.

So with that, Ryan, I will shift back to you for Q&A.

Ryan James Tunis {BIO 16502263 <GO>}

Perfect. That's a fantastic overview. So I think, we're definitely going to want to hit on some of the market conditions stuff. But, yes, let's just get started up by talking a little bit about Validus. So what are some ways to think about how Validus has changed or evolved over the past couple of years since being acquired by AIG?

Chris Schaper {BIO 17403314 <GO>}

Okay. Well, let me just level set -- yes, I'll talk about Validus side -- well, I'll focus more or so on the reinsurance side. The insurance has been spoken by the others in earnings calls or other conferences. But I'll level set it for a bit. Validus Holdings, as I mentioned, included insurance and reinsurance businesses. The insurance component went into the AIG Insurance business side and the reinsurance aspects were aggregated, as I mentioned, and formed AIG Re.

Now for both the insurance and reinsurance portions of Validus, the acquisition was a substantial change. And you're talking about enterprises that were part of -- that were core to a standalone entity that are now in a Fortune 75 firm. So there's definitely work to be done to integrate the businesses, to make sure the benefits of AIG were available, and at the same time, make sure the attributes including the culture when combined were greater in quality than being separate. And so to do that, you actually take the depth, and it was very important to both Brian Duperreault and Peter Zaffino from the onset of the acquisition that integration was handled well.

I would say from an assumed reinsurance basis, we actually haven't made major changes to how the companies engage in transacting their business. They were each performing well. We felt that the real focus was to determine how to amplify their capabilities and their market reach and how best to create value utilizing AIG's broad market presence, its capabilities, and how we translate that into overall greater value for being owned by AIG versus being independent.

So to that end, in essence, we engaged -- kind of across the board, we engaged -- we determined what we wanted to do and then engaged brokers in the business to determine how to enhance -- how do we enhance our position across the board. And at the same time, in doing that, making sure that our tenets of underwriting discipline and technical analysis were very well maintained. So that was paramount as we moved through this process. And so we -- again, we engaged brokers, we sought to determine how best to enhance our position.

Now, what's interesting is that on the other side of that equation, a lot of times, we talk about Validus and how things have evolved, et cetera, but Validus also brought to the table to AIG some very strong analytic capabilities, very strong research capabilities, very strong modeling capabilities that involve climate as well as property catastrophe risk. So AIG has actually been able to leverage those capabilities as well.

So it's been interesting in the sense that it's been a two-way street. The businesses of AIG brought this technical expertise that enabled AIG and AIG brought its market presence and broader capabilities to AIG Re, as it has sought to execute. So a really terrific blend for both of the enterprises. So that's kind of what's taken place over the last couple of years.

Ryan James Tunis {BIO 16502263 <GO>}

That's helpful. And, yes, I must have a question coming in and I will try to kind of paraphrase it. But thinking about AlphaCat, I think one of the ingredients of this potentially hard reinsurance market is this view that you could have some dislocations in the alternative capital space or in the retro space? Yes, I mean, I'm curious like what are you -- what's going on, I guess, over at AlphaCat in terms of the availability of capital? I think, on top of that, how was that -- I think about Validus is actually having to buy retro. To what extent is might you be getting squeezed on prices in terms of some of those hedges that you've been putting on? In other words, like, to what extent is retro pricing up significantly more than what we're seeing in the traditional side?

Chris Schaper {BIO 17403314 <GO>}

Yes. Well, I mean, retro pricing -- prices are up across the board. At this June 1 time period, we definitely saw rate increases happening in the reinsurance market as well as coming through on the retrocessional market. Retrocessional market started a little bit earlier for sure. But everything's kind of caught up. So on both sides, when I say both sides, on the reinsurance side and on the retro side, we definitely are seeing and have seen rate movement that has been substantial and in some ways similar now relative to the June 1 renewals.

Now, overall, for AlphaCat, as a market that deploys capital, obviously, their capital is desired without a doubt. And so frankly, AlphaCat has been able to execute quite well through this market cycle. As an enterprise ourselves that we do by retrocessional protection, to be frank, we were front foot. We were, I would say, ahead of the market and thinking that through, making sure that we were effectively purchasing at the earlier stages of this market. And so we've been able to secure ourselves quite well as a result similar to where we were last year to be frank about it.

So from our point of view in terms of buying, we're comfortable where we're at. And in terms of the protections and also in terms of the underwriting and the risk that we took on and also the associated rate improvements that went along with that risk that we took on. It all kind of works well together. On the AlphaCat side, as I mentioned, as far as a distributor for capital into the retro space and that's gone quite well for us also. So I would say on both sides, we're okay. I can imagine markets that were not ahead of the game, I think there are is -- there are a number of things that they've had to deal with to think about shed risk is one of them for sure, try to think about raising capital in different ways, which we're kind of seeing to some extent in this market. So I think everyone's taking a different position based on, I think, their actions that they undertook at the earlier stage of this cycle.

Ryan James Tunis {BIO 16502263 <GO>}

Got it. That's helpful. So yes, I mean, I guess, just thinking about market conditions and also I've some follow-ups. I guess, first, just -- I don't know if you can comment, but if you'd like to comment on from a rate standpoint, how you characterize the June 1 renewal? And then, the other piece of this is, I think, over the past few weeks, we've had some pretty strong language from, I think, other reinsurance executives that have described this is the best market for writing reinsurance in almost 20 years comparing it to post 9/11. Now my question is just, is -- does that feel a little bit out ahead of our skis? Like, is it something that we know yet? Do you agree with that characterization? So it's kind of a broad question. But, yes, I mean, how firm do you think pricing is?

Chris Schaper {BIO 17403314 <GO>}

Okay. Yes, I'll talk a little bit about the June renewal cycle first, and then we'll talk about the second part of your question. So, yes, first off, I would say that the June renewal, frankly, was as expected from our point of view. But, again, it's our point of view. I mean, there were significantly higher rates in the reinsurance market, particularly in the property catastrophe business lines and different geographic zones.

Generally, what we see when we see rate movement happen, we see it happened first, frankly, in the U.S. markets. And then, if there are other geographies that are changing, there must be some movement, but it's usually minimal. I would say that what we are seeing, and if I include all of second quarter, which includes the April 1 renewals from Japan, we were seeing increases really across the board. And we certainly saw them in the U.S. at the June 1 renewals.

Japan at April 1 absolutely increased quite substantially, those numbers are in the press. You would have seen those numbers, in the 35% to 55% range. And then, we're also seeing rate increases in the UK and the EU. And those are areas that you can also see rate increases. Frankly, in many of the prior -- I won't say markets, but in any of the prior time periods where you might think you see some increase in rate, you might see in the U.S. but, again, you really wouldn't see it in the UK or in EU, and we're seeing those rate movements happen. So it's definitely increasing kind of across the board on a global basis. So that's what we saw at June 1. We are in the midst of the July 1 renewals right now. I can't obviously talk about any of that. But June 1 renewal was definitely moving directionally up quite substantially.

As far as your question about 9/11, are we ahead of our skis? Is it 9/11? 9/11 was definitely different. 9/11 came in, it was a hit, and definitely, the world changed without a doubt. This situation, the pandemic, is very broad and certainly having implications in multiple lines. I suspect when people say 9/11 is similar, what they're talking about is you're seeing changes in multiple lines of business in terms of rate movement, in terms of capacity maybe withdrawing a bit. And I would say there are similarities relative to that, because there are certainly lines of business are increasing in terms of rate, there is a restriction to capacity, so it's not just property, it's certainly other lines of business and happening on a global scale. So there's a little bit of similarity there.

But overall though, what I would say is that when you look at the catastrophes that have taken place over time. So if you look back to Andrew in '92, if you look at 9/11, if you look at KRW, each one of those time periods did cause a significant spike in price, hard market, that sort of thing. Where we are right now? And those losses are presently viewed as being less than what we're looking at relative to COVID. When you look at where we are today relative to COVID, COVID is even more significant. So each one of them definitely caused movement in rate and price and in available capacity. And we're seeing that -- we're certainly seeing that now.

I would say one other thing that I think there's some commonality to 9/11 was that prior to 911, the market had gone through its own problematic cycle. Combined ratio is very significant, people are underwriting at negative returns for a period of time. And when 9/11 came in, it kind of just switched everybody over to, everything has to move up. In this environment, certainly in the past few years, we've seen catastrophe losses take place over the past three years or so. And the market didn't move, but it started to move. And many of these significant events actually are just the added catalyst that's necessary for rates to move up and capacity to restrict. So I think there's some similarity there.

Are we ahead of our skis at this point? I think it's kind of a wait-and-see. Let's see -- we'll need to see how this year plays out. We haven't actually gone through the wind season yet either. So we'll need to see that. The economies obviously are going to have issues from COVID. So that needs to be played into this also, which is different from what we had seen in some of the other events. So we need to be thinking about this issue more broadly, I would say, than what we were looking at before.

Ryan James Tunis {BIO 16502263 <GO>}

So Chris, this isn't an issue for AIG. Obviously, you have access to organic capital, but are you surprised that at this juncture, right? In June 1-1 renewals or six months off that we've seen companies do purely opportunistic capital raise based on this step up [ph]. Does that surprise you that that's been something that the markets digest well?

Chris Schaper {BIO 17403314 <GO>}

Well, I'll put it this way. There may be a viewpoint that all raises are opportunistic. And I'm not so sure that that's the case. Because, certainly, there's defensive moves that you make --

Ryan James Tunis {BIO 16502263 <GO>}

Sure.

Chris Schaper {BIO 17403314 <GO>}

-- that are important as well, and I think people need to keep that in mind. I mean, roughly, right now, to put all the numbers together, it's in the neighborhood of $3 billion or so, right, of additional capital that's kind of come in based on what we've kind of seen. So adding all the kind of component parts together, somewhere in that neighborhood. But the question comes down to, is all that truly for an offensive play?

Ryan James Tunis {BIO 16502263 <GO>}

Right. (Multiple Speakers)

Chris Schaper {BIO 17403314 <GO>}

Yes. And that's a big issue, and that's a big -- that's an important aspect to this.

Ryan James Tunis {BIO 16502263 <GO>}

So let me get to that in a second. It's interesting. I have two similar questions from the audience. Thinking about the fact that we have seen capital raises in startups, and your view on -- how much does the longevity of this is, I think, dependent on us not seeing quite as much of that? In other words, is this the type of cycle where if we keep seeing the startups, you're not going to get the same type of hard market or is it more that a lot of these price increases aren't so much supply-demand, it's more like thinking about the price and risk and all that?

Chris Schaper {BIO 17403314 <GO>}

Well, first off, when you look at starting a business, getting new personnel, you need a whole -- there is a lot there to actually start the business and actually execute well. I just want to make sure that I understand your question. Is your question, whether or not -- just give me your question one more time, so I make sure that I am (Multiple Speakers)

Ryan James Tunis {BIO 16502263 <GO>}

Yes. So there is -- very simplistically, when we see these new capital raises or these new startups, whatever, to what extent is that a bad omen for this hard pricing market? I mean, any longevity, I guess, into 2021?

Chris Schaper {BIO 17403314 <GO>}

I see. Does it have legs?

Ryan James Tunis {BIO 16502263 <GO>}

Yes.

Chris Schaper {BIO 17403314 <GO>}

Does it have legs? Yes. Yes. I would say, yes, to answer your question. I mean, the new capital raises that are coming through -- we'll have to see like what does this fully look like as we get closer to the 1-1 time period. And how did this win season actually play out, that's an important aspect to it. But I think that the capital itself, you need to measure that against what are the real losses that are going to happen from all of this. You also have issues where entities are suffering on both sides of their balance sheet, right?

You have asset issues and you also have liability issues, right? And that's a difference also. So from -- when you look at it in this broad context, the money coming in will support the market, but that would not suggest that means that the market rates kind of fall flat. Just to add, maybe one last comment to it. If you think about what happened at 9/11, I mean, there was -- there were a significant number of companies that started up after 9/11, and that market itself remained hard for quite a period of time.

Ryan James Tunis {BIO 16502263 <GO>}

Sure.

Chris Schaper {BIO 17403314 <GO>}

So as a comparison.

Ryan James Tunis {BIO 16502263 <GO>}

Yes. I mean, that makes a lot of sense. So yes, I mean the one thing I wanted to hit on before, I did want to talk about like some of those defensive things, but are there -- what type of opportunities you're seeing? What, I -- like, I guess, what we're trying to understand, are there a lot of opportunities for reinsurance to put capital at work at attractive rates between now and 1-1 that you wouldn't want (inaudible) get, whether it's COVID dynamics? Like, one thing we've been trying to figure out is carriers maybe buying more -- decide they want to buy more reinsurance in mid-year. But is there an interesting dynamic -- demand dynamic that we're seeing right now in the wind season that -- outside of June? In other words, with just large traditional carriers, where are you seeing the opportunity to put on business at really attractive rates?

Chris Schaper {BIO 17403314 <GO>}

I think the cycle is as it is. I mean, certainly some companies didn't purchase as much as they would have liked and are kind of doing a wait and see. I think they're waiting and seeing to see how problematic the wind season actually becomes. So -- and they're in the market trying to figure out can they pick up some additional capital somewhere, right? But for the most part, we're primarily in the similar renewal cycle in the sense that June and July are the key ones. After June and July, it kind of gets quiet for a bit. But I would suspect that if you're looking at an active season, you're going to start seeing buying without a doubt in the midst of all of that. And that's really where you're going to start seeing like significant spikes happening. It's beyond where they are today.

Ryan James Tunis {BIO 16502263 <GO>}

So, we need some hurricane activity for those type of opportunities to become significant?

Chris Schaper {BIO 17403314 <GO>}

Yes. I know -- I mean, the opportunities are there. They're just -- the numbers are so high right now that the market is going to certainly want to pay for it. So they're kind of the kind of sitting back a bit and trying to protect some of their expense figures instead of paying it and trying to be aware of what maybe taking place in the environment and relative to events. But there -- it's just an expensive purchase, and a lot of them have decided we're just going to scale back a bit and see how things go.

Ryan James Tunis {BIO 16502263 <GO>}

Got it. So I have an interesting question here from the audience. I guess, ignoring some of the technical. But -- so how is -- what are you hearing from our top in terms -- I guess, how AIG is thinking about allocating capital into the reinsurance business as we go into 2021 versus other quarters [ph]

Chris Schaper {BIO 17403314 <GO>}

I think one interesting dynamic of AIG Re, it seems like it's reduced a lot of its cat exposure. I don't -- doesn't sound like that's really impacted Validus much. But --

Ryan James Tunis {BIO 16502263 <GO>}

Yes. I mean, to what extent are you hearing that -- internally are the discussions about allocating more capital to reinsurance?

Chris Schaper {BIO 17403314 <GO>}

Yes. So certainly, from an AIG point of view, it takes a holistic view across the space. And as they're looking at committing capital, they definitely look at where are their benefits and then strong opportunities to do that. There certainly have and will be discussions on what is the best way to deploy. Those decisions will be made over time. At this stage, pretty much the businesses have sorted themselves prior to the 1-1 time period, right? And as a result of sorting themselves, they've executed accordingly. Eventually, as you look at the market, AIG will definitely seek to determine where it's best to commit capital. And based on that, may offer different parts of the organization additional PMLs to deploy. But those specific decisions have not been made at this point in time.

Ryan James Tunis {BIO 16502263 <GO>}

Got it. Okay. So I wanted to shift back to the discussion of not necessarily defensive, but I think one question we're trying to wrap our heads around is, it seems like relative to a normal cat when you think about COVID losses, reinsurance participation doesn't seem like it's going to be quite as high. I mean, do you have a view on how would you characterize that? Or like do you have an overall view of, I mean, numbers that you have, you think it's pretty broad? So maybe how will be footed by reinsurance, more or less?

Chris Schaper {BIO 17403314 <GO>}

I -- that's the tough one. I mean, I think, first off, obviously, the BI issue is extremely important kind of across the board, right? And so, that needs to be well understood. The reality is that everything is on a case-by-case basis when it comes to the reinsurance market. Obviously, we seek to work with our clients and all of that. The contracts have wording in them. And that wording, obviously, helps you sort through when these particular issues take place. But I would say, it's hard to say, it's all in case-by-case as we move through it. I think that's probably the best way that I could answer that question at this point in time given the uncertainties that actually exist out in the market. Again, I would say kind of where BI moves to is important, certainly if there's a need for -- if there are changes in court system, et cetera, in terms of the sort of thought process is there, that's a bigger issue, but either way, again, it will be on a case-by-case basis as everything is determined.

Ryan James Tunis {BIO 16502263 <GO>}

So I think one thing we're trying to figure out is, yes, I mean, if you had ballooning BI losses and actually if you want to stick around, we've got some BI lawyers in (Technical Difficulty).

Chris Schaper {BIO 17403314 <GO>}

I'm sorry.

Ryan James Tunis {BIO 16502263 <GO>}

No, I mean, they're good. They're on the defense side. But my question was going to be, when you think about the treaty side of things instead of the quota share side of things, it's still a little bit of a mystery to me what -- how this could materialize. We think about things like hours clauses, the definition of the event, what are the scenarios that they could make this -- if you really did have like kind of a Pandora's Box, BI thing, and we're thinking about the follow the fortunes. Like why would reinsurance not be more protective on the treaty side based on how the policy (Technical Difficulty)?

Chris Schaper {BIO 17403314 <GO>}

Yes, I think it's a tough one to answer. I mean, again, it's a case-by-case basis, Ryan. I think whether it's BI, whether it's different hours clauses or different triggers, the wording differs in the contracts that are agreed to with the -- with (inaudible) I think, on both of those issues. It's going to come down to case-by-case when everyone kind of sorting through it and determining what's the proper way to go. I don't think you're not going to -- I don't think you can find a proper answer at this point that's looking for -- except for it's going to be case-by-case. That's why we're going to figure out through this particular situation.

Ryan James Tunis {BIO 16502263 <GO>}

Okay. Well, I have one question, it sounds like a follow-up to that. It's -- can you talk about what percentage of your reinsurance business has follow-the-fortunes language? Also, do you think all retro coverage you have would follow the fortunes? Or is there certain pandemic exclusion language that could help your retro partners potentially to avoid losses? So how hedged are you?

Chris Schaper {BIO 17403314 <GO>}

Yes, again, case-by-case, that's going to have sort of case-by-case. Yes. I mean those are very particular questions that's certainly on a (Multiple Speakers) case-by-case basis. I appreciate the question, but it's going to need to be on a case-by-case basis that, that is determined.

Ryan James Tunis {BIO 16502263 <GO>}

So I guess, still what I'm trying to think about is, it's interesting to me that we've seen a few of these capital raises. Yes, I mean, it's been month and a half, two months since earnings. And I don't know, I mean, there does seem to be some -- the tale of losses to me for the reinsurers does seem a little bit more straightforward like you have some other contingency stuff. But I mean, maybe that's not right. Like if (Technical Difficulty) I'm trying to understand is like, when the books closed at 1Q, how much more was there really to learn versus was it a lot of first (inaudible) losses? We have a pretty good feel. You set up reserves after the end of the third quarter. I mean, in other words like how much do you really think we're still learning about what the loss is going to (Technical Difficulty) about just the BI issue, right?

But other types of losses, how much do you think the industry learned 1Q versus -- because, I mean when you add up to losses -- I mean, we've done this. The losses for the industry and reinsurance in particular were not actually that big in just the first quarter. So how much of this is, I guess, still on the common terms of -- in other words, some of these players that are raising capital, are they learning a lot about potentially new losses as they're doing that?

Chris Schaper {BIO 17403314 <GO>}

Well, I can't speak to those that are raising capital, what they're learning, what they're not learning. I think the first quarter was first quarter. I mean, I do view that we continue to learn in terms of first order and second order losses.

So I don't know, I mean, there are losses that can happen as a result of just economic activity changing as opposed to direct losses from COVID itself. And second order losses are still out there and still being vetted and still being verified. So I do think that there is still a learning process going on. We also don't know to the degree what another wave would actually cause. The overall environment -- it feels -- you got to be careful if people let the guard down, et cetera and then things kind of spike back up again. And so there's also that, that sits out there as well.

So the economy -- it's going to be key how the economies either turn around or don't. That's going to have an impact certainly on some of this -- the second-order losses that are out there. So to answer your question, yes, I do think we're still learning from it and trying to derive what is the ultimate looking like. This can take us -- it can take a while, because the losses are going to kind of come in overtime as well. So I think it's a broader issue than just 1Q without a doubt.

Ryan James Tunis {BIO 16502263 <GO>}

All right. Well, that's perfect. I think we're out of time. But it sounds like you're cautious. I think that's good, stay cautious. Tell everyone to stay cautious, because it's the only way we're going to -- hopefully, we can keep this market hard. But, yes, I mean, it's been a really good discussion, Chris, and thanks so much for joining us. We value your time, and best of luck.

Chris Schaper {BIO 17403314 <GO>}

Great. Thank you, Ryan. I appreciate your time as well. Thanks, everybody, for the questions. Okay. Be well. Right.