S&P Capital IQ

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Fairfax Financial Holdings Limited TSX:FFH

FQ1 2012 Earnings Call Transcripts

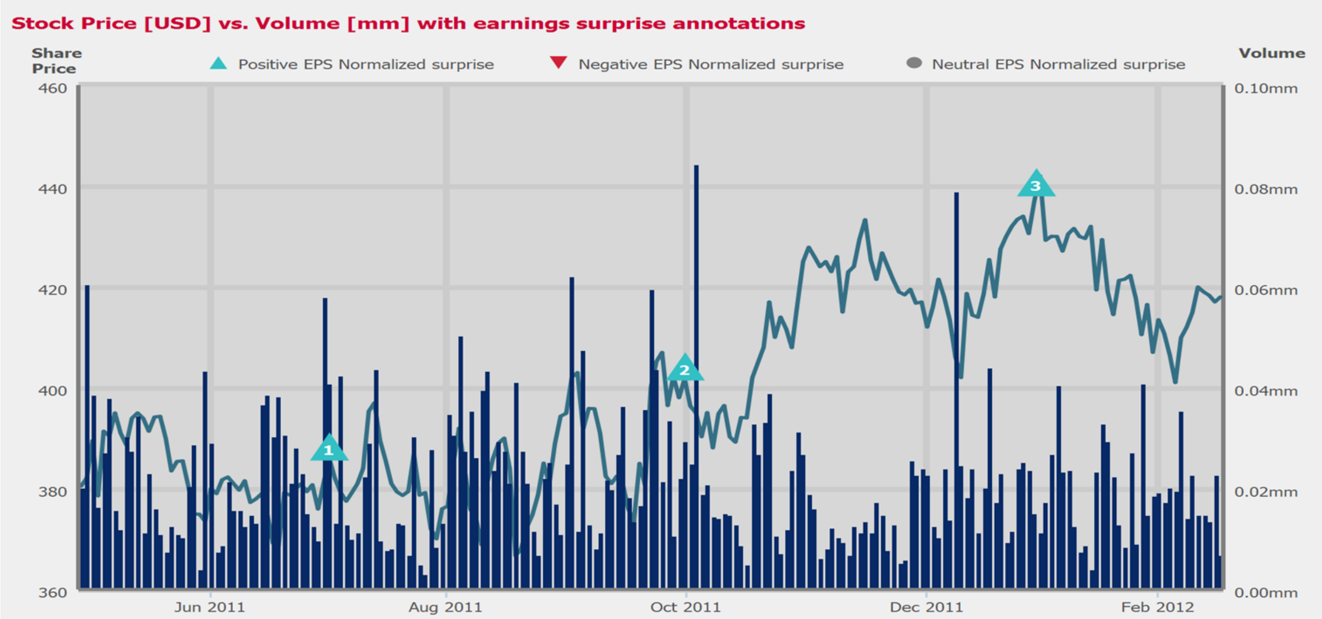
Wednesday, May 02, 2012 12:30 PM GMT

S&P Capital IQ Estimates

	-FQ1 2012-			-FQ2 2012-	-FY 2012-	-FY 2013-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	4.35	(0.69)	NM	5.84	7.20	17.76
Revenue (mm)	1805.30	1807.60	▲0.13	1771.83	7272.00	7721.67

Currency: USD

Consensus as of May-02-2012 12:16 PM GMT



- EPS NORMALIZED -	CONSENSUS	ACTUAL	SURPRISE
FQ1 2011	-	2.87	-
FQ2 2011	12.60	19.14	▲1 51.90 %
FQ3 2011	26.35	53.29	▲2 102.24 %
FQ4 2011	2.43	21.40	▲3 780.66 %

Call Participants

EXECUTIVES

John Charles Varnell
Vice President of Corporate Development

Paul C. Rivett
President

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

ANALYSTS

Howard Flinker

Jason Chen
Cormark Securities Inc., Research Division

Mark Alan Dwelle
RBC Capital Markets, LLC, Research Division

Paolo Tramontana
Kraemer, Schwab & Co. AG

Tom MacKinnon
BMO Capital Markets Equity Research

Presentation

Operator

Good morning, and welcome to Fairfax's 2012 First Quarter Results Conference Call. [Operator Instructions] Today's conference is being recorded. If you have any objections, you may disconnect now. And your host for today's call is Prem Watsa with opening remarks from Paul Rivett. Mr. Paul Rivett, please begin.

Paul C. Rivett
President

Good morning, and welcome to Fairfax's First Quarter Conference Call. This call may include forward-looking statements. Actual results may differ, perhaps materially, from those contained in such forward-looking statements as a result of a variety of uncertainties and risk factors, the most foreseeable of which are listed in Fairfax's annual report, which is available on our website and set out under risk factors in our base shelf prospectus filed with Canadian securities regulators.

I'll now turn the call over to our Chairman and CEO, Prem Watsa.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Thank you, Paul. Good morning, ladies and gentlemen. Welcome to Fairfax's First Quarter Conference Call. I'd like to give you some of the highlights and then pass it to John Varnell, our Chief Financial Officer, for additional financial details.

In the first quarter of 2012, book value per share was flat, adjusted for the $10 per share common dividend paid out in the first quarter of this year. We had a much improved underwriting result on increased premiums, but our defensive investment position through our hedging strategy resulted in a small unrealized investment loss as the markets moved higher in the first quarter. And we again finished the quarter with cash and marketable securities at the holding company of approximately $1 billion. We continue to maintain our equity hedges, and we remain very concerned about the economic outlook over the next few years.

Net investment losses of $40.9 million in the first quarter of 2012 consisted of the following. Please note table -- please note the table on Page 2 of our press release. Net gains on equity and equity-related investments of $838 million were predominantly unrealized, as you can see, and were largely neutralized by net unrealized losses of $823 million on our equity hedges. After bond gains of $33 million and $68 million in unrealized CPI-linked derivative losses, we had a net loss of $40.9 million, all unrealized. Realized gains from stocks and bonds during the quarter were $95.5 million.

Net premiums written by the company's insurance and reinsurance operations in the first quarter of 2012 increased by 9% to $1.521 billion. And if you exclude acquisitions, the premiums increased by 6% in the first quarter due primarily to continued growth in specialty business at Crum & Forster, new business and higher-priced retained business and workers' compensation at Zenith and increased pricing on property cat business and crop business at OdysseyRe.

At the subsidiary level, net premiums written in the first quarter of 2012, excluding acquisitions, grew as follows: for Zenith, up 20%; Crum & Forster, 19%; OdysseyRe, plus 3%; Fairfax Asia, up 3%; and Northbridge, in Canadian dollars, was down about 5%.

We are taking advantage of hardening markets for catastrophe risk. For example, in Japan, OdysseyRe increased its premium volume to close to $90 million from $60 million the year before while holding exposures constant. Likewise, in Thailand, through our investment in Thai Re and our subsidiary in Singapore, First Capital, we will increase ratings in response to sharply improved conditions. In the United States, as wind season approaches, we have room to expand our writings to the extent prices continue to go up.

So we are growing again. With the huge catastrophe losses in 2011, very low interest rates and the reduced reserve redundancies means there's no place to hide for the industry. Combined ratios have to drop well below 100% for the industry to make a single-digit return on equity with these low interest rates.

The company holds approximately, as I said earlier, $1 billion of cash, short-term investments and marketable securities at the holding company level at March 31, 2012.

Finally, we continue to be approximately 100% hedged in relationship to our equity and equity-related securities, which includes convertible bonds and convertible preferred stock. As I said earlier, we continue to be very concerned about the prospects for the financial markets and the economies of North America and Western Europe, accentuated by the breaking of the real estate bubble in China in late 2011.

As of March 31, 2012, we have over $6 billion in cash to take advantage of opportunities that come our way. In the short term, our investment income will be reduced.

Now I would like to turn it over to John so he can give you some more information on the underlying financials. John?

John Charles Varnell
Vice President of Corporate Development

Thank you, Prem. I will start with the Fairfax consolidated results for the first quarter of 2012. I'll talk about the operating company results, and I'll finish up with financial position.

For the first quarter 2012, Fairfax had a net loss of $1.3 million. That compares to the 2011 first quarter loss of $240 million. The first quarter 2012 loss, fully diluted per share, was $0.69, which reflects the preferred dividend impact. And the 2011 loss was $12.42 per share.

For the first quarter 2012, Fairfax had a combined ratio of 98.7. That compares to a 128.6 combined ratio in 2011. We had an underwriting profit in the first quarter of $17.5 million compared to an underwriting loss of $350 million in 2011.

The first quarter 2012 catastrophe losses were $26 million or about 2 combined ratio points. The catastrophe losses for the first quarter 2011 were about $400 million pretax made up of the Japanese earthquake, New Zealand earthquake and Australian floods, which had an impact last year of 32.8 combined ratio points.

In terms of 2012 prior period reserve development, Fairfax had $1.6 million of favorable reserve development for the quarter or 0.1 combined ratio points compared to $13.8 million favorable in 2011, which was 1.1 combined ratio points. So that works out to a first quarter accident year combined ratio in 2012 of 98.8, and that compares to a 2011 accident year combined ratio of 129.7.

So now we'll move to the operating companies, starting with OdysseyRe. In the first quarter 2012, their combined ratio was 86.9, and they generated an underwriting profit of $63.7 million. In 2011, Odyssey had a 150.3 combined ratio or an underwriting loss of $227 million. On an accident year basis, the combined ratio at Odyssey was 87.4 for 2012 compared to a 151.3 in 2011. Catastrophe losses in 2012 for Odyssey amounted to $23.6 million or 4.8 combined ratio points compared to Odyssey cat losses in 2011 of $297 million or 66 combined ratio points. Odyssey's net premiums written increased 3.1% in the first quarter of 2012 to $526 million from $510 million the year before, which reflected increased writings across a number of Odyssey's lines of business, which included primarily property and crop insurance.

Crum & Forster in the first quarter 2012 had a combined ratio of 105 and an underwriting loss of $14.3 million compared to 104 in 2011 and an underwriting loss of $9 million. On an accident year basis, the combined ratio was 103.3 in 2012 compared to 104.9 in 2011. Net premiums written at Crum & Forster of $310 million compared to $237 million in 2011, and that reflects the acquisition of First Mercury, as well as the internal growth at Crum & Forster as they grew their specialty business and workers' comp business, as well as property. And that resulted in a year-over-year increase of 30% net premiums written in the first quarter of 2012.

Zenith had a combined ratio for the quarter of 117.7 and an accident year ratio of 117.9 compared to a combined ratio in 2011 of 123.4. The improvements reflected the 6.5 combined -- 6.5% combined ratio decrease in Zenith's expense ratio due to the rising net premiums. Net premiums written by Zenith were $255.8 million in the first quarter 2012 compared to $214.1 million in 2011, an increase of about 20%. And that reflected Zenith's ability to write new business and retain existing customers at higher prices as the competitive environment for the workers' comp changes.

Northbridge's first quarter 2012 combined ratio was 103.8 compared to 103.6 in 2011. On an accident year basis, the combined ratio at Northbridge was 106 as Northbridge benefited from favorable development of 2.2 combined ratio points. Net premiums written by Northbridge were $201.6 million for the quarter compared to $258.4 million in 2011, measured in U.S. dollars. Prior to giving effect to the unearned premium portfolio transfer in the first quarter 2011, net premiums written at Northbridge decreased by about 5% in Canadian dollars, reflecting competition and some changes in facultative and fronted risks.

For the first quarter of 2012, the combined ratio at Fairfax Asia was 92.2 compared to 85.9 in 2011. And they generated an underwriting income of $4.2 million compared to $5.8 million in 2011. The first quarter 2012 accident year combined ratio was 95.6 compared to 89.4 in 2011. Net premiums written by Fairfax Asia was $72.8 million compared to $61.3 million in 2011. The net premiums written increased by 3.4%, excluding the Pacific acquisition, as a result of increased ratings of marine haul commercial automobile and the favorable effect of foreign currency translation at First Capital.

The Reinsurance and Insurance – Other division in the first quarter had a combined ratio of 101.7 compared to 166 last year. There was adverse development of 2.7 points in 2012 compared to 1.8 points in 2011. The net premiums increased to $157 million from $119 million as a result of the lower 2011 premium due to the unearned premium portfolio transferred to Northbridge.

And finally, our run-off group had another good quarter and earned $54 million pretax in the first quarter 2012 compared to $48.2 million earned in 2011.

Consolidated interest and dividend income decreased by 27% from $178 million in the first quarter of 2011 to $129 million in the first quarter of 2012, primarily as a result of sales during 2011 of higher-yielding bonds, the proceeds of which were reinvested in the lower-yielding cash and short-term securities.

The average portfolio size was close to $24 billion in both quarters. We ended the quarter with an investment portfolio, which included holding company cash and investments, at $24.3 billion. In terms of financial leverage, our quarter-end total debt to capital -- total debt to total capital ratio was 26.5% compared to 26.4% at December 31. And in April 2012, the company repurchased it's $86.3 million of maturing debt at par.

That concludes my section. And back to you, Prem.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Thank you, John. Now we are happy to answer your questions. [Operator Instructions]
So Fran, we are ready for questions.

Question and Answer

Operator

[Operator Instructions] Mark Dwelle, RBC Capital Markets.

Mark Alan Dwelle
RBC Capital Markets, LLC, Research Division

A couple of questions. One, maybe for John. I was trying to sort through -- I saw that you did a reinsurance to close transaction in Advent. I was just trying to sort through the premium flows there and what implication that has for further 2012. That's all just historical unearned premiums that got transferred over?

John Charles Varnell
Vice President of Corporate Development

Yes. Why don't you go to your second question, Mark. And then what we'll do is we'll just pull the numbers together for you on the reinsurance to close and the premium flow? Why don't you go to number 2?

Mark Alan Dwelle
RBC Capital Markets, LLC, Research Division

Okay. I started off with kind of the final exam question, didn't I? The second question I had was really related in Odyssey. It looked like there was a very good improvement in the combined ratio. Is that mainly the by-product of business shift away from casualty? Or are they actually seeing improved loss cost trends?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Well, I think a little of both, Mark. But they have expanded in the cat area. As you know, the pricing has been very significant. Unlike last year, there's been much reduced catastrophe activity. But for some time now, they have reduced their casualty writings and increased the property business, particularly exposed to the catastrophes. And I think that first quarter -- the combined ratio was among the lowest that they've had in a long time. So OdysseyRe -- all our companies, Mark, are well positioned, as I said at the annual meeting, to expand in this cycle. We've got a leverage ratio, that means premiums written to surplus, are running at 0.6x, 0.7x. And in the past, we run at 1.5x to 2x. So the environment is changing, and the property casualty business, we have the ability, the management and capital resources to take advantage of it.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

I think John's got something for you. John?

John Charles Varnell
Vice President of Corporate Development

Yes. So it's laid out on Page 46, Mark. But basically, it's premiums equal to losses when we did that reserve transfer. So you will see U.S., $62 million moving. And so basically, that's a $62 million adjustment to reserves, $62 million adjustments to premiums.

Mark Alan Dwelle
RBC Capital Markets, LLC, Research Division

Okay. And then -- but that transaction, now that it's complete, that won't impact any of the forward premium growth or anything related to Advent? That's all just an off-the-balance-sheet transfer?

John Charles Varnell

Vice President of Corporate Development

That's right. It only happens the one time, and then there's no impact of that going forward.

Operator

Now our next request from Jason Chen of Cormark Securities.

Jason Chen
Cormark Securities Inc., Research Division

Just a follow-up on Odyssey. So you talked about increasing premiums in Japan and Thailand. So when we look at the overall premiums, it seems to be relatively flat. Just wondering, is this a rebalancing of the book? Or what's going on there?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes, Jason. What happens is that they -- in the first quarter last year, there was a huge catastrophe activity. So with this catastrophe activity, then you get reinstatement premiums. You get another premium. So we've got a lot of that in the first quarter. When we're looking at quarter-to-quarter, we haven't adjusted for the fact that we got reinstatement premiums last year, which, of course, we don't have this year. But OdysseyRe is well positioned. As I said at our annual meeting, we're really well positioned to expand and grow our business worldwide, wherever the opportunity is. John, do you want to add to that?

John Charles Varnell
Vice President of Corporate Development

Well, crop insurance has been good for OdysseyRe. Property cat has been good. Casualty is still soft. And then the other lines are some pluses and minuses, so it's a bit of an averaging.

Operator

Tom MacKinnon, BMO Capital.

Tom MacKinnon
BMO Capital Markets Equity Research

A question is with respect to the interest in dividend income. It's falling off not only the year-over-year but quarter-over-quarter, and I assume that's just because you're portfolio has got a little bit more cash now than it would have had on average in the fourth quarter and you've been selling down more of those U.S. treasury bonds and then I guess allocating more into cash. Now how should we look at that going forward? Are you -- should -- where do you want to get that cash hold? Now you may have talked about this in the opening comments, and I'm sorry I just got in the call now, but where do you want that to go? And that's going to be a bit of a headwind in terms of interest and dividend income, and how should we look at that going forward?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

So Tom, last year first quarter, we might have averaged something like $3.5 billion, $3.6 billion. At the end of the year, like I said, it was $6.9 billion. But for the year, December 31, but for the average for the quarter would have been less. And now we have in March a $6.1 billion. But what we've said for some time is we're selling our long treasury bonds. And you've got about 2.5 points, maybe even a little more that you lose when you go from a long treasury to short term, 2-year rates of 0.25%. That's 2-year rates and 5-year rates, of course, treasury there, 0.8, 0.82, 0.83. So really very, very low rates compared to the past. And we've got the $6.1 billion. We think of it as opportunistic. So we don't make -- we're not trying to raise cash. We're just taking advantage of the fact that prices have come down, and so we're selling our corporate bonds. Treasury rates have come down. Last year, long treasuries were the best asset to have, and so we've sold half our treasuries, we told you, long treasuries, and we continue to sell it. We likely won't have any treasuries soon. And so we're continuing to sell that, the long treasury position. And so our interest and dividend income will come down, and one thing we won't do is reach for yield because we think this is not a good time to reach for yield. The spreads are very narrow again. And in fact, people who have reached for yield might suffer as they haven't had in 2008, 2009 when spreads widen. And so right now, we're just -- we're very long term, Tom, so we think of this as long-term. But months from now, next week, who knows that things can change and we could put a lot of our money to work again. So it's not sort of a long-term forecast. It's just being opportunistic, ready for the markets and awaiting for what the markets will give us.

Jason Chen
Cormark Securities Inc., Research Division

I mean, where would it be put it to work? It doesn't sound like it would put to work back into bonds. Would it be just put back in the stocks?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

No. Put to work means today, we keep it in cash. If you tell me that the current environment continues for the next few years as is, which means spreads narrow, stock prices high, then we would keep it in cash. But of course, you don't know and I don't know what will happen in the next month or 2 months or 6 months. And when it happens, if I'll remind you what we did in 2008, going into 2008, we were fully hedged. And by the fourth quarter, spreads just widened. Stock market was down 50%. So we took our hedges up, and we went into corporate bonds and increased our corporate bonds. We've bought a whole bunch of muni bonds guaranteed by Berkshire Hathaway. But you can never forecast that. If you told me in August of 2008 that would happen in year-end 2008, I wouldn't have been able to -- we won't have been able to guess that. So these things are never forecastable. But of course, if you didn't have cash at the time in 2008, you wouldn't have been to take advantage of the opportunity. So here, all we've done, as we've said, spreads have come down. We made a lot of money in our treasury bonds. We made a lot of money in our corporate bonds. We're selling it. If we don't see much opportunity elsewhere, we're keeping it in cash. If we see opportunity in the next week, we'll invest it.

Tom MacKinnon
BMO Capital Markets Equity Research

And one follow up, if I can.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Sure.

Tom MacKinnon
BMO Capital Markets Equity Research

On the CPI derivatives, I think the total pretax loss is somewhere north of $300 million on that. The total you've put into this is somewhere around $420 million. So does that mean you've only got the potential losing another $120 million but you've got the potential to lose a lot more?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. It's got a striking resemblance, Tom, at least in terms of the loss as to the credit default swaps that we had. And our credit default swaps at one time, the long contracts, but they, at one time, was down 75%. So these are mark-to-market instruments. They go up. They go down. We market to market. But of course, as I keep emphasizing, it's not over till the 10 years is up or we sell it. It's still early days.

Operator

Howard Flinker, Flinker& & Company.

Howard Flinker

On your breakdown on investment gains and losses, you have Other. What's Other, minus $41 million?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

That's a -- yes. Are you talking about the Insurance business, Howard? Or you're talking about the...

Howard Flinker

No, no. On Page 2 of the release, you show realized and unrealized gains and net gains and losses, and the last items just below CPI derivatives is Other. What's that?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. So you have maybe the remaining credit default swaps that we have, the fluctuations in that, some -- perhaps -- I'm just looking at it. Perhaps foreign currency can get into that, the fluctuations in foreign currency. Small differences like that, Howard, that come right into the Other category.

Howard Flinker

Similarly, in your breakdown of premiums written, you have second to the last classification, the Reinsurance and Insurance – Other.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. That would be, in our disclosures, detailed disclosures, you can get it. You'll see our CRC, you'll see our reinsurance subsidiaries that are other than OdysseyRe, and the big one would be like CRC. It would be there. And I guess it would be, I'm just looking, would be -- Advent will be there. And our Brazilian operation, Howard, we began that. All of that is disclosed in detail if you -- and I know it's difficult to spend time going through the quarterly report. It's a long quarterly report. But...

Howard Flinker

The reports are long. I can do both at the same time.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes, if you -- it's all disclosed there.

John Charles Varnell
Vice President of Corporate Development

Poland's in there. Brazil is in there. And it's on Page 45 that gives you the separation.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes, it gives you the details on Page 45, Howard.

Howard Flinker

And then I have 2 general questions. Have your underwriters or your agents in Europe yet seen some of the traditional big old European underwriters back off? I have not seen much in the way of their taking write-downs on their sovereign bonds. And I think when they do that, they will say, "Oh, well, our capital is a little less weaker than we thought, and maybe we ought to be more careful about underwriting. Have you seen any signs of that yet?

V. Prem Watsa

Founder, Chairman and Chief Executive Officer

I think, John, this is about the bonds. I think the most of the European insurance and reinsurance have to now mark-to-market their peripheral debt like Greece and other countries. But John, any comments on that?

John Charles Varnell
Vice President of Corporate Development

Remember, we're talking -- we thought Italy would show some bringing up of premium that would flow into some other companies who are in more trouble, and that didn't happen. So to this point, we haven't really seen it.

Howard Flinker

So you haven't seen the European companies changing their underwriting habits yet?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Nothing significant, no.

Howard Flinker

Okay. And just as a matter of curiosity, do you have any thoughts about American real estate and the REITs? I'm astonished at how bullish investors seem to be in that sector. I'm just wondering if you have any...

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. We don't -- we have investments with [indiscernible] , as you know. But we don't have any investments directly in a REIT. But we have, particularly in the past few years, invested at real estate. And we said that 50% of replacement cost and the cash on cash yields. But because...

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

In '08 and '09, you had a terrific investment in some mortgages or something suggested by a small hedge fund guy in Toronto. You commended him in one of your letters.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. We are very fortunate to have done that. That was about a few years ago. We've sold all of that now.

Tom MacKinnon
BMO Capital Markets Equity Research

Yes, that was a big score.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. No, we -- that was not badly, Howard.

Operator

And my last question today is from Paolo Tramontana of Schwab.

Paolo Tramontana
Kraemer, Schwab & Co. AG

I have 2, if I may. The first one is on China. You mentioned already a couple of times the bursting of their real estate bubble at the end of last year.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes.

Paolo Tramontana
Kraemer, Schwab & Co. AG

If you could maybe share a little bit of your thoughts on what's happening there? Also, what can be the repercussions you can see from this, what is happening? And the second, if I may, is just a curiosity, what made you change your mind on crop?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Okay. On China, Paolo, just -- China has got a very big real estate -- in our minds, a big real estate bubble and has had it for some time. Bubbles happen when people expect house prices, apartment prices to always go up. It happened in many countries in the world. It's broken in the United States some years back. It's broken in Ireland, where house prices have come down 30%. So these things, when they break, have very significant consequences for the country in question in terms of the banks, in terms of all of the economic activities that benefited from the construction site. And in the case of China, they're so big that they impact the rest of the world. And if you look at commodity prices, commodity prices have benefited from China, the expansion in China. And if there's a problem in terms of the bubble bursting, then, of course, commodity prices could be impacted. So we just worry about these things. You'll never know for sure, but we have seen these -- over 40 years, we've seen many of these bubbles take place, and we try to protect ourselves and keep away from these bubbles. In terms of craft -- well, we just saw opportunity in other investments, and sometimes we make these decisions. And we saw better value in some of the other things that we've invested in. And that's why we sold and moved it to other investments.

Paolo Tramontana
Kraemer, Schwab & Co. AG

Okay. Maybe a short follow-up. So in terms of protecting yourself from these possible earnings consequences, I think it's clear, it's the equity hedges as well as deflation hedges, right?

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Yes. So the equity hedges, Paolo, would be definitely one. The deflation hedges, they really protect all parts of our balance sheet. If you have deflation, it's very difficult to figure out where it will come and impact you, and so it could hurt our insurance business, our reinsurance business, reinsurance comparables, all sorts of areas. So we try to protect ourselves. We try to get rid of that with the credit default swaps, and we're doing that with the deflation swaps, too. And of course, the fact that we haven't reached for yield is another protection because we have a lot of cash, government bonds. We don't go to money market bonds, and so -- but government T-bills. And so we're just careful and looking at doing well for our shareholders over the long term. We never try to do well over the next 3 months, 6 months. We always [indiscernible].

Operator

At this time, I have no further request, so I would like to turn it back to you for any closing remarks.

V. Prem Watsa
Founder, Chairman and Chief Executive Officer

Well, Fran, if there are no more questions, then thank you all for joining us on this call. We look forward to presenting to you again in the next quarter. Thank you very much.

Operator
And conference now has concluded. All lines may please disconnect.