S&P 500 to open lower as UK's Truss resigns as PM

Business Line

October 20, 2022 Thursday

Length: 436 words

Dateline: New Delhi, 2022-10-20 22:08:20

Body

The S&P 500 index was set to open lower on Thursday after the resignation of Liz Truss as prime minister of the UK added a layer of uncertainty to markets struggling to hold on to gains from a set of positive earnings forecasts from U.S. **companies**. Truss' economic program had sent shockwaves through global financial markets and divided her Conservative Party just six weeks after she was appointed. A leadership election will be completed within the next week.

"There's kind of renewed concern that there is fresh political instability and what investors really are craving is some kind of stability," said Susannah Streeter, senior investment and markets analyst, Hargreaves Lansdown. Earlier in the session, positive forecasts from IBM Corp and AT&T **Inc** helped offset declines from Tesla **Inc**, which dropped 6.2 per cent in premarket trading as the **company** flagged persistent logistics challenges, with fourth-quarter deliveries growing by less than the aimed 50 per cent. IBM shares jumped 4.7 per cent, leading the advance among Dow components after the software and IT services **company** beat quarterly earnings estimates on Wednesday and said it expects to exceed full-year revenue growth targets. Fellow blue-chip stock Verizon Communications **Inc** shares added 0.9 per cent after peer wireless carrier AT&T added 3.7 per cent upon raising its annual profit forecast. The positive updates from **companies** come after upbeat results from big U.S. banks, Netflix **Inc**, Procter & Gamble Co and **Travelers Companies Inc** prompted analysts to raise third-quarter profit growth expectations for S&P 500 **companies** to 3 per cent from 2.8 per cent, according to Refinitiv data. However, the estimate is still sharply lower than an 11.1 per cent increase that was forecast at the start of July. "With the small set of **companies** that have reported earnings so far, we're seeing majority of them beat profit estimates and I would very much put that in the 'better-than-feared' category," said Art Hogan, chief market strategist at B. Riley Wealth in New York. The main US indexes have been hammered by fears of aggressive interest rate hikes by the Federal Reserve in recent months, with Treasury yields climbing to multi-year highs amid no real signs of US inflation slowing. The US central bank is expected to deliver its fourth straight 75 basis-point hikes in its November meeting, with some even pricing in a full percentage point raise. At 8:55 am ET, Dow e-minis were up 19 points, or 0.06 per cent, S&P 500 e-minis were down 5.75 points, or 0.16 per cent, and Nasdaq 100 e-minis were down 39.25 points, or 0.35 per cent.

Load-Date: October 20, 2022

U.S. bond rates hit 14-year highs and topple Wall Street rallies

CE Noticias Financieras English

October 19, 2022 Wednesday

Length: 266 words

Body

Wall Street' s major indexes find no direction Wednesday, as a **rise in Treasury yields to 14-year highs on expectations of further interest rate hikes** dampened the nascent optimism of a bright start to earnings season.
The Dow Jones is up 0.21% at 30,587.09, while the S&P 500 is down 0.10% at 3,716.13 and the Nasdaq Composite is down 0.10% at 10,761.10.

- **Today's dollar and today's blue dollar: the minute by minute quotes for Wednesday, October 19.**

Yields on 10-year Treasury notes hit their highest level since July 2008 on a sharp sell-off in U.S. government bonds following a weak housing report.

Housing starts, a measure of new residential construction, fell 8.1% in September in the latest sign that the economy is losing steam, and has been hurt by the Federal Reserve's aggressive tightening of monetary policy.
While some indicators of the equity market's health showed that the latest rally could be the start of a sustained move higher, many investors are waiting for signs of cooling inflation, which has far exceeded the Fed's target.

- **Follow the price of the blue, official, CCL and MEP dollar in Argentina**

The U.S. central bank is likely to raise rates 75 basis points for the fourth consecutive time this year in November.

Netflix soars 15% after picking up 2.4 million new subscribers worldwide in the third quarter, more than double consensus forecasts, and forecasting 4.5 million additions by the end of the year. **Dow components Procter & Gamble Co and Travelers Companies Inc** were up 3.4% and 2.6%, respectively, after the **companies** reported a better-than-expected quarterly profit.

Load-Date: October 20, 2022

Wall street is held back by rising treasury bond yields

CE Noticias Financieras English

October 19, 2022 Wednesday

Length: 316 words

Body

By Ankika Biswas and Shreyashi Sanyal
Oct 19 (Reuters) - Wall Street's major indexes were unable to find direction on Wednesday as a rise in Treasury yields to 14-year highs on expectations of further interest rate hikes dampened the nascent optimism of a bright start to earnings season.

* Yields on 10-year Treasury notes hit their highest level since July 2008 on a sharp sell-off in U.S. government bonds following a weak housing report.
* Housing starts, a measure of new residential construction, fell 8.1% in September in the latest sign that the economy is losing steam, and that it has been affected by the Federal Reserve's aggressive tightening of monetary policy.
* The PHLX housing index was down 3.4%, adding more pain to equity markets trying to emerge from months of declines, with all three major indexes in bear market territory.
* While some indicators of the health of the equity market showed that the latest rally could be the start of a sustained move higher, many investors are waiting for signs of cooling inflation, which has far exceeded the Federal Reserve's target.
* The U.S. central bank is likely to raise rates 75 basis points for the fourth consecutive time this year in November.
* The Dow Jones Industrial Average was up 63.29 points, or 0.21%, at 30,587.09, while the S&P 500 was down 3.85 points, or 0.10%, at 3,716.13 and the Nasdaq Composite was down 11.31 points, or 0.10%, at 10,761.10.
* Netflix soared 14.8% after picking up 2.4 million new subscribers worldwide in the third quarter, more than double consensus forecasts, and forecasting 4.5 million additions by the end of the year.

* Dow components Procter & Gamble Co and **Travelers Companies Inc** were up 3.4% and 2.6%, respectively, after the **companies** reported better-than-expected quarterly profit. (Reporting by Ankika Biswas and Shreyashi Sanyal in Bengaluru Edited in Spanish by Javier López de Lérida)

Load-Date: October 20, 2022

End of Document

In Opposition to Prohibiting Maryland's Insurance Companies from Using Credit Information in Risk Ratings

R Street Institute

February 15, 2022 Tuesday

Length: 1325 words

Byline: Sarah Wall

Body

Testimony from:
Sarah Wall, Government Affairs Region Manager, Northeast Region, R Street Institute
In Opposition to House Bill 690 - "Motor Vehicle Insurance - Use of Credit History Rating Policy"
February 17, 2022
House Economic Matters Committee
Chair Wilson, Vice Chair Crosby and Honorable Members of the Committee,

My name is Sarah Wall and I am the Northeast government affairs region manager at the R Street Institute (R Street). R Street is a nonprofit, nonpartisan public policy research organization focused on advancing limited, effective government in many policy areas, including insurance policy, which we have researched since our founding in 2012. In weighing insurance policy proposals, we favor those that allow **companies** to set rates based on proven indicators of risk. Because House Bill 690 would prohibit insurance **companies** from using credit information as a risk indicator, likely resulting in increased premiums for customers across the board, R Street urges an unfavorable report on this legislation.

HB 690 would prohibit automobile insurance **companies** from using applicants' credit scores to rate their risk, including issuing or removing discounts on premiums or assigning applicants to a certain risk tier based on credit. R Street holds that the best regulator of the insurance market is the market itself, and Maryland's policy decisions and proposals often run counter to this philosophy, which is one reason for its C grade in R Street's 2020 Insurance Report Card. [1] To improve the business outlook for Maryland's automobile insurers and their customers, the legislature should reject legislation like HB 690, which continue to impose burdensome and unnecessary regulations on the insurance market that do not achieve legislators' end goals.
Importantly, credit-based insurance scores are not the same thing as a credit score, since credit-based scoring takes into account outstanding debt, length of credit history, new applications for credit, bankruptcies and collections, and more in addition to the payment history that contributes to a credit score. [2] All these factors together create a comprehensive insurance score, and as the Insurance Information Institute succinctly puts it, whereas the point of credit scores is to predict delinquency, the point of an insurance score is to predict insurance losses. [3]

Credit-based insurance scoring is an effective tool for measuring the risk of whether an applicant will submit claims and how large they will be. A 2004 study commissioned by the Texas Department of Insurance found a significant inverse relationship between credit-related information and insurance risk. [4] In investigating this issue in 2007, the Federal Trade Commission (FTC) came to the same conclusion. In its 240-page report, the FTC concluded credit is an "effective predictor" of insurance **companies**' risk in their automobile policies, and therefore, credit-based scoring allows insurance **companies** to better match an applicant's risk to an appropriate premium. [5]

Furthermore, using credit information to determine an insurance score is fair. According to the National Association of Insurance Commissioners (NAIC), insurance **companies** do not see any personal information or characteristics outside of credit information, which does not include the applicant's race or ethnicity, age, marital status or similar data points. [6] In fact, the aforementioned Texas Department of Insurance report found that using credit information did not yield discriminatory results based on race or income. [7] Credit information, after all, is not a measure of high income or wealth, but of good fiscal management, and demographic factors cannot and should not be used. Nor is credit information immutable: unlike most demographic factors, individuals can change their credit, improving it by paying off debt and keeping balances low. [8]

There are consequences to ignoring the fairness and effectiveness of insurance-based credit scoring, namely in the form of increased rates across the board. **Travelers** Insurance President of Personal Insurance Michael Klein said that removing the ability of insurance **companies** to use credit information in risk ratings will not bring down premiums, but rather will force lower-risk drivers to subsidize the premiums of higher-risk drivers. [9] There are reasonable measures to take credit information into account without allowing it to override or dominate decisions on insurance risk; the model act from the National Council of Insurance Legislators contains such necessary guardrails and provides a useful model for Maryland legislators to consider. [10]

Given this research, R Street urges Maryland legislators to support the reasonable use of credit information in insurance risk ratings, and accordingly, we urge an unfavorable report on House Bill 690.

Respectfully submitted,

Sarah Wall
Government Affairs Region Manager
R Street Institute
swall@rstreet.org [1]

[1] R.J. Lehmann, "2020 Insurance Regulation Report Card," R Street Institute, No. 216 (December 2020). https://www.rstreet.org/wp-content/uploads/2020/12/Final-Insurance-Report-card-2020.pdf [2].

[2] Jerry Theodorou, "Credit-Based Insurance Scores - The Battle Heats Up," Insurance Journal, May 20, 2021. https://www.insurancejournal.com/blogs/2021/05/20/615231.htm [3].

[3] "Background on: Credit scoring," Insurance Information Institute, April 8, 2019. https://www.iii.org/article/background-on-credit-scoring [4].

[4] Ibid.

[5] Theodorou. https://www.insurancejournal.com/blogs/2021/05/20/615231.htm [3].

[6] "Credit-Based Insurance Scores Aren't the Same as a Credit Score. Understand How Credit and Other Factors Determine Your Premiums," National Association of Insurance Commissioners, July 22, 2020. https://content.naic.org/article/consumer_insight_creditbased_insurance_scores_arent_same_credit_score_understand_how_credit_and_other_factors.htm [5].

[7] Theodorou. https://www.insurancejournal.com/blogs/2021/05/20/615231.htm [3].

[8] National Association of Insurance Commissioners. https://content.naic.org/article/consumer_insight_creditbased_insurance_scores_arent_same_credit_score_understand_how_credit_and_other_factors.htm [5].

[9] Motley Fool Transcribers, "The **Travelers Companies Inc** (TRV) Q3 2021 Earnings Call Transcript," The Motley Fool, Oct. 19, 2021. https://www.fool.com/earnings/call-transcripts/2021/10/19/the-**travelers-companies-inc**-trv-q3-2021-earnings-c [6].

[10] "Model Act Regarding Use of Credit Information in Personal Insurance," National Council of Insurance Legislators, Sept. 26, 2020. http://ncoil.org/wp-content/uploads/2020/10/Credit-Model-readopted-9-26-20.pdf [7].

Endnotes

- " swall@rstreet.org ": mailto: swall@rstreet.org
- "https://www.rstreet.org/wp-content/uploads/2020/12/Final-Insurance-Report-card-2020.pdf": https://www.rstreet.org/wp-content/uploads/2020/12/Final-Insurance-Report-card-2020.pdf
- "https://www.insurancejournal.com/blogs/2021/05/20/615231.htm": https://www.insurancejournal.com/blogs/2021/05/20/615231.htm

- "https://www.iii.org/article/background-on-credit-scoring": https://www.iii.org/article/background-on-credit-scoring
- "https://content.naic.org/article/consumer_insight_creditbased_insurance_scores_arent_same_credit_score_understand_how_credit_and_other_factors.htm": https://content.naic.org/article/consumer_insight_creditbased_insurance_scores_arent_same_credit_score_understand_how_credit_and_other_factors.htm
- "https://www.fool.com/earnings/call-transcripts/2021/10/19/the-**travelers**-**companies-inc**-trv-q3-2021-earnings-c": https://www.fool.com/earnings/call-transcripts/2021/10/19/the-**travelers**-**companies-inc**-trv-q3-2021-earnings-c/
- " http://ncoil.org/wp-content/uploads/2020/10/Credit-Model-readopted-9-26-20.pdf": http://ncoil.org/wp-content/uploads/2020/10/Credit-Model-readopted-9-26-20.pdf

The post In Opposition to Prohibiting Maryland's Insurance **Companies** from Using Credit Information in Risk Ratings appeared first on R Street.

Load-Date: February 16, 2022

Travelers Canada Introduces IntelliDriveÂ®

National Post (f/k/a The Financial Post) (Canada)

January 27, 2021 Wednesday

Web Edition

Section: BUSINESS WIRE NEWS RELEASES

Length: 687 words

Body

Personal auto insurance customers can save up to 30 per cent for responsible driving behaviours

TORONTO - **Travelers** Canada, the Canadian arm of The **Travelers Companies**, **Inc**. (NYSE: TRV(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.**travelers**.com%2F&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=TRV&;index=1&;md5=905a44abce5c50df19c7bf3f4bcf51b8)), today announced the launch of IntelliDriveÂ®, its usage-based auto insurance mobile app. IntelliDrive provides customers with a better understanding of their driving habits - and rewards them for responsible driving - by collecting and assessing data on behaviours such as hard braking, rapid acceleration, speed, distraction and the time of day customers drive.

"We're continuously enhancing our products and services to provide our customers with the best possible experience," said Heather Masterson, President and Chief Executive Officer of **Travelers** Canada. "Through IntelliDrive, we're providing policyholders with the opportunity to further personalize their insurance rates while helping to create safer roadways for everyone."

IntelliDrive offers responsible drivers the ability to save up to 30 per cent on their auto premiums at renewal, and new customers can save up to 10 per cent when they enroll. Risky driving habits may result in higher premiums.

In addition to measuring driving performance, the IntelliDrive app provides helpful resources, including:

Information on the number of consecutive drives taken without interacting with a smartphone.

A user-friendly dashboard that allows drivers to track their performance and compare it with other drivers in the household.

Informative articles that provide safe driving tips.

To learn more, contact your insurance broker or visit Travelerscanada.ca/Intellidrive(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fintellidrive&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=Travelerscanada.ca%2FIntellidrive&;index=2&;md5=ea5abcc1f56325b45d2e90bb090363f0).

About **Travelers** Canada

The **Travelers Companies**, **Inc**. (NYSE: TRV(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.**travelers**.com%2F&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=TRV&;index=3&;md5=88128b2398c27f0906149d888a6e2daf)) is a leading provider of property casualty insurance for auto(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fpersonal-insurance%2Fcar-insurance.aspx&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=auto&;index=4&;md5=4efbccd6c5ae1523e21a19c6dd5cdefa), home(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fpersonal-insurance%2Fhome-insurance.aspx&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=home&;index=5&;md5=03402e8239eca5d19cf79d7040c17f0c) and business(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fbusiness-insurance%2Findex.aspx&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=business&;index=6&;md5=220ab1ca95fab0f4ae65c08f25017a17). A component of the Dow Jones Industrial Average, **Travelers** has approximately 30,000 employees and generated revenues of approximately US$32 billion in 2020. The **Travelers** Insurance **Company** of Canada, Dominion of Canada General Insurance **Company** and St. Paul Fire and Marine Insurance **Company** (Canada Branch) are the Canadian licensed insurers known as **Travelers** Canada. For more information, visit www.TravelersCanada.ca(https://cts.businesswire.com/ct/CT?id=smartlink&;url=http%3A%2F%2Fwww.TravelersCanada.ca&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=www.TravelersCanada.ca&;index=7&;md5=5f79f68f613ec2aaea150630123e9c1c).

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Load-Date: January 27, 2021

Travelers Canada Introduces IntelliDrive®

Postmedia Breaking News

January 27, 2021 Wednesday

Web Edition

Section: BUSINESS WIRE NEWS RELEASES

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About **Travelers** Canada

The **Travelers Companies**, **Inc**. (NYSE: TRV(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.**travelers**.com%2F&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=TRV&;index=3&;md5=88128b2398c27f0906149d888a6e2daf)) is a leading provider of property casualty insurance for auto(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fpersonal-insurance%2Fcar-insurance.aspx&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=auto&;index=4&;md5=4efbccd6c5ae1523e21a19c6dd5cdefa), home(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fpersonal-insurance%2Fhome-insurance.aspx&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=home&;index=5&;md5=03402e8239eca5d19cf79d7040c17f0c) and business(https://cts.businesswire.com/ct/CT?id=smartlink&;url=https%3A%2F%2Fwww.travelerscanada.ca%2Fbusiness-insurance%2Findex.aspx&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=business&;index=6&;md5=220ab1ca95fab0f4ae65c08f25017a17). A component of the Dow Jones Industrial Average, **Travelers** has approximately 30,000 employees and generated revenues of approximately US$32 billion in 2020. The **Travelers** Insurance **Company** of Canada, Dominion of Canada General Insurance **Company** and St. Paul Fire and Marine Insurance **Company** (Canada Branch) are the Canadian licensed insurers known as **Travelers** Canada. For more information, visit www.TravelersCanada.ca(https://cts.businesswire.com/ct/CT?id=smartlink&;url=http%3A%2F%2Fwww.TravelersCanada.ca&;esheet=52368643&;newsitemid=20210127005580&;lan=en-US&;anchor=www.TravelersCanada.ca&;index=7&;md5=5f79f68f613ec2aaea150630123e9c1c).

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Load-Date: January 27, 2021

Ida's insurance impact likely to be boosted by pandemic pricing

Postmedia Breaking News

August 30, 2021 Monday

Web Edition

Section: PMN BUSINESS

Length: 434 words

Body

NEW YORK - Insurers are bracing for $15 billion to $30 billion in claims from Hurricane Ida, but the figure could jump higher, in part because of pandemic pricing that has pushed up the cost of lumber and labor to rebuild, insurance experts said on Monday.

The widely ranging estimates, based on models that track the storm's severity and path, are still likely to be less than the $87 billion in claims from Hurricane Katrina, when adjusted for inflation, experts said.

Insurance **companies** with significant exposure include Allstate Corp, Progressive Corp, FedNat , Chubb Ltd, American International Group **Inc** , **Travelers Companies Inc** and The Hartford , according to Piper Sandler analyst Paul Newsome.

Ida was about one category weaker than Katrina was when it made landfall 16 years ago, and that makes a large difference in its destruction and financial cost, Newsome said.

Insurers said they are asking clients about damage and poring over satellite images to assess the wind impact. But inspections are necessary to assess the amount of flooding.

"The wind damage may be more visible, but you don't know the extent of the water damage until you're actually able to inspect," said Anne Wilson, property expert for the Americas at Swiss Re AG. "You have to get eyes on the ground."

Insurance costs for residential flooding will largely be covered by the U.S. National Flood Insurance Program (NFIP), administered by the Federal Emergency Management Agency (FEMA).

Commercial policies, however, will face claims for direct physical damage and also business interruption and supply chain disruption that spread beyond the disaster area, said Robert O'Brien, a managing director at the national property claims practice of Marsh &; McLennan **Companies Inc**.

With power outages, floods, impassable roads and other impediments, production can be disrupted for weeks and can generate contingent claims by distant businesses unable to get supplies from or sell products to **companies** hit by the storm.

"Those involved parties could be anywhere," O'Brien said. "A local event can ripple out across the world."

Ida also likely will renew efforts to address problems with NFIP, which was launched more than 50 years ago and is $20.5 billion in debt because the premiums are too low to cover the cost of claims, said Craig Poulton, chief executive officer of Poulton Associates, which administers flood and other insurance.

"This event will serve as a reminder of the severity that storms can bring," he said. (Reporting by Alwyn Scott; editing by Richard Pullin)

Load-Date: August 30, 2021

White House to tackle cyber challenges with Apple, IBM, insurance CEOs

Postmedia Breaking News

August 24, 2021 Tuesday

Web Edition

Section: PMN BUSINESS

Length: 376 words

Body

WASHINGTON - The White House is hosting an event on Wednesday that will bring together America's largest technology **companies** for a discussion about cybersecurity challenges following a raft of high-profile hacking incidents earlier this year, people familiar with the event told Reuters.

The event comes as Congress weighs new legislation concerning data breach notification laws and cybersecurity insurance industry regulation, historically viewed as two of the most consequential policy areas within the field.

The guest list includes Amazon.com **Inc** CEO Andy Jassy, Apple **Inc** CEO Tim Cook, Microsoft Corp CEO Satya Nadella and IBM's chief executive, Arvind Krishna, according to two people familiar with the event.

Another said the topics of discussion will include ransomware, critical infrastructure, supply chain security, cybersecurity education and data breach insurance policy.

Executives for energy utility firm Southern Co and financial giant JPMorgan Chase &; Co are also expected to attend the event, Bloomberg previously reported.

One of the people familiar with the event said they expect the participating **companies** to make public commitments toward better IT security measures and for additional workforce training.

The event will feature top cybersecurity officials from the Biden administration, including the recently confirmed National Cybersecurity Director Chris Inglis, as well as Secretary of Homeland Security Alejandro Mayorkas, to lead different conversations with industry representatives.

While the White House has continuously engaged the private sector for months over potential new cybersecurity rules, Wednesday's planned event is unique in its inclusion of the insurance industry, according to three people familiar with the event.

The CEO of property and casualty insurer **Travelers Companies Inc**, Alan Schnitzer, will attend.

Insurance **companies** play an important part in covering damages associated with big data breaches. Experts contend that influencing the insurance market's policies around cyberattacks could bring widespread improvements to cyber defense frameworks throughout private industry.

(Reporting by Christopher Bing in Washington Editing by Matthew Lewis)

Load-Date: August 24, 2021

Global insurance recovery will be faster, stronger than in 2008 -Swiss Re

Postmedia Breaking News

July 23, 2021 Friday

Web Edition

Section: PMN BUSINESS

Length: 326 words

Body

NEW YORK - The global insurance industry is poised to recover more quickly and forcefully from the pandemic than it did after the 2008 financial crisis, despite such obstacles as low interest rates and inflation risk, insurer Swiss Re AG's chief Americas economist said on Friday.

Unlike the prior crisis, the pandemic did not weaken insurers' overall capitalization or financial strength, which allows **companies** to write new coverage and increase revenue, economist Thomas Holzheu told Reuters.

Writing new policies was more difficult in 2009 and 2010 when insurers were reeling from capital losses, slow economic growth and depleted incomes of **companies** and individuals.

In contrast, businesses and individuals now have more money from government stimulus and support programs, and are more conscious of the need to buy protection against risks, he added.

"We see a much stronger, more resilient demand for insurance - last year, this year, and we expect for the next few years - compared with the financial crisis, when the industry was a part of the financial markets issues," he said.

Swiss Re's view aligns with other bullish signs. Global commercial insurance prices, for example, rose 18% in the first quarter of 2021 from a year earlier, on average, insurance broker Marsh McLennan Cos **Inc** said in May. Rates have risen since late 2017.

Swiss Re said it expects annual growth for all premiums, not just commercial, to reach 3.3% this year and 3.9% in 2022, after falling just 1.3% last year. That compares with a 3.7% decline in 2008, during the financial crisis, and a slower rebound of 0.5% and 2.1% in 2009 and 2010, respectively.

Sector bellwether **Travelers Companies Inc** on Tuesday beat second-quarter Wall Street estimates by more than $1.00 a share.

Other large U.S. insurers are due to report results over the next two weeks. (Reporting by Alwyn Scott in New York Editing by Matthew Lewis)

Load-Date: July 23, 2021

Shining a spotlight on price/cash flow winners

Tribune-Review (Greensburg, PA)

August 17, 2020 Monday

Length: 772 words

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Body

Say you're fortunate enough to own a large private manufacturing business. In 2016, you built a $100 million factory and paid for it 100% in cash.

This year, your business will generate $1 billion in revenue and $980 million in expenses. You might think that's a $20 million profit. But it won't be reported that way, because you will subtract about $8.8 million for depreciation on the factory building and the machinery inside. Reported profit: $11.2 million.

In reality, no cash is going out for the factory and equipment this year; you paid for it all four years ago. Your reported profit may be only $11.2 million, but your cash flow is nearly twice that.

Some professional investors say cash flow, not reported earnings, is the "true" measure of profitability. I say there is no single true measure. You get a better picture by looking at both.

16.5% return

Today, let's look at a few **companies** that look good based on the ratio of the stock price to cash flow. MarineMax **Inc**. (HZO) is my favorite, with a price-to-cash-flow ratio under four. I also like FutureFuel Corp. (FF), Talos Energy **Inc**. (TALO) and **Travelers Companies Inc**. (TRV).

This is the 17th column I've written on this subject since 1999. The average one-year return on the first 16 columns has been 16.5%, which compares well with 8.8% for the Standard & Poor's 500 Index over the same periods.

Ten of my 16 columns have beaten the S&P 500, and 11 have been profitable.

Bear in mind my column recommendations are theoretical and don't reflect actual trades, trading costs or taxes. Their results shouldn't be confused with the performance of portfolios I manage for clients. And past performance doesn't predict future results.

Last year? Don't ask. It was the worst of the 16 years, by far.

All five of my selections flopped, "led" by a 41% loss in Holly Frontier Corp. (HFC). My other selections, all down, were Charles Schwab Corp. (SCHW), RMR Group **Inc**. (RMR), Warrior Met Coal **Inc**. (HCC) and Xerox Corp. (XRX). Collectively, they lost 27.2%, while the S&P 500 returned 15.4%.

MarineMax

Who would buy the stock of a boat retailer during a recession? I might, if the stock were selling for less than four times cash flow, as is MarineMax **Inc**. (HZO), based in Clearwater, Fla.

In the recession of 2007-09, Marine Max had big-time losses. However, I am unsure the current recession will look like past ones. The growing gap between rich and poor in the U.S. is bad for the country, I believe, but not bad for Marine Max.

Eleven Wall Street analysts follow MarineMax. Nine rate it a "buy," and only two a "hold." I don't usually like siding with the majority, but in this case I do.

MarineMax has been profitable eight years in a row, and -- contrary to what you might expect -- had a very good June quarter.

FutureFuel

Making fuel from plant matter instead of petroleum struck some people as the wave of the future, hence the name of FutureFuel Corp. (FF), based in Clayton, Mo. Biodiesel is its main product, but it produces other chemicals, especially ones used in agriculture.

The stock sells for about six times cash flow. The **company** has a 15-year profit streak going. It has barely a speck of debt and has enough cash to cover the debt many times over.

What makes me nervous about this stock is the demand for biofuel is driven partly by government mandates and subsidies. However, I don't see any present likelihood the government support will be reduced.

Talos

The oil and gas industry has just entered its seventh year of agony, but there are some signs of better times ahead. Most notably, U.S. producers have finally capitulated and shut down drilling rigs -- lots of rigs.

The Baker Hughes rig count shows 251 oil and gas rigs operating in the U.S. as of July 31, down from 942 a year earlier. I figure such a big reduction is bound to put a floor under the price of oil and gas.

One depressed stock that might benefit is Talos Energy **Inc**. (TALO) of Houston, which operates in Louisiana and the Gulf of Mexico. Robert Abendschein, a director, bought 50,000 shares a few days ago, doubling his stake. Talos sells for less than two times cash flow.

Travelers

Hartford, Conn., is a hub for the insurance industry, and one of the largest insurers there is **Travelers Companies Inc**. (TRV), which offers property and casualty insurance to **companies** and families.

Travelers has been profitable 17 years in a row, albeit never spectacularly so. The stock sells for only five times cash flow, a modest multiple. It yields 2.8% in dividends, which is better than you'll get at the bank.

Disclosure: I own Warrior Met Coal personally and in a hedge fund I manage.

Load-Date: August 19, 2020
