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Earnings Call

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Call Participants

EXECUTIVES

Dennis E. McDaniel
VP & Investor Relations Officer

Michael James Sewell
CFO, Principal Accounting Officer, Executive VP & Treasurer

Stephen Michael Spray
President & Director

Steven Justus Johnston
Chairman & CEO

ANALYSTS

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

Grace Helen Carter
BofA Securities, Research Division

Jon Paul Newsome
Piper Sandler & Co., Research Division

Meyer Shields
Keefe, Bruyette, & Woods, Inc., Research Division

Michael David Zaremski
BMO Capital Markets Equity Research

Unknown Analyst

Presentation

Operator

Good morning, ladies and gentlemen, and welcome to the Cincinnati Financial Corporation Second Quarter 2023 Earnings Conference Call. [Operator Instructions] Please note, this event is being recorded.

I would now like to turn the conference over to Dennis McDaniel, Investor Relations Officer. Please go ahead, sir.

Dennis E. McDaniel
VP & Investor Relations Officer

Hello. This is Dennis McDaniel at Cincinnati Financial. Thank you for joining us for our second quarter 2023 earnings conference call. Late yesterday, we issued the news release on our results, along with our supplemental financial package, including our quarter end investment portfolio. To find copies of any of these documents, please visit our investor website, cinfin.com/investors.

The shortest route to the information is the quarterly results link in the navigation menu on the far left. On this call, you'll first hear from Chairman and Chief Executive Officer, Steve Johnston; and then from Executive Vice President and Chief Financial Officer, Mike Sewell. After their prepared remarks, investors participating on the call may ask questions.

At that time, some responses may be made by others in the room with us, including President Steve Spray; Chief Investment Officer, Steve Soloria and Cincinnati Insurance's Chief Claims Officer, Marc Schambow; and Senior Vice President of Corporate Finance, Theresa Hopper.

First, please note that some of the matters to be discussed today are forward-looking. These forward-looking statements involve certain risks and uncertainties. With respect to these risks and uncertainties, we direct your attention to our news release and to our various filings with the SEC. Also, a reconciliation of non-GAAP measures was provided with the news release. Statutory accounting data is prepared in accordance with statutory accounting rules and therefore, is not reconciled to GAAP.

Now I'll turn over the call to Steve.

Steven Justus Johnston
Chairman & CEO

Good morning, and thank you for joining us today to hear more about our results. Net income of $534 million for the second quarter of 2023 was quite a change from the net loss of more than $800 million for last year's second quarter.

As we've noted in the past, large income swings can occur as gains and losses from securities still held in our equity portfolio run through net income. Last year, we saw a reduction in portfolio fair value. And this year, we recognized a significant investment gain. We believe the value of our equity portfolio will continue to grow over the long term.

As of June 30, it had $6.1 billion in appreciated value, increasing 8% since the end of the first quarter. Non-GAAP operating income of $191 million for the quarter more than doubled the $94 million from a year ago, despite catastrophe losses that were $11 million higher on an after-tax basis.

Our 97.6% second quarter 2023 property casualty combined ratio was 5.6 percentage points better than last year's second quarter, including a decrease of 0.4 points for catastrophe losses. The 90.4% ex-cat accident year combined ratio for the second quarter was 2.4 percentage points better than the same period a year ago and is another important indicator of improved performance.

Despite the increase in catastrophe losses and ongoing elevated inflation effects, we continue to see reasons for confidence about performance for the second half of the year. Pricing continued to accelerate during the second quarter of this year, and we also worked to address inflation in other ways, such as changing factors that adjust premiums to account for rising property costs.

We reported improved underwriting performance ratios in just about every major line of business compared with the first quarter of this year. On a current accident year basis, measured at June 30 before catastrophe losses, our 2023 and consolidated property casualty loss and loss expense ratio improved from 2022 by 4.5 percentage points on a case incurred basis, which included 0.6 point improvement on a paid basis.

For the same period, we increased the incurred but not reported or IBNR component of the ratio by 4.7 points as we continue to recognize uncertainty regarding ultimate losses remaining prudent in our reserve estimates until longer-term loss cost trends become more clear.

Similar to the first quarter, we earned a small underwriting profit for our commercial umbrella line in the second quarter. In our commercial casualty line of business in total had an estimated combined ratio of approximately 90%. Our underwriters continue to do an excellent job in risk selection and pricing Importantly, Asians appointed by Cincinnati Insurance continue to produce profitable business for us in an outstanding fashion.

Underwriters emphasize retention of profitable accounts addressing ones that we determine have inadequate pricing while also seeking profitable new business. Estimated average renewal price increases for the second quarter were higher than the first quarter for each of our major lines of business. Our Commercial Lines Insurance segment averaged near the low end of the high single-digit percentage range, while our excess and surplus lines insurance segment moved higher in the high single-digit range.

Personal Lines for the second quarter included auto in the high single-digit range and homeowner in the mid-single-digit range. In terms of net written premiums, consolidated property casualty growth was 9% for the second quarter of 2023. That included an 11% increase in second quarter renewal written premiums with a significant portion from higher levels of insurance exposures as we factor in elevated inflation.

Next, I'll briefly highlight premium growth and profitability by Insurance segment. Commercial Lines grew second quarter 2023 net written premiums 3%, reflecting discipline, particularly for commercial umbrella risks. Its combined ratio was 9.4 percentage points better than a year ago, including 1.5 points from lower catastrophe losses. We see the second quarter 10% reduction in new business written premiums as an expected result of pricing and underwriting discipline.

Personal Lines grew net written premiums 23%, with growth in middle market accounts in addition to Cincinnati Private Client business for the high net worth clients and our agencies. Its combined ratio was 4.5 percentage points better than a year ago despite an increase of 0.6 points from catastrophe losses.

Excess and surplus lines had a combined ratio of 92.2% and net written premiums grew 16%. Its combined ratio was 7.1 percentage points higher than a year ago, including a 9.9 point increase in the IBNR component. Both Cincinnati Re and Cincinnati Global continued to enhance our profitability. Cincinnati Re had a strong 73.7% combined ratio for the second quarter of 2023. Its net written premiums essentially matched last year's second quarter while casualty premiums decreased as a result of fewer attractive opportunities in certain segments of the market, property net written premiums increased by 27%, largely due to a combination of higher pricing and market opportunities.

Cincinnati Global's combined ratio was 88.3% with net written premiums continuing strong growth at 19%. Our life insurance subsidiary continued to report excellent results in the second quarter with net income up 91% from last year in term life insurance earned premium growth of 4%.

As I usually do, I'll conclude with the value creation ratio, our primary measure of long-term financial performance. Our second quarter 2023 VCR was 4.0%, another strong result. Net income before investment gains or losses contributed 1.8%, while favorable valuation of our investment portfolio added another 2.2%.

Now our Chief Financial Officer, Mike Sewell, will highlight other important factors about our financial performance.

Michael James Sewell
CFO, Principal Accounting Officer, Executive VP & Treasurer

Thank you, Steve, and thanks for all of you for joining us today. Investment income continued at a strong pace of 13% for the second quarter of 2023 versus last year's second quarter. As expected, dividend income decreased 3% for the quarter due to 2 items we touched on last quarter.

First, we are seeing dividend rates increase more slowly. Second, in last year's second quarter, we received a $5 million special dividend from one of our stockholdings that didn't repeat this year. Net equity security purchases for the first half of 2023 totaled $93 million. Bond interest income rose 19% in the second quarter compared with the second quarter of 2022.

We added more fixed-maturity securities to our investment portfolio with the net purchases totaling $732 million for the first 6 months of the year. The second quarter pretax average yield of 4.34% for the fixed-maturity portfolio was 34 basis points higher than a year ago. The average pretax yield for the total of purchased taxable and tax-exempt bonds during the second quarter of 2023 was 5.88%. Valuation changes in aggregate for our equity portfolio during the second quarter of 2023 were favorable, but were unfavorable for the bond portfolio.

Before tax effects, the net gain for the equity portfolio was $459 million, while the net loss for the bond portfolio was [$158 million]. At the end of the quarter, total investment portfolio net appreciated value was approximately $5.3 billion. The equity portfolio was in a net gain position of $6.1 billion, while the fixed-maturity portfolio was in a net loss position of $838 million.

Strong cash flow again contributed to investment income growth in addition to rising bond yields boosting interest income. Cash flow from operating activities for the first 6 months of 2023 was $825 million, up 9% from a year ago. We continue to emphasize expense management with a balance between controlling expenses and making strategic investments in our business.

The second quarter 2023 property casualty underwriting expense ratio was 0.2 percentage points lower than last year as premium growth outpaced growth in total expenses. Next, I'll comment on loss reserves. We continue to use a consistent approach that targets net amounts in the upper half of the actuarially estimated range of net loss and loss expense reserves. As we do each quarter, we consider new information such as paid losses and case reserves and then updated estimated ultimate losses and loss expenses by accident year and line of business.

For the first half of 2023, our net increase in property casualty loss and loss expense reserves was $452 million, including $358 million for the IBNR portion. During the second quarter, we experienced $101 million of property casualty net favorable reserve development on prior accident years that benefited the combined ratio by 5.5 percentage points.

On an [all-lines] basis by accident year, net reserve development for the first 6 months of 2023 included: favorable $99 million for 2022; unfavorable $5 million for 2021; favorable $49 million for 2020 and a favorable $17 million in aggregate for accident years prior to 2020.

Regarding capital management, our approach remains consistent as we pay dividends to shareholders and repurchase shares that include maintenance intended to offset shares issued through equity compensation plans. We still believe our financial flexibility is outstanding, and that our financial strength is in excellent shape. During the second quarter of 2023, we repurchased approximately 398,000 shares at an average price per share of $104.48. We also paid [$117 million] in dividends to shareholders during the quarter.

As usual, I'll conclude with a summary of second quarter contributions to book value per share. They represent the main drivers of our value creation ratio. Property casualty underwriting increased book value by $0.24. Life insurance operations increased book value $0.15. Investment income other than life insurance and net of noninsurance items added $0.86. Net investment gains and losses for the fixed income portfolio decreased book value by $0.81. And Net investment gains and losses for the equity portfolio increased book value by $2.31, and we declared $0.75 per share in dividends to shareholders. The net effect was a book value increase of $2 per share during the second quarter to $7.33 per share.

Now I'll turn the call back over to Steve.

Steven Justus Johnston
Chairman & CEO

Thanks, Mike. We are in the challenging insurance market, and I'm proud of the way our associates are navigating it. We believe we are taking the necessary actions to continue delivering profitable growth through all insurance cycles. In the last month, 2 third-party organizations agreed. S&P affirmed our high financial strength ratings, and we were also again included on the Ward's 50 list, recognizing our growth, profitability and shareholder return.
We are 1 of only 4 companies named 32 times to the Property Casualty Ward's 50 since the analysis began in 1991. As a reminder, with Mike and me today are Steve Spray, Steve Solaria, Marc Schambow and Theresa Hoffer. Vaishnavi, please open the call for questions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Paul Newsome with Piper Sandler.

Jon Paul Newsome
Piper Sandler & Co., Research Division

Congrats on the quarter. I wanted to ask maybe a little detail on the source of the competition that's been hampering the new business production in commercial [happy if you'd name -- names], but if you give us a sense of just kind of what kind of companies sort of products, et cetera, that keeping you more disciplined.

Stephen Michael Spray
President & Director

Paul, Steve Spray. I would reiterate kind of what Steve said there in his closing prepared remarks, just that it's a challenging market. This business, as I've said in the past, it's local. You get various competitors in different states that just have a different view of risk.

I think from my perspective, it's been more about our underwriters and our field reps just continuing to execute working with our agents on disciplined pricing and underwriting. It's profit first here, or segmenting the business. But from time to time, you'll see carriers that maybe have a different view of the risk. And we've just got the tools today that we didn't have in the past to be able to be disciplined about it. And just couldn't be more proud of the team, both on the new business front, our field reps and our renewal underwriters and the way they're executing.

And I would add that it's a dynamic market, we're seeing it change on a daily basis. And at the end of the second quarter, we did see, I would say, the market coming more to us on the pricing side and some new business. It's one month of an end of a quarter, so it may not make a trend, but we did see some improvement in new business towards the tail end of the second quarter. Hopefully, that answers your question, Paul.

Jon Paul Newsome
Piper Sandler & Co., Research Division

It's definitely getting there. Just maybe a little bit mistaking, but I was kind of going through the supplement, and I noticed that recent commercial business, there's a little bit less of a loss IBNR booked up in the quarter. Anything anomalous there that you want to call out on that number?

Steven Justus Johnston
Chairman & CEO

Paul, this is Steve. And actually, on a dollar basis, our IBNR [didn't] increase. It's just our premium increased a little bit faster. And I think last year, second quarter of last year, I think we've -- I think we've seen the situation with inflation and recognize the leveraged effect of inflation on higher limits and umbrella in particular, and we're strong to address that last year. So I think, again, we still had more dollars added to IBNR this quarter, just slightly less on -- as a ratio of earned premium.

Operator

The next question comes from Greg Peters with Raymond James.

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

I guess, I'm going to focus on first question would be in the commercial casualty component of your financial supplement. And if you look at the total loss and loss expense ratio really began to show some nice improvement in the second quarter. And obviously, it's a longer tail line of business. And I'm just curious -- it seems like now with the loss ratio having improved, this would be a time to perhaps start writing more of that business, and yet we see it moving in the opposite direction. So maybe you could -- and I know you've provided some previous comments on it, maybe you could just give us some added context.

Steven Justus Johnston
Chairman & CEO

Yes. Good question, Greg. And I think the 2 are kind of related. I think the improvement is a result of the discipline that we're showing in pricing and underwriting and particularly in our umbrella line of business. The other side of that is, as Steve mentioned, is we are more disciplined in the market -- it makes us a little bit harder to compete on a price basis with some others that don't have that same view of risk. So I think the two go together and would really just -- I can't add much to Steve's earlier response in terms of how we're handling that competitive market.

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

Right. I wanted to pivot just on property, whether it's inside the commercial or in the personal line space because I feel like the rate is a combination of factors, including insured to value numbers being reset. And so I'm -- when I look, for example, in your personal lines, your net written premium in homeowners up 27% in the second quarter. I'm wondering how much of that is pure rate versus actual just getting the insured to value numbers right? Or -- maybe I'm looking at this the wrong way? I don't know. It seems like a valid question though.

Stephen Michael Spray
President & Director

Yes, Greg, Steve Spray. On -- specifically on commercial property and personal property and homeowner, it's about 2/3 exposure, about 1/3 rate would be a good way to look at it.

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

Okay. That's helpful. I guess the final question I have, recognizing that others are going to want to ask questions would just be before you'd previously mapped out sort of an expectation for the combined ratio for the year. I'm just wondering how you're thinking about that range in the context of the second quarter results as we think about the second half of the year? That's my last question.

Steven Justus Johnston
Chairman & CEO

Greg, this is Steve Johnston. And I think we're still where we were at the -- when we first came out with it at the first quarter, we don't think it's -- we think it's reasonable that we would be able to be in the low to mid-90s combined ratio, 8% growth. But we have those caveats of that the weather and the market conditions are volatile and that will play out over the second half.

I think the key point is we are just very confident in the movement of the ex-cat core portion of the book. It's improving nicely and that's really our focus at this point. But again, I think we're still where we were with the information that we gave in the first quarter.

Operator

Next question comes from Mike Zaremski with BMO.

Michael David Zaremski
BMO Capital Markets Equity Research

Curious, any insights into pricing power into July? And also just curious, have you guys been a bit surprised at some of the pricing power that you've experienced. -- given the strong interest rate tailwinds that are a good guy? Or does it make sense that we're seeing kind of broader industry pricing inflect -- accelerate a bit?

Steven Justus Johnston
Chairman & CEO

This is Steve Johnston. And it is -- it's just -- it's an execution of our business model that makes us feel good and that we are -- have great relationships with our agents. We tend to communicate and try to communicate where we are risk by risk early in the process of a renewal and just feel the execution that makes us so proud of our field people as they're out in the field, balancing discipline with being responsive to our agents' needs has boded well for us and we see it continuing to do so as we go into the second half.

Michael David Zaremski
BMO Capital Markets Equity Research

Okay. You mentioned that the -- I think in the prepared remarks, the umbrella components, of your portfolio kind of eked out a small underwriting profit. Just curious as umbrella, given kind of what you've known -- you've experienced over the last year or 2 or maybe more -- maybe it's more also just prone to social inflation. Is umbrella, are you -- are you kind of targeting a better combined ratio for that versus the broader segment it's in?

Stephen Michael Spray
President & Director

Yes. Over -- I think over the last '22 -- the end of '22 and prior, Mike, again, this is Steve Spray. Our combined ratio in umbrella was running around [80%]. The last, like you said the last couple of years, have been challenging. It's jurisdictional. It could be state by state, it's risk by risk. And that loss ratio, like Steve said in the prepared remarks, we've been profitable here for the first half and obviously in the second quarter.

We've been very deliberate about improving that line of business. And I would say, yes, we expect that loss ratio to improve from where it is today. I'll give you maybe a little bit more color on that, too. In the second quarter, our commercial umbrella net written premium was down 9 points, which contributed a 2-point drag on the overall Commercial Lines net written premium. So it's been deliberate like Steve said, we got early and often with our agents to make sure that there's no surprises and work with them on pricing terms, conditions, reducing limits in some specific jurisdictions or specific risks that we think we -- that have been challenging for us.

Michael David Zaremski
BMO Capital Markets Equity Research

Okay. That's helpful. And then, maybe lastly, switching gears to Personal Lines. I think on last quarter's call, you talked about -- or maybe it wasn't a call, but I think you guys have talked about you being one of the -- now the biggest writers in terms of new business in, for example, the state of California as others have been retrenching.

Maybe you can kind of give us an update on what you're seeing in terms of kind of industry dynamics, competitive wise and personal lines and why you feel good about growing into some of these states where some competitors have had trouble kind of getting the pricing they need to keep up with loss inflation and very -- comes from the standpoint of understanding you have a very profitable personal lines book.

Stephen Michael Spray
President & Director

Yes. Thanks, Mike. Steve Spray again. yes, we feel really good and are bullish about personal lines, both on the high net worth and then the middle market business. The high net worth now or what we -- Cincinnati Private Client has become about 55% of our business.

I would start with the fact that the team we have, the amount of expertise that we have selectively had joined from the outside and then the long-term associates we've had in building out that expertise not only on product but on marketing, on claims. I think we have been very well received across the country by our agents. And specifically growing in states that you mentioned where there's been quite a bit of industry disruption.

And we have definitely seen quite a bit of disruption, especially for the high net worth business. And as an example, one way we were able to deal with that is we were able to pivot in California as a specific example, and move to writing homeowners business on an excess and surplus lines basis. And I think it goes true to Cincinnati over time as we've been able to be there for our agents and be there for the policy holders in their community, provide, with a measured capacity.

We are in this high net worth business for the long term. We look at everything we do over the long term. And feel like we're positioned really well to continue to grow that business and grow it profitably. We have some work to do. Inflation has impacted the entire book, but we're confident in the underwriting and especially the pricing actions we've taken to improve those results.

Operator

The next question is from Meyer Shields with KBW.

Meyer Shields
Keefe, Bruyette, & Woods, Inc., Research Division

A couple of quick questions, I guess. Steve, you talked about pricing accelerating pretty much every line of business sequentially. Was there any change in your internal view of trend from first quarter to second quarter?

Steven Justus Johnston
Chairman & CEO

Yes. Meyer, this is Steve. I don't really think so. I think we are seeing -- it's very granular. We look at it by line, by state and so forth. And so you'll see some movement in directions at a very detailed level. But -- for the most part, I think we're seeing a similar view of trends first quarter to second quarter.

Meyer Shields
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Perfect. I'm not 100% sure this is a good question. But when I look at the loss ratio detail, vastly higher provision for IBNR is in Personal Lines than Commercial Lines. And I was wondering, is that a function of just bad weather? Or is there something else driving that?

Steven Justus Johnston
Chairman & CEO

I think probably, Meyer, it's the growth as much as anything. There's faster growth in the Personal Line space right now.

Meyer Shields
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Perfect. That makes sense. And then one last question, if I can, is a little more detailed. But have you disclosed which lines of business saw the reserve release from [indiscernible] .

Steven Justus Johnston
Chairman & CEO

That has not been part of our disclosure, Meyer.

Operator

The next question comes from Grace Carter with Bank of America.

Grace Helen Carter

BofA Securities, Research Division

Hi, everyone. Looking at the commercial property underlying loss ratio, that experienced quite a bit of improvement, both sequentially and year-over-year. Obviously, that line can be really volatile, but I was just curious the extent to which that was maybe impacted by the classification of cat versus non-cat in the quarter and pricing flowing through and just the extent to which we should extrapolate that going forward?

Stephen Michael Spray
President & Director

I can -- Grace, Steve Spray. I can take a shot at that. We have individual state plans, both for all lines -- for all lines and segments. But in Commercial Lines specifically, and we -- the first thing we look at, I think, at every state is just the CAT profile. We do believe you can underwrite and price for CAT, you have to.

And I would think terms, conditions percentage deductibles for CAT. We've got the tools to understand what the -- what our average annual loss looks like. We price to that. So I think you're seeing improvement just because of the discipline that we've put both in the CAT and the non-cat. I don't know if anybody else wants to add anything as far as numbers.

Steven Justus Johnston
Chairman & CEO

I think, you handled it quite well, Steve.

Grace Helen Carter
BofA Securities, Research Division

Okay, and I guess, looking at the workers' comp underlying loss ratio. That ticked up a bit versus what we're used to seeing. I was curious if there is anything kind of one-off there or if you've seen a change in loss trend or if that's just the accumulated impact of lower pricing in that line over time.

Steven Justus Johnston
Chairman & CEO

Grace, this is Steve Johnston. I do think that just accumulation of the lower pricing over time, it just does have a compounding effect. We've been very disciplined. As you can see, there have been a decrease in our writings there as we've maintained discipline over a period of time so that we feel particularly as an account underwriter that we're in a good spot overall.

Grace Helen Carter
BofA Securities, Research Division

And then I guess, finally, just talking about commercial casualty pretty broadly umbrella and -- I mean the underlying loss ratio there did see some improvement as well as a pretty favorable impact from reserve releases. I'm just trying to square that versus some of the commentary that we've heard over the past few quarters over being pretty cautious in that part of the business.

Did you get any new information in the quarter regarding loss cost trends that gives you some more confidence regarding where that line is going? Or is this just kind of the impact of the actions that you've taken in that book over the past several quarters?

Steven Justus Johnston
Chairman & CEO

I think your last point is what it is. It's been the action over the last several quarters and trying to get out early and start to address the inflation and the leveraged effect of inflation.

Operator

[Operator Instructions] Our next question comes from Fred Nelson, Private Investor.

Unknown Analyst

Yes. Two things that are really all of you that are on the call have worked with the company needs to know that the philosophy of Cincinnati Financial of rising dividends and integrity and honesty. I cannot tell you the number of people that have told me that it's allowed them to do things in their lives, with their kids, their grandkids, that they never dreamed possible. And I think I want to say thank you to all of you for that philosophy because it's really, really important in our country.

The thing that I'd like to know is the number of shares outstanding at the end of the period? It says you divide the shareholders' equity for the number of shares out there to get the book value, and I would appreciate if you could tell me how many shares are outstanding at the end of the period to get the book value.

Steven Justus Johnston
Chairman & CEO

Well, thank you, Fred. This is Steve Johnston. And first off, I really want to thank you for your comments. It just really makes my day. It makes all of our days. You're talking to everybody here at the company. And we really appreciate your comments. I believe the number of shares outstanding is 158.6 million.

Unknown Analyst

At the end of the period?

Steven Justus Johnston
Chairman & CEO

At the end of the period.

Unknown Analyst

You divide -- how many shares?

Steven Justus Johnston
Chairman & CEO

I think it's 158.6 million.

Unknown Analyst

And if you divide that into the shareholder equity value of $11,030 million, do you get $70.33?

Steven Justus Johnston
Chairman & CEO

I believe that's right.

Michael James Sewell
CFO, Principal Accounting Officer, Executive VP & Treasurer

That's right, Fred.

Steven Justus Johnston
Chairman & CEO

I may have transposed it. I think it's 156.8 million not 150 -- I was going from my -- I was going from memory and somebody slipped a piece of paper to me here. So I apologize for the transposing the shares.

Unknown Analyst

I appreciate what you just said because that's the figure I got with my old math.

Steven Justus Johnston
Chairman & CEO

Okay. Good. The old math is always the best, Fred.

Unknown Analyst

One of my people that live within Cincinnati has said her motto was TYG, thank you, God.

Steven Justus Johnston
Chairman & CEO

Here you go. Here you go. Thank you so much.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Steve Johnston for any closing remarks.

Steven Justus Johnston
Chairman & CEO

Thank you, Vaishnavi, and thank you all for joining us today. We look forward to speaking with you again on our third quarter call.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may all now disconnect.