S&P Global
Market Intelligence

The Hartford Financial Services Group, Inc.

NYSE:HIG

Company Conference Presentation

Wednesday, December 6, 2023 1:00 PM GMT

COPYRIGHT © 2023 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 © 2023 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

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Presentation

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division
All right. We'll go ahead and jump into the first session of the day here. First, I'd like to say thank you for being with us. I have Chris Swift, CEO of Hartford; and Beth Costello. Very much appreciated.

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Question and Answer

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

So I wanted to kick it off with a broad strategy update-type question. And it's been a little while since your last Investor Day. So if you could just remind us of some of your key strategic objectives. And maybe even more specifically, some of the things that you're most focused on as we think through the next 12 to 18 months.

Christopher Jerome Swift
Chairman & CEO

Well, it's great to be with you. I always appreciate the invitation. Appreciate the morning slot. We get everyone fresh and perky, ready to go. So it's good to see everyone. Before I answer, I'll call it the strategic question, I'd just like to give you 3 or 4 points maybe just to consider about The Hartford.

And I would say, one, we're sort of in go mode right now. And what I mean by go mode is it's growth time. It's a good time to grow. We're not fixing anything other than, I'll call it, normal maintenance on the portfolio and staying up with trends. Personal Lines is a little bit of a different story, but our Commercial Lines and Group Benefits business is ready to go, and it is not in fix-it mode. It is in go mode, which is an important distinction given some of the pressures in the marketplace.

Second, I think we're becoming a more consistent organization with predictable results and strong returns.

Thirdly, I would say the team is execution-focused, performance-orientated, wants to compete, wants to win and has a great mindset about purpose and what we're trying to achieve over a longer period of time.

And then finally, I just think the one metric that means a lot to us and what we manage to is our ROE. It's a culmination of everything we just talked about, growth orientation, margins, expense management, capital utilization. And I'm really proud of all the components that we've been managing over many years. And I think the numbers speak for themselves. And we'll continue to maintain those stellar ROEs, I think, into the future.

So your strategic question, and I probably mentioned some of the things that I'll talk about here. But if I look at The Hartford over the years, what we've really been trying to do is broaden out our portfolio of products, services, if you want to consider that in certain businesses, to meet more of the needs and demands of customers and agents and brokers.

So the key component of that now is we have all the products and capabilities in the building, as I like to say. And now we need to work with our agents and distribution partners to do more, to capture more market share, to have more lines per account. So we have a lot of initiatives that are focused on that strategic orientation.

Second is, again, core to who we are is we're an underwriter's underwriter. That is very important to us. Even though I described it as the go time, there is still an innate discipline about us, segments of the market we participate in, segments of the market we avoid, limit management. Just what it means to be, I'll call it, a world-class underwriter over a longer period of time.

Third, I would say there is definitely still a digital, data, data science orientation that we have to be just a better customer experience organization, to do things fast, more efficiently, to be more accurate in a lot of these things. So you'll see us still focused on building data science models that we have been building, but continue to build out to be just much more of a data-driven, analytic-driven organization.

And then finally, I would say, our capital utilization is focused on growing our businesses. It's focused on having a healthy dividend and then returning excess capital to our shareholders in the form of buybacks, which, again, I think we've been pretty consistent with over a long period of time, Alex.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Great. Next, I wanted to ask on commercial insurance. Could you describe what you're seeing in terms of the landscape in that business? And just particularly around competitive pressure, we're obviously seeing fairly strong ROEs across the board for many companies. Are you starting to see that manifest itself in more competition in the marketplace?

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Christopher Jerome Swift
Chairman & CEO

Not necessarily. I mean, I would say, in general, I think it's still a great time to be in the Commercial Lines in totality, and I'll give you some data points. There's always competition. There might be always an outlier or two, but I think the market is generally rational. I think everyone understands the loss cost trends, whether it be from inflation or other forms of pressure, legal system abuse, as I like to call it, so don't get me started.

So I mean, there's a lot to be thoughtful about it and disciplined about in the marketplace. And I think generally, most thoughtful market participants get it. I mean, if you look at it, a couple of our key focus areas was growing our property book, which I'm pleased that, again, I think it's a great time to build a national property book with some of the capacity shortages.

I would say growth in pricing in small through our Spectrum product, through middle market generally has been low teens, both on growth in pricing. You get into the large commercial and the E&S, we get a little bit more growth because we're coming off a smaller base. And the pricing starts to get a little more elevated into the mid-teens or even the low 20s in certain areas.

So again, very conducive environment. I think some of our liability-focused lines of business, whether it be general liability, excess liability, umbrella; focused at different industry verticals, whether it be through our construction verticals, whether it be through life sciences or general industries, is pretty conducive to growth orientation right now. Again, with the right limits and the right discipline on underwriting.

Areas that is not a go for us is broad-based D&O, particularly public D&O. We've switched more to the management liability side or the professional liability side of some of our coverages. Still feel very bullish about what's happening in our Lloyd's Syndicate, our marine capabilities. We have a world-class energy platform in London.

So when I put it all together, there's things to avoid and go slow on, Alex, but it's still -- from a broad-based Commercial Lines perspective, it's a good time.

Comp is its own ecosystem. I don't know if you're going to ask about comp.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

No, I had no questions.

Christopher Jerome Swift
Chairman & CEO

But Beth and I could talk about comp a long time, so we'll wait for that question.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Okay. I wanted to dig into the property opportunity for growth a bit. Could you talk about the kind of price you're seeing there? And really, how do you manage around this risk of sort of the secondary peril cats that it seems some in the industry maybe think are a little more attached to climate change and so forth?

Christopher Jerome Swift
Chairman & CEO

Yes. I would say, particularly secondary perils, it's not new for us. That's our largest exposure. If I think of our cat budget for the year, 65%, 70% of our cat budget goes to tornado, hail and all the convective storm activity. So I think you've seen, at least through this year, we've actually performed very well, dramatically different than many industry participants, because we've focused on fixing some of the overexposures we had in Texas, Colorado, Oklahoma back in 2018 and '19, I think.

So we saw that. We know how to sort of manage those perils. And again, the primary strategy around property is a national property book that isn't focused on cat. But if some cat comes with it and we could get comfortable with the attritional risk, and then we think we're getting paid for the cat risk, we'll write it. And if that takes on a little bit more convective storm or wind and peak zones, we're comfortable with that because we're getting paid for it and we're under-indexed in our property book today.

I think the statistic I've used in other sessions is we probably had $2 billion of written premium in commercial property between small, middle and large. We're growing that about 25% rate this year, so it will be a healthy increase. But again, with strong pricing,

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

good terms and conditions, appropriate sub-limits. We don't throw around a lot of flood coverage, and we do it in some area, but very disciplined. And I think we'll be able to build a larger book that diversifies, obviously our workers' compensation book, does more business with our agents and brokers that were -- or property skills are needed these days. And then we have the opportunity to attach more lines more line per account long term.

And that's a key metric focus area for us because we have all the products and capabilities and underwriting skills. We've worked hard the last 5 years building out new underwriting tools, segmentation tools, risk management tools to model cat perils by peril, not in aggregate. But we got -- we basically run seven different cat models to track our cat exposure. So again, that just was part of the maturity and discipline that we had as an organization to be a true underwriter in more things than just workers' compensation.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. Before we leave the growth strategy in commercial, I did want to ask about how distribution plays into all of it. I mean, when I think about Hartford, I think about the strength of that small and medium distribution that you have. Can you talk about that and how that may help you avoid some of the more competitive pockets?

Christopher Jerome Swift
Chairman & CEO

Yes. I think we have some of the best distribution out there, long-standing, committed, aligned. They like doing business with us. And they've been with us on this journey, giving us input of things we needed to improve and fix and do to be a more relevant company in the marketplace. So where we are right now is harvest mode, really trying to make sure they understand all our products and capabilities, make sure they give us an opportunity to quote and compete for new business. So I think the alignment is strong.

Now it's different when you look at our segmentations of how we go to market between small, middle and large. Small is still predominantly 2,000 agents that probably produce 90% of our business across the country. So they tend to be smaller agencies, but not necessarily. You could put a Gallagher, a HUB into a large national agency broker model that we have strong business with.

Middle and large tends to be concentrated in the top 100 brokers. And maybe if you really look at it, it's really probably the top 50 that generate 80% of our premium. And again, deep, long-standing committed relationships matched up with underwriters in the field.

We do have what we call a centralized underwriting group in middle market, so that tends to be more phone-based, more digital-based to agents and brokers in the field that don't have the required premium levels to have sort of an individual personalized relationship.

With the Navigators acquisition, we did pick up a great wholesale distribution which is new to us. But again, we're managing that with the wholesale brand of Navigators with unique product sets for them, primarily, obviously, E&S products. But sometimes, they use admitted products in that global specialty orientation.

So again, I think it's a deep, rich pool of committed distribution partners that want us to win. We compete well and we're getting more and more opportunities to differentiate ourselves in the marketplace.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. So I'm going to come back to the workers' comp question.

Christopher Jerome Swift
Chairman & CEO

Really?

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Clearly, we've seen a couple of years now of the NCCI putting some pressure, or really just various states putting a bit more pressure on pricing. And there's concern around, well, maybe that's lagged and pricing is coming down just as medical costs and so forth are beginning to inflate. So just interested in your perspective on all of that. What gives you the confidence in the price adequacy of your business?

Christopher Jerome Swift
Chairman & CEO

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Well -- yes. Obviously, workers' compensation is our largest line of business. We're the second-largest in the country. So we just have deep skills, right? Deep skills on underwriting, deep skills on claims, on sort of managing that lag. The lag is nothing new. Lags are just an inherent part of our business.

But what we're seeing obviously in Personal Lines, is when there's lags and there's significant volatility, that creates that mismatch. I don't see that significant mismatch or volatility in workers' compensation. It doesn't mean it's not -- it doesn't mean it couldn't present itself. But all the data points we watch across 50 states says generally medical inflation is under control.

I think we've talked in the past with you, Alex, that our long-term medical severity assumptions are about 5%. I would say, over the last 2 or 3 years, we're probably running in the 2% to 3% range. I would say, over the last 9 months, we've probably seen some elevation in certain aspects of medical severity. I would say pharmaceuticals primarily. But again, if you think of sort of the market we serve, we, The Hartford, an SME-orientated organization, we don't have broad-based medical exposure.

We have contracts with our network providers that provide a cushion or an offset into that lag that you might refer to. We have the ability to audit all bills that come back from hospitals. And oh, by the way, sometimes there are billing mistakes that we catch and obviously refuse to pay. So again, I think the ecosystem that we built and operate in will have the appropriate signals if there's anything really dramatic happening with medical.

Personally, the thing that we watch in a lot of aspects of our business, because there's -- that's just who we are in the SME space, is just general wage pressure. But you would have to admit, and you guys follow this probably closer than I do, but there was a spike in wages. The JOLTS report activity years ago showed people hopping around for 30%, 40% more. Guess what? That's changing rapidly, too. And I think the wage pressure that we have felt will dissipate somewhat. If it dissipates into sort of a 3%, 4% range, that wouldn't surprise me, and obviously continue to track down from there.

So important message is, I think we got the right listening potes out there -- listening post. We have the right metrics. And we have the ability, ultimately, to adjust prices over long term, if anything materializes in any major way.

Lastly, the cumulative effect of pricing for, reserving for 5% medical inflation allows us to have the highest degree of confidence in our balance sheet for this line of business since the 14 years I've joined The Hartford. I have the highest degree of confidence in our balance sheet, particularly in comp, to cover any possible unknowns going forward.

Would you add anything?

Beth A. Costello
Executive VP & CFO

No, I think you covered all the pieces. And back to your question on why we have confidence in this line is because we're an expert in this line. And I think our results have shown that through many years, and we have all the mechanisms in place to be able to monitor trends, and as Chris said, react to them if we need to.

And from a balance sheet perspective. Because, again, some of those workers' comp reserves can stay in your books in a long period of time, we've appropriately reserved for the potential for those increases in cost. So you put it all together, it's a line that we're very confident in. And I think, again, as I said, our results speak to that.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Maybe one more on comps. The frequency trends we've seen have been pretty favorable for a period of time. So I'd just be interested in what's your view on some of the underlying drivers of that? I know it was probably going on since before the pandemic, so I don't think it was all pandemic-related. But are you seeing any normalization as we're coming out of the pandemic? I mean, are we far enough away that there's really nothing there anymore?

Christopher Jerome Swift
Chairman & CEO

Why don't we tag-team? I would say, generally, broad-based safety improvements are still the primary driver. You can think in terms of technology. You could think of certain devices that maybe make certain jobs safer. Even in the services industry, generally, there's lower incidence rates in there. But deploying broad-based technology or mechanical devices that help people avoid injury, detection devices, wearables that we have on people for heavy construction industries to make sure people are lifting the right way, I think is all contributing to just broad-based improvement. So I think the trend of 2% to 3% annual declines in frequency is still alive and well.

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

I think it will be interesting from an economic side as maybe global supply chains shift a little bit and maybe as more manufacturing jobs come back into our country, I think that would be a good thing, obviously, for our business in insuring more U.S. workers. But there's some things to watch. But generally, I think that the trends are alive and well for continued improvement.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. All right. Well, let's move over to Personal Lines, but maybe start with the inflationary environment. Certainly, we've seen severity is an issue across the industry. What are you seeing with those trends? Are there areas that you're seeing more stabilization? And is pricing going to begin to really take hold in a bigger way in excess of where the severity trends are?

Christopher Jerome Swift
Chairman & CEO

Well, why don't we review some of our facts, and then we'll try to -- we're not going to give any forward guidance, so I just want to manage your expectations. But I think we could give you a tone of how we're thinking.

So yes, the year didn't start out well. Missed our calls like right in the first quarter, so it wasn't a good day. Yes, we needed to make adjustments in the first and second quarter, second quarter, too, to sort of our full year accident year picks. And I would say, since then, those picks are holding through the third quarter. And I would say maybe even there might be more optimism to emerge in the fourth quarter, meaning that both frequency, severity, BI and physical damage trends are going in the right direction. So I think we feel good about that.

I think also, if you really look back over the last 4 quarters, I mean, we've been fairly aggressive with our pricing trends. Renewal written pricing, I think, last quarter was at 19%. We foreshadowed, already disclosed publicly a 20% trend most likely in the fourth quarter. And I've talked in other forums where we see probably the need for 15 points of rate increase in 2024.

2024, I would characterize as a transition year back to profitability, and then '25 getting back to targeted profitability with 15-plus percent ROEs. So I would say we see recovery. It's emerging in our data and numbers. We're still being aggressive, particularly with our 12-month policies, of getting rate into the book and trying to keep up or even get ahead of trend. Certain regulators need to be challenging.

One positive news, it's public, we did get almost a 19-point rate increase in California, which is our largest state. We work other states equally diligently and thoughtfully and aggressively where needed. So I think things are beginning to improve.

Beth A. Costello
Executive VP & CFO

Yes. Only other thing I would add. And Chris, you commented on this on our third quarter call, is that when we look towards the end of this year and our view of rate adequacy, feeling really good about that. And I think we said 65% of our new business, we expect to be rate-adequate. So that I think puts us in a good position to think about growth again in Personal Lines.

Obviously, it's an area where there's still quite a bit of turmoil in the marketplace as we and others have taken rate up. But the team feels very good about the path that we're on and meeting the goals that Chris just laid out.

Christopher Jerome Swift
Chairman & CEO

And clearly, if it wasn't self-evident, we were talking about [indiscernible]. The homeowners line has actually performed very well. Obviously, our cat management is -- I think, has produced an overall excellent result in a high convective storm year with multiple billion-dollar events. We've been keeping up with rate. We've been managing our ITV increases appropriately. And I see those results continuing to be very positive as we head into 2024.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. You guys covered a lot with that response. So I am going to shift over to reinsurance. What are you seeing in terms of reinsurance costs headed into 2024? And do you anticipate any changes to the way you all buy reinsurance?

Christopher Jerome Swift
Chairman & CEO

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

I'll let Beth comment. She manages the program with our ceded reinsurance team. But generally, our program has been stable over a 10-year period of time. And what I mean by stable is generally we're talking catastrophe now, not per risk. Per risk renews May 1?

Beth A. Costello
Executive VP & CFO

From May 1 on 7/1.

Christopher Jerome Swift
Chairman & CEO

7/1. So -- but when we look at our cat program, we've maintained a $350 million per occurrence limit that we take. We have bought down into that $350 million retention particularly for wildfire exposures, which I think has protected us pretty well from any micro concentrations or events that would happen.

As we look to the future, the 1/1/24 renewals, I think, we think, are going to be orderly. We've already gotten positive feedback about our program. Obviously, we haven't utilized any of the per occurrence.

But another component that I think we'll be able to renew this year, and I know there are some questions in the marketplace about aggregates, but we got our aggregate placed last year with maybe a $50 million increase. But that aggregate is important from the multiple events that sort of add up over time. So I think we'll get that renewed this year.

As we've grown our property book, you'll probably see us add a little bit of cover to the top of the tower. I think that's publicly known.

Beth A. Costello
Executive VP & CFO

Yes.

Christopher Jerome Swift
Chairman & CEO

So -- but generally, I think we're feeling good. We've got our estimated costs built into our financial plan for '24. So people know what to budget for and what to collect for when we're pricing business in '24 already.

Beth A. Costello
Executive VP & CFO

Yes. I would agree. I mean, again, stepping back, I think our program is very well constructed. We anticipate some increase. And as Chris said, we've already started to incorporate that into our views on what pricing on our products needs to respond to that. We always look at the overall efficiency of what we're buying and can make tweaks sort of around the edges. But in general, the program has remained relatively consistent.

And the other thing that provides us some of that consistency is on that top layer that we have, the $600 million, the top $600 million. We only have to renew 1/3 of that every year. So when we renew it, we do renew it for a multiyear. So that provides us a bit of stability year-to-year in that we're only doing to the market for 1/3 of that, and we've been doing that for several years.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

So on Group Benefits, would be interested if you could talk about some of the -- key things you're focused on in that business and [for going forward]. And also, just the degree of interest in further expanding and being a consolidator just in light of, I think, Group Benefits business from a peer being up for sale.

Christopher Jerome Swift
Chairman & CEO

Yes. I would try to be as clear and direct as I can. We like what we have and don't feel like we need to do M&A.

I think the second point of -- I think there was the first point of your question, but...

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

I combined a couple there.

Christopher Jerome Swift
Chairman & CEO

The second comment. I think what we're focused on -- I know what we're focused on is, I would say, three domain themes. Our primary strength is in national accounts, greater than 5,000 lives. We've revised our 500-and-below market approach. We need to get a little bit more relevant in that 500-and-below cohort, so we've done some business -- operational restructuring to what we think will have a more effective approach in the marketplace.

In conjunction with that, we struck a partnership with Beam, which is a dental and vision company because we don't have a dental and vision network and capability. And that tends to be very important in that downmarket when people really try to squeeze dollars and get benefits that people really, really want. So just know that, that downmarket strategy is very important, and we're bringing in a partner to help us there.

Beam's actually -- is going to be a great partner because it's going to be bimodal, meaning we get to access their network of clients. We get to use their technology in helping our clients get quotes. And likewise, they get to access our products when they're quoting sort of their dental and vision customers. So it's a bimodal relationship.

I'd say the second major priority is just broad-based enrollment. Technology is driving a lot of changes in the group benefit space. I mean, you could think of all these payroll companies that advertise and basically are ERP systems. And basically, it's becoming a tri-party relationship between the carrier, one of these payroll companies as I'd like to describe them, and then the client. And it's really digital, it's API, it's connected.

It's -- if you think about it at its core, because I think in terms of process, it's -- you're keeping your inventory of people employed as current as possible with all those parties, so that billing, benefits, claims just become much more simpler to verify and execute to. So that would be the enrollment activities and strategy.

And then lastly, we're building our technology stack there. We've got some old technology. We've got great claims systems that we inherited and utilized and converted to with the Aetna acquisition. But think of the technology stack just needs to be modernized, a little bit more data orientation, and we'll take the applications and data to the cloud to be as efficient as possible. So those are the three main strategies. I don't know if you would add anything?

Beth A. Costello
Executive VP & CFO

No.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. Okay. Last one I have for you is on capital management. You talked a lot about the growth in the business. We've seen premium dollars, obviously, that have been going up. How do you balance those growth opportunities with other forms of capital management? And maybe just a refresher in general on overall capital management priorities?

Beth A. Costello
Executive VP & CFO

Do you want to start? Or you want to...

Christopher Jerome Swift
Chairman & CEO

Tag, you're it.

Beth A. Costello
Executive VP & CFO

Yes. Well, no change in our overall philosophy. And as we think about capital allocation and where we want to grow, as Chris said at the beginning, we're really focused on returns. And so when we look at our plans each year and where our businesses plan to grow, we're looking to hit targeted returns and we're happy to deploy capital to achieve those.

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

And again, when we look at the earnings that the businesses are generating, particularly the dividend out of our operating company, 70% to 75% of their earnings. And so what we leave behind in the operating companies is enough to fuel that growth. And that really -- that dynamic hasn't really changed. So that provides significant cash flow to the holding company.

And as I said before, we're very focused on maintaining a competitive dividend. We increased our dividend just this past quarter again for the 10th time in 10 years. And as Chris said at the beginning with his remarks, we've been deploying excess capital to share repurchases. We've been doing it in a consistent way and are executing to the plans that we set out at the beginning of the year.

So really no change in that philosophy. And it's -- ultimately comes down to generating the very high returns that we've been achieving, and that's our focus.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

Got it. All right. And last...

Christopher Jerome Swift
Chairman & CEO

And as you know, I like to just share, when we joined The Hartford, and Beth and I started working in 2010, we had a lot of crisis capital, as I called it. And we probably had 500 million shares outstanding. Prior to the crisis, The Hartford probably had 250 million shares outstanding.

Fast forward to today, with our capital management philosophy and approach, we're going to end the year pretty much around 300 million shares outstanding. And if you think of the capital generation, the philosophy that we just said, we could probably take out another 25 million to 50 million shares, depending on time periods, over the next 3 or 4, 5 years.

So that's pretty accretive, I think, to shareholders. I think the compounding effect on EPS growth is material and just speaks to, again, the shareholder mentality and philosophy that we have of trying to create value in everything we do.

Taylor Alexander Scott
Goldman Sachs Group, Inc., Research Division

We'll stop there. Thank you very much. Appreciate you being here.

Christopher Jerome Swift
Chairman & CEO
Thank you. It's good seeing you.

Copyright © 2023 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Copyright © 2023 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.
© 2023 S&P Global Market Intelligence.