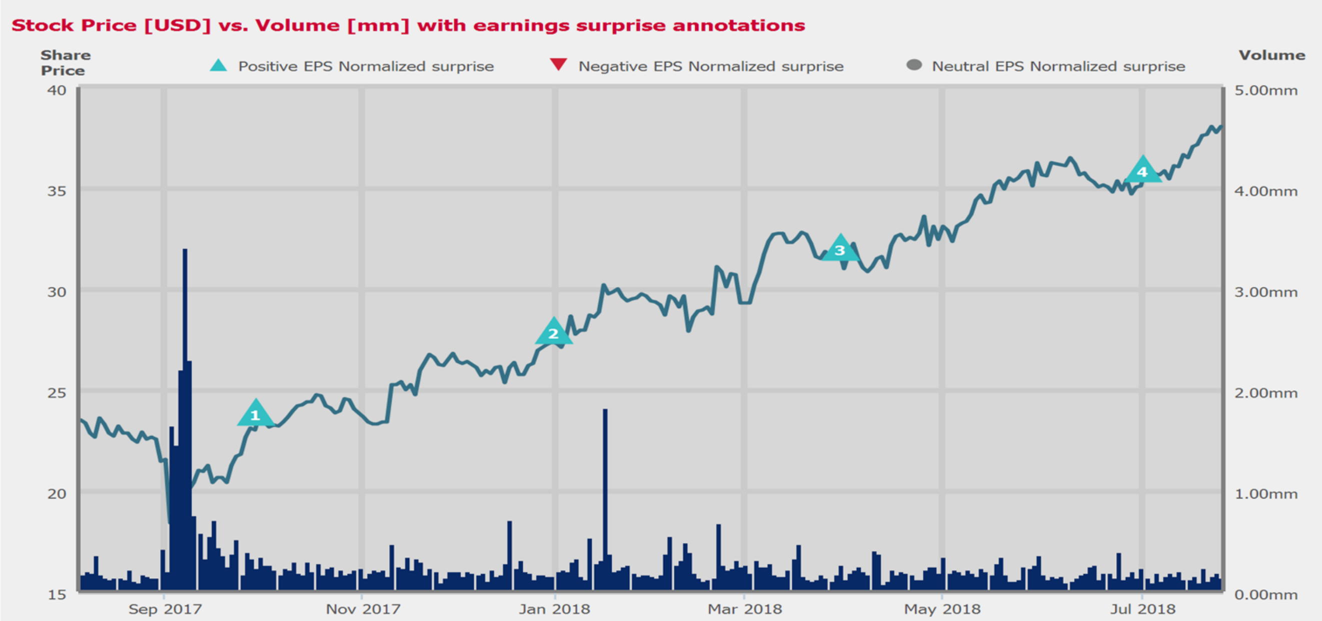
Universal Insurance Holdings, Inc.
NYSE:UVE
FQ3 2018 Earnings Call Transcripts
Tuesday, October 30, 2018 1:00 PM GMT
S&P Global Market Intelligence Estimates

	-FQ3 2018-			-FQ4 2018-	-FY 2018-	-FY 2019-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	1.00	1.08	▲8.00	0.44	4.05	4.70
Revenue (mm)	217.32	206.16	▲(5.14 %)	221.34	839.95	938.27

Currency: USD
Consensus as of Oct-29-2018 10:40 PM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ3 2017	0.23	0.28	▲1 21.74 %
FQ4 2017	0.80	1.16	▲2 45.00 %
FQ1 2018	0.87	1.12	▲3 28.74 %
FQ2 2018	0.97	1.29	▲4 32.99 %

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Call Participants

EXECUTIVES

Dean Evans
Vice President of Investor Relations

Frank Crawford Wilcox
CFO & Principal Accounting Officer

Jon William Springer
President, Chief Risk Officer & Director

Sean Patrick Downes
Chairman of the Board & CEO

ANALYSTS

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Samir Khare
Capital Returns Management, LLC

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Presentation

Operator

Good morning, ladies and gentlemen, and welcome to the UVE Q3 2018 Earnings Call. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to turn the conference over to your host, Dean Evans. Please go ahead, sir.

Dean Evans
Vice President of Investor Relations

Thank you, Casey, and good morning, everyone. Welcome to the Third Quarter of 2018 Earnings Conference Call for Universal Insurance Holdings, Inc. My name is Dean Evans, and I'm the Vice President of Investor Relations here at Universal. With me in the room today are Chairman and Chief Executive Officer, Sean Downes; President and Chief Risk Officer, Jon Springer; Chief Financial Officer, Frank Wilcox; and Chief Operating Officer, Steve Donaghy. Following Sean's opening remarks, Jon will provide an update on several important current topics, and Frank will review financial results. The call will then be reopened for questions.

Yesterday afternoon, we issued our earnings release, which is available under the Press Releases section of our website at www.universalinsuranceholdings.com. A replay of this presentation will be available on the home page of our website until November 13, 2018.

Before we begin, please note that this presentation may contain forward-looking statements about our business and financial results. Forward-looking statements reflect our current view of future events and are typically associated with words such as believe, expect and anticipate or similar expressions. We caution those listening, including investors not to rely solely on forward-looking statements as they imply risks and uncertainties, some of which cannot be predicted or quantified and future results can differ materially from our expectations. We encourage you to carefully consider the risks described in our filings with the Securities and Exchange Commission, which are available on the SEC's website or the SEC Filings section of our website. We do not undertake any obligation to update or correct any forward-looking statements.

With that, I'd like to turn the presentation over to our Chairman and Chief Executive Officer, Sean Downes.

Sean Patrick Downes
Chairman of the Board & CEO

Thank you, Dean, and thank you, everyone, for joining us today. Before I begin, I would like to express our heartfelt condolences for anyone affected by the tragedy that occurred in Pittsburgh last weekend as Pennsylvania is not only a state where Universal writes business, there were many of us also who have personal connections and family.

Additionally, Universal is intently focused on helping all policyholders who have been affected by recent natural disasters, including Hurricane Florence, Tropical Storm Gordon and Hurricane Michael. Our catastrophe teams have been on the ground in the affected areas since the events made landfall. We are processing claims as fast as possible, and we are available for any other assistance that policyholders require during this time of need. Please do not hesitate to follow up with Universal representatives should you need assistance.

Now moving onto our third quarter earnings discussion. I'll begin by providing some highlights from the quarter and we'll then review our growth initiatives and strategy. Jon will cover several important current topics and Frank will conclude by discussing financial results. We will then open up the call for questions.

We are pleased with our third quarter 2018 results as we reported net income of $37.4 million and diluted EPS of $1.04 for an annualized ROE of 28.4%. This result is particularly impressive in light of the

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increased catastrophic activity experienced during the quarter, most notably Tropical Storm Gordon and Hurricane Florence, each of which occurred within our geographic footprint.

We reported excellent top line growth in the third quarter with 12.5% growth in direct premiums written, including 9.1% growth within Florida and 34.9% growth in Other States. Our underwriting profitability was strong with an 82% combined ratio for the quarter. This includes weather losses above expectations of $7.5 million or 4 points.

Our service company subsidiaries continued to contribute to our bottom line results as Universal Adjusting Corporation and Blue Atlantic Reinsurance Corporation contributed $16.7 million and $0.6 million, respectively, to third quarter results.

Lastly, as was also the case during both the first and second quarter, our effective tax rate benefited from the federal tax reform that was passed in late 2017, which had a meaningful positive impact on our net income for the quarter when compared to the prior year.

I'd now like to discuss our growth outlook heading forward. We believe we have positioned Universal well for the future by pursuing various organic growth avenues, which have resulted in a more stable, diversified and balanced business. Our core Florida book continues to produce strong organic growth with direct written premium growth of 9.1% in the third quarter. This includes our growth in policy count as well as the average statewide rate increase of 3.4% that was approved in December 2017. Our 2018 Florida rate filing currently remains in process and we'll provide an update as the situation continues to develop.

We continue to believe that we can profitably grow on an organic basis in Florida, writing business through both our independent agency network and our direct-to-consumer platform, Universal Direct.

Geographic expansion is another key element of our growth strategy and direct premiums written within our Other States book grew a strong 34.9% in the third quarter. We are now active in 17 states with licenses in additional 3 states: Illinois, Iowa and West Virginia. We expect to continue to expand our geographic footprint in a prudent and conservative manner going forward.

Universal Direct, our unique direct-to-consumer online homeowners insurance platform, is available in all of our active states and continues to demonstrate a solid growth trajectory. Universal Direct has approximately 12,700 policies in force for approximately $16.2 million of in-force premium.

We continue to believe that Universal Direct is well positioned to continue to contribute to our growth efforts going forward.

We continue to grow our book of business, and we remain confident that our multipart organic growth strategy will enable us to deliver profitable premium growth. We have a solid balance sheet with a conservative investment portfolio, minimal debt or goodwill and an appropriately set loss reserve position, and we are protected by a comprehensive reinsurance program.

Our unique, vertically integrated structure positions us well to capitalize in the event of a disruptive industry event as evidenced by the income generated by Universal Adjusting Corporation and Blue Atlantic Reinsurance Corporation in the wake of Hurricane Irma. We are excited about what the future holds for Universal, and we expect to continue to deliver substantial value to our shareholders for the remainder of 2018 and beyond.

With that, I'll turn the call over to Jon Springer.

Jon William Springer
President, Chief Risk Officer & Director

Thank you, Sean. I would like to first start with another quarterly update on Hurricane Irma. I will also discuss the third quarter weather events, Tropical Storm Gordon and Hurricane Florence, touch on Hurricane Michael, a fourth quarter event; and lastly, provide a recap of our reinsurance program in light of the catastrophic events we've seen in recent months.

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Following another 3 months of actively settling Hurricane Irma claims, we have increased our estimate of gross losses relating to Hurricane Irma to $754 million. This change in gross loss comes due to the continuation of new reported claims and the continued aggressive nature of plaintiff attorneys on claims in Florida. This increase in gross losses for Hurricane Irma had a negligible change on our net retention, which remains at approximately $29 million for the event.

We had over 4,000 new claims reported during the third quarter, down from over 10,000 new reports in the first quarter and almost 8,000 new reports in the second quarter, bringing our total claim count as of 9/30 to just under 86,000 claims. We have closed almost 78,000, roughly 90% of these claims, with an average loss and LAE severity of approximately $7,200 across all claims and an average loss and LAE severity of approximately $10,000 on claims closed with payment.

As a result of Hurricane Irma, the past 4 quarters have each included the benefit of additional revenue within our service provider subsidiaries, Universal Adjusting Corporation and Blue Atlantic Reinsurance Corporation. The additional revenues have led to a higher level of profitability than would otherwise be the case in a normal quarter.

Switching now to the third quarter of 2018. Our third quarter results included a total of $7 million, 4 points of weather events beyond plan compared to $37 million, 21.2 points of weather events beyond plan booked in the third quarter of 2017. The current quarter's losses relate to Hurricane Florence, $35 million to $45 million of gross loss, resulting in a $5 million net loss; and Tropical Storm Gordon, $2.5 million of gross loss, all retained net.

Moving on to the fourth quarter event of Hurricane Michael which initially made landfall as a strong Category 4 hurricane along the Florida Panhandle on October 10 impacting Florida, Georgia and several other southeastern states. While it's still very early days in the claims reporting cycle of an event like Michael, the storm is expected to produce gross losses and loss adjustment expense of $300 million to $350 million, resulting in net pretax losses and loss adjustment expenses of $35 million. To the extent the company experiences any additional reinsurance recoveries from its supplemental non-Florida reinsurance program, those recovery could serve to partially reduce its $35 million retention.

Lastly, a few general comments relating to our reinsurance program. The overall program structure and design has worked exactly as originally planned, and we continue to be extremely appreciative of the support we have received from our reinsurance partners. Since Hurricane Irma made landfall in September of 2017, we have received nearly 100,000 reported catastrophe claims in less than 14 months. We are pleased to be trading with the type of reinsurance partners that understand the hard work and daily challenges our team faces in giving each of these claims the attention they deserve to bring them to successful closure.

With that, I'll now turn the discussion over to Frank Wilcox for our financial highlights.

Frank Crawford Wilcox
CFO & Principal Accounting Officer

Thank you, Jon. For the third quarter of 2018, net income was $37.4 million, while diluted EPS was $1.04. We reported strong total revenue growth of 8.4% for the quarter, driven by growth in premiums, net investment income, commission revenue, policy fees and other revenues. Direct premiums earned grew 13.2% to $288.4 million, while net premiums earned grew 8.3% to $188.9 million.

Ceded premiums earned as a percent of direct premiums earned was 34.5% for the third quarter of '18 compared to 31.5% in the third quarter of '17. The ceded premium ratio includes $13.5 million of reinstatement premiums paid during the quarter related to Hurricane Irma. Excluding this item, the ratio would have declined to 29.8% for the third quarter of '18.

Commission revenue, policy fees and other revenue each grew in the middle -- in the mid-single digits versus the prior year's quarter. Included within commission revenue was $0.6 million of fee income related to the reinstatement commissions received by Blue Atlantic in the third quarter of '18.

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We generated a net combined ratio of 82% in the third quarter of '18 compared to 99.5% in the third quarter of '17. The net loss and LAE ratio improved to 45.5% from 66.7% in the prior year's quarter.

As Jon pointed out, the third quarter of '18 included $7.5 million or 4 points of weather events above plan, with $5 million relating to Hurricane Florence and $2.5 million relating to Tropical Storm Gordon. The prior year's quarter included $37 million or 21.2 points of weather losses above plan, entirely relating to Hurricane Irma. Both the third quarter of '18 and the third quarter of '17 include a negligible amount of prior year reserve movements.

As Sean mentioned earlier, the third quarter of '18 loss adjustment expenses include a benefit of $16.7 million or 8.8 points from additional service profits earned by Universal Adjusting Corporation.

Our underlying loss and LAE ratio increased compared to the prior year reflecting continued geographic expansion as noncatastrophe loss ratios in our Other States book are generally higher than they are in Florida and the marketplace dynamics within our home state of Florida, including the impact of AOB-related claims.

Our net expense ratio was 36.5% in the third quarter of '18 compared to 32.8% in the third quarter of '17. The net policy acquisition cost ratio increased to 22.6% in the third quarter of '18 from 20.2% in the third quarter of '17, driven by geographic expansion as our Other States book typically has a higher commission expense than Florida.

Our other operating expense ratio was 13.9% in the third quarter of '18 versus 12.5% in the prior year's quarter. We note that the current year's ratio is in line with our expectations and that the prior year's ratio was lower due to the impact that Hurricane Irma losses had on executive compensation expense, which is included within this line item.

Net investment income was $6.6 million, growth of 115.3% from the third quarter of '17, driven by growth in cash and total investments, improving yields and steps taken to optimize treasury management. We reported $403,000 of realized investment gains during the third quarter of '18 compared to $803,000 of realized investment gains in the third quarter of '17. We reported $2.5 million of unrealized investment losses during the third quarter of '18, driven by a decline in value of our equity securities portfolio.

Total unrestricted cash and invested assets were $1.11 billion at September 30, 2018, growth of 8.6% from September 30, 2017.

We take a conservative approach to managing our investments and maintain a high-quality investment portfolio composed primarily of fixed maturity securities, which are 99.5% investment grade. The weighted average duration of the fixed maturity investments in our available-for-sale portfolio at September 30, 2018, was 3.1 years.

The effective tax rate for the third quarter of '18 was 26.9% compared to 40% in the prior year's quarter. The decrease in our effective tax rate is primarily the result of the enactment of the Tax Cuts and Jobs Acts of 2017, which resulted in a reduction in the federal corporate tax rate from 35% to 21% effective January 1, 2018.

We remain committed to actively managing our capital position. We did not purchase any shares during the third quarter of '18 but expect to continue to consider share repurchases in the future as market conditions dictate. Our current share repurchase authorization program has $8.7 million remaining and runs through December 31, 2018.

We paid a regularly quarterly dividend in the third quarter of $0.16 per share, which is a $0.02 per share increase from the dividends paid in the first and the second quarter of 2018. This new dividend equates to annualized dividend yield of 1.4% based on current share price levels.

Stockholders' equity was $531 million at September 30, 2018, growth of 7.9% from June 30, 2018, while book value per common share was $15.20 as of September 30, 2018, growth of 7.7% from the second quarter of '18 or a 24.5% from the end of the third quarter of '17.

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Combined surplus for our insurance entities was $364 million at September 30, 2018, compared to $357 million at June 30, '18 and $324 million at December 31, '17. Annualized return on average common equity was 28.4% for the third quarter of '18 compared to 9.2% in the prior year's quarter. We remain dedicated to providing value to our shareholders and believe this level of return on equity is an excellent result.

At this point, I'd like to turn the call back to the operator.

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Question and Answer

Operator

[Operator Instructions] And your first question comes from Christopher Campbell with KBW.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

I guess, my first question is on the core loss ratio. So just breaking out the Irma claims income benefit for this quarter, I'd calculate about 490 bps of higher core loss ratio year-over-year. So I guess just thinking about that, how much of that delta would be attributable to assignment of benefits versus geographic expansion?

Jon William Springer
President, Chief Risk Officer & Director

Well, first of all, out of that increase, you've got to take into consideration for the reinstatement premium, which affected the denominator in that calculation. So that pushed that down, elevating the loss ratio by about 3%. So the underlying increase in the core loss ratio is closer to about 3% versus the 4.9% that you just mentioned. As far as the break out between the state expansion and the AOB benefits, I would say that it would be an even split between the 2.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. So out of the 3%, once you back out for the reinstatement, so if you were -- the 3% higher, about like 150 bps would be AOB and then the other half of that would be geographic expansion. Is that the right way to think about that?

Jon William Springer
President, Chief Risk Officer & Director

I think that's fair. Yes, I think that's fair.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay, great. That's very helpful. And then just thinking about like -- I know you guys are in progress for like the -- for the rate change this year. So I was like looking at last year, it looked like you filed a 3.4% increase back in June. You did have some adverse development, which would highly indicate maybe there's a rate-taking opportunity in 4Q. So I'm just kind of -- and I know there's a moratorium right now because of the storm in terms of rates, but just what's kind of driving that rate change delay this year?

Jon William Springer
President, Chief Risk Officer & Director

There's another moratorium in place right now. We have done the work for the rate indication, and we will be making a filing sometime during the fourth quarter.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. That's helpful. And then just, I guess, like given the significant deterioration in like Irma's gross losses, how do you think that might impact next -- pricing for next year's reinsurance renewals?

Jon William Springer
President, Chief Risk Officer & Director

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I think it's really too early to tell. In terms of the reinsurance cycle, reinsurers right now are obviously focused on their January 1 renewals, which includes some amount of southeastern business. But the vast majority of the business that was impacted by Hurricane Irma will not be renewed obviously until next June. So I think we're way too early in the process to start speculating on how the rates may change due to Irma loss changes and/or due to Hurricane Michael losses.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Got it. And then I guess just -- I mean, you have 2 separate companies, you guys are going to set your reserves, reinsurers are going to set their own. I guess like how reliant are the reinsurers like in your panel on your growth loss estimates? Or are they already putting -- they're putting up independent loss fix?

Jon William Springer
President, Chief Risk Officer & Director

Yes, that's a better question to ask them. But I would tell you that in the recent months, we are trying to be as transparent as possible with our reinsurance partners in terms of the type of losses that are being reported and the challenges associated with closing out that proverbial last 10% of the claims.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. And then just switching to the claims income, it was a little bit more than we were expecting this quarter. So I guess, what's just driving the persistence in this income stream so far after the event? And then how should we be thinking about modeling the ongoing Irma, the positive impact on your core loss ratio, plus now the incremental benefit of likely Michael claim adjustment income as well?

Sean Patrick Downes
Chairman of the Board & CEO

Yes. Chris, I think -- basically, this just comes down to a timing in the process. Obviously, we made a large push going into hurricane season to try to get as many of our Irma claims settled as we could. So I think it's -- when you're looking at that increase in Q3, it just has to do with the timing. I think you're going to see Irma level off here pretty good. And I think obviously, as you mentioned, you're going to see now Florence as well as Michael participate to Universal Adjusting's revenue going forward.

Christopher Campbell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. And then just kind of question on the buybacks. I think Frank had mentioned in his script no buybacks this quarter. So I guess just how are you thinking about like the relative attractiveness of dividends, share repurchases, et cetera?

Sean Patrick Downes
Chairman of the Board & CEO

As we've always said, this management team and board is constantly evaluating our cash needs. We've always been historically conservative in Q3 obviously because of the catastrophic environment. We try to support the stock and we're going to -- and we plan on doing so in the events of a hurricane. But we are in a blackout period prior to Michael so it had prohibited us from making any more purchases.

Operator

Your next question is from Samir Khare with Capital Returns Management.

Samir Khare
Capital Returns Management, LLC

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I have a couple of questions on, I guess, the moving parts in the quarter and kind of dovetailing of Chris's question on the loss ratio. So just so I understand, if we remove the effects of $16.7 million from UAC revenues, remove the effect of $7.5 million of cats and then remove the, I guess, the effective $13.5 million of the additional ceded premium expense. On a gross basis that puts you at your expected loss ratio of 33%. Is that correct?

Jon William Springer
President, Chief Risk Officer & Director

That's fair. That's what we're currently booking to on a direct basis.

Samir Khare
Capital Returns Management, LLC

Okay, okay, okay. I guess I misunderstood. I thought before you guys said you had additional for AOB but it sounds like that's already in there. Okay. And then if the Irma loss continues to develop, what's the maximum additional ceded premium you could have from additional reinstatement premiums?

Frank Crawford Wilcox
CFO & Principal Accounting Officer

The maximum number would be approximately $9.4 million remaining beyond the $13.5 million that we already booked this quarter.

Samir Khare
Capital Returns Management, LLC

Okay. And how much additional gross loss does that represent? How much would Irma have to creep to realize that $9.4 million?

Frank Crawford Wilcox
CFO & Principal Accounting Officer

Well, it would -- it's a -- that's a difficult question to answer because the Florida Hurricane Cat Fund comes into play at some point, which has no reinstatement cost. But I can tell you in terms of additional ceded losses to our open market reinsurance program, that would be roughly $165 million more.

Samir Khare
Capital Returns Management, LLC

Great. Okay. And then the additional 4,000 claims that you guys had from Irma in the quarter, can you describe the complexion of them? Are they reopens? Are they claims coming that are attorney representative -- represented upon first notice of loss, anything like that?

Sean Patrick Downes
Chairman of the Board & CEO

It's a mixed bag, Samir. A lot of it is attorney represented claims and then it's your loss assessment claims.

Samir Khare
Capital Returns Management, LLC

All right. And then just in the fourth quarter thus far, can you give us an idea of how much claims revenue you guys have accrued for Irma and any of that you've accrued for Michael?

Sean Patrick Downes
Chairman of the Board & CEO

We don't have that information right now, Samir, but we can get back to you on that.

Samir Khare

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Capital Returns Management, LLC

Okay. And then just going -- talking about Hurricane Michael a little bit, can you give us some claim metrics? How many claims you have, severity? How many are total losses, percent closed, et cetera?

Sean Patrick Downes
Chairman of the Board & CEO

Yes, yes. Roughly, right now approximately 5,500 in Florida and another 1,500 in Other States. Obviously, right now, the severity in Florida is much greater than Other States. The claims that we've seen in the Other States more than 50% have been closed with no pay because they have -- they're not above the deductible. But obviously, we still think we're going to receive a lot more claims in Florida. There's a lot of places right now that I think people just are getting through the process, getting back to their homes and are in the process of filing claims. So as of right now like -- most of the loss is associated with Florida.

Samir Khare
Capital Returns Management, LLC

Okay. And for the, I guess, for Michael, this is considered your second event for purposes of the retentions. Is that right? So it drops down to $3 million for out of state?

Jon William Springer
President, Chief Risk Officer & Director

That's correct, that's correct.

Samir Khare
Capital Returns Management, LLC

Okay. And of the $300 million to $350 million that you guys have pegged for gross loss for Michael, could you delineate that? How much of that is in Florida? How much is ex Florida?

Jon William Springer
President, Chief Risk Officer & Director

That's our gross estimate at this point, and we're not going to share how much we think may come from outside of Florida at this point. It is very, very early in the claims reporting cycle on Hurricane Michael, and it would be inappropriate to try to guess right now.

Samir Khare
Capital Returns Management, LLC

Okay. On U Direct, how much premium was written from U Direct in the quarter, inside Florida and outside Florida?

Sean Patrick Downes
Chairman of the Board & CEO

Can you repeat that one more time, please?

Samir Khare
Capital Returns Management, LLC

Yes, just how much premium was written in the quarter from Universal Direct inside Florida and outside Florida?

Sean Patrick Downes
Chairman of the Board & CEO

60% was written in the Florida, 40% basically in Other States.

Samir Khare
Capital Returns Management, LLC

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Sorry, what was the total premium base that was written in Universal Direct?

Sean Patrick Downes
Chairman of the Board & CEO

About $16 million.

Jon William Springer
President, Chief Risk Officer & Director

Thus far, it's entirely $16 million -- just over $16 million.

Samir Khare
Capital Returns Management, LLC

Okay. That's in force still, right?

Jon William Springer
President, Chief Risk Officer & Director

Correct.

Sean Patrick Downes
Chairman of the Board & CEO

Correct.

Samir Khare
Capital Returns Management, LLC

Okay. Any updates to the Universal Direct partnerships or any new ones in the pipeline?

Jon William Springer
President, Chief Risk Officer & Director

We continue to entertain and talk to people about how we can continue to monetize the organic leads driven to Universal. But it'd be premature to announce anything without concrete agreements, et cetera, in place.

Samir Khare
Capital Returns Management, LLC

Okay. And the reinsurance -- your reinsurance tower, how much of it renews next year in premium dollars? And I guess -- and approximately how much of that is the FHCF?

Frank Crawford Wilcox
CFO & Principal Accounting Officer

Just a high-level breakdown, roughly 40% of our ceded premium is Florida Hurricane Cat Fund, roughly 25% is already prenegotiated. So the remaining 35% of our spend is up for renewal at June 1, '19.

Samir Khare
Capital Returns Management, LLC

Great, great. And Frank, last year, I recall the reinsurers were -- they fronted the money for reinsurance coverables and that resulted in a higher net invested income line. Is -- are we going to experience the same in Q4 because of Hurricane Michael?

Frank Crawford Wilcox
CFO & Principal Accounting Officer

That's a very marginal benefit that we get that reinsurers will advance money. There's a small investment income associated with that.

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Operator

And there are no further questions at this time. I will turn the call back over to Sean Downes for any closing remarks.

Sean Patrick Downes
Chairman of the Board & CEO

As always, in closing, I would personally like to thank all of our shareholders, employees, Board of Directors, policyholders and my management team for their hard work and loyalty to Universal. This concludes the call. Thank you.

Operator
And ladies and gentlemen, this concludes today's conference. Thank you for your participation, and have a wonderful day. You may now disconnect.

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