S&P Global
Market Intelligence

Intact Financial Corporation TSX:IFC

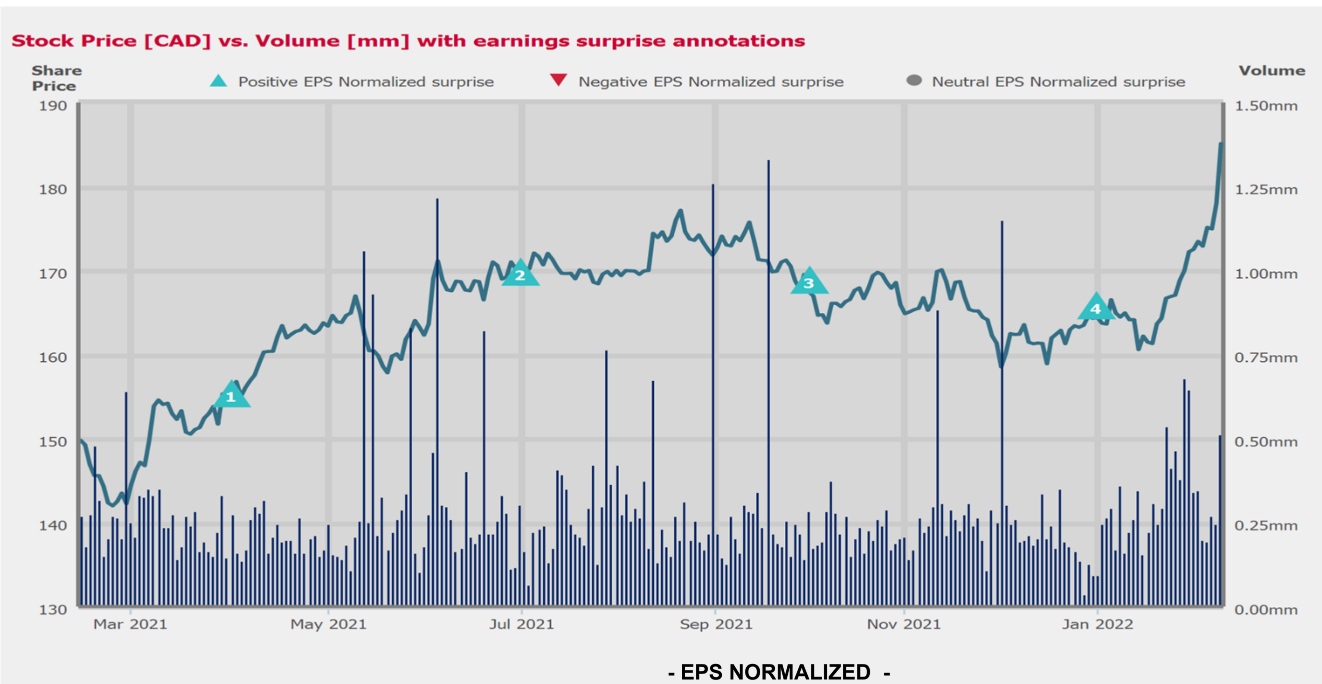
FQ4 2021 Earnings Call Transcripts

Wednesday, February 09, 2022 4:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ4 2021-			-FQ1 2022-	-FY 2021-			-FY 2022-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS
EPS Normalized	2.52	3.78	50.00	2.78	11.14	12.41	11.40	11.62
Revenue (mm)	5002.86	5003.00	0.00	4745.00	16089.74	16238.00	0.92	20250.92

Currency: CAD
Consensus as of Feb-10-2022 12:01 PM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ1 2021	2.15	2.50	1 16.28 %
FQ2 2021	2.40	3.26	2 35.83 %
FQ3 2021	1.73	2.87	3 65.90 %
FQ4 2021	2.52	3.78	4 50.00 %

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Call Participants

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Charles J. G. Brindamour
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Darren Christopher Godfrey
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Isabelle Girard
Senior Vice President of Personal Lines

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Presentation

Operator

Good morning, ladies and gentlemen, and welcome to Intact Financial Corp. Q4 2021 Results Conference Call. [Operator Instructions] Also note that this call is being recorded on Wednesday, February 9, 2022. I now would like to turn the conference over to Shubha Khan, Vice President, Investor Relations. Please go ahead.

Shubha Rahman Khan
Vice President of Investor Relations

Thank you, Suljeet. Good morning, everyone. And thank you for joining the call today. A link to our live webcast and published information for this call is posted on our website at intactfc.com under the Investors tab.

As usual, before we start, please refer to Slide 2 precautionary language regarding the use of forward-looking statements which form part of this morning's remarks and Slide 3 for a note on the news of non-GAAP financial measures and important notes on adjustments, terms and definitions used in this presentation.

With me today, we have our CEO, Charles Brindamour; our CFO, Louis Marcotte; Isabelle Girard, our Senior Vice President of Personal Lines; Patrick Barbeau, Executive Vice President and Chief Operating Officer; Darren Godfrey, Executive Vice President, Global Specialty Lines; and Ken Anderson, Executive Vice President, UK&I. We will begin with prepared remarks, followed by Q&A.

With that, I will turn the call over to Charles.

Charles J. G. Brindamour
CEO & Director

Thanks, Shubha. Good morning, everyone, and thank you for joining us today. As the world contended with a new wave of the pandemic, we moved quickly and decisively to protect our employees, stay open for business and support our customers during a period of uncertainty. At the same time, our people showed tremendous commitment in getting our customers back on track after a number of severe weather events.

We capped off a milestone year with very strong fourth quarter results and solid momentum across all segments. Yesterday evening, we announced fourth quarter net operating income per share of $3.78, a 19% increase over Q4 last year. For the full year, net operating income per share was up 25%, driven by mid-teens organic earnings growth and meaningful accretion from the RSA acquisition.

Our business grew 75% in the quarter, in large part driven by RSA. For the full year, premiums increased 45% with RSA contributing 39 points. Favorable conditions in commercial lines across all markets as well as personal property drove healthy organic growth of 5% in 2021. The overall combined ratio for the year was strong at 88.8% driven by our Canadian operations and despite 4 points of CATs.

Our results drove operating ROE to 17.8% in 2021 and book value per share grew by 40%, with a favorable earnings outlook and a robust balance sheet, we're pleased to increase our quarterly dividend by another 10%, the 17th consecutive annual increase since our IPO.

Let me now provide a bit of color on the results and outlook by line of business starting right here in Canada. Performance in our personal auto business continues to be solid with a combined ratio of 86.9%, which included 4 points of favorable prior year development, lower driving and the impact of our actions over time. We've made significant investments in claims operations and pricing over the years. These continue to pay off and put us on solid footing to continue to stay on top of claims cost pressure.

As a result, we expect to operate at the lower end of the mid-90s range as driving activity normalizes. Looking at the industry in auto, we expect muted premium growth in the near term until mobility returns to pre-pandemic levels. We expect the rate momentum to pick up claims inflation persists or accelerates as was the case prior to the pandemic.

Our personal property business continues to perform very well, showing resilience in the face of severe weather events. The transformation orchestrated in this segment over the last decade is paying off with our sub-90s average combined ratio over the last 5 years.

However, we need to remain vigilant as recent CAT activity shown the impact of climate change is real for the industry. And while weather continues to support firm market conditions, we're not relying only on rates to drive profitability. For example, our on-site restoration business continued to expand its footprint in Canada, increasing our ability to manage the supply chain.

On-site played a critical role in supporting customers during an active CAT year, leading to record Net Promoter Scores for our claims service during catastrophes. And Commercial Lines premiums grew 23% for the year, which included 9 points of organic growth. The combined ratio was also really strong at 88.6% reflecting our robust profitability actions over time.

And looking at the industry, we see hard market conditions continuing given low industry profitability in recent years, inflation concerns and rising reinsurance costs. Our business is very well positioned to deliver a sustainable low 90s or better performance.

Moving now to our UK&I business. The combined ratio since the RSA transaction closed was solid at 93.4%, ahead of our expectations. In personal lines, the team has done a phenomenal job in delivering close to mid-90s performance during this period.

We remain focused on improving personal auto, which is only 10% of the UK&I premiums and 1% of IFCs, but it has weighed on the U.K. profitability. And to complement our strong local expertise, we're committing additional resources, including a new data lab squad dedicated to pricing sophistication in this segment. And we expect our continued pricing discipline to lead to improved performance following regulatory reforms that went into effect at the beginning of the year.

And Commercial Lines in the U.K. performance continues to be strong with a combined ratio of 90.5% year-to-date. This is a testament to the strength of the team currently in place and the actions they've taken in recent years. And we've nevertheless moved to further optimize our footprint, focusing more closely on the strong regions and London market operations and refining segments where the economics are not as compelling.

Overall, the UK&I business is in a good position, and we're on our way to building sustainable outperformance. Looking at the industry, we see some volatility in personal lines on the back of recent reforms, while hard market conditions are expected to persist in commercial lines. Our U.S. commercial business is expanding at a rapid pace, thanks to hard market conditions, new products and strong growth in well-performing lines.

The combined ratio improved 2 points to 92.9% for the full year, which included 3 points of tax double our expectations. The fundamental of this business remain compelling, particularly given the persistence of hard market conditions and sub-90s performance across a large portion of the portfolio, in 2021.

We're well positioned to deliver sustainable low-90s performance in the U.S., thanks to this momentum, and we see significant opportunity for growth in this market. Turning to our RSA acquisition, which closed last June. The integration and transition, it's fair to say are on track. In Canada, policy conversion in the broker channel is well underway. Close to 50% of policies have converted to Intact systems and products so far.

There's very good traction with our brokers and affinity partners, and the early indications are that retention is similar or better to RSA's historical experience. In the UK&I segment, I'm delighted that Ken Norgrove has joined the team as CEO. He previously led the strong RSA Scandinavian business and engineered the turnaround of RSA's Irish operations.

And so with Ken at the helm, we'll build on the hard work that has already been done to achieve outperformance in the U.K. and Ireland. The RSA acquisition has also transformed our specialty lines capabilities. With the addition of the RSA Europe and London market businesses, we've established a truly global platform, and we can now reach 70% of the global specialty solutions market with the expertise that we have on board.

So based on a full year contribution from RSA, our specialty lines business generated nearly $5 billion of pro forma premiums in 2021 at a sub-90 combined ratio. So you'll understand the focus we've put on that business. The economics of it are clearly very compelling and it's, therefore, a cornerstone of our growth strategy for the next decade.

Alongside the RSA integration, our teams are making significant progress on our key strategic initiatives. We continue to expand our leadership position in Canada. In fact, BrokerLink had a banner year, completing more than 20 acquisitions. This business now generates over $2.5 billion in annual premiums and ranks among the largest brokerages in Canada.

Distribution income overall is approaching $400 million annually and is one of the drivers of our ROE outperformance. We also continue to ramp up our digital engagement with customers as usage of our self-service tools increased another 20% in 2021. In fact, more than half our personalized customers in Canada connected with us digitally last year.

As I said at the outset, 2021 was a milestone year for IFC, 1 in which we completed our largest ever acquisition, onboarded 9,000 new colleagues, entered new markets and delivered very strong results. At the same time, we responded quickly to customers impacted by severe weather events and moved to protect employees during another wave of the pandemic.

I thank all of our colleagues for their passion and dedication in rising to these challenges. We remain committed to investing in our people, obviously. And I'm proud that these efforts actually have not gone unnoticed as we were named a best employer by Concentric in the U.S. and in Canada for the sixth year running.

As we look ahead to 2022, we remain really focused on executing our strategic road map. Obviously, number one priority is completing the integration of RSA and capturing the economics that come with it. Number 2 is expanding our leadership position in Canada through digital as well as distribution. Number three is laying the foundations for outperformance in the U.K. and Ireland. Four, building a global specialty solutions leader with outperformance everywhere we operate. Fifth, transforming our competitive advantages by leveraging data and AI, our claims expertise and supply chain network; and finally, investing in our people and in the communities where we operate, and that includes capitalizing on society's transition to net zero.

So momentum across the business is very strong, and the RSA acquisition has significantly expanded our market opportunity. As we now set our sights on 2022 and beyond, we are well positioned to grow net operating income per share by 10% annually over time and to outperform the industry ROE by 500 basis points every year.

And with that, I'll turn the call over to our CFO, Louis Marcotte.

Louis Marcotte
Executive VP & CFO

Thanks, Charles, and good morning, everyone. 2021 was clearly a milestone year for Intact. With the acquisition of RSA, we have materially grown our leadership position in Canada, both in premium and in talent. We've established a solid platform to grow in specialty lines, and we've entered new markets at scale in the U.K. and Ireland.

All of this was achieved while caring for our customers and employees who continue to face the hardships of the pandemic and extreme weather events. In this context, we are very happy to report solid results for Q4 and full year 2021.

Underwriting income grew by 45% in the fourth quarter to $600 million, largely driven by the acquisition of RSA. The overall combined ratio for Q4 was 87.8%, 2 points higher than last year due to heavy CAT losses. On a full year basis, the combined ratio was strong at 89%, unchanged compared to prior year but carrying 1 extra point of CAT losses. All our businesses are contributing to these strong results.

Favorable prior year development was strong at 3.3% in Q4, slightly above our annual guidance. This was mainly driven by reduced uncertainty around the impact of COVID-19. We continue to expect that prior year development will be favorable and in the 1% to 3% range annually though at the upper end of the range in the short term. Net investment income increased 54% in the quarter, largely driven by the addition of RSA's investment portfolio and a nonrecurring special dividend of $23 million.

For 2022, we expect investment income to grow approximately $60 million, reflecting the full year impact of the RSA portfolio and the benefits of moving to our targeted asset mix. Our guidance assumes largely stable reinvestment yields and no special dividend. Any increase in interest rates would represent upside to our expectations, but the impact will be limited due to the slow rollover pace in our portfolio.

Distribution earnings grew 7% in the quarter, below our recent guidance due to the timing of M&A and higher expenses. On a full year basis, distribution income increased by an impressive 32% driven by higher variable commissions, solid organic growth and M&A. Looking ahead to 2022, we expect distribution income to surpass the $400 million mark on the back of continued momentum in the business, a robust acquisition pipeline and continued growth of our on-site restoration business.

Now let's turn to underwriting results in a little more detail. First, the Canadian segment. In personal auto, the underlying loss ratio of 66.5% remained strong but was up nearly 8 points due largely to increased driving activity, which remains well below pre-pandemic levels. Severity increased 4 points in the quarter, mostly driven by a rise in vehicle test. Inflation had a muted impact on severity in the quarter, but we are monitoring closely to ensure we maintain our rate adequacy.

In personal property, the 79.5% combined ratio was solid despite nearly 7 points of CATs, a mix of seasonality benign non-CAT weather, solid results from RSA and earned rates drove the strong performance. In commercial lines, the combined ratio was very strong at 84.3%, thanks to our profitability actions and robust prior year development.

The overall expense ratio in Canada of 30.6% was largely in line with our expectations. The addition of RSA had a positive impact, mainly due to its higher proportion of direct business and synergies. We expect the expense ratio in 2022 to be similar to the Q4 level.

In our U.S. business, a couple of points on the underlying performance. For 2021 and in aggregate, 11 of the 14 lines that we consider healthy, representing 85% of premiums grew by 16% and delivered a sub-90 combined ratio. Of the 3 lines that are under profitability improvement plans, 2 have reduced their combined ratios by approximately 30 points in 2021, proof that our plans are effective.

Finally, the 1 remaining line accounted for a 3-point drag on the entire U.S. business for 2021. While we are totally focused on improving profitability in those lines, we feel very good about our momentum in the U.S.

Turning to the UK&I. We delivered another solid quarter. In personal lines, the home and Pet businesses are performing well despite adverse weather. Motor has been underperforming in a highly competitive and uncertain rate environment. We are combining our underwriting expertise to take advantage of the dislocation in the market expected from the regulatory changes being introduced right now in personal lines.

In commercial lines, results are solid on the back of profitability actions taken by the team over time. While it is still early innings, I'm quite happy with the UK&I results thus far. We still expect to run this business sub-95 in the near to midterm. The financial merits of the RSA acquisition remained very compelling. We've already delivered 12% accretion since closing which is ahead of schedule. We are on track for upper teens accretion within 36 months.

We delivered $85 million in run rate synergies at year-end. I'm confident we can achieve our $250 million target inside our 36 months' time line. We reduced risk with the sale of Denmark, the acquisition of the adverse development cover and the renewal of the reinsurance program. With regards to the sale of our 50% stake in Codan Denmark, the transaction is still expected to close in the first half of 2022 and most of that proceeds of $1.3 billion will go towards further deleveraging.

The IRR of the RSA transaction is tracking near 20%, above our initial projections and with upside from improved pricing and risk selection. With respect to reinsurance, we have renewed our 2022 reinsurance program as of January 1, 2022, with solid protections against extreme events. The program was optimized based on our new exposures and diversification opportunities with a small reduction of the overall cost and slight increase in retention levels.

We are modestly revising our annual CAT loss expectations to $600 million, reflecting the renewed program. Moving to our balance sheet. Our financial position continues to be strong. We closed the quarter with approximately $2.9 billion in total capital margin with strong regulated capital ratios in all jurisdictions.

Our debt to total capital ratio was 23% at the end of the quarter, and we expect to reach 20% as soon as we receive the proceeds from the sale of Denmark. The strength of our results over the past year has led to an operating ROE of 17.8% and book value per share grew 4% quarter-over-quarter. With the acquisition of RSA and a progressive return to normalcy, we expect our operating ROE to migrate towards a mid-teens level.

Given the pace of earnings growth and the strength of our balance sheet, we have increased our dividends by another 10% to an annual rate of $4 per share resuming our usual dividend increase patterns. But we are not stopping there. With the expected proceeds from the sale of Denmark, our strong capital levels and our shares having recently traded at attractive price levels, we are launching a share buyback program. This is not a signal that growth opportunities are not visible to the contrary. We are giving ourselves an envelope of 3% of float for the buyback, but the actual quantity of shares purchased will depend on the price of the stock over time.

In conclusion, as society gradually emerges from the pandemic, we remain focused on executing on our strategic priorities. With the RSA integration on track, strong momentum across our businesses and a robust balance sheet, we can capture the opportunities ahead of us and meet our financial objectives while being well positioned for outperformance in 2022 and beyond.

Before giving it back to Shubha, I would like to offer my most heartfelt thank-yous to the finance and actuarial teams in all our offices, including our auditors, who have worked incredibly hard to deliver high-quality information for you to read today. I feel very lucky and proud to work with such a talented team of professionals.

Thank you. I take the opportunity as well to welcome Shubha to the team. Very happy to have you join the IR team and wishing Mr. Ken Anderson, good luck in his new functions. He is joining the UK&I management team. And hopefully, he'll get to answer a few questions in today's call. Welcome to both of you. With that, Shubha, back to you.

Shubha Rahman Khan
Vice President of Investor Relations
Thank you, Louis. [Operator Instructions] So Suljeet, we are ready to take questions now.

Question and Answer

Operator

[Operator Instructions] And your first question will be from Geoff Kwan at RBC Capital Markets.

Geoffrey Kwan
RBC Capital Markets, Research Division

My first question was the company has been beating consensus consistently since the start of the pandemic. But the last several quarters, the beats have actually been a bit more outsized and generally driven by better underwriting. Now COVID has helped, but in your mind, does that still explain to you the better-than-usual combined ratio? Is there something else like the increased scale that's kicking in that might suggest that the combined ratio today might be structurally a bit better than what you thought on a normalized combined ratio might have been, let's say, 5 or 10 years ago?

Charles J. G. Brindamour
CEO & Director

Thanks, Geoff. I'll ask Louis to share his perspective.

Louis Marcotte
Executive VP & CFO

Good question, Geoff. Of course, I will say, I think we're trying to provide guidance that's useful, but we are beating expectations, clearly, including our own guidance. I think the situation right now is one where the actions we've taken over time on profitability, including rates and product changes are -- have kicked in, really, and this is combined with lower driving activity, maybe a bit of milder weather, another, I will say, contextual events that have enabled us to deliver really, really strong margins.

We keep repeating our guidance towards something a bit more long term, consistent with long-term expectations. I will say the combined ratios structurally should improve, and it depends on the mix of business we acquire. So in Canada, I think we are improving our performance, adding a big book and then applying our analytics and risk segmentation to that book.

So we would expect Canada to marginally improve its combined ratio. When you mix it up with maybe a higher combined ratio in the U.K., the overall mix is maybe not changing all that much. So you have to take into consideration the geographies we've added and the combined ratios that have -- that we've mixed with it.

So I think we will improve the combined ratios. I don't know that it's structurally so different that we would have a sustainable at the levels that we're seeing in the recent quarters.

Charles J. G. Brindamour
CEO & Director

Yes. I think that's right. The action plans that were focused on inflation are really paying off. The market is very supportive of the actions that we're taking, and we're trying to be opportunistic in this environment. The driving activity and we are getting a lot of relief, $650 million over the past 2 years to reflect that. It's still a little bit below normal, but not a big driver.

There's been -- we've taken a fairly cautious stance in terms of the high volatility of the environment in which we operate from a reserving point of view. This clearly contributes as well. And let's not forget the fact that RSA 12% accretive in 6 months is better than what we had anticipated. So when you put all these things together, I think you get very strong performance.

We're not prepared to call out any meaningful structural improvement in the combined ratio. But I'll tell you, we're on top of the trends. Environment is playing to our strengths, and we're really focused and looking forward to 2022.

Geoffrey Kwan
RBC Capital Markets, Research Division

Okay. And just my second question was I know it's only been a little over a month, but just any comments that you can make on -- in the U.K. and the personal lines, the changes that have happened there? In terms of your risk appetite, how you're going about business as well as the broader competitive environment?

Charles J. G. Brindamour
CEO & Director

Yes. It's been 6 weeks. Indeed, the team in the U.K. under the leadership of [Martin] has done an outstanding job in preparing for it. We work very closely with the local team to make sure that we put all our horsepower in pricing and risk selection. The team is playing the environment in a fairly cautious fashion, I would say. But things are playing out largely as we anticipated.

We -- our perspective is that this change is a positive one for the marketplace for the environment. It essentially tries to align new business premiums with renewal premiums, high level, there's other things. That's good for the marketplace. I think overall, it makes for a better environment for us to operate, gives us an opportunity to leverage some of our pricing and sophistication, 6 months in -- 6 weeks in largely in line with what we anticipated.

Renewals will start in the coming days, have started in the coming days that will provide additional color, Geoff. And that's why we're cautious at this time to make statements or perspective too clear because it's too early. But so far, so good. Ken, your -- you've been on the ground last month. Maybe you have additional color you want to provide.

Kenneth Anderson
Executive VP of Corporate Development & Investor Relations

Not really, Charles. I think you've covered most of the key points there. 5 weeks in, I would say, rational behavior by competitors in both home and motor, so evolving, I would say, broadly in line with expectations. And new business rates have risen as expected, margins are being maintained. When it comes to renewals, retention levels, it will be -- it will take a few more months to assess how they will evolve given the lead time around renewals. But broadly, in line, if not a little bit ahead of our expectations.

Charles J. G. Brindamour
CEO & Director

Yes.

Geoffrey Kwan
RBC Capital Markets, Research Division

Clarify, when you say playing out as anticipated, does that mean you're maintaining your market share? Or are you maybe taking a little bit more?

Kenneth Anderson
Executive VP of Corporate Development & Investor Relations

Broadly maintaining.

Charles J. G. Brindamour
CEO & Director

Yes.

Operator

Next question will be from Tom MacKinnon at BMO Capital.

Tom MacKinnon
BMO Capital Markets Equity Research

You talked about commercial markets remaining hard. Maybe give us some color as to how rates are trending versus loss cost trends, especially as inflation looms? And then I have a follow-up.

Charles J. G. Brindamour
CEO & Director

Yes. I missed the last part of your question, Tom, you said, especially as what?

Tom MacKinnon
BMO Capital Markets Equity Research

As how are rates trending versus loss cost trends, especially as inflation looms?

Charles J. G. Brindamour
CEO & Director

As inflation looms, okay? Yes. Darren, do you want to give your perspective on the commercial lines markets where we operate?

Darren Christopher Godfrey
Executive Vice President of Global Specialty Lines

Yes. Thanks for the question, Tom. I think when you look across all of our geographies, the market conditions are very similar -- were very similar and continue to be similar to what we've seen for a number of quarters now. We're in the upper single-digit range pretty much across all of our markets. Capacity continues to be tight, as you would expect it. And really no slowdown in terms of the market and the operating environment.

So it's very supportive in terms of our actions, the position we're taking. Retention continues to be very, very strong in all of our markets. New business is up as well, too, as you can see with some of the growth that we've shown across our various different markets. So it's a very encouraging operating environment.

With respect to loss trends and the inflation question, I think Patrick could probably give some color on that. But we continue to see with the rate levels continuing into 2022 to be in excess of those trends. And as I said, the market is very much supporting the actions that we're taking at the moment.

Charles J. G. Brindamour
CEO & Director

Yes. And bear in mind, Tom that we've been moving the dial on rates for 5, 6 years. It certainly has picked up in the past 3 years. But I think Darren's description is accurate. And Patrick, I don't know if there's any color we need to add on commercial lines.

Patrick Barbeau
Executive VP & COO

Well, the property side of the commercial line, we see a similar inflation as what we see in the personal property book. So inflation in the cost of materials in the range of about 10%, but lowering the contents and some of the other pieces, overall, mid- to high single-digit increase on the property side.

And then the liability piece, there is some increase in the severity, but a reduction in the frequency in the recent years. So overall, not a due pressure there.

Charles J. G. Brindamour
CEO & Director

Yes. So when you blend in liability and property, you're well within the sort of rates you're seeing in the system at this stage. Darren?

Darren Christopher Godfrey
Executive Vice President of Global Specialty Lines

Yes. I think the other thing I would add, Tom, let's not forget too on the property line, in particular. We have automatic indexation of insurance. So naturally, we are watching that very closely. We're adjusting upwards the automatic indexation to reflect some of the inflationary pressure we've seen. So in a way, that's a natural hedge against the inflation environment as well in addition to the rates that were -- that is flowing through the system.

Charles J. G. Brindamour
CEO & Director

I think that if you look at the industry level in aggregate, Tom, and as you think about the trajectory of the market, you got to keep in mind the number of things. COVID has been really hard for the industry globally in commercial lines.

Second, there's the reinsurance costs in commercial lines are applying a fair bit of pressure. Third, you need to go back 24 months to realize that commercial lines was losing money across a number of markets, certainly Canada. So as far as we're concerned, while rates might be slightly above cost pressure right now. There's a fair bit of digestion left to be done.

Plus, of course, there's a certain degree of prudence that comes with the whole talk about inflation at the moment. So we think that this market should play to our strength in the coming period.

Tom MacKinnon
BMO Capital Markets Equity Research

That's great. And as a follow-up. Like we can all see how COVID has been favorably impacting personal auto and that gets a lot of discussion in your calls. But like personal auto, I don't -- it's probably aggregate only about maybe 25%, 28% of the total business. And certainly, as COVID dissipates, that favorable impact is going to -- that COVID had on personal auto is going to dissipate as well.

But like if we look at the other nearly 75% of your business, which is largely commercial lines and then personal property, how has COVID really impacted that business? And how is it -- other than perhaps some relief measures you gave for your commercial clients, like how has it impacted that business? And how would that change as COVID dissipates for personal property and commercial lines?

Charles J. G. Brindamour
CEO & Director

Yes. Well, I think that the -- you highlighted the fact that in personal prop as well as in commercial lines, but commercial lines, in particular, we've provided relief to industries that were in lockdown in 2 ways. We've limited rate increases, in fact, didn't change conditions on about 1/4 of the portfolio. And then we've provided actually onetime relief, $50 million worth of it. So that's the direct impact at the top and bottom line point of view.

Then you'll remember we've put up 100 -- I think it's $106 million, you guys correct me, direct COVID provision across North America pre-RSA. That's a direct hit. That is there. Beyond that, you see frequency and severity movements, it's really hard to untangle what's COVID and what's something else here. And therefore, not a huge impact, if any, on the performance of the other lines of business and Darren, what do you think?

Darren Christopher Godfrey
Executive Vice President of Global Specialty Lines

No, I think you bang on there, Charles. I think obviously, from a reserving standpoint, we've taken a pretty prudent position in terms of the -- especially on the casualty side in terms of the run rate from a rate standpoint and a potential inflation environment. So -- but structurally, Tom, I think there's a lot of moving pieces there, but it's marginal at best, I would say, in terms of sort of the COVID impact impacting our results in 2021.

Tom MacKinnon
BMO Capital Markets Equity Research

So as long as those markets remain relatively firm, there's nothing that as COVID kind of dissipates through 2022. There's nothing in -- we shouldn't anticipate that there's going to be some sort of impact -- negative impact on those lines, like one might be led to believe would be the case for personal auto. Am I correct in that?

Charles J. G. Brindamour
CEO & Director

Yes. If you isolate COVID in making that statement, I would kind of agree with that. There are lots of moving pieces in the environment in which we operate. There's inflation in the system, as we've talked about for a number of years and as now most people talk about. We need to keep all of that in mind as we look out the next 12 to 24 months, and our guidance basically takes that in mind.

Operator

Next question will be from Michael Phillips at Morgan Stanley.

Michael Wayne Phillips
Morgan Stanley, Research Division

I guess a couple of questions. Well, 1 question first off, on your auto book. You talked about still below pre-pandemic. How much has that changed since last quarter? And how close are you to kind of prepandemic driving levels that would affect frequency? And then -- let me stop there for now. So just first off, where is driving level today versus where it was last quarter?

Charles J. G. Brindamour
CEO & Director

Yes. Why don't we ask Isabelle to share her perspective on driving activity.

Isabelle Girard
Senior Vice President of Personal Lines

Sure. Maybe to start a bit in Q4. I would say that in Q4, driving was slightly below historical, but very close to pre-COVID levels. And it has been at its highest level since the beginning of the pandemic. So that would be Q4 2021. And then, of course, Omicron wave came at the end of December.

I would say with the data we have so far, the Omicron wave have a lower impact than previous wave, both on the magnitude and the duration of the change in the mobility metrics we're following. And there's also a bit of winter events that is bringing some noise in the data in the recent weeks.

But what we see is that with the data and the signals we have, we can say that we're already beyond the lowest driving weeks of this wave and our mobility indicators are increasing steadily in the last few weeks.

Michael Wayne Phillips
Morgan Stanley, Research Division

I guess can we stay with that theme and maybe switch over to the severity side, your severities still seems to be lower than what we're seeing down here in the U.S. And you talked a bit about it last quarter, what's the moving parts that are kind of maybe helping keep it down. Can you give some more details there? Is that still -- it sounds like it's still the case. You said muted severity. So it sounds like that's still the case, but maybe thoughts of if that's -- if you think that's going to continue into this year.

Charles J. G. Brindamour
CEO & Director

Yes. I think that there's sort of 3 things to keep in mind when you try to draw a parallel between Intact and what's happened in the U.S. I think 1 we've chosen to give onetime relief in the heart of the pandemic and as opposed to go all out on rates because as you know, we're pricing 12 months out, and there's always uncertainty as to the speed at which driving comes back.

So we found a good balance, we think, between onetime relief and reflecting some of the driving activity in rates. That's the first point. The second point is that we've done this in a fairly flexible fashion, so we can respond fairly quickly to changes in the environment. And thirdly, and that's the point Patrick will touch on, is the severity equation appears to be fairly different based on our own read.

Now bear in mind, we don't do automobile insurance business in the U.S. So we don't have a comparison. But Patrick, why don't you share our read on inflation here and where you think there are differences?

Patrick Barbeau
Executive VP & COO

Yes. Great. I'll start with maybe an update from the discussion in Q3 on what we've observed in Q4. And in order to drive a good picture the inflation trends in auto, it's useful to break down its different components. So when we look at our Canadian book, in auto, the claims cost is roughly split 40% from injuries and liability, 30% from car repairs and 30% from total losses, which includes just over 5% of death claims.

So in total, in Q4, the severity has continued to be fairly tamed at about 4% year-over-year in total for auto, with 7% increase from physical damages and 0% on injuries. Here, you'll recall, injuries is where we were prudent in reserving to reflect the uncertainty of the development patterns during the pandemic. So zooming in on the 7% increase in physical damage, more than half of this increase is caused by an increase in the number and severity of the test claims. And the remaining 3% continues to be caused by the technology in cars that we talked about a few times.

But if I go further into the remaining 2 buckets, the repair costs -- so the 30% that comes from repairing cars is split has and half between parts and labor. And what we see there is about 5% inflation on parts and normal inflation, so between 2% and 3% on labor.

With regards to total losses, the price of new and used cars have increased slightly above 10% in average in Canada, so affecting both total collisions and death claims. However, for the total loss collisions, this has very limited impact on our severity because the recoveries we get from the salvage cars continue to largely offset this impact. So that's the global picture of what we see in Q4.

When it comes to differences between Canada and U.S., I would point to just a few key differences between the 2 markets that are largely structural, in my view. The first is that the injuries in the U.S. represent a much lower portion of the cost than what we have here in Canada. So the inflation on the short tail has a bigger impact there.

The second 1 is the use of recycled parts in the U.S. is much lower than here in Canada. And this has 2 main effects. The first 1 is it increases the reliance on OEM in the U.S., which I've seen one of the most significant pressure from inflation.

The second 1 is that this demand for recycled parts is the main driver of the higher recoveries we get from salvage cars here in Canada, which is another important offset we have. And the last thing I would mention is because we focus on supporting our customers through the repairs and do not -- do very little cash settlements, our supply chain strategy with close to 70% of our repairs being handled within our preferred network is another mitigating factor for us, but also a competitive advantage given our related size here in Canada.

Charles J. G. Brindamour
CEO & Director

Yes. And keep in mind that the supply chain advantages, we didn't come up with because there's inflation. We've been at it for 20 years.

Operator

Next question will be from Jaeme Gloyn at National Bank.

Jaeme Gloyn
National Bank Financial, Inc., Research Division

Yes. First question was going to be on the specialty insurance platform. I believe you said that if you included the RSA business, full year RSA business, you'd be at $5 billion in premiums. And if memory serves, that was the target for the specialty lines a couple of years ago at an Investor Day. So I guess the question now is where are we going from here? What can you maybe tell us about the specialty insurance platforms, growth and opportunities over the next couple of years as a, I guess, a preview into what you might describe as a -- at a future Investor Day?

Charles J. G. Brindamour
CEO & Director

Yes. Well, that's exactly right. I mean we'll put out the bigger objective at the next Investor Day. So stay tuned until there. We're really focused on connecting the platform so that it's coherent and cohesive and outperforming at this stage, but we have a great starting point. Darren, maybe you want to share your perspective on the opportunities in specialty lines.

Darren Christopher Godfrey
Executive Vice President of Global Specialty Lines

Yes. Thanks for highlighting that, Jaeme. I think, as you said, nearly $5 billion premium at a sub-90s combined ratio. So -- and just a reminder, the objective we have today is $6 billion at 2025. So we're getting close to that.

But I think we'll provide more color at Investor Day. But clearly, I think when you look at adding London market, adding European business RSA's European business to our platform. Clearly, broaden our distribution footprint. We're really providing our existing specialty business units with access to new regions and ensuring that customers and brokers can benefit from the full breadth of our specialized expertise across the organization.

What I would also add from an RSA standpoint, adding the global network substantially increases the value prop from a multinational customer viewpoint. So as Charles said, we now have access to 70% of the special lines market globally. So really, there is no need for us to plant flags. But for us, it continues to be the focus that being very deliberate in terms of where we play and how we play and doing more of what we do best. So I think when we look at our GSL franchise now, we really see that as a really strong financial anchor for the organization moving forward, delivering sustainable outperformance, together with significant growth upside.

I think when you look at our platform today and our capabilities, we see clear opportunity for us to expand our outperformance capabilities, and we'll be bringing continued focus on that in the short to medium term. So we're very bullish in terms of the path that we're on from a GSL standpoint.

Charles J. G. Brindamour
CEO & Director

Yes. I think the thing that I like about the position we're in at this stage is we can grow in the markets where we are. We don't need to expand from a geographic point of view because we have all the tools in the toolbox, which means greater focus, greater depth, greater scale. And one of the things we want to do in the next 24 months is to bring far more science in pricing and risk selection across the platform. But we'll put the spotlight on that, Jaeme, at the upcoming Investor Day, both in terms of growth opportunities, but also performance and outperformance opportunities. We're pretty bullish about the assets we have now in specialty lines.

Operator

Next question will be from Doug Young at Desjardin Capital Markets.

Doug Young
Desjardins Securities Inc., Research Division

Just wanted to go back, and I think, Louis, you mentioned this in your prepared remarks about the RSA synergy guidance excludes the benefits from improved loss cost trends. So as we think about the evolution of COVID coming off and people driving more and claims costs going up, you also have the benefit of also pulling the lever of putting signs to work and better targeting. Have you put a finer point on what you think you can do? Because I think you have done this in past acquisitions, what you think you can do in terms of driving loss costs down, specifically in Canada as a result of RSA?

Louis Marcotte
Executive VP & CFO

Yes. So it's a good question, Doug. The $250 million does not include the upside from all the analytics and data segmentation and so on. We've kept that for the future. One of the reasons it was hard to define the starting point. Typically, when we buy -- when we've made acquisitions in the past, we had reliable couple of years' average combined ratios in the past and we could see how we can improve the book.

Here, given the COVID environment where the results were extremely strong, the results were improving additionally in the past few years, it was just harder to pinpoint the starting point and the impact we would have. So this is where we were cautious as to how much we would drive the improvement in the combined ratios from the data analytics.

So we have not made that more precise yet. We still see it as upside. But distinguishing how much improvement is driven by our data analytics versus the moves we're taking in each of the books and what the teams have done already is -- it's not an exact science.

So as soon as we can be more precise there, we will be, but what we're tracking now is really the improvement of each of the performances and making sure that they meet our targets as well as the synergies that we want to develop.

Charles J. G. Brindamour
CEO & Director

Yes. And the thing with pricing, risk selection, claims supply chain management, this plays out over 24 to 36 months. Pricing risk selection first and then claims and supply chain management over time. So it's harder, I guess, to put a black and white number out there. But rest assured, we're totally focused on it.

Doug Young
Desjardins Securities Inc., Research Division

And then my second question, and this is more a bigger picture question for you, I guess, Charles. I mean open banking is supposed to arrive in 2023. And I know this doesn't impact Intact to the property and casualty industry. But my question really is, I mean, has there been discussions? Like if they're going to do this in 1 financial institution area where they go to other financial institution areas.

So is this something that you've had discussions with the government or regulator about moving in a similar direction. I mean the whole concept of having clients own their data and be able to port their data? Is that something that you consider to be a risk? Or is that just not a risk?

Charles J. G. Brindamour
CEO & Director

It's certainly not in the state it is in other sectors of financial services. That's the first point I would make. The second point I would make is that people consider they're insured every year. And so it is a business where you need to fight to retain your customers day in, day out.

And so it's a very different sort of competitive environment. So a, I don't expect a meaningful move in that direction, but B, if there was, the nature of the business is such that in practice, there's a fair bit of churn and competition every year.

I think, Doug, for me, along these lines, though, this notion of disrupting distribution through platforms is something we've been focused on for over a decade. And that's why we've invested so heavily in our brands in digital experience, that's why we're bulking up distribution because you can see we do have distribution platforms ourselves. We're hoping to make it some of the leading ones in the country to fight off potential disruption in that space.

There hasn't been a ton quite frankly, in the last decade, but it's always better to be ready. You look at the aggregator space in the U.K., maybe that gets a little bit closer to the look and feel of what open banking might look like. The odds of that gaining traction here, I think, are small. The market dynamics are not the same. The big players are certainly not keen on playing on these platforms, which makes it hard for these platforms to grow fast.

And so I'd look to that to establish parallels with open banking, but I wouldn't say it's not a risk. But I would say this is a risk that -- the odds are relatively small, and our mitigation plan is relatively strong, and that's how we like to be positioned from a strategic point of view.

Operator

Next question will be from Paul Holden at CIBC.

Paul David Holden
CIBC Capital Markets, Research Division

I want to ask a question on cost inflation, but from a different angle. A lot of evidence of wage inflation, both in terms of hiring new employees and employee retention. Just wondering from the perspective of your expense ratio and corporate expenses. To what extent is that wage inflation potentially going to have a significant impact on profitability over the next 12, 24 months?

Charles J. G. Brindamour
CEO & Director

Yes. I think that we'll take the expense question head on there. I would say at the strategic level, if you look at the big objectives here and you look at employee engagement, for us, this is, first and foremost, how you retain employee. Our comp is very competitive. It's performance-based. And we'll adapt with the marketplace, but when I look at the talent pool, there are areas in the organization where there's a bit of pressure in terms of turnover.

But overall, we enjoy a fair -- a very high degree of loyalty at this stage. Now when it comes to the economics of the business, maybe Louis, you can provide a bit of perspective on how this can impact us.

Louis Marcotte
Executive VP & CFO

Sure. So the way we look at it, if you take 10% roughly of GenX ratio, if you add to that, the loss adjustment costs, we like to think that about 16% of expenses would be potentially subject to inflation. We would maybe take out 16% of premiums, yes, in total would be subject to the inflation. And then we already bake in inflation in our expectations, maybe at 2.5%, 3%. So if the easy calculation for us is doubling up, let's say, inflation -- actual inflation versus what we plan. And our expectation is an impact of 0.5 point of -- on the expense ratio. So that's a scenario where we double the current what we have planned for, and the impact is fairly limited at 0.5 point of combined ratio impact.

Charles J. G. Brindamour
CEO & Director

We're not saying this is what we will do. I think this is a sensitivity test to give you a sense that for us, it's not really a needle mover, quite frankly. We're far more focused on the claims equation and the supply chain management and the pricing actions we're taking there.

Louis Marcotte
Executive VP & CFO

And of course, with the other mitigating impacts as productivity, for example, the technology will help alleviate some of that. But just fundamentally, to get the envelope sized up here, that's how we would try to sensitize it.

Charles J. G. Brindamour
CEO & Director

Yes.

Paul David Holden
CIBC Capital Markets, Research Division

Understood. That sensitivity is useful. One additional question is going back to 1 you were asked at the beginning on potential structural improvement in margins. And the 1 I want to push you a bit on is personal property. Because if I look at the underlying loss ratio, over time and including 2021, it would appear to me that there is structural improvement in the margins there. So maybe drilling down on that line of business, specifically are the reasons we should expect normalization? Or is it structural improvement?

Charles J. G. Brindamour
CEO & Director

Well, look, if you go back a decade, Paul, we would have had a different conversation, right? And at the time, the level of CAT losses had changed dramatically and so we changed the structure of the product to be better aligned with the emerging perils. We change pricing. We change data collection. We change prevention. We change claims, the supply chain.

Obviously, when you stack all these things up, you have a product that has grown well and that is performing really well. Our guidance in personal prop is sub-95 even in bad times, okay? I'll ask Isabelle to share her perspective. She is in charge of that product. She's pricing for it. So why don't you share your perspective, Isabelle?

Isabelle Girard
Senior Vice President of Personal Lines

Sure. So you said, Charles, maybe to start with, I think in the past, there are 2 things we've made in that line of business that makes the underlying performance very strong. It's first building a strong and resilient product to face the climate change and different perils we cover.

And the second 1 is make sure our rate strategy is aligned with the sustained pressure in cost of inflation basically and that line of business. So I think that's why, in part, we have shown a strong performance. And as you were mentioning, I think over the last 5 years, our combined ratio average is slightly below 90%. However, we also need to remember though that personal property is the line of business that is the most exposed to weather events and CATs, and that will bring volatility in the results.

So while our performance has been very strong in the recent years, we also need to make sure that we look at the CAT risk over a longer period of time, and that will bring volatility in results from 1 year to the other. As an example, the CAT ratios have been at about 5% of earned premium in the last 2 years.

But if we look at it over a 10-year period, then it represents 9% of the earned premium. So we can see that from 1 year to the other, that could also bring volatility. So that's why we say that the 95 combined ratio with severe weather is a better reflection of the volatility for that line of business.

Charles J. G. Brindamour
CEO & Director

It can swing, Paul, more than the other lines. I think it's the point. It's a structurally better product. There's no doubt about it. You see it in the results. I think we're well protected for natural disasters. I think the issue in personal prop that one needs to anticipate is the fact that you can have multiple CATs think of $30 million to $70 million that are not cut by reinsurance because they're below the retention, and that can swing the results meaningfully. That's why we're looking at this product, we're saying, "All right, this is a great product." It's performing really well. We're making the most of the environment in which we operate. But keep in mind that in bad times, it can hit 95. Now the standard deviation around the results, we think, is wider than the other, and that's why we framed the guidance along these lines.

It's everybody's call in terms of where you want to put the pin in the sand for the expected combined, but we're saying, look, this thing is built to do well even in bad times.

Operator

Next question will be from Mario Mendonca at TD Securities.

Mario Mendonca
TD Securities Equity Research

Charles, there have been a lot of detailed questions. And as I listen to this, I'm -- to thinking about how many things are sort of going right to the company right now, which sort of takes me down the path of your ROE guidance. When you take into account potential buybacks, reducing your leverage, the synergies associated with RSA and possibly potential improvements in the claims ratio as you go through your segmentation efforts.

It really does strike me that the 15% or maybe mid-teens ROE guidance implies something else is deteriorating it abruptly. And the only thing I can think of is personal auto. So when you think about the 15% or say, mid-teens ROE, what are you sort of implicitly telling us about personal auto and how abruptly it will deteriorate in the near term?

Charles J. G. Brindamour
CEO & Director

Yes. So I mean, the objective here is 500 basis points ROE outperformance every year. That's where it starts. The industry's performance has improved in the past few years, we're still holding that guidance. I think there's a degree of prudence, obviously, because when many things go right, you need to anticipate a few bumps here and there, inflation potentially being one of those bumps, but we're trying to stay on top. Louis, do you want to provide a bit of perspective on Mario's question and the trajectory from an ROE point of view because the RSA acquisition has changed the balance sheet. Book value per share is up 40%. So we need just to keep that in mind as we look out the next 24, 36 months.

Louis Marcotte
Executive VP & CFO

Yes. I don't think it's signaling an abrupt change. At least that's not our intention. I think the mid-teens is well aligned with what we are guiding to from our lines of business. I think what's been probably surprising is the pace at which we actually return to normalcy or we actually don't return to normalcy, which gave us a bit of a tailwind.

But I think the mid-teens ROE is really based on the long-term expectations for combined ratios. So you know where we stand on the auto, we're talking about the low end of the mid-90s. I don't think that's going to be an abrupt change to the contrary. I think it's going to glide towards there unless something major happens, but our expectation is a glide. But at the end of that process, the outcome here is a mid-teens ROE consistent with the overall combined ratio we'll deliver for the group.

Charles J. G. Brindamour
CEO & Director

We're focused on beating that obviously, when the opportunity in which we operate or the environment in which we operate provides the opportunity to beat that. Obviously, we're on it. No need to worry about that. You get in a zone where growth north of mid-teens from an ROE point of view is a very good value creation opportunity, and I think that you need to strike that balance.

But we're not signaling any major hits actually. We're prudent in our guidance, Mario, but we remain focused on ROE, no doubt.

Mario Mendonca
TD Securities Equity Research

And as you sit there today, do you think that we could see that claims ratio -- underlying claims ratios in personal auto stuck to match what we saw in 2019. We think the adjustment will be a little more gradual -- over a couple of years.

Charles J. G. Brindamour
CEO & Director

I think that in 2019, Mario, we were still trying to improve that line of business. Keep that in mind, right? I mean, we have done since 2016, 2017, we slammed the brake, turned our attention to the emerging trends we were seeing an excellent benefit in particular, in Ontario and in bodily injury across land.

In 2018, we saw inflation pickup in physical damage. We started to signal to the Street that technology was putting a lot of pressure. We jumped on that. And I would say coming into 2019, we were not at our trajectory just yet. So no, I wouldn't see the performance of that line of business in the next 12 to 24 months be in the 2019 range. I think we are seeing it at the lower end of the mid-90s certainly in 2022. Because the full weight of our actions was not reflected in 2019. Isabelle, would you agree with that perspective?

Isabelle Girard
Senior Vice President of Personal Lines

Yes. And I would add that also we've been cautious in the way we're managing to provide relief to our customers and in the way we're adjusting our rates. And I would say the other thing is that we're really quick to react and identify any new trends and then readjust our plan that you mentioned, we already had put in place pre-COVID to react if things are changing. So I think that's also preventing us to be back at where we were at the time.

Operator

Next question is a follow-up from Geoff Kwan at RBC Capital Markets.

Geoffrey Kwan
RBC Capital Markets, Research Division

Just I was wondering how you would describe how close you are in assessing the plans to do if you're going to do anything with RSA UK&I portfolio? Or do you feel there's got enough data to kind of execute on the long-term plan? I'm not asking for any details on what exactly they're doing, but just want to understand how comfortable you are with the assets you've got in place and whether or not you plan to keep them or pursue other alternatives with them?

Charles J. G. Brindamour
CEO & Director

Yes. We're deep into strategy work in the areas where the odds of success are lower I would say. We closed Make it 7 months ago. On day 1 after closing, we had profitability improvement plans across the board. On day 7, we sold Denmark and we've engaged with the teams across the region to make sure that we knew how to win, where to win and that would generate enough return to justify being there even if we win.

We're well advanced in this process. When it comes to Europe, we're seeing it needs to fit in specialty lines. That was our perspective. When it comes to London market, we found a lot of strength. We're saying this will be part of the global specialty lines platform. Like the Irish business. In the U.K., you've heard in our message that we're deemphasizing areas where we're operating today where the economics are not good, and we're deep into strategy with the team, but feeling good about the results that we're seeing there. So in every part is looked at for a road map to win. And if we don't think we can win, then we don't play.

Geoffrey Kwan
RBC Capital Markets, Research Division

Okay. And just my second question was just, Charles, when you were talking earlier on U.S. commercial, you sounded maybe a little bit more emphatic about significant opportunities for growth. I'm just wondering if you can maybe provide a little bit more color on why they not -- that's you're looking at from an organic standpoint or if there's maybe from an acquisition standpoint, that might drive some of these opportunities?

Charles J. G. Brindamour
CEO & Director

Darren, do you want to share a bit of color on that?

Darren Christopher Godfrey
Executive Vice President of Global Specialty Lines

I think -- Geoff, I think there's multiple opportunities here. Clearly, the market conditions themselves today and you see that in our results today in terms of an organic standpoint, it's a very favorable operating environment, and we don't see that changing materially moving forward. I think on the inorganic side, I think we -- our strategy continues in terms of our MGA, MGU strategy. So I think there's opportunities there for us to look at potential tuck-in opportunities. And then there's obviously potential broader opportunities beyond that. But again, as you know, right opportunity, right price, et cetera.

So I think that we have a fair bit of runway here, and we're very obviously selective in terms of the inorganic side. But organically, today, very happy with the market, and we're taking advantage of that.

Charles J. G. Brindamour
CEO & Director

Yes. I think big focus on organic, Geoff. There's the global capabilities, which contribute to that as well. We -- we're adding a couple of product lines. But when I look at the footprint in the U.K., I mean, the vast majority of the portfolio that is not under performance improvement, ran at 89% in 2021 and has grown at 16%. You know what, we want more of that.

And it's not expensive to get, and that's focus number one, I would say. Then you add additional lines, you add global capabilities. You add distribution with MGA, you can grow. The point I'll make about inorganic, though, is that we feel that the outperformance has been created by the U.S. team. Mike, and the team in the U.S. have created what I think are clear capabilities to outperform. We're therefore at a point where putting capital inorganically is something we would consider. 18 months ago, maybe not today, yes. But I think the big upside is definitely organic.

Operator

And at this time, I would like to turn the call back to Shubha Khan for closing comments.

Shubha Rahman Khan
Vice President of Investor Relations

Thanks, everyone, for joining us today. Following the call, a telephone replay will be available for 1 week, and the webcast will be archived on our website for 1 year. Transcript will also be available on our website in the financial reports filing section. Lastly, our first quarter 2022 results are scheduled to be released after market close on Tuesday, May 10. Thank you again, and this concludes our call for today.

Operator
Thank you. Ladies and gentlemen, this does indeed conclude your conference call for today. Once again, thank you for attending. And at this time, we do ask that you please disconnect your lines.