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PRESENTATION

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Good morning, everybody. We're very pleased to have Hartford's Chairman and CEO, Chris Swift; and CFO, Beth Costello, with us this morning. Before I hand it over to Chris for a few opening remarks and then jumping into Q&A, I do want to remind everybody that if you have any questions, there is a box at the bottom of your screen and you are welcome to submit any questions through that.

And with that, Chris, thanks -- Chris and Beth, thanks for joining us. And I'll hand it over to you, Chris.

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Thank you, Yaron. It's great to be with you at the Goldman Sachs conference. I know Beth and I always enjoy being physically in your wonderful building, but we'll do it virtually this year and get back to physical next year.

So I would just say a couple of things. 2020 has certainly been a year of 2 sides of a coin. Started the year with great momentum, great confidence in all our businesses, really pleased with the way we were performing. But then, obviously, COVID hit and we had to change the playbook completely to, first, focusing on our employees and our customers and handling all their needs during that time; working digitally, advancing our digital adoption; and then trying to plan for '21/'22 cycle coming up here shortly.

So I think we performed actually very, very well during 2020 in spite of COVID. Obviously, I think we've been very transparent on what our COVID judgments have been. But as I look forward, Yaron, I really believe, and I have the data and the facts that support it now, that we can grow our top line and expand margins across our commercial franchise going forward.

So we'll talk more about that in February when we normally give our driver guidance, but I'd like to give your investors and audience confidence that we are returning to growth and margin expansion. And really, that's the culmination of just 10 years of hard work in restructuring the organization, shedding businesses that didn't make sense for us to have, improving them operationally, investing in them. So I really believe the best days at The Hartford are ahead of us due to the cumulative effect of all our strategic actions, all our operating actions, all our capital management actions.

So if I just go around the horn. Small Commercial is the leading franchise. I think we have the leading BOP product out there, next-gen Spectrum, which is really going to power our growth going forward.

Middle Market, it's been in the process over the last 4, 6 quarters of re-underwriting books of business. So they're pivoting to growth. They have more products to sell through our agents and distribution with the Navigators acquisition. The Navigators Global Specialty combined with ours is almost a $3 billion business that is enjoying robust rates, and we've gone through our re-underwriting activities there, led by Vince Tizzio.

If I pivot to Group Benefits, the integration activities with our acquisition from 3 years ago are done. We're squarely focused on growth. We can grow the top line from our core products with voluntary and supplemental products coming there.

And as I said, we've enjoyed building up excess capital during this time of crisis, but we see more clarity about the economic activity. We have more clarity about COVID. We have more clarity about COVID liabilities and our exposure.

So we know how to announce these things. We normally do it at year-end, towards the 1st of February when we do our earnings calls. But when there's something to announce on capital management, we'll announce it, Yaron.

So that's what I would say. And it's great to be with you again, Yaron.

QUESTIONS AND ANSWERS

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Great. Thanks. And I think there's a lot to unpack there so forgive me if I go back to some of the points you made with more directed questions around them.

So one of those points, I think, you touched on specifically with Navigators, but I think it's true probably for the broader market, which is great. What are you seeing kind of as we head into 1/1 renewals? And what are your expectations in the P&C market into 2021?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Well, if you look sort of at the P&C market, it's again a tale of 2 sides of the coin. On one hand, we're living through a pandemic that's creating widespread economic hardship, displacements of jobs, people losing their lives. And the human toll here is not to be underestimated, and it might take some time for us emotionally as people to get through with that.

The impact on sort of the economic toll for us is we're an employment-centric firm. So as jobs shrink rapidly, there's a lot of adjustments through audits. Premiums came down a little bit, particularly in Group Benefits also.

But as jobs are coming back -- and I think it's been quite a remarkable employment picture, just the big shock and the big, now, rebound. We got a good shot of getting back to somewhat close-to-normal unemployment levels, I think, in 2021, by the end of 2021. So that's going to bode well for more payrolls and more benefits to come from there.

And then on the P&C side, as we alluded to, I mean most lines of businesses, except comp, are enjoying strong to robust rate environments primarily because of the factors that we've talked about as a team on our earnings calls. But you could look to social inflation. You could look to low interest rates. You could look to COVID. You could look to just a number of different things that are going to continue to put pressure, I think, on combined ratios where the need for rate well into '22 is apparent, at least in my mind.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. And with that construct in mind, as you look into 2021, what areas of the business are the areas where you think you're going to go really into offense, pursue new business more aggressively versus areas that maybe you'll still play a little more defense trying to protect margins, trying to protect the market share you have?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Yes. I would say the certain aspects of the casualty market, again ex comp, I think are ripe for being a tad more aggressive. I think again, across our portfolio, I would say that our written rate increases that we've enjoyed this year are ahead of loss trend. If you look out even into next year, I see that continuing.

There's -- when you take aggregates, you lose some of the nuances at the fringes. But the lines that I think continue to need the greatest rate continue to be commercial auto, umbrella, excess, certain aspects of E&O and D&O. But -- they're getting good rate, but I think they need to continue to push for -- we as an industry need to continue to push for rate in '21.

I think we'll be a little cautious in comp. And the comp, I'll call it, debate is interesting to me. Obviously, we're on the smaller end of the market. And if you look at our results over the years, it's been pretty consistent in that 87%, 88%, 89%, 90% range of combined ratios, which are really strong results.

So even though there's a little comp margin pressure that I still feel we're going to face at least in the first half of '21 and things might begin to inflect a little bit in the second half of '21, I mean we're starting from a point of strength with that workers' comp book and, obviously, the BOP Spectrum product line as I talked about. So I think you just got to put things into context that we're in a pretty good place with comp in Small Commercial.

On benefits, I would say, again, through the integration period of time, we expected a little higher lapse rates, which we did experience. But I think we're off to a -- I know we are off to a great start with January '21 renewals. Our voluntary book is getting bigger. Our A&H book is getting bigger. So all those will incrementally contribute to growth, but the biggest driver will be in the core as employment levels rebound, Yaron.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Got it. So you mentioned we may see a little bit of headwind in workers' comp, at least first half of the year. We're seeing a little bit of interest rate headwind as well. How are you thinking about ROEs here?

I think the company has had a very strong, stable ROE, call it, in the 12% range for the last 3 years. Is that a sustainable number here? Or do you think that just with the environment we're in, we have to reset expectations maybe slightly lower?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

No. I'd say in a word yes. I think that 12% ROE is a good anchor point for us going forward, and I'll tell you why. In spite of low interest rates, we've been, again, pruning, re-underwriting many books of business in Global Specialty, Middle Market. I mentioned what Doug and the team are doing there. So actually, margins are expanding in those lines not only due to price but re-underwriting actions that we've launched 4 to 6 quarters ago. So that's going to have a cumulative impact on expanding margins from here.

We could talk about it with Beth, but obviously, Hartford Next, our $500 million expense-saving program, will help overall margins, particularly on the expense side. Yes, lower for longer is going to be a little bit of a headwind, but again, I think it's manageable with our investment capabilities. We're not going to dial up risk in this environment, but at the margins, there's things we can continue to do to eke out 10, 15, 20 basis points of NII improvement while facing those headwinds.

So I put it all together -- and plus, obviously, we're sitting on excess capital today that we'll talk about. But when I put it all together, I think over the next 2 years, a 12% anchor point on ROE is very realistic for us and doable.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. I want to dive into -- maybe a little deeper into COVID, which you've gotten a lot of questions on over the last couple of quarters or a little more now. Maybe if we start with...

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

You've contributed to those questions on our earnings calls, Yaron.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Yes, yes, guilty as charged.

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

You really have, yes.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Yes and tried to offer some answers as well. I don't know if they're right, but I tried.

I guess if we start with maybe a broader view, not a Hartford view. I think some of the earlier estimates around COVID losses were, call it, in the $100 billion range, a little more, a little less. I think what we've seen to date has been closer to the mid-20s for the industry.

Do you think that we just got the numbers really, really wrong? Or do you think that there's still a lot of catch-up in terms of the losses that are still coming through the system?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Well, it's just hard for me to, say, speculate. I mean I could tell you my instincts, it's a little heavy. But again, there's different terms and conditions and policy wording in different countries and around the world.

I mean you could see the litigation that is happening in various different forums. And that's why we say not all litigation is created equal, right, just because there might be higher case counts. In our particular case, you can have one litigation involving one client that is pretty material and pretty significant.

So I can't speculate on what the final tally is going to be, but obviously, it's a big shock. And we're still living through it quite honestly. The second wave, I think we all need to be very thoughtful about activities. And some of these liability exposures, some of the disputes that are going to inevitably need to be resolved in courts will take some time to play out, Yaron.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Right. And so speaking of that last point. So I think over the last few months, we've seen a few developments. One, I think the multi-district litigation -- I think ultimately, the courts sided with the industry. They're not forming these MDLs.

On the other hand, we're starting to see, maybe at the state level, a few court decisions that are putting together some suits on the business interruption side specifically and even a couple of early cases now where courts have actually sided with the plaintiffs on business interruption. Has -- have your views on business interruption and potential exposure changed as we've seen these developments from the courts?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

No, not at all. I think it's playing out as -- pretty much as we thought, there'd be early wins and disputes. There might be on a state basis -- the state court system was probably our biggest concern in certain jurisdictions. But as we reviewed and as we've shared with investors and analysts, we've done an exhaustive review ground up of all our policy forms. We feel very good about how we've constructed it, and we feel very good about the direct physical loss requirement. We have contaminants and pollution exclusions. We also have then the virus that sort of wraps around -- the virus exclusion that wraps around all that.

I think our language is clear, is unambiguous. And it's just going to take some time in the court system. But I don't keep track it like a baseball score, but I think it's been 80-20, at least in my judgment, that 80% of the decisions have generally gone the industry's ways and 20% maybe have not and that there are going to be further appeals and further debate and motions to ultimately dismiss, hopefully, a lot of these claims.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Got it. And one question coming in from the audience on this specifically is, as you head into -- as you renew policies over the course of the last few months, have you added additional exclusions or tighter language around business interruption?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Yes. There -- yes, totally. In all our lines of business, we've tightened up terms and conditions where it needed to be tightened up, provided additional clarity. So as we head into a second wave here, we don't think we will have any increased exposure.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. And then on the flip side of the corporate loss, there's also the nominals, right, of decreased utilization and how it impacts kind of everything else, if you will, the people who are not in stores, not in restaurants, not going into work. How is that impacting the loss ratios? What impact do you think it may have on the intermediate- or longer-term loss trend?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Yes. Those are things that I'm going to turn to Beth in a minute as the reserving function and actuarial function reports to her. But you're right, there's a lot of moving parts in establishing loss picks, loss ratios, year-end judgments. I think we've been very thorough and thoughtful on that. We've been through most of it. Beth has taken me through with the actuaries and Doug.

So I think we got our arms around everything. And I'll let her explain. But I think we've been pretty transparent of what our direct COVID losses have been, where we put up, I'll call it, loss dollars, whether it be on comp, whether it be on surety, E&O, D&O, our expense for litigation reserves. But then we've also been equally clear that we have taken some frequency benefits for exact -- in comp for exactly the reasons that you've talked about, slower economic activity, people working from home.

And we felt that there were real frequency benefits this year. We also obviously reflected some frequency benefits in Personal Lines. But by and large, that was the only, I'll call it, frequency benefits that we took during this COVID period.

But Beth, what would you add?

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

Yes. No, that's correct. So obviously, on the comp side, we have seen reduced counts from a non-COVID perspective, and we reacted to that. We are watching closely though the severity side of comp, so taking into consideration the fact that with some of the shutdowns and people's reluctance to go to doctors' offices and things like that, you can see extension sometimes. So we've taken that into consideration in our overall loss picks, and we feel very good from a comp perspective of where we stand.

And then as Chris mentioned, on the personal auto side, definitely have seen decreases there, which we reacted to. We did provide rebates to customers in the second quarter to reflect some of that. But those are really the 2 primary areas where we've made sort of an explicit judgment to reduce kind of our initial picks from the beginning of the year because of those frequency trends.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. That's helpful. And then, Chris, I guess, returning to one of your opening comments, and Beth, I'd love to hear your thoughts from a reserving perspective as well, low interest rates.

So I've heard many times the argument of, "We're in a lower interest rate environment. We've set lower. Therefore, we need to get more price to offset the loss [in IRR] essentially." But I feel like, over the last 30 years, we've been in a pretty continuous bull bond market, and we haven't seen that play out in terms of P&C pricing or reserve picks for that matter.

Why would this time be different? Or what's changed?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Yes. I would -- I'd poke at your thesis just a little bit. I mean I can remember the days 20 years ago. I mean you could feel good about running comp at 101, 102 and make some money off float. I mean you can't run comp today at 101, 102, 103 and make anywhere near adequate returns.

I think -- we also debate returns in relation to our cost of equity capital and what is an appropriate long-term spread to try to target. So as rates do come down, interest rates, that, theoretically, does lower your cost of equity capital. So it's not necessarily dollar for dollar.

But directionally, I still believe that we're going to have to raise rates to earn any semblance of a good return on capital, just given sheer magnitude of the declines, right? If you look at the 10-year compared to just a year ago, it's probably down 125 basis points. It's trading at 91 or 92 these days. I mean that's a meaningful difference that will have to be reflected in rate increases in my judgment, Yaron.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. And Beth, anything you could add from a reserving perspective, how you factor in a low interest rate environment?

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

Well, again, from a reserving perspective, we're looking more at loss cost, right? So the fact that you can earn investment income because we're not discounting our reserves isn't really going to impact our loss pick. But to Chris' point, we look kind of all in when we're doing our pricing models to make sure that we believe we can make an adequate return over time.

I think the other thing, too, that's happened over this period of time is you have seen loss cost trends in some lines like comp trending down. So I think that, that sometimes has had kind of an impact relative to maybe not seeing what's full impact of low rates. But I agree with Chris. Given the size of the decline and how quickly it has happened, I do think that you'll see it work its way into pricing over time.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. And then, again, going back to the opening comments, social inflation and maybe tying it to loss trends as well, loss cost trends. I would imagine that trying to figure out loss trends in this environment is nearly impossible just given the volatility and the shutdowns and whatnot.

How do you go about it -- or how have you gone about it in 2020? And have you seen any changes in what we call social inflation, considering that courts have been shut down for part of this period and we haven't seen as much economic activity? How are you thinking about those?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Yes. So again, I'll let Beth add her commentary, too. I mean social inflation is a broad term, right, for elevated claim judgments, usually coming out of courts or settlements. There's elements of just inflation that is creeping into damages at a fairly alarming rate.

Some of it could be current activity. Some of it could be like the reviver statutes in various states, where, again, people are actually harmed due to physical or sexual abuse. So that has then a cumulative effect of -- wasn't in loss cost years ago, I could tell you that. So there's current trends, there's catch-up matters, and it's just sort of a reality of where you're at.

But we try to make our best estimates, again, by line of business. I think the more challenged lines are obviously the excess casualty or the retail umbrella lines, where, again, we're upper single digits to low digits on some of the loss cost trend picks there. The trick there is to be stable and consistent over a longer period of time and look for trends because, as you know, 1 or 2 years does not make a trend.

Even in COVID, as Beth said, there might be slowdown in judgments or court decisions or people seeking appropriate medical attention, which creates then larger problems down the road. But I think our team is very thoughtful in looking at all aspects of what goes into loss cost trends, frequencies, severity, everything. And I believe we've been very thoughtful over the years in how we pick trend.

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

Yes. And the only thing I'd add is that -- on the specific comment on social inflation and recent trends, given the fact that courts have been shut down and so forth, is we take that all into consideration and not sort of overusing kind of a current trend to say that's the new long-term trend. And we try and balance that as we make our loss picks. And that's why we don't usually come off of our initial picks until time has really transpired and they've seasoned so that we can really see activity because you can always have distortions.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Right. And maybe that's a good segue to my next question. So industry is seeing more considerable rate today. Some are seeing rate over trend. And now we're turning into a rate over rate -- or rate on rate over trend. And yet, we haven't seen a lot of that actually come through the loss picks yet or lower loss ratios.

I'm not necessarily asking for a date in which we should expect to see that. But in terms of kind of recognizing good news later, what kind of guideposts are you looking for? How much maturity are you looking for before you feel confident in releasing some of that or resetting?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

I'll let Beth add her points of view, but she said it. It's the word we use around the office quite a bit. It's just season in time. These are long-duration policies and liabilities. You could put up 90% IBNR in sort of the current calendar year for the most recent accident year. So it takes time.

I wouldn't say there's a formula. There isn't a guidepost. I mean it's guided by data, historical trends, are you getting more or less claim counts coming in, settlement patterns. But generally, on these casualty lines, it's a minimum, in my judgment, 3 to 5 before you get real good indicators of how things are going to develop long term.

Beth, would you add anything?

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

No, I -- yes, I agree with that. I mean sometimes you'll see the frequency probably, maybe sometimes a little sooner than the severity, and you try and balance that relative to the overall loss pick that we made. But we typically don't come off of our initial estimates unless we see something to the negative. Obviously, you tend to respond to things that are going against some of your judgments than the other way.

And we look at this stuff every quarter. We look at our claim activity every month, and all that helps to form our judgments of just understanding what's happening in our book of business.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. And actually, switch gears to the personal P&C side. So we've seen the company really improve the loss ratio over 4 years preceding COVID, but on the top line, we're seeing kind of the sustained pressure.

When do you think that, that inflects? And what actions are you taking to get there?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Yes. As -- so I think we addressed a question you had on the call, what are we doing with Personal Lines. And we talked about -- remember, this is 90% of AARP book of business. We did extend our AARP relationship 10 years. The new contract runs through, I believe, 1/1/33.

We are investing in a new platform, new chassis to administer products by Duck Creek. We're rebuilding home and auto products. We're changing terms and conditions. We're going to 6-month auto policies, really modernizing the program to really -- the 2 organizations, AARP and The Hartford, are committed to being more of a relevant player.

And a lot of our growth dynamics were just the way our products were designed, particularly with lifetime continuity agreements. We had to be very, very cautious of who got that on day 1 because, in essence, we made a potential lifetime commitment to someone. So I think, again, with a more modern product, with better data and analytics to support our underwriting judgments and how we refresh those data analytics with 6-month policies, I think, will all lead to higher and faster growth.

But clearly, the next 2 years, '21 and '22, we're sort of in that transition period, that flux period. So I think we could be flattish to slightly up over that period of time, but it's going to really take until we're in all 50 states with our new product set, which happens by the end of '22. So '23 sets up for more of a growth story than the next 2 years.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Okay. So we're running out of time. I do want to touch on 2 other things: one being The Hartford Next initiative; and the other, capital management.

So if we start with Hartford Next, $500 million of cost saves that you're targeting. Can you maybe talk about the key buckets where the cost saves are going to be extracted from? And maybe on the other side of it, it's not just about the cost saves, it's also about investment in the platform and digitalization and helping growth. Maybe we can talk about that a little bit as well.

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

Yes. So I'll start.

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

Beth, do you want to -- yes.

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

Yes, I'll start on that. So yes, our Hartford Next initiative that we launched this year, we're on track to save $500 million in 2022, kind of based on our 2019 starting point. And it really is across all areas of the company.

It is a company-wide initiative. So there's things that we're doing in our operation centers, from an IT perspective, how we contract with vendors. Our -- claims is a component of this as well and really looking to maximize our use of technology and so forth.

So it really is all-encompassing. There's over 600 initiatives that are tracked by the team on a weekly basis. And feel very good going into 2021 with what we've laid out because we said that by 2021, we would have saved $300 million of the $500 million, and we are on track to do that.

So a component of it, as you referenced, is being able to expand the use of digital techniques, and we're seeing more pickup there. Chris alluded to that earlier. And we think in the end, this isn't just about saving costs. It's also going to better the experience for our customers, which we think, obviously, is really important in this day and age.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

So then my final question, buybacks. So you -- we haven't seen buybacks from the company the last couple of quarters. It seems like you're generating a lot of capital today. You're confident in the 12% ROE, not that worried about business interruption. It seems like the market is somewhat worried about potential losses. Would it be a very strong signal to the market if you resume buybacks just in terms of confidence in the balance sheet and in your position?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

I would frame it in a slightly different way. What I would share, Yaron, is what is our priorities for capital and how does that then match up to the operating environment that we're in today. So we've always talked about investing in our businesses, as Beth said, whether it be for greater efficiency, technology that we need, security, growth.

And we've been pretty aggressive, I think appropriately so, in building out and improving the chassis, our core capabilities, our digital footprint for the future, and we're going to continue to do that. Obviously, in the environment, as you alluded to, we want to make sure that our businesses could grow and take advantage of those opportunities in the marketplace.

I think also, if you look then at priorities, we've had a capital -- a philosophy of always increasing our dividend in relation to growing earnings. Again, if you look over the last 10 years, I think we've been able to grow our earnings base so that we have a good healthy dividend in relation to earnings, particularly GAAP and statutory earnings.

Third, we've always said, if we don't -- can't put to good use and earn acceptable returns, IRRs, we'll return excess capital to shareholders. And we've done that periodically over the last 6 or 7 years. You've seen the trend. I think we've been balanced during that period of time. We also paid down a lot of debt as we were rightsizing the balance sheet and ultimately exiting Talcott. So we used a lot of excess capital to rightsize the balance sheet and return capital to shareholders. And that continues to be a valid thought priority for us today.

So as we've talked about, it's the time of the year where we finalize plans. We have meetings, discussions. We typically give our driver guidance in February. So between now and February, we'll have a lot to communicate. And I'm just asking you to be just a little patient.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

All right. Well, I do look forward to February, I guess. Any closing comments before we end?

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

No. It's always -- again, great being with you. Thank you for your time and attention. But I'll stop and end where we started.

I think our next 3 years are going to be just fantastic. Again, the cumulation of a lot of great work by the team, our talented teammates across the country, the improvements we've made in the platform. The businesses we're in, I think, Yaron, are the right businesses long term to be in to earn superior returns out of those profit pools.

We're executing well. We're a team that sets high goals and high standards, and I think we're performing. So the environment the next 3 years, I think, will allow us to continue to perform at a very, very high level. And I'm the most excited I've been in my 11 years with The Hartford over the next 3 years.

So we've seen a lot, we've done a lot, as I say. But now is the time to sort of harvest all the hard work, all the gains, all the strategic moves we've made, and I really believe that's what we're in now. There's no more things to fix. There's only things to grow and get better at.

Yaron Joseph Kinar - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Great. I look forward to seeing that. Thank you, both Chris and Beth, for your time and thoughts. Take care.

Beth A. Costello - *The Hartford Financial Services Group, Inc. - Executive VP & CFO*

See you later.

Christopher Jerome Swift - *The Hartford Financial Services Group, Inc. - Chairman & CEO*

See you later.

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