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# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Participants</td>
<td>3</td>
</tr>
<tr>
<td>Presentation</td>
<td>4</td>
</tr>
<tr>
<td>Question and Answer</td>
<td>9</td>
</tr>
</tbody>
</table>
Call Participants

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JPMorgan Chase & Co, Research Division

Chad Stogel
Spectrum Asset Management, Inc.

Jeffrey Bernstein

Pinto Suri
Good morning, ladies and gentlemen and welcome to the Liberty Mutual Second Quarter 2023 Earnings Conference Call. While this call is available online and the URL included in the Liberty Mutual Insurance press release. Analysts should participate by phone in order to ask a question. [Operator Instructions] Please note this call is being recorded. To begin Liberty Mutual presentation is Robert Pietsch, Director of Capital Markets. Mr. Pietsch, please go ahead.

Robert Pietsch

Good morning and welcome to Liberty Mutual's Second Quarter 2023 Earnings Call. Hopefully, you have seen the earnings release and financial statements posted on our website. Speaking on today's call will be Tim Sweeney, President and Chief Executive Officer; Hamid Mirza, President, U.S. Retail Markets; Neeti Bhalla Johnson, President, Global Risk Solutions; Vlad Barbalat, Chief Investment Officer; and Chris Peirce, Chief Financial Officer. They will provide an overview of our results in the quarter and over the first half of the year and discuss current market trends. Also participating on today's call is Damon Hart, Chief Legal Officer and Secretary.

As a reminder, today's discussions may contain forward-looking statements that represent the company's beliefs concerning future operations, strategies, financial results and other developments. Actual results may differ materially from those expressed or implied. Please refer to our website for a complete discussion of the risk factors related to this presentation and the company. The company does not intend and does not undertake any obligation to update these forward-looking statements, which speak only as of today's date. I will now turn the call over to Tim for his opening remarks.

Timothy Michael Sweeney
President, CEO & Director

Thanks, Rob, and good morning, everyone. Before we get into financial results, I want to first take a moment to address some strategic actions we've recently announced. After a comprehensive review, we have decided to sharpen our focus to ensure we can confidently provide value to our customers and partners while driving towards target profitability. As we discussed at our Investor Day in March, in addition to winning in the U.S. market, we are intentionally focusing on global markets where we are confident we can drive long-term strategic value for Liberty Mutual, our customers, partners and other stakeholders.

This led to our decision to divest a portion of our businesses in Europe and Latin America, including our GRM West personal and small commercial business as well as a small GRS direct insurance business in Brazil, Chile and Colombia.

We are very grateful and thankful for the contributions of the employees in these operations, and Chris will discuss the transaction in greater detail in a few minutes. Our GRM U.S. business will become a stand-alone business unit, U.S. retail markets or USRM, and will be led by Hamid Mirza, previously the President of GRM U.S. USRM is exclusively focused on personal and small commercial lines in the U.S., sharpening our focus on our most important mature market.

Looking to the future, we believe Asia is a key region poised for strong profitable growth. In order to realize our full potential in Asia, we are moving our GRM East operations into GRS and renaming it Asia Retail Markets. This realignment will allow us to combine and leverage our strongest enterprise capabilities to drive success in that region.

Finally, Jim MacPhee, previously, the President of GRM will become the Chief Operating Officer of Liberty Mutual. Jim's new role will help us to operationalize our scale advantages across markets lead our efforts to drive significant expense improvement and elevate our data capabilities.

I'm excited for the future and believe that these operational changes will position us for sustainable success. Turning to company financial results. For the second quarter, we reported a consolidated net loss attributable to LMHC of $585 million compared to a net loss of $343 million in 2022. Challenging market conditions in the personal lines industry have persisted, including severe wind and hail events in Texas, Oklahoma, in Colorado and continued monetary inflation and legal system abuse.

Inflationary pressures, particularly in personal auto and property have not eased to the degree we anticipated emphasizing the need to be more selective in our underwriting and to ensure we achieve the necessary rate to combat these elevated loss trends and achieve target profitability. The combined ratio for the quarter was 109.4%, an increase of 3.8 points compared to the second quarter of 2022.
The largest driver of this increase was catastrophe losses, which contributed 20 points to the combined ratio largely due to widespread wind and hail events previously mentioned. However, our underlying loss ratio improved 3.4 points, reflecting the impact of rate actions earning over the quarter in both business segments. Additionally, our GRS business has continued to improve its underlying loss ratio versus prior year over the past 2 quarters.

Turning to top line. Net written premium in the quarter was $11.8 billion, effectively flat to 2022 as rate increases and the impact of the State Auto and AmGen acquisitions have been offset by exposure reductions in both GRM and GRS. These results reflect our disciplined approach to underwriting across our lines of business to ensure we're able to achieve our profitability targets.

On the investment side, our portfolio generated net investment income of $797 million during the quarter down from $938 million in 2022. Although we've reinvested our fixed income portfolio at higher yields, this decrease is attributable to lower returns from our limited partnership investments primarily in the private capital space. Vlad will discuss our investment results in greater detail and how we're navigating the current market environment. As I discussed earlier, we believe we're on the right track towards target profitability as we take strategic actions to execute on our plans. We're continuing to navigate the challenging market environment but are looking forward to capitalizing on new opportunities in the future. And now I'll turn the call over to Hamid for a discussion of Global Retail Markets results.

Hamid Talal Mirza
President, COO of Global Retail Markets US & President of US Retail Markets Business Unit

Thank you, Tim. The challenging macro trends from 2022 have carried over into the first half of '23 and continue to adversely impact our performance, especially within U.S. personal lines. We're actively navigating the prolonged loss cost pressures through rate actions, tightened underwriting and reduced media spend to slow new policy growth in our most profit-challenged markets. However, historically severe catastrophes have presented additional challenges to our profitability in the second quarter. Our singular focus is to restore profitability over the second half of the year and heading into 2024. GRM had pretax operating loss in the quarter of $1 billion compared to a $669 million loss in the same time period last year, primarily driven by significant Q2 catastrophe losses.

The combined ratio in the quarter was 113.9%, up 4.6 points from the prior year quarter, while the underlying combined ratio was down 4.7 points to 92.5%, and driven by earned premium growth from rate-driven actions and a decrease in non-catastrophe weather losses. While the expense ratio remained in line with prior year quarter at 25.9%, we will continue to prioritize disciplined expense management as a key component in achieving our overall goals. Loss results for the quarter have 2 major drivers. First, catastrophe losses in the quarter were near record levels for the industry, and our losses were $2 billion, up $945 million over prior year, driven by several high severity hail-related events.

Partially offsetting these results were favorable net incurred losses attributed to prior years. The second driver is elevated loss trends that continue to persist at high levels in the U.S. I'll talk to what we're seeing in personal auto, personal property, and then business lines. For auto I'll cover three main items. Used car prices were higher than expected in Q1 and early Q2, adversely impacting total loss claim severities. Heading into the year, the industry was anticipating easing in these areas and we are finally seeing some moderation in recent months.

Elevated test frequency is also persisting, putting additional pressure on auto physical damage loss trends. [Bodily injury] severity also remains elevated in Q2 with annual trends up 8% to 10% for U.S. personal lines distracted driving and fatality rates remain above pre-pandemic levels along with elevated attorney involvement in claims placing additional pressure on trends.

From a personal property perspective, ex cap pure premium trends remain elevated in Q2 with annual trends in the low double digits. Severity trends remain unfavorable, driven both by labor and material costs. For U.S. business lines, auto frequency continues to rebound towards pre-COVID levels while severity trends remain elevated increased litigation and more aggressive attorney tactics are putting upward pressure on auto and general liability severities.

Shifting now to top line. Net written premium in the quarter was $8.2 billion, an increase of $14 million or 0.2% from prior year. In order to return to target profitability, we are taking actions to address adverse loss trends through strategic policy in-force reductions in profit-challenged markets and significant rate actions. U.S. personal lines auto unit growth decreased by low double digits, while property unit growth decreased by mid-single digits. In regard to rate activity, U.S. personal lines, core auto and homeowners premiums increased driven by respective renewal rate increases of around 15%.

U.S. Business Lines net written premium was down slightly at minus 0.4% over prior year, primarily driven by similar actions taken to reduce new business growth, partially offset by increased exposure and endorsement activity. While the broader challenges experienced through 2022 have carried over into '23, we are taking the necessary actions in response to these challenges to put U.S. personal lines on the path back to target profitability while also improving U.S. business lines performance. As we look ahead, our
focus will remain on achieving our target returns in the U.S. and continuing to build the capabilities we need to win into the future. And with that, I'll turn it over to Neeti to cover GRS results.

**Neeti Bhalla Johnson**  
Executive VP, President of Global Risk Solutions & Director

Thank you, Hamid. Let me start by welcoming our Asia retail markets into Global Risk Solutions. We have an opportunity to combine our full suite of capabilities and leverage our collective expertise, relationships and scale in a region where we see tremendous potential for profitable growth. I'm truly energized by what we will accomplish together as Liberty Mutual's global business.

I'm also proud of the progress we're making in our transformation to deliver consistent underwriting profitability by being disciplined, making intentional choices and being laser-focused on execution and efficiency in a challenging market.

I will start with profitability as this is our top priority, then touch on loss and rate trends along with top line results. In the quarter, GRS posted an underlying combined ratio of 91.2%, consistent with the prior year. Our claims and claim adjustment expense ratio continues to trend favorably due to favorable current year losses. Our underwriting expense ratio ticked up slightly due to increased employee costs. Year-to-date, our underlying combined ratio of 90.4% is the best on record and reflects an improvement of 11 points over the past 4 years.

The total combined ratio, including cat and prior year development, increased 1.3 points to 95.7%. The increase was driven by unfavorable catastrophes due to increased cat activity, not only in the quarter but also deterioration on prior quarter events compared to a benign second quarter in 2022. Partially offsetting increased cash activity was favorable prior year development of 3.3 points versus unfavorable development in 2022.

Underlying pretax operating income of $518 million in the quarter was effectively flat to the prior year, including the impact of cats and prior year activity pretax operating income was $359 million, a $55 million decrease over the prior year. The operating environment continues to be challenging with elevated loss trends and shifting dynamics across different geographies and lines of businesses.

While monetary inflation at the macro level is moderating, continued tight labor markets, increased geopolitical risk, tight supply chains, and rising medical inflation all continue to contribute to high loss trends. Legal system abuse has escalated in the past several years, resulting in increased claims cost and pressure on loss ratios. And of course, losses from catastrophes worldwide are running above historical trends.

As of June 30, our loss cost trend was 7.3%. The good news is that at the aggregate pricing change increases continue to exceed the aggregate loss cost trend. The aggregate pricing change increase in the quarter was 12.5% in total. This includes rate of 9.4% and exposure change of 2.8%. The aggregate price change increase, excluding workers' compensation and financial lines was 16.4%. That said, like others, we are seeing some lines such as D&O and cyber achieving rates below trend. As we've said before, we are building an underwriting organization focused on deeply understanding and selecting risk first and foremost. Thus, we are not relying on rates alone to deliver consistent underwriting profitability.

We continue to implement needed actions, including an intense focus on risk segmentation and selection de-risking the portfolio where needed and reviewing structure, including terms and conditions to ensure we remain firmly on the path to deliver target profitability.

We are focused on retaining our best accounts and aggressively driving remediation where necessary, resulting in a year-to-date retention of approximately 83% or about 2 points lower than prior year. The combination of these actions contributed to GRS' overall net written premium of $3.7 billion in the second quarter, an increase of $18 million over the prior year. By business segment, GRS North America's net written premium decreased $77 million or 5% over the prior year.

Pricing changes increased 12.1% overall rate of 9.6% and exposure change of 2.3% in that case, exceeding loss cost trends of 8.4% excluding workers' compensation, pricing changes increased 13.6%. Partially offsetting pricing changes was lower retention of 79% in or approximately 8 points lower than prior year and lower new business.

Retention was driven by underwriting discipline on underperforming accounts combined with cat exposure mitigation in property. The lower new business is driven by lack of quality opportunities due to competition retaining high-quality accounts.

Liberty Specialty Markets net written premium for the quarter increased $77 million or 9% from the prior year. This increase was primarily driven by favorable pricing changes of 9.5%, which includes rate of 6% and exposure change of 3.3% as well as increased
retention of approximately 5 points. Pricing change increases exceeded loss cost trends by 3 points. Retention of 80% was driven by retaining quality accounts as compared to prior quarter where we were remediating unprofitable business.

Liberty Mutual reinsurance net written premium for the quarter increased $46 million or 7% from the prior year. This increase was primarily due to pricing change increases of approximately 19%, which includes a rate of 13.2% and exposure change of [5.2%] driven by our assumed property business and stronger retention of 82% or 3.5 points over prior year.

Global Surety’s net written premium increased $29 million or 8% over the prior year due to increased volume in our international business. Overall, while we are pleased by the progress so far, we’re not there yet. We will continue to push underwriting discipline and risk selection first and foremost while also focusing on managing volatility as we work to close the gap in our total combined ratio to our target. And now I’ll turn the call over to Vlad to discuss investment results.

Vlad Yakov Barbalat  
Chief Investment Officer, Executive VP, President of Liberty Mutual Investments & Director

Thanks, Neeti. Investment results continue to reflect the dynamic macroeconomic environment. The portfolio generated $797 million of net investment income in the second quarter, a decrease of $141 million from the same period in 2022. This decrease primarily reflects less favorable valuations across the limited partnership investments, generating $106 million of income in Q2 2023, and compared to $470 million in Q2 2022. The decline in partnership results is partially offset by higher reinvestment yields.

Cooling inflation, stronger-than-expected growth, and the slowing pace of rate hikes have lifted economic sentiment. Credit spreads have tightened and asset prices generally have risen though the rally in public equities has yet to flow through to private equity valuations.

On the other hand, economic activity continues to moderate, credit growth has decelerated. The higher cost of debt is putting downward pressure on private valuations and survey data points to weakening conditions. While downside risks seem to have decreased, they may not have decreased to the degree currently implied by markets.

Fixed income volatility was managed well throughout the quarter by trading tactically and programmatically, actively managing risk and targeting high-quality sectors. Portfolio yield was 3.9% during the quarter compared to 3.6% on March 31, driven by a 5.4% average purchase yield. We also decreased our cash holdings by $1.5 billion to end the quarter. We deployed cash with an open quality bias to increase the portfolio resilience given the potential for volatility later in the year. Due to our active management approach, portfolio duration remains at our liability aware target.

The rising rate environment drove this quarter’s increase in unrealized losses of $371 million following the prior quarter’s gains. Despite an unrealized loss of $5.7 billion in our fixed income portfolio at the end of Q2, realized losses from portfolio turnover were limited. Credit impairments were immaterial and investment income increased meaningfully.

Partnerships contributed $106 million in Q2 driven by decreases in private equity and real estate, offset by strong returns in private infrastructure and private credit. These offsets represent the power of diversification an increasingly important part of our portfolio mandate managed across strategies, sectors and the entire capital stack. As a reminder, these investments are reported on a quarter lag.

Private equity results were largely driven by 2 factors: first, returns in venture capital, while strong over the long term, have decreased significantly in the first half of the year.

Second, the IPO market is still frozen, resulting in distributions below recessionary lows. Real Estate results were also driven largely by 2 factors: unrealized mark-to-market losses driven by an industry-wide decline in commercial real estate; and two, idiosyncratic write-offs on office and retail transactions. While industry-wide declines in commercial real estate have had an impact on our real estate portfolio, our total portfolio exposure to the most at-risk sectors is low. We have less than 1% exposure each to the office and retail sectors within the general account our overall exposure to commercial real estate is primarily in the form of highly rated investment-grade fixed income investments. As we navigate these dynamic macroeconomic conditions, our investment results point to resilience within the portfolio while capitalizing on the opportunities provided by these uncertain markets.

We have rigorously evaluated market scenarios that may emerge and look to excel through portfolio flexibility focusing on prudent underwriting and managing tail lists. We also remain optimistic about the long-term prospects of the economy and continue to make investments in both talent and technology and we’ll continue to deliver on our goal to create capital for the enterprise. As a result, we feel increasingly well prepared despite these uncertain times. And now I’ll turn it over to Chris to discuss year-to-date results.

Christopher Locke Peirce  
Executive VP & CFO
Thanks, Vlad, and good morning, everyone. We reported a net loss attributable to LMHC of $660 million for the first half of the year compared to net income of $155 million in the prior year. Pretax catastrophe losses of $3.3 billion drove in net loss, contributing 14.8 points to a total combined ratio of 106.5%, up 4.6 points. On an underlying basis, the combined ratio for the year was 94.0%, marginally better than 2022, driven by underlying loss ratio improvement in both business units.

Turning to top line. We saw modest growth in the first half of the year. Net written premium was $23.0 billion, an increase of $225 million or 1.0% over the same period in 2022. This was driven by strong rate increases across many lines, partially offset by targeted actions we are taking to reduce new business growth and shrink exposure to address unprofitable parts of the book in both business units particularly meaningful in U.S. personal lines where loss trends remain high.

The pretax operating loss before limited partnership income for the first half of the year was $698 million down from pretax operating income of $63 million in 2022. Excluding the impact of catastrophes and prior year development, our underlying PTOI increased $433 million from prior year to $2.1 billion, primarily due to the rising book yield.

Net investment income, excluding limited partnerships, was $1.4 billion year-to-date up 53.7% from $883 million in the prior year. Overall, investment results were mixed, with the benefit of higher yields in the fixed maturity portfolio more than offset by a decline in limited partnership income from $838 million in the first half of 2022 to $24 million this year.

Total net investment income was $1.4 billion in the first half of the year, down 19.8% from $1.7 billion in the prior year. Net realized losses year-to-date were $112 million, down from $673 million for the same period in 2022 driven by the non-recurrence of equity unrealized losses from the market decline in the first half of 2022. Cash flow provided by continuing operations was $424 million down $1.3 billion from the same period in 2022, reflecting reinsurance payments, unfavorable paid loss activity, and premium collections, partially offset by expenses paid.

We ended the second quarter with financial leverage of 25.5%. This level is well within the requirements for our ratings. GAAP equity as of June 30 was $22.2 billion, an increase of $14 million over the prior year-end driven by $541 million in unrealized gains on fixed maturities due to the slight pullback in interest rates through the first half of the year and favorable FX of $167 million, partially offset by the $660 million net loss.

Statutory surplus was $25.9 billion at the end of June down from $26.7 billion at year-end, primarily driven by a $532 million statutory net loss related to the recently announced disposition of certain operations in Latin America and Western Europe in the second quarter. Within discontinued operations, we recognized a $141 million loss related to the Andes region component of the sale. All 3 transactions, Andes, Brazil and Western Europe will have separate closing dates. However, all are expected to close prior to the second quarter of 2024 each pending regulatory approvals and typical closing conditions.

Based on our current estimates, we expect the aggregate impact of the transactions to be accretive by approximately $1.1 billion to GAAP equity. This is subject to change based on closing adjustments that represents our current best estimate. With that, this concludes our prepared remarks, and we're happy to take your questions.
Question and Answer

Operator

[Operator Instructions] Our first question comes from Jeff Bernstein from Stonebridge.

Jeffrey Bernstein

Chris, that's what I wanted to ask you about, was the financial implications of the divestitures. So for the $1.1 billion net that you end up getting, is that growth capital? Do you have aspirations to grow in Asia? Or how do you intend to use that? And, as a second question, unrelated, do you expect it to be profitable in the personal lines business for the second half of 2023?

Christopher Locke Peirce
Executive VP & CFO

Jeff, this is Chris. On the first question, we're not going to make any specific comments around use of capital, no specific plans.

And on the second question, I think we're not going to give forward-looking projections. The only things I would point out are normal cat seasonality in that business between first half of the year and second half of the year. Obviously, we're in a very elevated period, but normally, cat activity ex hurricane is significantly higher in the first half of the year.

And the second issue is earned rate. So we've gotten significant rate increases for 2 years now that continue to earn in, and we would expect loss trends to continue to drop. So that's probably as much as we would say on that.

Operator

[Operator Instructions] The next question comes from Brett Gibson from JPMorgan.

Brett G. Gibson
JPMorgan Chase & Co, Research Division

I just wanted to touch, not necessarily following up on the question about the divestitures, but may be connected in some way, can you generically help us understand your levels of capital from a statutory perspective, especially the LMIC, are you comfortable with where they are or given the drop that we've seen, especially with the big level of cats is that something that you feel like you need to build? And then I have a follow-up.

Christopher Locke Peirce
Executive VP & CFO

Sure. This is Chris again. We've talked on a statutory basis for LMIC, we've consistently talked about an RBC target of 400% and we have been below that the last couple of years. I think we ended 2022 at 361%. So we have specifically been focusing on building up to the 400% level. These disposal actions will have a materially beneficial impact on RBC ratio once they close. So despite the challenging market conditions in the first half of the year, I think we remain comfortable with capital levels across both the regulatory regimes as well as the rating agency regimes.

Brett G. Gibson
JPMorgan Chase & Co, Research Division

Okay. Great. And then the follow-up I just had was on the statutory implications of the divestitures. Are these subsidiaries held directly by LMIC and assuming they are, can you just help us understand -- can you give us the GAAP implication, but how do we -- how should we expect them to flow through on the statutory side? And is that just a once it closes or because you now have visibility you're supposed to book that sometime sooner?

And then maybe just last one, if I can sneak it in. And is it possible to disclose like are there transaction costs between the gross proceeds of $4 billion and what the net proceeds will be? [indiscernible] tax implications?

Christopher Locke Peirce
Executive VP & CFO

Yes. On a statutory basis -- Yes, these are downstream subsidiaries of LMIC. There's a variety of holding companies in the middle. But Yes. I think really the way to think about it from a staff perspective is upon closing those investments and subsidiaries will be
replaced with cash. So it really is way to closing and reflect the change in the balance sheet components for LMIC. So I think that's the way to think about it.

In terms of the overall, the $1.1 billion GAAP impact is net of tax, net of projected closing costs and things as we carefully said, that's our current best estimate. There are things that will happen between now and closing, but that is -- you start with gross proceeds and that's net of carrying costs, net of transaction costs and net of tax based on current best estimate.

Operator

Mr. Pietsch, it appears there are no further questions at this time. I'd like to turn the conference back over to you for any closing comments.

Robert Pietsch

Operator, I do see a question here to [ Pinto ] in the queue.

Operator

Our next question comes from Pinto Suri from PGIM Fixed Income.

Pinto Suri

I think -- wanted to see if we could get some color from you on how you're thinking about these kind of elevated non-cat, large loss events that appear to be afflicting the industry and how you're thinking about that from the perspective of the reinsurance cover that we currently may have in place if there's what, if any, changes you may be thinking through as you go look forward into '24.

Christopher Locke Peirce

*Executive VP & CFO*

Pinto, it's Chris. I'd start, nothing is causing us to reconsider our reinsurance structures. We, as always, we'll evaluate what we think are the most efficient structures and what's available in the market, both in terms of capacity and pricing. But at this point, we're not seeing any activity that's causing us to rethink the effectiveness of our reinsurance structures.

Pinto Suri

You don't see near record first half catastrophe losses as causing [ you ] rethink.

Christopher Locke Peirce

*Executive VP & CFO*

I would tell you that it causes a lot of rethink around gross underwriting strategy and pricing. I don't think reinsurance is a solution to elevated [indiscernible] activity and I can tell you the reinsurers don't think so either. So if you try to solve it that way, it ends up being extremely expensive and not the right answer, to be honest. So that's something that we have to address gross underwriting. So that's both pricing and underwriting actions.

Operator

[Operator Instructions] Mr. Pietsch, it appears there are no questions at this time. I'd like to turn the conference back over to you for any closing comments.

Robert Pietsch

Jason, sorry, it just seems someone else has popped into the queue. We have one more question.

Operator

Okay. Next question comes from Chad Stogel from Spectrum.

Chad Stogel

*Spectrum Asset Management, Inc.*

I jumped on a little late. I apologize if this was already addressed. But you often display a slide at the end of the deck that shows your holdco coverage, in that, it shows your dividend capacity, just given where capital currently as you comfortable with the RBC ratios?
And would you be willing to extract capital from the opcos to the holdco for those purposes? Or are you looking to build capital at the RBC metric?

**Christopher Locke Peirce**  
Executive VP & CFO

Chad, it's Chris again. Yes, we did touch on -- we remain committed to our RBC targets of 400% across the various statutory entities. And the LMIC is the one that's been a bit below the other entities. We did take some dividends in 2022 just to manage those levels down to the 400%. So we don't want to retain significant excess amounts in those entities, but we do want to keep them around the 400% level. So I think we'd continue with that.

In LMIC, we did touch on -- we know it's been a little bit below 400% and we're in a tough earnings year, but the dispositions that we've announced when they close, will have a meaningfully positive impact on LMIC's RBC. So we're going to continue to try to manage all of the entities to the 400% level.

**Operator**

There are no more questions in the queue. Mr. Pietsch I'll turn it back to you for any closing comments.

**Robert Pietsch**

Thank you, Jason, and thank you to everyone for joining us today. As always, if there are any follow-up questions, please feel free to reach out to us directly. Our contact information can be found on our website at libertymutual.com. Have a great day.

**Operator**

Thank you. And this concludes the Liberty Mutual Second Quarter 2023 Earnings Conference Call. Thank you for participating. You may now disconnect.