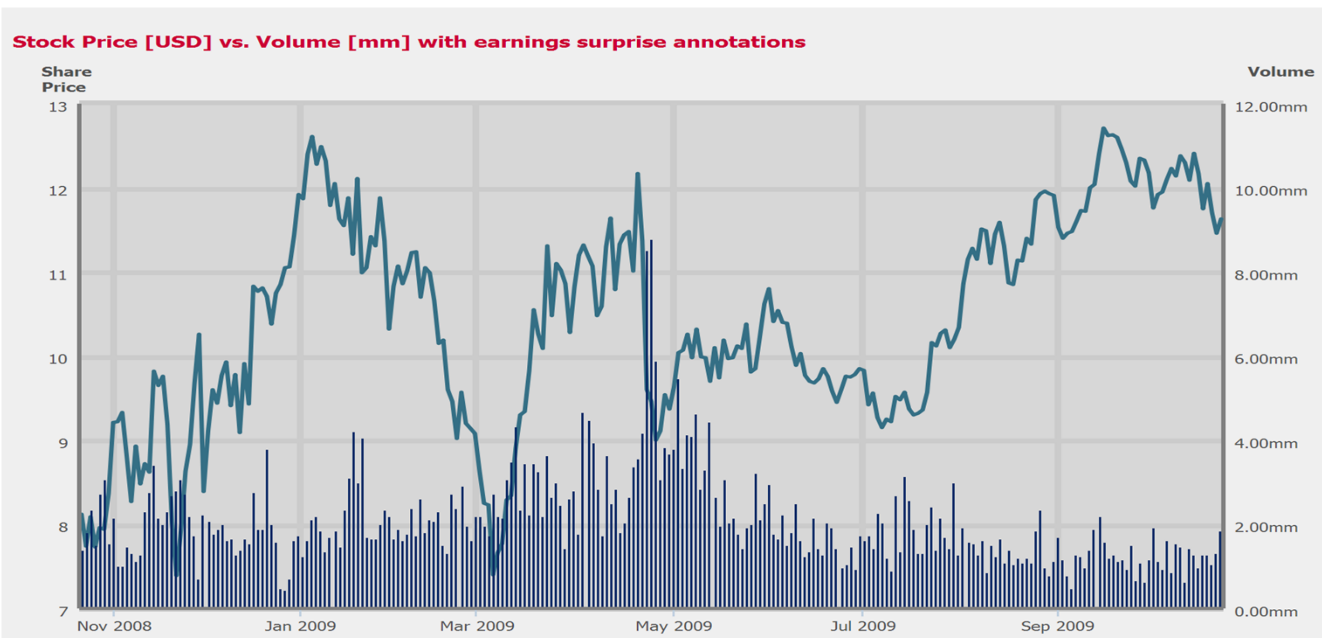
S&P Global
Market Intelligence

Old Republic International Corporation
NYSE:ORI
FQ4 2009 Earnings Call Transcripts
Thursday, January 28, 2010 8:00 PM GMT
S&P Global Market Intelligence Estimates

	-FQ4 2009-			-FQ1 2010-	-FY 2009-	
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	ACTUAL
EPS Normalized	(0.22)	(0.17)	NM	(0.22)	(0.86)	(0.67)
Revenue	-	-	▲8.36	-	-	-
Revenue (mm)	890.70	965.20	-	853.40	3722.00	3797.20

Currency: USD
Consensus as of Jan-26-2010 1:41 PM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ4 2008	(0.25)	(0.31)	NM
FQ1 2009	(0.34)	(0.23)	NM
FQ2 2009	(0.27)	(0.21)	NM
FQ3 2009	(0.17)	(0.28)	NM

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Call Participants

EXECUTIVES

Aldo Charles Zucaro
Chairman & CEO

Chris Nard

Leslie Loyet

ANALYSTS

Beth Malone
Wunderlich

Bill Clark
KBW

Matthew Goetzinger
Fiduciary

Unidentified Analyst

Presentation

Operator

Good afternoon, ladies and gentlemen. Thank you for standing by. Welcome to the Old Republic International fourth quarter 2009 earnings conference call. At this time all participants are in a listen-only mode. Following the presentation, we will conduct the question-and-answer session. Instructions will be provided at that time for you to queue up for your questions. I would like to remind everyone that this conference is being recorded. And now, I would like to turn the conference over to Leslie Loyet of the Financial Relations Board. Please go ahead.

Leslie Loyet

Thank you, good afternoon and thank you all for joining us today for Old Republic's conference call to discuss fourth quarter and year-end 2009 results. This morning we distributed a copy of the press release and hopefully you've all had a chance to review those results. If there is anyone online who did not a copy, you may access it at Old Republic's website at www.oldrepublic.com or you can call Liz Dolezal 312-640-6771 and she will send you a copy immediately.

Please be advised that this call may involve forward-looking statements as discussed in the press release dated January 28th, 2010. Risks associated with these statements can be found in the Company's latest SEC filings. Joining us from management today are Al Zucaro, Chairman and Chief Executive Officer, and Chris Nard, President [elect]. At this time I'd like to turn the call over to Al for his opening remarks.

Aldo Charles Zucaro
Chairman & CEO

Thank you, Leslie and good afternoon. I don't know some of you may be still in the morning there in Hawaii, what have you, but welcome to everyone on this regular earnings release discussion call of Old Republic's. As we usually do in these visits, we'll make a few opening comments and then we'll move the discussion to a question-and-answer mode as Leslie just indicated. Also, as Leslie just said, we've got Chris Nard, who is our Old Republic's President-elect as of July 1 of this year on the line with me, and he's going to share the duty with me in both the comments and the Q&A portions of this call.

I will speak to our consolidated and general insurance sections of the business and Chris will address the housing and related parts of the business, and then when he's through I will come back in and make a few more comments about some forward-looking information that we feel comfortable in providing at this time.

Let's see, consolidated-wise, the business posted total revenues, as you see, of about $3.8 billion, and that's inclusive of the $82.5 million that came from the mortgage guarantee captive reinsurance premiums that we were required to book up front under GAAP. Some of you or maybe all of you I'm sure received a press release from us Monday of this week, whereby we indicated that we would in fact provide that kind of accounting treatment to those premiums, after having gone through the process of a review by the SEC.

But without this particular increase in premiums, consolidated operating revenues for the year would have been basically flat, rather than up 2%, as you see in the press release. The title business was very additive to the top line, whereas the general and mortgage guarantee insurance revenues, again with respect to the latter, exclusive of that $82.5 million decline. I think we did a pretty good job in the press release this morning of explaining in the mortgage guarantee section the impact of including that $82.5 million on both the revenue line as well as the incurred loss line and other parts of the operating statement.

From an operating profit standpoint, general insurance performed a lot less favorably than we had anticipated at the beginning of the year. Mortgage guarantee of course still produced a substantial, though moderately lower loss year-over-year and on an apples to apples basis. And title insurance turned the corner into profitability for the first time since 2006. That was very, very good news for us.

Looking at our general insurance business specifically, however, the latest quarter as well as the whole year of 2009 shaped up somewhat less favorably than we had planned early in 2009, as we put our budget for the year together. The slippage came from the underwriting side of the business, where we had anticipated registering a 96% to 98% or so composite ratio, whereas as you see, the actual amount for the whole year came to 102.1% as we've penciled it into the release.

And the biggest culprit in this leads directly to the door steps of our financial indemnity coverages, which as you may know, consist of fidelity and surety guaranteed asset protection coverage, ENO, DNO, and what we refer to as CCI or Consumer Credit Indemnity insurance. When our 10-K for the year gets published in the next month or so, you'll see that the loss ratio on the totality of these coverages that we categorize as financial indemnity that the loss ratio for that went to 117.8% in 2009, and that was up from 95% in 2008.

And of the overall drop in general insurance premiums that you see in the press release of about $207, I guess that's right, between 2008 and 2009. About 60% of that drop was due to reduced volume among these coverages. So if we eliminate all these coverages from the overall general insurance series of numbers, that would have produced a 7.6% year-over-year drop in premiums earned, rather than the 10.4% that you see in the release for the year. And the composite ratio, again, without those financial indemnity coverages, would have been 95.5% for 2009, versus 94.5% for 2008.

Having said all of this, most of the damage, however, from both earned premium, as well as loss ratio standpoints in this financial indemnity area of ours stemmed clearly from the consumer credit indemnity product line, which we've referenced in this morning's earnings release, and we indicated, as you can see, its impact on the underwriting ratio for both the final quarter and the year.

However, just looking at the totality of our business, we still don't think that the general insurance volume situation is going to get better quickly. The long and the short of it, with respect to most of the general insurance area in which we play, pricing is not budging from its bottom for most of the insurance coverages, as I say.

Moreover, our thinking is that we just don't see that the sour US economy is going to roar back to health and until and unless the sales and employment levels of American industry, and as you know, those two elements, sales as well as employment are the elements which drive the premiums that we charge, in most cases in the general insurance area, that unless those elements change, the premium base is therefore not going to move up either. In all other respects, our general insurance business is in good shape, I would say.

We continue to have a very solid capital base. We've got very acceptable financial ratings that help us retain credibility and the reliability of the products we sell as well as the market's trust in the Old Republic brand name. And as always, our invested asset base remains as pristine as it's ever been. So we're not going to surprise shareholders or anybody else with any writedowns of any significance. Investment income-wise, even with the lower yields that we're getting, as you can see is still growing to some degree, though at a much slower pace.

The little bit of growth we are getting in this segment is due to the positive cash flow from operations that we are still enjoying, as well as a small amount of capital. I think we added roughly a $100 million to this segment of our business back in May or early June of last year, right after we had a $300 million plus offering of Old Republic International securities.

So the combination of both, the favorable operating cash flow as well as this capital addition have had the dual impact, a fact, I should say of increasing the invested asset base and thus improve our ability to generate some additional investment income.

Loss reserves on this business are playing out very well relative to prior years' claims. We're still generating 2% to 3% reserve redundancy, which has been the case for quite a number of years for Old

Republic, and that's always a very good thing to have in the business, so that we don't have to pay for yesterday's claims with today's dollars.

I will at the end of this discussion come back and give you a little more information about the outlook for this business, for the foreseeable future, at least for 2010, after Chris makes his comments about the mortgage guarantee and title insurance segments of our business. So you want to pick it up, Chris?

Chris Nard

When we look at the mortgage guarantee business for the quarter, I think trends came in pretty much where we would have expected for the quarter. When you adjust for the captive commutations, you'll see some very slight improvements in the year-to-year comparisons, but a little better with some limited improvement in comparisons from the fourth quarter '09 to the fourth quarter '08.

From a topline standpoint, you can see premium growth continues to be hampered, really driven by the fact that we are operating in a much smaller market today and to some extent, the continued premium refunds on the rescission levels drive overall premium down somewhat.

Net investment income has trended up through 2009, largely as a result of an increase in the invested asset base. That's been enhanced by the cash flows generated primarily by the income tax related asset recoveries we've had, and the funds received from the captive commutations as we mentioned earlier.

The reduced market that I just briefly mentioned stems in large part to the reduction in the MI penetration rate that we've seen lately. This has been driven by big increase in the FHA market share, really since early 2008. In this regard, I think it's important to note that the recent changes by the FHA, while they won't have a quantum effect right out of the chute, should begin to help restore some more competitive balance between the private MI industry and the FHA share as we go forward.

On the delinquency side, for the year we've seen an overall increase in the total primary delinquent count through 2009, but on the positive side, we've begun to see a small decrease in the number of newly reported delinquents, particularly since March of this year, and that may in fact we hope be an early sign that the market may begin to stabilize as far as those new notices of delinquency.

We continue to see growth in the HAMP trial modifications that we've talked about for the last few quarters, but as of yet, it's too early to show really any significant conversions to the official modification status. And we wouldn't expect to see the full potential of these conversions to official status until midway through this year at the earliest, just given the amount of time it takes people to get through the trial and convert it.

And also to that note, we don't take any credit for prospective modifications in the financials. That being said, at the end of the fourth quarter, we had about 14,700 of our delinquent primary loans in some stage of the HAMP modification process, and that's about a little over 15% of our total traditional primary delinquencies at the end of the fourth quarter.

Our net risk in force continues to decline due to the low levels of new writings from the smaller market and its inability to replace the current runoff that we're seeing in the prior year's book. From a new production standpoint, we think we'll continue to be challenged through 2010, because of, again, the continued lower overall market sizes driven off this lower MI penetration rate that we expect to see [Technical Difficulty].

From a capital standpoint, as you can see in the release, the risk-to-capital ratio for the mortgage guarantee group of companies continued on its upward trend. It's likely to reach and possibly cross the 25-to-1 in the first quarter of this year. If that were to occur, we feel confident that we would be able to continue to produce new business, since the state of North Carolina Insurance Department, which is our domiciliary state, has provided us a waiver that will allow us to continue to write new production if we were to cross that threshold.

That waiver is subjected to a monitoring process throughout the period, but we feel confident that will give us that flexibility. There are 16 states that have risk-to-capital standards and in the event that any of these other states in which we do business don't provide similar leeway or recognize the waiver from North Carolina, we've obtained a waiver from Fannie and are in the process of finalizing our work with Freddie Mac that would give us some flexibility to write in those states in another operating [hub] of Republic Mortgage insurance companies.

Given all this, we still continue to feel as we did last quarter that the MI business will continue to produce underwriting losses through the bulk of 2010, with the possibility that as we get closer to the end of the year, we'll begin to see some light at the end of the tunnel, but I would vouch that by saying continued runnings of relatively high unemployment rates and the slow economy and any unexpected spike in interest rates could certainly lengthen the recovery that we would see in this business.

That being said, let me take a second and switch over to the title business. As Al mentioned in the beginning, our title business seems to be making the turn and as the numbers show, it's inched its way back into the black for the full year 2009, which we are very pleased to see.

The improvement in the business this year has been driven largely by real significant enhancements in the topline, revenues were up measurably throughout the year, largely driven by two things. One was the pickup in the refinance activity we saw early in the first and second quarters of the year, and then later in the year, as we begin to benefit from some market share growth in that business, related to the dislocations in the title insurance business with some of the competitors over the last 18 months or so.

We think we were well positioned to benefit from those dislocations because of the solid financial position of that business, and the solid brand image we built in the title insurance industry over the years. So we have profited well from those dislocations. We saw some expense increases as a result of the investments we've made in hiring staff and the production costs related to that increase in share in an absolute basis, on a relative basis they were down.

And loss cost rose somewhat as we added to the reserve position in that business to reflect some of the development in these recent claims we've seen. So while we wouldn't expect any rapid improvement over 2010 in the title insurance business, we do think we'll continue to see slow and steady progress in 2010 from the position we're in today.

So with that, I'll turn it back over to Al.

Aldo Charles Zucaro
Chairman & CEO

Okay. Let's see. By way of some concluding comments, in the discussion part of this visit. As I said before, let me throw out a couple of thoughts about our prospects for the near term 2010, in particular.

In general insurance, we think that the overall earned premium volume should be flattish for 2010. However, we do think that the segments should be close to breakeven, if not slightly profitable from an underwriting standpoint. The fly in the ointment of underwriting profitability however continues to be the CCI line, the Consumer Credit Indemnity line, which we think is going to continue to spill some red ink, even though the amount of business that's currently in force continues to decline since we have no new business to speak of getting into the pipeline.

But we do think that general insurance should also remain operating cash flow positive and, therefore, that investment income, even though we don't expect any significant spike upward, spike in yields during 2010, at least for the first half of the year.

We do think that the strong asset base we have and the little bit of addition that we can make to it through operating cash flow should produce investment income that remains at a relatively strong level. And then finally, we still feel very good about our claim reserve structure and, therefore, it should continue to bear well as time goes on. And, therefore, we should not have prior years' costs invade the current year income statement.

In mortgage guarantee, as Chris touched upon, I think we'll likely remain in the red, throughout 2010. Most of us think that the poor employment prospects we face in the American economy and the slow pace of housing price stabilization, even though some indications are out there that maybe prices have bottomed, although I just read something to the effect that some economists out there thinks we have another 10% or 15% to go, at least in some parts of the country. So that's not particularly good news. But nonetheless I think obviously the lion's share in the drop in housing value has occurred.

And then finally, we think that the slow pace in fixing mortgages that are upside down, are still key factors in our mind that are going to detract from the segment's reemergence into profitability and it's going to take much longer. Depending on which side of the bed I get up on in the morning, sometimes I think it's going to be well into 2011 before we see a return to profitability in mortgage guarantee.

As to title, we think we reached bottom in 2009, as evidenced by the profitability that we were able to book in the third and the fourth quarter. We think as Chris mentioned before, that the combination of some pretty significant market share taken in the last year or so and a much better calibrated operating expense structure are really going to invigorate this housing related part of Old Republic's business, certainly sooner than will be the case with the mortgage guarantee or commercial or Consumer Credit Indemnity parts of the business.

Final analysis, our judgment tells us that 2010 should produce a much better consolidated result than 2009, with a pretty good chance, I think, of writing our annual report for 2010 with some black ink for the first time since 2007.
Let's see. Having said all this, we'll now go to your questions that Chris and I will address as appropriate.

Question and Answer

Operator

Thank you. Ladies and gentlemen. (Operator Instructions). Our first question from Beth Malone of Wunderlich.

Beth Malone
Wunderlich

On the federal stimulation, the HAMP programs for the mortgages, is anything that you get from that source is just going to be a general positive? I mean, it looks like it's a slow process, the amount that's being affected is not that significant, but does it have to be a certain size for it to have any real impact on your business or is anything going to be a positive?

Chris Nard

Any loan that cures is a positive. Now, I don't mean that to be absolute, but with 14,000 or so of these in the trial modification standpoint, any percentage of those that would cure permanently would be a big advantage to RMIC. But again, we don't count on that today, so we would look at anything positive coming out of these modifications as simply gravy to us at this point.

Beth Malone
Wunderlich

Do you think those 14,000 that are in the pipeline, is that going to be a 2010 phenomenon, then?

Chris Nard

Well, sort of the timing on these are once the borrower has notified that he has this opportunity to qualify for the program, I think he's got to make three payments on the modified amount and during that process, they have to get in to the lender all the paperwork to see if they qualify for the process, and that was supposed to originally happen in that 90 days but I think the government has extended the amount of time to make that happen. So you could have three or four, even five months right there and then the reporting lag, so that's why I said earlier, it will be well into mid-2010 before we start to see any material conversion or what the long run conversion rate will be to these permanent loans.

Beth Malone
Wunderlich

Looking at some of the statistics that are provided in the supplement, I was having a hard time finding information here that would suggest that we were bottoming out in terms of the condition in the mortgage insurance market, but is that just these even these numbers are a little dated. Is there any reason to see optimism here?

Chris Nard

Well, I think if you think back to what I said on the overview, the only optimism that we've seen recently is beginning to see some slight reduction in the newly reported delinquents, and that trend has been really over the last several months, since the springtime.

So while I wouldn't tell you that's an indication by any means that we've bottomed out, certainly it is one of the things that has to occur for the market to improve. That, and as we've seen the reduction in home prices around the country, has certainly slowed and begun to stabilize in some areas. That is another one of those conditions precedent to think bottoming out. So while I wouldn't tell you I could tell you when it is going to bottom out, we've started to see some things happen that are necessary for that bottom to be reached.

Beth Malone

Wunderlich

Okay. Then one last question is on the statistical information that's provided. There's a table that shows mortgage guaranteed delinquency rates by state and I just want to make sure I understand what that's saying. For like the fourth quarter of 2009 it shows the Florida is 34%. Now, does that mean that 34% of the mortgages in Florida are delinquent?

Chris Nard

Yeah. In absolute terms, that's what that says. But it's a little tricky because what you've got in some states, particularly these states that are judicial foreclosure states, is you haven't essentially pushed anybody through the foreclosure process, so you've just got a constant build-up of delinquent loans in the pipeline and they never wash through.

So if you were to look back to our numbers during the patch, you didn't have this backup in foreclosures so the absolute delinquency rates never got as high because once they had been in some status for, depending on the state, 12 months or wherever you could foreclose, they went through the foreclosure proceedings and they were out of the pipeline. Today, they're just building up and building up and building up.

Beth Malone
Wunderlich

And that's because there's delays in the foreclosure process?

Chris Nard

Well, remember, you've had foreclosure moratoriums through the better part of early '09. And then again, in places like Florida where the foreclosure has to go through the court systems, you've got a massive amount of delinquencies but you've got to work through the same number of courts that you've had all along. So it will take a long time to clear that in Florida.

Beth Malone
Wunderlich

Okay. And then I wanted to ask a question about the general insurance and I know the numbers get a little skewed because of that credit business in there, but on the regular property casualty business, do you see any signs that pricing is starting to stabilize? And can you quantify or see maybe the impact of some of the larger companies are they still being very competitive in the middle market or is there some relief there in terms of competitive pressure?

Chris Nard

Well, I think all the points that you just made, Beth, I can address in the positive one, there is some I would say pretty good stabilization of pricing, but certainly no fuel to start increasing prices. So I think we're going to be, as far as the eye can see, we're going to be pretty much in the doldrums.

But even if you have the other point to remember is that even if you had some increase in pricing, as long as the premium base, those employment and sales elements on which premiums are based. Unless that changes, you're not going to have a very meaningful increase in volume. So the long and the short of it is that it's business as usual for the time being.

Operator

Next we'll go to Matthew Goetzinger from Fiduciary.

Matthew Goetzinger
Fiduciary

I just had a question for you on the general insurance business I think last quarter you talked about some policy or loss caps in the CCI line. I wonder if we're any closer to getting any reprieve from some of those I guess the way get that structured?

Chris Nard

Well, each of our retro-rated accounts obviously, rides on its own experience, and obviously some of the worst performing books, individual books have crested in terms of our ability to get reprieve. So from an additional premium standpoint. So, therefore now, it's getting down to a trickle. We are getting less retro premium relief because of those large accounts that do not tend to perform very well have peaked in terms of the retention levels.

So it's the rest of the business where the accounts are still well performing, where any increase in claims there provides an opportunity to recapture some additional premium.

So, I think the answer to your question is that or the best way to answer that question is that what you are looking at in CCI is a book of business that's not getting any new production input because we are not writing any new business right now and secondly, that the in force is decreasing very gradually and, therefore itself is producing less volume. And then on top of that, we don't have the same amount of fix that we got in 2008 and most of 2009 by way of these retro credits.

So, that's why I said before or tried to say before that the that's the fly in the ointment in our general insurance business, that the length of the down cycle of high loss ratios in the Consumer Credit Indemnity business is going to be lengthened, just like it is in the mortgage guarantee business go.

Matthew Goetzinger
Fiduciary

Is there a duration that you can prescribe to that policy type?

Aldo Charles Zucaro
Chairman & CEO

Let's see if I understand the question. You mean how long the policies stay on the books?

Matthew Goetzinger
Fiduciary

Yes, in other words, how long do we kind of have to work through these yet?

Aldo Charles Zucaro
Chairman & CEO

Well, as I just tried to say, I think it's the same type of issue as we face in mortgage guarantee. I think an awful lot is going to depend in particular with respect to CCI to the employment situation, as soon as people start working again, they are better able to pay their bills and one of the bills they pay is the seconds or the loans that they've taken out. And when that happens, we will get relief. So, depending on your view of what happens to the economy, as I said, my own view for what it's worth is pretty sour right now. I just don't see this American economy getting way better before sometime next year.

At this point, I'm almost gun shy to say anything. If you remember some comments that I for one made back at the end of '07 or early 2008, that come the end of 2009 we should see daylight at the end of the tunnel. Well, here we are, still in the thick of things. And, therefore, you know when you listen to the President yesterday, I don't know that anybody has got any idea of where we are going.

Or certainly how fast we are going to get better. So it's a matter of jobs, jobs, jobs, ultimately, and people's temperament too. How do people think? Do they have a positive mindset or are they going to get up on the wrong side of the bed every morning? And when that changes, then good times will return and those loss ratios will come down. But that's why I say, I for one don't see this thing becoming better until sometime in 2011 right now.

Matthew Goetzinger
Fiduciary

Just on the MI business, I think Chris, if you would be able to comment on just kind of what you are seeing with the overall delinquency curves, maybe a little bit of color on the '05 to '08 books, I think that would be beneficial.

Chris Nard

Sure. I think what I alluded to in the overview was, again, that while the total overall delinquency rates have increased, we've seen these new delinquents start to trend down a little bit. You know, we generally think of the prior to '05 book differently than we think of the '05, '06, '07 books, but both of those have trended down. I think the '05 to '07 book has trended down maybe at a slightly more elevated rate because you are starting to see burnout in that book.

Matthew Goetzinger
Fiduciary

Even with the '07 book?

Chris Nard

I don't think of anything separately in my head at the moment, Matt. I've got kind of '05 through '07 lumped into one big bucket. And again, that burnout is I think we are starting to see that. Certainly, it's not an improvement in the economy that would trend that down, it's simply those loans were somewhat impaired and they went down early through their own causes before really a bad economy got to them.

Matthew Goetzinger
Fiduciary

Okay. And just lastly, is there really anything to read through on the increase in severity on the average claim paid amount here in the primary book? It looks a little volatile but I guess we had seen that come down a little bit and it looks like it bounced back up.

Chris Nard

The volatility over the last few quarters just related to what's come through. There's no story there.

Operator

Next we'll go to (inaudible).

Unidentified Analyst

I know you have been asked a couple of questions about delinquent so far but could you just kind of answer the question on new notices, what specifically they've done the last couple of months on a sequential basis?

Chris Nard

Let me add one other thing, finish my thought. One of the things that will drive that average paid claim amount is certainly the mix of the high loan balance loans in California, Florida and Arizona. So as those work their way through, and a lot of those are embedded in that '05- '07 book, as they start to reduce as a component of the overall delinquent profile and claim profile, that will drive down that average paid claim number.

To jump to yours on the percentage, it's not a big number at this point but it is a consistent trend and it's just been down really a couple of points a month as we've rolled through the year.

Unidentified Analyst

Were you surprised that it was down in the fourth quarter when seasonally that's usually a pretty bad quarter?

Chris Nard

I would "encouraged" might be the word for the fourth quarter.

Unidentified Analyst

Okay. And then was there a specific number of how many of your delinquents that were in a HAMP trial became permanent MODs in the fourth quarter?

Chris Nard

Not that would be a meaningful number. The ones that would have been around long enough to become permanent would have been out of the very early part of the program and those numbers would have been so small that I don't think any percentage of those would be a significant or material number. I just don't think you could count on that number.

Unidentified Analyst

Got you. Okay. And then did I see in one of your recent filings that you have sued Bank of America in regards to some of the fraud and underwriting and what not? Is that correct?

Chris Nard

Yeah, although I wouldn't say fraud. We never talk about fraud. I think as you can read in that suit, it was just for declaratory judgment around the processes that we go through.

Unidentified Analyst

Okay. And was that in response to them suing you or did you just sort of proactively sue them?

Chris Nard

I would just refer you back to that public filing.

Aldo Charles Zucaro
Chairman & CEO

We just, as a matter of policy, I'm sure you can understand, we just have to be careful about handling all legal issues in the public forum like this.

Unidentified Analyst

I respect that. Can I just ask this one last question? Are you still writing or insuring business for Bank of America?

Chris Nard

I don't have any new information on that at this moment. I don't have that info.

Operator

(Operator Instructions). Next we'll go to Bill Clark with KBW.

Bill Clark
KBW

One quick one, on the topic of rescissions. Any comments you can share on the quarter-over-quarter change in rescissions? Did you see continued upward trend? Did it flatten out? Did you see any decrease in rescissions in the fourth quarter?

Chris Nard

You know, we don't comment a lot typically on numbers around rescissions, but I would tell you that the trends through the quarter were largely unchanged.

Operator

(Operator Instructions). And it appears there are no further questions at this time. I'd like to turn the call back over to Mr. Al Zucaro for any additional or closing remarks.

Aldo Charles Zucaro
Chairman & CEO

Well, thank you. I guess we must have done a pretty good job of outlining what we thought, think are the more important issues about our business and happenings. So as always, we thank you for your interest and joining us in these quarterly discussions.

And with that, we'll bid you a good afternoon.

Operator
Ladies and gentlemen, that does conclude today's call. Thank you all for your participation.