S&P Global
Market Intelligence

The Hartford Financial Services Group, Inc.

NYSE:HIG

Company Conference Presentation

Tuesday, December 07, 2021 1:30 PM GMT

COPYRIGHT © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved

Table of Contents

Call Participants 3

Presentation 4

Question and Answer 5

COPYRIGHT © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved

Call Participants

EXECUTIVES

Beth A. Costello
Executive VP & CFO

Christopher Jerome Swift
Chairman & CEO

ANALYSTS

Alexander Scott
Goldman Sachs Group, Inc., Research Division

ATTENDEES

Unknown Attendee

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Presentation

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Thanks, everybody, for joining us. It's great to be in person with you all, and thank you to everybody that's joined us virtually as well. With me today, we have Chris Swift, CEO The Hartford; and Beth Costello, CFO The Hartford. Thank you all for being with us as well. It's much appreciated. So I'm going to let Chris kick it off with some comments. And then keep in mind, we will open it up for a couple of questions in the last 5 minutes. So we'll take those at the end.

Christopher Jerome Swift
Chairman & CEO

It's great to be here. Thank you for inviting us. I don't think I've been here in 2 years. So it's a pleasure to get back to 200 West Street. The Hartford has been performing very, very well. We're living through a unique period of time, but I'm really pleased and proud of the way the organization has performed, has grown and has generated, I think, great value and returns for shareholders.
So we've talked to all our shareholders quite a bit during the year. I don't have any new news or new information for you. But again, just pleased with how we're executing our strategies and how really 10 years of effort to transform the organization is really coming together to prove that the better days of The Hartford are still ahead of us. So happy to take your questions, Alex.

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Question and Answer

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Great. So maybe the first one, I'll start with, it's just a higher-level question about the commercial insurance market. I'd just be interested in your views of sort of the state of that market and the pricing environment and where you see the opportunities.

Christopher Jerome Swift
Chairman & CEO

The commercial market, it's a big market. So there's a lot of aspects of commercial insurance where we deploy capital and opportunities, small commercial, middle, large and global specialty. And on balance, I think all of them are performing very well. Clearly, we're living through a hard market, a rate environment that I think is going to continue to allow us to get good price into our products.

And that's principally because if you look at the environment, whether it be the changing weather patterns, whether it be inflationary pressures, whether it be supply chain, whether it be just more adverse weather, particularly in property. I think all that leads me to believe that the market has legs as far as pricing increases, exceeding our loss cost trends for sure into '22, and I think potentially to '23.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Maybe if we just go to the growth of premiums. I think in recent quarters, it's exceeded the renewal price increases pretty substantially as we've gotten the rebound in the economy. I'd just be interested in where we go from here in terms of the amount of exposure units that's beginning to earn into the business and where you see that over the next year?

Christopher Jerome Swift
Chairman & CEO

Yes. Well, I think the context of it is, obviously, we've lived through 22 months of a pandemic. And when the pandemic hit, we felt it in our top line. There's no doubt about it. Particularly in small commercial, where we had a lot of cancellations, endorsements and exposures just shrink. Less so in middle, but I would say middle market also experienced some form of modest contraction.

So it's not surprising to us that given the rebound, particularly this year, we're seeing exposure growth come back. And that could be primarily, I would say, in our workers' compensation line of business where we have fuller payrolls. Wages are increasing. Audit premiums and endorsements are coming back on, which all has greatly benefited our top line. If I look at Small Commercial, written premiums up 14% roughly in the quarter to over $1 billion.

We believe we're going to break through the $4 billion annual premium level, which is pretty good from a growth story. But again, that is comp driven, but it's also Spectrum driven. Our new business volumes are up 26%, driven by Spectrum. We think is the industry-leading BOP, business owner's policy product. Retentions are strong. Renewal rate increases are moderate, but again, keeping up with trend. So in small, it's our crown jewel, and it's performing very, very well.

And middle, middle in the quarter total written premium was up 18%. And if you really looked at sort of the drivers, new business was up 26% during the quarter. So all of that is sort of a compounding effect that really drives written premium growth. Likewise, in Global Specialty. I think we were up about 14% in total written premium in the quarter. But again, strong retentions, new business growth are really powered by our wholesale channel and our D&O product line there. So I really feel good about it.

In aggregate, I think commercial insurance will grow about 11% for the full calendar year. We're anticipating that. That's a little ahead of our forecast. And I would say roughly that 11% is half exposure growth and half rate would be sort of a good rule of thumb. So -- and we look forward, we see growth continuing in that 4% to 5% range, which would have a compounding effect or a CAGR over a 2-year period of time of about 7.5%. So really feel good about the overall segment performances in the commercial business sales.

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

So I thought maybe we could -- you mentioned workers' compensation. I thought maybe we could spend a moment there. Can you talk about sort of the positives and negatives there? I think you guys have talked about booking loss costs at 5% of your reserves. And I think there's probably a lot of things to feel good about with just the quality of those reserves and the strength that's there on the business you've read and at the same time, I think the price versus loss cost trend is not what it is in some other lines of commercial insurance at the moment. And so just help us think through some of those positives and negatives. And if there's anything we should be thinking about as we look at underlying loss ratios.

Christopher Jerome Swift
Chairman & CEO

Yes, we talk internally. The pricing environment is sort of a function of the past, right? The past was good. So when regulators look at your filings and loss trends, obviously, they're rolling back rate. I think the key messages there I would share with the group here this morning is we have deep expertise in managing different cycles in the workers' compensation environment. And it is true that the pricing environment is under pressure. It was under pressure last year, meaning '21, and we see it continuing under pressure in '22.

But when I say that, you got to break it down. Small Commercial it's more, I would say, structured. So we don't have that much flexibility in Small Commercial. There's some with class plans and [Audio Gap] approach customers with quotes. But generally, it's -- you got to file your plan. In the middle market, we just have greater flexibility as far as the ultimate price we present to a larger customer in middle market.

And again, history shows, we've been able to manage, I think, to good outcomes where we trade-off new business. We trade-off rate and retention management [Audio Gap] plan it in a consistent fashion. So those are all the components and raw skills that we have internally that we'll continue to deploy. You alluded about the balance sheet and why we feel really good about the balance sheet is that we make, I would say, appropriate loss picks for frequency and severity, both indemnity and medical.

And we hold ourselves to that, both on a pricing side and the reserving side. And if medical inflation is running hot, we have enough price and reserves up on the balance sheet. If it's running more lukewarm where it is these days. Obviously, we have the potential to build up some redundancies and release that as that seasons from a severity side. I don't know if you want to add anything else, Beth.

Beth A. Costello
Executive VP & CFO

The only thing I would add, and I think it's always important when we talk about workers' comp because we do get the question a lot is -- and Chris alluded to this, is we're starting from a position of -- it's a very profitable line for us. And so yes, on the margin, there's a bit of margin compression that we might see. But we still like the levels that we're writing at. And all of that is contemplated in the outlook that we provided. So I know people tend to want to go and dissect that piece and sometimes, I think, read into that more of a negative. And I think should [Audio Gap] because it is a very profitable line. And as Chris said, we've been at this for a long time. We know how to...

Alexander Scott
Goldman Sachs Group, Inc., Research Division

The next thing I thought I'd ask you about is just in the Small Commercial business. I think results have been pretty favorable and quite consistent over time there. And I guess, I'd just be interested in hearing about some of the competitive advantages you feel like you have to drive that success. How do you win in the market in that business?

Christopher Jerome Swift
Chairman & CEO

Yes. I think Stephanie Bush, who leads that business for us, covered it very well in Investor Day. So I wish I could press play and just -- you could hear her talk as opposed to me, but I'll summarize what her belief is, because she's the principal architect of the strategy over the last 5 years. It comes down to product and our digital capabilities.

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

In other words, how we service our agent customers and then ultimately the retail [Audio Gap] customer. Our product sets are deep, particularly [Audio Gap] the overall package of capabilities we have to face off with agents, face off with payroll companies, alternative distribution or even our direct distribution capabilities all comes down to the product and that digital experience.

Equally though, is important, I think, is the quoting experience. The agents or other intermediaries have with us, we call that our ICON platform. Industry-leading based on just years and years of data and analytics that just drives a fast, easy and intuitive process particularly with Spectrum redesigned. I would encourage you to explore the website because you could do it on our website, but you could see sort of the Amazon-like interface of good, better or best. Other endorsements you might want to add to a basic policy and package. It's actually very, very modern.

So you put that then together with claims, our claims capabilities, particularly in comp and GL are unparalleled, I think, in the industry, particularly in small and it all works to come together. But the fabric of that is ultimately all based on data and analytics. We see about 1 million quotes a year. So how we process that, how we're able to do it with speed, accuracy and deliver a firm quote online, where you don't have to be referred to a person underwriting, I mean, you could just close out and hit issue.

So I think that consistency, what's expected from an agent or a customer experience very in tuned with. And really what I'm trying to say, Alex, it's just not one thing. It's the whole package and how it comes together. And as I said, I expect about $4 billion of premium, and we'll begin to thinking about sort of the future and how do we get to $5 billion in -- over the years. So it will be an important growth driver for us in the future.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

The next one I have for you is on just the courts reopening. I'd be interested if there's anything you can share in terms of the color you're getting as courts reopen, and I think everybody is focused on social inflation and what that all tells us about those trends. Any color you can provide?

Christopher Jerome Swift
Chairman & CEO

Yes. It's a challenging topic. I'm going to refrain from any lawyer jokes or the [Audio Gap] pandemic. Clearly, there was a slowdown but not stoppage, but a slowdown in activity. I think the courts went virtual and there was a lot of activities over WebEx and things like that. I think the key in this area is really deeply understanding your loss cost, both on an attritional basis and what then could happen from a higher exposure.

The context for us, though, is -- and particularly our standard commercial lines of business, which is small and middle. Generally, our general liability and auto liability policy limits are in that $2 million to $3 million range. So we don't have a lot of primary exposure. We do write some excess policies, particularly with some of the new capabilities we've built. But even those excess capabilities have some significant reinsurance that would limit sort of per risk or per event type of exposures.

But the key, at least in my mind, is getting the rate you need in that general liability book, the commercial auto liability book to keep up with trend. I feel good about where we're at today and what we've accomplished over the last 3 years. But I was just down in Houston last week with some agents and really implored them to understand that we need to keep up with trend better, and we can't afford this sort of wild swings. We'd rather be more consistent and that consistent mindset to me means you need to get 6 to 8 to 9 points of rate in a general liability book to keep up with that inflationary pressure, we call social inflation.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. Maybe shifting over to the personal lines business. Just given the unique aspect of it and the relationship with AARP. Can you talk about the severity and frequency trends and what you're seeing there? And just sort of the update on how you're planning to sort of restore profitability of the product?

Christopher Jerome Swift
Chairman & CEO

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Yes. I would say profitability has been in decent shape, and I'll explain why. So I don't view it as a complete restoration. I view it as keeping up with some of the recent trends that are emerging with supply chain and broad-based inflation. But I think the larger context is, look, our personal lines business is 90% AARP based. And what do I mean by that? We enjoy a 30-year endorsement as the exclusive home and auto provider for AARP members.

I think historically, and even today, we know how to market to the AARP membership base. We know how to present a value proposition that AARP members enjoy. And with our new contractual relationship where we renewed our contract for 10 years, we really modernized a lot of components of the program that really need modernizing. I think that the classic one that comes to mind is old contract, old products were 12 months with guaranteed renewability, not price, but guaranteed renewability or we call that the lifetime continuity agreement both on auto and home.

And really, what that meant, the way we needed to operate was very cautious of who we led in the front door in a sense, because we knew we had to provide them at least a quote on a renewal basis every 12 months. And it's different than some of our other, I'll call it, mass market competitors where they had 6 months policies. And quite honestly, they could prune their book quicker and faster than we could.

So again, we've modernized that. We're modernizing it with a digital chassis. 64% of AARP members start their experience with us online. So digital is more and more important, particularly as we target the 50- to 65-year-olds, where they might have uses at homes along those lines. And then lastly, we're overlaying advanced telematics. It's ultimately helping the underwriting and basically policyholder behavior.

So we feel good that all the pieces are coming together to really modernize and transform that product line because, again, it's not a mass market. It's a targeted market. I think it's more efficient the way we go-to-market and how we get customers to quote and then ultimately find. And we still like that segment because long term, I think it will continue to outperform the mass market.

I think the point that you mentioned on profitability is, clearly, there are inflationary pressures that are affecting both the home and auto marketplace. I think in our particular case, we're starting from a stronger position because we did less discounting during the pandemic. We did 115% rebate early on in the pandemic, and we didn't do anything beyond that. We didn't discount heavily on new business. We didn't discount heavily on the in-force, on renewal.

And if you look at the trends over the last 6 or 8 quarters, we've been able to get 2 to 3, 4 points of rate into the auto book. So that, again, our starting point, I wouldn't say is rate adequate, just given the inflationary pressures, but it is closer to rate adequate than we think a lot of our competitors. Nonetheless, we're going to have to go after rate fairly meaningfully in 2022 in auto and home. We had some inflationary indexes built into some of our products, particularly home and a little bit in auto in certain states. So there's some built-in relief, rate pressure from an indexing side, but it will still be an effort to make sure we're keeping up with loss cost trends in all our major states.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Maybe shifting gears over to the group business. There were a lot of questions on your call around the mortality trends and the IBNR that was booked. I'd just be interested if there's any update yet for us there.

Christopher Jerome Swift
Chairman & CEO

You're discussing mortality. My favorite topic.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Unfortunately. Unfortunately, we asked you.

Christopher Jerome Swift
Chairman & CEO

No, it's real. That said, look, as I said repeatedly, there is nothing structurally wrong with the Group Benefits business, except we're still in a pandemic, and we need to -- just to manage it the best way we can. But again, the structural soundness, I think has never been better, and I'll share why. I think the punch line on mortality is -- and I think I said it

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

in the earnings call and maybe our Investor Day, but predicting mortality sort of an expected to actual basis where you usually track your expected mortality, deaths and what actually emerges from various causes has been never more challenging than it is the last 20 months, and it's not getting any easier.

So as we sit here today, everyone is talking about, I don't know how you say it, I call it Omicron. What's going to happen with Delta, how many vaccinations can people still really be encouraged to get to protect the society in general. And those are all the debates that I think are going to continue in the next couple of quarters.

That said, I'll give you 2 updates and data points. Our third quarter IBNR estimates continue to hold. So I think we made the right judgments, particularly led by Beth and her actuarial team in the third quarter and those are holding. As we look into the fourth quarter, there's a wide range of outcomes. So I just have to say a wide range. And I'll try to narrow it to where I think it's the tightest. I'll give you the data sets and the points that we're seeing to help shape that numbers.

But bottom line, where we stand right today where we're seeing October results, we've seen November results. November is really immature because it's generally, Beth, I would say there's a 2- to 4-week reporting lag. So November is immature. October is more mature. But the punchline is we see for the quarter, about $150 million to $190 million pretax losses due to mortality. That is based on a point estimate of 110,000 U.S. deaths. From that U.S. COVID deaths, we add in a factor for non-COVID deaths excess mortality due to non-COVID. And we put those 2 numbers together, and that's how we come up with that range. So -- and I think I've said before, Alex, just to anticipate your question on 2022, we'll give you our point of view in 2022 in February when we report year-end results and update our drivers. Beth, would you add anything?

Beth A. Costello
Executive VP & CFO

No. I think you covered on all the points and implicit in that is we are seeing when we look at October numbers coming down from the peaks that we saw in August and September. And as Chris said, November is early. So there's a lot of estimation that goes into all that. And obviously, we'll look at actual results right through the end of the year and a little bit beyond that to make our final judgment for the quarter.

Christopher Jerome Swift
Chairman & CEO

I'll give you 2 other data points, just in case you're interested and if you want to encourage loved ones or family members to think about vaccines. This is primarily our death claims since really the second quarter, 90% of the dollars are going to people below 65% and the majority unvaccinated. It's -- there's tools, and we feel good about where things are going, particularly with vaccinations and therapeutics and things like that, but a lot of this could have been avoided.

As Beth said, we are seeing declines. I think the data I gave you in prior public forms was we're seeing about a 25% to 30% decline from our August and September levels. At point -- the midrange of that point estimate compared to our total third quarter losses could be about a 27% decline in total losses third quarter to fourth quarter, if those estimates hold. So trending the right way. But as we said before, it's probably another quarter or 2 before this really lightens up significantly.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Thanks for the comments. I guess the next one I have a few is on Navigators. Can you provide an update on that business? How it's performing? And maybe also, just any comments you can make on the reserves and the adverse development cover that's there.

Christopher Jerome Swift
Chairman & CEO

Beth, if I talk about the deal and you talk about the ADC. So in total, I'm ecstatic with the Navigators deal. I thought it was a great cultural fit, great talent that we picked up. We picked up additional distribution primarily in wholesale. And we picked up additional product sets, and particularly environmental, excess casualty, additional strength in E&L, in our D&L.

And after 2, 2.5 years of integration, I think we're in great shape, evidenced by the numbers and the strong growth that we're seeing and the profit improvement that we've made in this book of business. In terms of, I'll call it, just the deal metrics, we're outperforming our overall deal metrics, whether it be cross-sell, whether it be expense savings, whether it

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

be profitability. And then ultimately through the end of '22, we're on track to achieve double digits ROEs, which again are better than our deal metric assumptions heading into it.

So I think it's fitting well. I think we're respecting the wholesale distribution, which is an important channel. It's about a $1 billion book of business. And then the teams are just really working well with a quarterback mentality to basically account round to bring more specialty products into the equation, to be given opportunities to talk to our agents and brokers about how we can make their life easier when we offer them more products. Again, down in Houston with our agents and brokers have received great feedback as far as what is happening on an overall account basis with our package capabilities and then adding in all the specialty capabilities that we've built and/or acquired through Navigators. So really, really pleased with the acquisition. Beth?

Beth A. Costello
Executive VP & CFO

Yes. I totally agree. And on a specific question on the ADC. We purchased the ADC upon the acquisition because we knew and felt that there was potential for adverse development in some of those lines, and we have experienced that. We're almost through the ADC that we purchased. And again, stepping back from it, when I put the reserves of Navigators and kind of in context of the whole Hartford is really becoming a smaller piece. But there, obviously, has been some volatility there. We continue to do very thorough reserve reviews every quarter. And our practice is if we see something, we'll react to it. But very happy that we purchased the ADC initially.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

So next one I have for you is on the mutual funds business. I think, in my view, this is a business where scale does matter quite a bit. And I think we get the question frequently, is there a need to either make a decision to buy and build around it or to potentially sell it to somebody that has more scale? I mean I'd just be interested in your reaction to that, any comments you have around how core it is and you need to take any action there?

Christopher Jerome Swift
Chairman & CEO

You want to tag team?

Beth A. Costello
Executive VP & CFO

Sure.

Christopher Jerome Swift
Chairman & CEO

Yes. It's a business that I would say has scaled today. It basically has about $150 billion of AUM. Primarily retail mutual fund AUM, sub-advised by Schroders and Wellington. Our distribution is through distribution channels. So we're focused, I think, where we have strength, particularly with the independent advisers, the wirehouses and then 401(k) plans.

As far as how we think about the investment, I'll give you a couple of data points. One, 10 years ago, that business was making about 90 -- had about $90 million of after-tax profits. And I would say 50% of it came from Talcott or the old life and annuity operations of The Hartford. Today, it's going to make over $200 million by the end of this year and 10% of its assets or AUM is, call it, Talcott related.

So it has really been able to grow dramatically, both core equity, active, passive and then fixed income capabilities. It's our highest ROE business. We get a strong dividend from it. It's growing. It's relevant. It's type of investments that we like to hold for the long term, Beth.

Beth A. Costello
Executive VP & CFO

Yes. And I think it's important to just remember, it is a unique model. So I think sometimes when we're asked about scale and people look at the AUM, they're just comparing that to a large mutual fund compass. This is very different. This is really, as Chris said, more about the distribution where the product origination coming from Wellington and Schroder.

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

So just really pleased with the trajectory that it's been on that we just had a review with the team there and their plans going forward. And as Chris said, it produces a very good return for us and provides cash flow to the holding company. And the other thing, too, I would like to point out is it's not a distraction either, right? It is a self-contained group. It's not using a lot of our time like other businesses that we had that were noncore that took up a lot of our time. This is very different from that and runs very differently.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

So we have a few minutes left. Are there any questions that we could take from the audience?

Unknown Attendee

Yes. Just curious in your group disability book, what your thoughts are on possible paid family leave and how that might -- regulation that might change the market that you're looking at there?

Christopher Jerome Swift
Chairman & CEO

Can't heard the question.

Beth A. Costello
Executive VP & CFO

I can't.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

Can you say it one more time?

Unknown Attendee

In your group disability book, how might changes to paid family leave regulation change the market?

Christopher Jerome Swift
Chairman & CEO

Yes. Yes. I think the debate on D.C., the way we follow it is it's back and forth. It's in right now, but certain senators, I think, led by Manchin of West Virginia, I think are trying to take it out. We, through our trade group, have been obviously pointing to private market solutions as opposed to government solutions. I think they're sensitive to that, but I don't know how it's going to come out, honestly. If I had to handicap it, I would handicap it as coming out and not part of the package and let, again, the private market or state-based solutions continue to grow and develop from there. That's where I would handicap it right now.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

And do we have any other quick questions? Otherwise, we can wrap things up. We're getting more here.

Unknown Attendee

You mentioned that actual versus expected mortality right now felt like it was harder to predict than any time in history and it feels like over the medium term, that might be the same case. I wonder if you could -- does that feed back into a pricing opportunity all over time and the competitiveness of that market?

Christopher Jerome Swift
Chairman & CEO

Yes. It needs to be. So yes, I think what we've experienced, particularly the length of it -- if a pandemic sort of morphs into a epidemic and just mortality is elevated for the foreseeable future, we're going to have to start to take pricing actions, and we're studying and developing our points of view right now, particularly for the 1123 renewals or new business opportunities.

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

And that would both be life, it would be leave based on the number of claims that we're getting in on a leave management basis and STD. So yes, that is front and center. And we'll have to see what the -- how the broad-based market views it. If we're the only one having those views, that would be challenging for us to execute in the marketplace. But given the broad-based nature of mortality affecting most of the life insurance industry, I'm sure our good competitors are also studying it wisely also.

Alexander Scott
Goldman Sachs Group, Inc., Research Division

All right. Well, we will leave it there. Thank you very much.

Christopher Jerome Swift
Chairman & CEO
Thank you for having us.

Copyright © 2021 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Copyright © 2021 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.
© 2021 S&P Global Market Intelligence.