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Call Participants

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Chief Financial Officer

Christopher Jerome Swift
Chairman & CEO

ANALYSTS

Joshua David Shanker
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Unknown Analyst

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Presentation

Joshua David Shanker
BofA Securities, Research Division

Welcome back. It's the 2025 U.S. Financial Service Conference from Bank of America. If you're in this room, you're going to hear about Hartford. So just make sure you're in the right room. We're really honored to have Chris Swift and Beth Costello here from the Hartford. Chris is the Chairman and CEO of the company. And I think in November of 2024 both Chris became CEO and Beth became the CFO. Since that time, the stock is up significantly over a 14% annual CAGR, pretty much among peer companies. I would argue close to the best performance of the stocks in the sector outperforming the S&P 500, and it's been a good job.

Just a little background information. I think that some of the accomplishments over the past decade include the acquisition of the Aetna business in terms of the group life, the disability business, there, too; the Navigators acquisition in 2017; the, I guess, packaging of the Talcott Resolution; and the sale and out of the annuity business there. It's been a time of transformation for the company. Just a few pieces of information. Chris is also on the Board of Directors of Citizens Financial, the American Property Casualty Insurance Association and has a particular focus on promoting mental health in the workplace and fighting stigma against those issues.
Beth is on the Board of the Bushnell Theater in Hartford and Connecticut Women's Hall of Fame. And in terms of very big focus, she is the sponsor of Hartford's flexibility's network to get the best time of every individual that they can deliver and they put a lot of time and effort into developing talent within their organizations, and we're really pleased to have him here today. So if anybody has any questions, I would be overjoyed for you to be allowed to ask them, just raise your hand, and I'll call on you and we'll get to it.

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Question and Answer

Joshua David Shanker
BofA Securities, Research Division

But let's start with, I guess, general liabilities on everybody's mind, if you look at over the past couple of years, there's been extreme favorability in workers' compensation and general liability, piecemeal improvements to portfolios and whatnot. And there's a lack of trust from investors out there that we've really put a bow on things, how should we feel like general liability markets reserves. And then where Hartford's positioned relative to the industry?

Christopher Jerome Swift
Chairman & CEO

So I would say we made our move obviously in the fourth quarter, but we had some prior development in the third and second quarter also. So I think we've got our arms around it, the best way we could tell right now with data, in fact, assumptions I think were made a little bit more prudent going forward. And what we talked about before in different settings, particularly in our earnings call is that we really want investors to know that, yes, these are some older accident years and some younger accident years. Beth will give you a little bit more detail.

We then trued up the 2024 accident year also, Josh, with about a point of adjustments. We already reflected those higher trends in our '25 picks, and more importantly, in our pricing model so that our underwriters as they hit the ground January 1, particularly. We're using those higher trends, meaning we needed more price to keep up with those trends.

I think the other context point then also is if I really look back the last 5 years, on average, for all our liability coverages, whether it be primary, umbrella or excess, our trend that actually has emerged is closer to 11%. And our pricing over that same period of time has been 12%. So I think we still start from a position of strength. We weren't perfect. I admit that. It's hard to anticipate just sort of the velocity of some of these trends. But the way we manage the book in the last 5 years, I think that is helping us to sort of say, we think we have it contained and we're going to execute on our new written rate plan in 2025 and hopefully put everything behind us. But Beth, what would you add?

Beth A. Costello
Chief Financial Officer

Well, I think you covered a lot of the comments that we've been making on this. Again, as Chris referenced, when we look at the actions that we've taken over the course of 2024, some of them related to older accident years, primarily 2015 to 2018, some activity that we saw in from a construction defect book. Obviously, costs being higher -- much higher now than I think could have been anticipated back then, definitely had an impact on that. And a lot of that book, we've reunderwritten. It's really is kind of an older book.

And then as Chris referenced, what we're seeing in the more recent accident years, I think '22, '23, that would equate more to sort of the commentary that people have been talking about related to social inflation, definitely seeing higher attorney representation, higher litigation rates than we would have anticipated.

I'd also like to point out to investors that if you go back to 2018 in our middle and large business, we had been going through a re-underwriting process as it related to GL. And we can see the benefit of that because our frequencies over that period are actually down. So that speaks to the actions that we've taken. It's just that when we look at the different buckets of claims, those that have no attorney, no litigation, litigation and attorney rep, the decreases aren't uniform across those categories. And so as we saw activity increasing over the course of '24, we took actions as we made our final year-end calls, we evaluated our IBNR reserves and increased those reserves to reflect that we anticipate some of these trends to continue. And as Chris commented, we also then chewed up our 2024 year. So felt very good about how we're leaving 2024. And then most importantly, as we think about 2025, our underwriters are already focused on how to get more rate in the book to address these trends. So I think the setup for us as we go into 2025 is very good.

Joshua David Shanker
BofA Securities, Research Division

Well, I don't mean to frame it. The question, I think, in itself has a defensive sort of thing like prove that the reserves are adequate. It's very, very negligent -- these are our fixes, we do this, is actuarial math, but the other side of that claim could be workers'

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compensation. And you could ask the exact same question in workers' compensation, prove that the redundancies have stopped in some ways. And so when you frame -- and workers' comp has been a wonderful tailwind for the company for many, many years at this point in time. What gives you the confidence that the reserves are correct now? In fact, to your benefit, we've nailed everything down, and we don't expect them to be favorable. We made those picks at the end of the year, but lo and behold might get to the end of '25 and workers' comp has another great year again. How does that fit into the whole sort of...

Beth A. Costello
Chief Financial Officer

Well, I think we've been really clear on our philosophy as it relates to workers' compensation reserves. It's a line of business that has a very long tail. And because of that, I think that we are very appropriately take that into consideration in making our loss picks and looking at long-term trends. And one of the areas that has been more favorable in more recent years has been in the area of medical inflation. And so we still reserve and price for a trend rate of 5%. That's what we view over the long term. Our trends have been below that.

But we don't think it's appropriate to move to that point, just given the nature of those reserves. I mean we still got people who've been on claim for decades. You really have to be very cautious there. It's a large line for us, and our philosophy hasn't changed. So if medical trends continue to be more favorable than where we've made our reserve call, then we would see reductions in that, but that has to play out so.

Joshua David Shanker
BofA Securities, Research Division

So as compared with the general liability, I suppose, we are taking up our loss trend assumptions in one, but not taking down our loss transumptions in the other. And this -- we give the possibility that if things -- the trend continues as is, it will still be favorable whereas you may have been able to protect the general liability because you...

Beth A. Costello
Chief Financial Officer

Yes. I mean, again, you're always making call relative to these assumptions. And I think for a long tailed line in GL can be long-tailed as well. I think you want to be on the side of thinking about where things can go. And make your best call, but you give yourself room if things develop differently than you anticipate.

Christopher Jerome Swift
Chairman & CEO

I think Beth and I, we've talked about seasoning those accident years. There's no precise formula. But generally, frequency seasons relatively quickly in severity, you're just going to be cautious. So I think we have a pattern of holding on to initial picks that proved out to be very, very prudent, and I don't see that trend changing.

Joshua David Shanker
BofA Securities, Research Division

Over the past -- really it's been going out as long as I've been doing this for 25 years, but the amount of M&A in the agency markets just continues and continues over time. And the themes get larger and larger, what is that meant for Hartford? And I generally believe that Hartford is a beneficiary of the M&A. Can you talk about the business you're doing with the largest agents and the trends that you're enjoying because of consolidation?

Christopher Jerome Swift
Chairman & CEO

Yes. I think you have it framed well, I think, as a national carrier with deep agency roots. And as some of these agencies get rolled up, those relationships mature, they continue. They're part of a larger group. And some of our, I would say, most meaningful relationships have been very active in the roll-up space where we've been the beneficiary. And I would say that the agents want to expand their margin. And I think what you'll see over time is 2 themes emerge that they're going to do business with fewer carriers, just simplifying their platform and simplifying how they go to market and I have the utmost confidence we'll be in 1 of the top 4 or 5 players, they would want to sort of consolidate around books of business.

And then from a margin side, we want to co-invest with a lot of our agents and brokers to create the digital pathways, the APIs, the connection points I would say that's a future opportunity. It's been a little slow take-up, but there's a couple of good partners that we're

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becoming much more digitally connected, and I see that trend going forward. And those that really just have scale and size and sort of an investor mindset, I think will win long term. And we intend to win because we've been investing in our businesses for -- really for the last 10 years we have the grower builder mindset. And I think in the agency space with distribution, I think we're going to go through a phase of growing and investing together for our mutual benefit, which really means a better customer experience, more efficient, more timely, just less friction.

Joshua David Shanker
BofA Securities, Research Division

Obviously, you're spending hundreds of millions of dollars on technology. We don't necessarily have a great insight into where -- maybe you can help us a little bit understand where that spend is going. But also, Hartford is a very large company that can afford to spend this amount of money and a lot of competitors don't have that same ability. Can you talk about what those gaps are going to be between Hartford and a few others who probably have the same abilities that you have and the rest of the marketplace?

Christopher Jerome Swift
Chairman & CEO

Well, I don't have perfect insight into what our competitors are doing. We respect a lot of our competitors, but on a broad-based basis, I just -- it's just hard for me to feel. I have anecdotal data and information, but I'm not going to talk about it that way. All I would say, Josh, is we know what we've been doing and we know what sort of our future strategies and path is, and we're sort of in execution mode. And from the past side, I would share with you, and this leads to the sort of the confidence in the future is that a lot of our investing over the last 10 years or in 2 major categories.

One platforms, you think of our new platform in personal lines, which I know you follow closely. Our new platforms and claims, both on the P&C side, and the reason why we did the Aetna acquisition was to really get a more modern claims system. Our Guidewire platforms for administering policies, our billing systems, our journey to the cloud with all our data and applications, that's a 6- to 7-year project. We're at the halfway point. So we've been building on a foundational basis where we thought we could then invest more and faster for ultimately a differentiated customer experience.

Investments of recent, I would say, tended to be more on the underwriting side, the risk management side, the modeling side, the data and the analytics side, you can see the data science. Again, which I think are all great foundational elements, Josh, because AI and all the generative AI that we're going to continue to think about and invest in. Again, that gives a great foundation. So I think we've been very methodical. We've been averaging $400 million to $500 million a year in capital spend associated with technology. I think we have the basics covers and now it's really about ultimately using all the generative AI that could really impact our business. And look, it's not going to emerge over the next year. But I would say over the next 3 to 4 years, those that really are thoughtful and disciplined and are executing could have an early first mover advantage.

Joshua David Shanker
BofA Securities, Research Division

I would argue, and maybe you'll take this comp, but I think that Hartford is second to none in terms of small commercial capability...

Christopher Jerome Swift
Chairman & CEO

Say it again, I couldn't hear you.

Joshua David Shanker
BofA Securities, Research Division

Small commercial capability. And in terms of that marketplace, just delivering value to customers. If you think about the yoga instructors and the long care specialists and the self-employed physical therapists out there, there's obviously hundreds of millions of people who need to buy small commercial policies and the disintermediation that comes from the agent for really simple purchases maybe unnecessary over time, you talk about technology, the hobby horse for me has been direct-to-consumer, small commercial sales, which is in its infancy right now. In terms of that technology spend, how is Hartford preparing for that world? And do you expect 10 years from now, we'll look back and that's going to be a major target market?

Christopher Jerome Swift
Chairman & CEO

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Yes. The honest answer is 10 years from now, I don't know. What we do know is insurance is generally still a complicated sale, whether it be a simple product or a more complex set of products together and advice is still important. So the real question is where does that advice come from 10 years from now? Is it still agents? Is it another form? Don't know. I think what we have right now is about a $250 million premium-based direct to the consumer business in small. What we do is we primarily focus on the Asia channel with new developments, particularly from a digital side, a consumer side and experience side and then learn and then roll it out to the direct to the consumer type channel.

So we're comfortable doing that. We're comfortable buying media ads and generating responses in clicks. We've grown that business, I would say, over the last 6 years, 7 years from 0 to $250 million. We still have the approach that at the same price, no matter what channel. And we still believe in the advice that our agents give to our consumers, but customers are finding us directly, and we're okay with that also.

Joshua David Shanker
BofA Securities, Research Division

And at the same price you have to find the customers that's expensive to do. Is the ROIC on direct consumer similar to the ROIC on agent-sourced business the way that you're running that business today?

Christopher Jerome Swift
Chairman & CEO

Yes, we really haven't disclosed that or talked about it. All I would say it's accretive, and we're comfortable with it at this point.

Joshua David Shanker
BofA Securities, Research Division

2017, I guess, the Navigators transaction -- is that 2019?

Beth A. Costello
Chief Financial Officer

'19.

Joshua David Shanker
BofA Securities, Research Division

'19. The industrial logic was to increase Hartford's shelf space with the agents that it's using and making them more of a necessity for that agent. To what extent do you think that it's facilitated the company's growth over the past few years that you wrote more Navigators type specialty business and you wrote more retail-type Hartford business because you had both units?

Christopher Jerome Swift
Chairman & CEO

Yes. I think it's been a tremendous success along those dimensions that you just described, just to flush out the logic and the strategic orientation at that time was build versus buy. We had been fixing a lot of parts of the organization in the P&C and the benefits side, and we knew we needed to become more growth-orientated. And we're going about it really from an organic perspective. And if you remember, back then, we were talking about liability products, property products. We're talking about industry vertical expansion in broad-based sort of E&S capabilities.

We had a specialty business that tended to be focused really on the financial management lines and the management lines along with surety. But when we really started talking with Navigators, we felt it was like a home run from using some of their product sets in the retail channel and then creating a more scaled specialty organization that had dedicated E&S product dedicated, not blurring between retail and wholesale, but dedicated E&S product, and that's primarily why we did the transaction. I think at the time, Josh, forget exactly what you wrote, but you become a fan. You weren't a fan day 1.

Joshua David Shanker
BofA Securities, Research Division

I don't think it's just -- I don't remember exactly -- I don't think the market loved it at the beginning.

Christopher Jerome Swift
Chairman & CEO

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But apparently it's been a home run. And I'll give you some data and Beth will make sure I'm accurate. But if I look at just the specialty operations, we improved over 10 points of underlying combined ratio over the last 5 years in that business. If I look at the Wholesale division, wholesale Navigator stand-alone was probably a $350 million business, we're up to $1.2 billion today. If you look at the reinsurance operation, it was basically a $200 million business when we acquired it. We got out of some parts of it, like medical stop loss. And it's a $900 million business today. If you look at anything in the property area, we were basically 0 in E&S property and we're growing that book nicely. So yes, I would do that deal in a heartbeat over and over and over again, knowing that the trends and why we did it was really strategic and trying to participate in segments of the market, we just didn't have access to.

Beth A. Costello
Chief Financial Officer

I think the other thing I would add to that and I agree with everything that Chris said. And I think something that we feel is unique to us and how we go to market is when you look at our business insurance and you look at small, middle and large and global specialty, we really face that market as one company. And because of that, those business units work together to bring the products and services that their customers need. And I don't care if it's a global specialty product or a middle, large product or small. I mean, it is a cohesive team. And I know you've been in those discussions with some of our distribution partners who noticed that that's how we perform in the marketplace, and I think our results show that.

Christopher Jerome Swift
Chairman & CEO

Well, truly, yes, it's a difference. You mentioned small commercial. I'm not sure if I answered your question or if you want me to describe sort of...

Joshua David Shanker
BofA Securities, Research Division

Talk about how Navigators benefited legacy Hartford as well?

Christopher Jerome Swift
Chairman & CEO

Yes. Well, and again, I know you're focused on direct to the consumer, but that's $250 million. This year, we surpassed $5.5 billion, I think, of written premium in small, $1 billion of new business. It's been on a growth rate that far exceeds any of our other businesses with strong returns that are sub-90 from an underlying combined. So again, that is the product of significant investing in that business, particularly in our digital capabilities. In fact, Keynova, one of the raters out there rated us the #1 carrier for digital experience for our agents and customers for the sixth consecutive year. So again, mindset-wise, I think it's important for your audience to know that, that is a key business for us that we continue to invest in to ultimately differentiate ourselves as best we can from our competitors.

Joshua David Shanker
BofA Securities, Research Division

Changing gears a little bit. One of your competitors this morning put out a preview for their wildfire loss in California. I don't think that you've told but as I tell investors, whether it's $350 million or $1 billion growth, which is obviously meaningful to the people who are impacted. But to Hartford's balance sheet, it's not particularly different given your reinsurance structure and whatnot. And if people want to know about that, they can certainly ask you. But this isn't the first rodeo for Hartford in California wildfires. And obviously, in the Tubbs Fire and the Camp Fire in '18, in retrospect, the loss wasn't that great because you did get some [indiscernible] from PG&E. But obviously, it did tell you some things about aggregation. And so here we are 8 years later, 7 years later, depending how you count, what did you learn back in '17 and '18 about wildfire management coming into this current one we're having right now?

Christopher Jerome Swift
Chairman & CEO

Well, there's a couple major learnings at that point in time. And I would say, one, micro concentrations was a big learning. I mean if you really look at the Camp Fire, obviously, there's many lives lost, I think it was close to 80 or 100 and really it is sort of in a small area. So micro concentrations weren't effectively managed by us. Second, we grew too fast in California 5 years earlier. We're trying to grow with independent agents, and we're trying to grow with AARP. And again, just a little bit of a flawed growth strategy in that part of the country.

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But I think, ultimately, what it's spurred is a recommitment to if we wanted to be a property, broad-based property player, including home we needed to make some fundamental investments in our modeling capability, our risk management capabilities, our underwriting capabilities in certain of these, I'll call it, secondary peak perils that happen around the country, whether it be tornado, whether it be hail, whether it be wildfire. So we doubled down on it, investing in the capabilities. We went from a market share of maybe 2% in California home to about 0.7% today over that 7-, 8-year period of time. So we shrunk.

We had to, given the concentrations that we had. Our auto market share in California is relatively modest at 1% also, but it's one of our larger states from a stand-alone basis. So I think those were the key lessons. I thought our reinsurance program and structure was fine, but we did add it at that point in time. We call it that wildfire working layer that kicked in early days. We attached at 150. We've gone up a little bit before it really attaches. So again, we felt we needed to spend some money given that micro concentrations weren't going to be eliminated overnight, and it was going to take a number of years, and that's some of the changes we made in the reinsurance program.

Joshua David Shanker
BofA Securities, Research Division

So in different line of business, if you were here 2 hours ago, one of your CEOs has made the comment that the recent pain seen in the medical stop-loss markets is a harbinger of things to come potentially for workers' compensation. And you told you got out of medical stop loss and whatnot when you bought Navigators. But from the outside looking in, I mean, everything is just thumbs up for workers' comp all the time. It's a big part of your business. You know this isn't going to last forever, but probably after auto, it's the second most regulated line of business. How does Hartford manage to understand that the good times can't last forever like this? And yet you can't really take price because the results are so good at the same time. And as a third twist, you also have the disability exposure, which seems to be probably related, how do you think about that as an organization?

Christopher Jerome Swift
Chairman & CEO

As we joked before. That was one question, but 6 subcomponents in it. So I will try to answer...

Joshua David Shanker
BofA Securities, Research Division

I can always repeat and see -- take one at a time.

Christopher Jerome Swift
Chairman & CEO

Look, I got a lot of respect for Rob Berkley, but he's been wrong for 4 or 5 years on medical trend and I'll put that on the record. But the medical stop loss is still a broad-based index of medical procedures for the broader public as opposed to fixing an injury, a bodily injury and caused by an automobile accident or workers' comp. So I still see it somewhat different, but not completely uncorrelated. And obviously, we watch those trends.

And look, we've talked about trend sneaking up just a little bit, particularly in the last year or so. And so we're watching it. But I think the mechanisms, the industry has, we have to react to trend and then work with our regulators on the appropriate rate action. And the insurance model is an overall lag model, Josh, as you know. So if it lags a quarter, that's great. But we're not going to miss anything major from a trend side that really would cause us to go back to a regulator and press them for more price. It's just not going to happen. What was the 2 other components of your question?

Joshua David Shanker
BofA Securities, Research Division

Well, this is 1 and 2. The third part is the aggregation risk associated with the disability.

Christopher Jerome Swift
Chairman & CEO

We are the leader in disability. We're the second largest in comp. We've always said that we're sort of procyclical from an economic side and that's still the case. So when the economy is good, when employment is full, I mean, the Hartford is going to benefit. We know how to manage people back to health and comp, and we use a lot of the same techniques in getting people back to the health after disability. The sort of the incidence or the underlying peril of an injury versus a disabled condition where you're not able to work are fundamentally different. They're not correlated at all from just an occurrence, right? One is safety protocols.

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One is how do you take care of employers or employees in the job. Some of it is the economy is becoming more service-orientated. And then a disabled condition is -- could be mental, could be physical, it could be a range of things that, again, I just don't see strong correlation to an injury. But we have -- again, the teams, particularly the medical teams, and the doctors and the consultation that we do. And you know from a comp side, we direct treatment. I mean that's our responsibility. On the disability side, we are just replacing income without any direct influence on the course of treatment because that's just not the way the product is designed. So even in how we settle claims and adjudicate claims and get people back to health is different between comp and disability.

Joshua David Shanker
BofA Securities, Research Division

So you mentioned, obviously, in your role in the disability markets. There is a group benefits juggernaut out there who controls a map out there, controls a map out there who -- provider to the largest corporations who -- so they're going to move down market a little bit. That's going to be their growth strategy. That's MetLife. How do you see them as a competitor? And are they a competitor or the businesses that you're running different between what they do and what you do?

Christopher Jerome Swift
Chairman & CEO

No, they're a good competitor. I have a lot of respect and Michelle is a good executive. So yes, I mean -- but I would also say there's probably 3 of us that are really geared towards the national account size, which is, we call it, 5,000 in lives up. So we're in every RFP. They're in every RFP, a couple of other folks get brought in at times. But I think we compete effectively, but they do have a little more scale, particularly in the life insurance. We have a little bit more scale in disability. But yes, I think we're competing effectively. I think also we've led sort of the build-out of our products in the paid family leave or the medical leave areas, particularly for the national employers as they have employees scattered around most of the country.

That's an important offering so that they could be consistent from state to state no matter where their employees are. And again, we're investing in the business, particularly in the down market, which we would describe more in 3,000 lives or less. We've struck a relationship with Beam, a dental and vision company, but we don't manufacture a dental and vision product on our own, which is more important down market. So yes, we want to also diversify our book particularly downmarket, and we're adding products and distribution to do that.

Joshua David Shanker
BofA Securities, Research Division

Great question.

Unknown Analyst

It's on the realm of group benefits, one of the other competitors ultimately ends up being how the marketplace tends to get crowded out by health care insurance. Are the things you have to do to make sure you're asserting yourself with inside the marketplace of overall benefits so that this presence of health care expenses doesn't sort of crowd you out as companies are making more discrete decisions about which benefits to fund?

Christopher Jerome Swift
Chairman & CEO

Yes. Actually, I think it's sort of in a strange way so just the opposite. I think the -- our product sets, including, you would call it any of the supplemental health products like critical illness, hospital indemnity, accident, leave products now, I think, become more important as people manage the cost of medical, they want these other products to be accretive, additional supplemental to an overall benefit package that employees would find valuable.

Unknown Analyst

Moving on to AARP. So I think it...

Christopher Jerome Swift
Chairman & CEO

Did you get your card?

Unknown Analyst

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I did not buy, I could. I could. I don't have a card though. So.

Christopher Jerome Swift
Chairman & CEO

You could be a member.

Unknown Analyst

I can be a member, yes, I know. But in terms of the business, you've renegotiated and redesigned the product with AARP over the last few years. But then we entered a once in 50-year hairpin of a market in -- certainly in auto and, of course, catastrophes happening everywhere in home. Are there signs you can point to that the redesign has had a positive impact in terms of new business generation or in terms of places where you are growing that definitely shows that there are green shoots for the new strategy to take hold?

Christopher Jerome Swift
Chairman & CEO

Yes. I would say, absolutely, and Beth can add her commentary. I just would share with you again the nature of what we did was a long-term investment in a new platform, which was both product and technology. I thought we needed to be a little bit more digital. We needed a telematics offering. We needed some additional services on the -- particularly on the claims side to interface with us. And we're getting all that in place, particularly as we're virtually complete with the rollout of prevail in our direct response chassis in almost 45 states right now. So we could say it's achieved sort of the mission.

What we're going to learn relatively quickly over the next 12 to 18 months is, can we grow PIF count? Early indications are we can grow PIF count in home because of supply shortages and availability issues. We haven't proven to ourselves and you all that we could grow in auto, but I believe we can, principally because we got better data, I think we have a better segmentation tool. We have better digital experiences from a customer side. So I put all the components together, they're there, but we need to execute, particularly in a challenging market where everyone rose prices, which is easy to do. But now you get back to sort of rate adequacy and how do you sort of manage the book and tweak the book so that we get back to overall targeted profitability in 2025 while improving our retention and ultimately growing PIF count. That's the dynamic that we need to prove to ourselves, obviously.

Joshua David Shanker
BofA Securities, Research Division

With the Super Bowl affected, generally speaking, most sporting events are just littered with insurance advertisements. And obviously, Gecko and Flo are very well-known individuals. But I don't think that people associate Hartford, even though it is really a direct to consumer strategy with the same type of direct-to-consumer funnel, I guess, getting people at the top of the funnel in approach. Obviously, that's some of the workers AARP that affinity group branding does that. But is there a new, I would say, top-of-funnel customer acquisition mechanism that the company is going to be rolling out to help direct potential customers to seek insurance in AARP brand?

Christopher Jerome Swift
Chairman & CEO

Yes, I would say on our rebranding was meant to get at some of this to be more effective with Hartford brand in the stack. So I think it will -- you'll sense that there will be a better digital experience. Remember, the top of the funnel for an AARP cohort of, say, 55 to 75, there's always so many people in that cohort. We're able to drive responses, I think, very, very well. Ultimate conversions gets a little harder in a competitive marketplace, but it's not a funnel issue for that mature segment. The larger opportunity for us, and we're studying it and just thinking about a broad-based agency play with a Hartford branded auto and home product outside of AARP but getting back into the agency channel in a meaningful way. So those are some of the things we're thinking about. But that's sort of the next logical step where we would take the brand and our capabilities that we have with Prevail and repurpose them in a different channel to attract a larger cohort of potentially 40 to 65 year olds in a preferred market...

Joshua David Shanker
BofA Securities, Research Division

And you're already in those agencies?

Beth A. Costello
Chief Financial Officer

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And the only thing I'd add to what Chris said is that our team with their capabilities and marketing, they're very targeted, how they use media, how we use paid search, how we -- those levers around. So with the dollars that they have, I think, very effective, as Chris said, at targeting the cohort that we're attracted to.

Joshua David Shanker
BofA Securities, Research Division

And you as an organization are not required to use the AARP brand to market?

Christopher Jerome Swift
Chairman & CEO

No, the agency channel would be wide open for us.

Joshua David Shanker
BofA Securities, Research Division
Well, thank you very much, Chris and Beth. I really appreciate you being here and thank you everyone in the audience.

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