

Horace Mann Educators Corporation NYSE:HMN

FQ2 2025 Earnings Call Transcripts

Thursday, August 7, 2025 3:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2025-			-FQ3 2025-	-FY 2025-	-FY 2026-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.60	1.06	76.67	1.03	4.11	NA
Revenue (mm)	424.70	411.70	(3.06 %)	428.90	1692.45	NA

Currency: USD

Consensus as of Aug-07-2025 5:39 PM GMT

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- EPS NORMALIZED -			
	CONSENSUS	ACTUAL	SURPRISE
FQ3 2024	0.75	0.76	1 1.33 %
FQ4 2024	1.03	1.62	2 57.28 %
FQ1 2025	0.94	1.07	3 13.83 %
FQ2 2025	0.60	1.06	4 76.67 %

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Call Participants

EXECUTIVES

Brendan Dawal

Marita Zuraitis
President, CEO & Director

Ryan Edward Greenier
Executive VP & CFO

Stephen Joseph McAnena
Executive VP & COO

ANALYSTS

John Bakewell Barnidge
Piper Sandler & Co., Research Division

Michael David Zaremski
BMO Capital Markets Equity Research

Presentation

Operator

Good morning, and welcome to the Horace Mann Educators Second Quarter 2025 Results Conference Call. Please note this event is being recorded.

I would now like to turn the conference over to Brendan Dawal, Vice President, Investor Relations. Please go ahead.

Brendan Dawal

Thank you. Welcome to Horace Mann's discussion of our second quarter 2025 results. Yesterday, we issued our earnings release, 10-Q, investor supplement and investor presentation. Copies are available on the Investors page on our website.

Marita Zuraitis, President and Chief Executive Officer; and Ryan Greenier, Executive Vice President and Chief Financial Officer, will give the formal remarks on today's call. We also have Steve McAnena, Executive Vice President and Chief Operating Officer, with us for Q&A.

Before turning it over to Marita, I want to note that our presentation today includes forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The company cautions investors that any forward-looking statements include risks and uncertainties and are not guarantees of future performance. These forward-looking statements are based on management's current expectations, and we assume no obligation to update them. Actual results may differ materially due to a variety of factors, which are described in our news release and SEC filings. In our prepared remarks, we use some non-GAAP measures. Reconciliations of these measures to the most comparable GAAP measures are available in our investor supplement.

I'll now turn the call over to Marita.

Marita Zuraitis

President, CEO & Director

Thanks, Brendan, and good morning, everyone. Yesterday, Horace Mann reported second quarter core earnings per share of \$1.06, a nearly threefold increase over prior year. Net premiums and contract charges earned were up 8% with total revenues up 6%. These results reflect continued strong business profitability and solid growth momentum across the business as well as property and casualty, catastrophe losses that were meaningfully below prior year and recent prior periods.

Core return on equity for the quarter was 11.3%, bringing our trailing 12-month core return on equity to 12.6%. Taking the strong results through the first half of the year into consideration, we are increasing our full year 2025 core EPS guidance to a range of \$4.15 to \$4.45. Ryan will provide more color on the full guidance assumptions later in the call.

Today, I want to highlight some key takeaways from our very strong second quarter as well as revisit the long-term strategic outlook we introduced at our recent Investor Day. Overall, we had an excellent second quarter. Our businesses are all at or near profitability targets, which provide the foundation for driving sustained profitable growth. Let me break it down by segment.

In Property and Casualty, we reported a combined ratio of 97%, a nearly 15-point improvement over prior year. Core earnings were \$17 million, a \$25 million improvement from the segment loss we recorded a year ago. We are seeing the benefit of non-rate underwriting actions taken to reduce property volatility.

These measures, including roof settlement schedules continue to earn in as expected. In addition, we recorded favorable prior year development in both property and auto in the second quarter. Catastrophe losses contributed 15 points to the combined ratio, an 8-point improvement over the prior year. While PCS recorded 20 storm catastrophe events this quarter, our results reflect lower catastrophe losses driven by lower frequency and lower severity of policyholder claims.

In the Life and Retirement segment, core earnings were double last year's results on the strength of higher net investment income returns. Limited partnership and commercial mortgage loan fund returns outpaced last year's results. And for the 14th consecutive quarter, new money yields in the core portfolio exceeded book yield. In addition, we recorded lower mortality costs compared to the second quarter 2024. On a year-to-date basis, mortality costs remain within our expected actuarial range.

In the Individual Supplemental and Group Benefits segment, policyholder utilization continues to be favorable. Our results demonstrate that we are successfully delivering on profitability commitments while strategically investing in the business to capture

long-term growth opportunities. We are on track to achieve our 2025 goals of record annual core earnings and a sustained double-digit shareholder return on equity.

At our recent Investor Day, we outlined what's next for Horace Mann. We have 2 clear strategic financial goals we are focused on: a 10% average compound annual growth rate in core EPS and a sustained 12% to 13% core return on equity by 2028. Now is the time for us to scale our profitable businesses. We're accomplishing this through sales force growth, leveraging cutting-edge marketing tools and investing in successful value-added brand awareness and lead generation programs.

We are realizing steady mid-single-digit growth in net points of distribution, which encompasses our exclusive agency force and licensed producers that support them in both their agencies and our call center. Our agency force, in particular, is motivated by the improvements and investments we have made to the agent experience.

Our agent Net Promoter Score continues to improve and is top quartile among industry peers. One of the investments we have talked about before is Catalyst, our homegrown technology solution that enhances agent interactions with educators and allows us to engage with more educators at the right time to better convert prospects into customers.

At Horace Mann, we build marketing and support programs around the issues educators space every day, and we provide solutions. This not only builds brand awareness and brand loyalty, it provides us with greater access to schools and educators. A few examples. In a spring survey, about 86% of educators once again told Horace Mann that they spend their own money on supplies for their classrooms. We help educators find solutions to this financial issue in several ways, including hosting educational workshops on how to maximize classroom crowd funding success and funding projects through a DonorsChoose national sponsorship.

This month, we are partnering with Lakeshore Learning, an educational furniture and materials retailer to stock dozens of classrooms across the country for the new school year, including one \$25,000 classroom makeover.

We also recently announced a strategic partnership with Crayola, a trusted brand known for its dedication to education. Together, we are expanding access to creative and impactful resources for educators and students nationwide through programs like Crayola Creativity Week.

This January celebration includes virtual educational events, creativity speakers, teaching resources and prizes to help educators care for themselves and their students. It reaches more than 800,000 educators and 13 million students annually.

We are seeing traction from our increased focus on partnerships and lead generation programs. Website traffic in the second quarter increased 75% over the prior year. We've thoughtfully built capabilities and programs within our integrated omnichannel approach to customer acquisition and service. This ensures educators can engage with Horace Mann in the way that they choose through a local agent, digital channels or our call center and can seamlessly flow between channels when they need more or less guidance.

And we're seeing results. Auto sales are up 10% year-to-date. At our current sales pace and as retention stabilizes and returns to a more typical level, we expect risks in force to level out and begin to grow. In fact, we are seeing deceleration in the decline of risks in force with the second quarter down less than 1% compared to the first quarter.

Notably, Individual Supplemental achieved another record-breaking quarter. Second quarter sales of \$6 million increased 43% over the prior year. On a year-to-date basis, sales were up over 50%. We are clearly growing this business, which, as planned, is an important contributor to our higher ROE targets. The so what for investors is that Horace Mann is a company with a clear and compelling strategy to drive sustained profitable growth and accelerate shareholder value creation.

In addition to our plans for profitable growth, the most accretive use of capital, we maintain a strong dividend payout ratio and continue to execute on share repurchase program. In May, the Board authorized an additional \$50 million of share repurchase. We have returned \$13 million of capital to shareholders in share repurchases through July year-to-date.

To close, this is an exciting time for Horace Mann. We are reaching more educators than ever before with a compelling value proposition. On a year-to-date basis, we are exceeding our 2025 goals of record annual core earnings and a sustained ROE above 10%. Beyond that, we have the products, distribution and infrastructure in place to deliver on our vision to be the leading financial services provider for educators in the years to come. We are operating from a position of strength. We have a strong competitive advantage, and we have confidence in delivering sustained market-leading growth. Over the next 3 years, we will serve more educators, build scale and accelerate shareholder returns. Thank you. I'll now turn the call over to Ryan.

Ryan Edward Greenier
Executive VP & CFO

Thanks, Marita. Second quarter results reflect strong underlying performance across the business, and Property and Casualty catastrophe losses that were below prior year and our historical averages. We continue to observe encouraging signs of sustained growth momentum and clearly see the earnings power of our multiline business when operating at target profitability.

As Marita mentioned, given strong underlying business performance in the first half, we are increasing our full year 2025 core EPS guidance to a range of \$4.15 to \$4.45. Our 2025 guidance assumptions remain the same, roughly \$90 million of catastrophe losses assumed for the full year, in line with our 5-year historical average. Despite the favorable second quarter cat results, we have had significant hurricanes in the second half of the year in 3 of the past 5 years.

As such, we believe it is prudent to continue to use our 5-year average when providing cat loss guidance. Total net investment income in the range of \$470 million to \$480 million with managed portfolio income of \$370 million to \$380 million and interest expense and other corporate items of \$35 million to \$40 million.

Turning now to the results. Core earnings of \$44 million or \$1.06 per share was nearly 3x the prior year result. Trailing 12-month core return on equity was 12.6%, reflecting continued strong underlying profitability across the business. Total net premiums and contract charges earned were up 8% with total revenues up 6%. In the Property and Casualty segment, core earnings were \$17 million, a \$25 million improvement over the segment loss reported in the prior year period.

Net written premiums of \$211 million increased 6% over the prior year, primarily on higher average written premiums. The P&C reported combined ratio of 97% improved 14.5 points over prior year, reflecting improved underlying results, lower catastrophe costs and favorable prior year development.

The \$5.5 million in prior year development included \$4 million in property and \$1.5 million in auto liability, driven by favorable severity. Pretax catastrophe losses of \$30 million were \$11 million below the prior year period and below our historic averages due to lower claim frequency and severity.

In auto, net written premiums of \$127 million increased 4% over the prior year. The underlying combined ratio of 96.5% improved 3.8 points, primarily due to higher average premiums. Household retention remained strong at nearly 84% and in line with expectations given the rate actions we've taken. It continues to be in the top quartile relative to industry benchmarks. In property, net written premiums of \$84 million increased 10% over the prior year.

The underlying combined ratio of 65.1% improved 12.4 points, reflecting higher average premiums and favorable frequency and severity. Lower catastrophe costs contributed 24 points to the year-over-year combined ratio improvement. Policyholder retention remained strong at 89%. In Life and Retirement, core earnings of \$25 million were a twofold improvement compared to the prior year, primarily driven by higher net investment income and lower mortality costs.

Year-to-date, mortality remains within our expected actuarial range. Net written premiums and contract deposits of \$142 million increased 6% over the prior year. In the Life business, persistency remained strong at 96%. In the Retirement business, net annuity contract deposits increased by 8% and persistency rose to nearly 92%.

Year-to-date deposits into our core 403(b) products remain strong. Moving to Individual Supplemental and Group Benefits. The segment contributed \$13 million to core earnings. Net written premiums of \$66 million increased 3% over the prior year. In individual supplemental, net written premiums of \$31 million increased 4% over the prior year.

The benefit ratio of 27.7% was in line with prior year, and we continue to see favorable policyholder utilization trends relative to our long-term expectations. We are clearly seeing returns from our strategic investments in this business to drive profitable growth with record sales of \$6 million in the quarter, a 43% increase over the prior year.

Policyholder persistency remained steady near 90%. In Group Benefits, net written premiums of \$35 million increased 3% over prior year. The benefits ratio of 44.8% was below prior year due to favorable policyholder utilization. As a reminder, the current scale of this business is relatively small and does not significantly impact consolidated results.

We continue to see some variability in quarterly sales, which is typical for the Group business. Given the longer sales cycle of the business, we have a clear view of sales in the second half of the year. In fact, July was a record sales month for group. As a result, we are expecting third quarter sales to put us ahead of the prior year.

Turning to investments. We continue to see very strong results from our core fixed income portfolio, reflecting the benefit of higher average yields. As Marita mentioned, this is the 14th consecutive quarter that new money yields in the core portfolio have exceeded book yield. We anticipate that this trend will continue given the average portfolio duration of 7 years. Annualized limited partnership

returns were 10%, driven primarily by private equity and infrastructure-related funds and commercial mortgage loan fund returns were 7%, significantly improved over the prior year.

Turning to capital management. As we reiterated at our recent Investor Day, we remain focused on driving shareholder value creation. Our dividend yield remains strong, and we continue to actively execute on our share buyback program. We have taken advantage of recent market conditions with year-to-date repurchases of over 325,000 shares at a total cost of \$13 million and at an average price of \$40.54 through July month end. Including the additional \$50 million authorized by the Board in May, we have about \$63 million remaining on our current share repurchase authorization.

In conclusion, second quarter results highlight our ability to deliver strong results while laying the groundwork for long-term sustained profitable growth. We remain on pace to deliver record annual core earnings in 2025, a shareholder return on equity above 10% and free cash flow generation above 75%. We are confident in our ability to deliver on our longer-term financial goals, and we remain firmly focused on accelerating shareholder value creation. Thank you. Operator, we are ready for questions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Mike Zaremski with BMO.

Michael David Zaremski

BMO Capital Markets Equity Research

I will be focusing first on the P&C segment. A lot of helpful commentary in the prepared remarks, I heard some commentary about lower frequency and severity. Just kind of thinking out, I know that in terms of the cat load, obviously, there's plenty of the year left given we're in hurricane season, et cetera. And maybe it's early days on kind of some of the terms and conditions changes you've made to some of the policies such as the higher deductibles.

But I guess just longer term or maybe if you're seeing data now, could there be the potential for your cat load guidance, which I think you used a 5-year average to be a bit different or lower? Or is that not the right way to think about things?

Marita Zuraitis

President, CEO & Director

Mike, it's Marita. Thanks for your question. Before we tackle the question, and there was a lot in there to unpack, I want to thank you for initiating coverage and your thoughtful note. It's great having you on board. So thanks for that. I'm going to turn it over to Ryan to unpack the cat question because I think that's a great question, and then we'll answer the other pieces in there.

Michael David Zaremski

BMO Capital Markets Equity Research

So I'll just say real quickly, maybe cat isn't even the right way to think about it. It might be just loss ratio, non-cat too. Sorry to interject.

Ryan Edward Greenier

Executive VP & CFO

Sure. Why don't I start unpacking just to be clear that philosophically, folks understand kind of how we approach guidance. When we looked at this, we looked at our first half outperformance, and we clearly saw favorable P&C underlying results, solid commercial mortgage loan results in second quarter, strong LP results in both individual supplemental benefit utilization favorable and we adjusted for the outperformance we saw on a year-to-date basis.

Second quarter is typically our highest catastrophe quarter. Our experience this year was favorable compared to recent years. But the third quarter, like many carriers, is our most volatile quarter. I mentioned in the script, 3 of our last 5 years had hurricanes. Those were \$15 million-plus events for us. And so when I think about our approach to cat guidance, we can't predict the timing of weather events. But we can look to historical averages, and we exposure weight that 5-year average. It's \$90 million on a full year basis, and we'll see how that plays out. That has been our historic approach. It's too soon to talk about what we'll do for '26, but that has been how we've thought about cat guidance.

Marita Zuraitis

President, CEO & Director

Yes. When you think about cats, the only thing you know is you're probably going to be wrong. Wise people around here have told me we can't predict weather, but we certainly can model it. And our modeling clearly shows us that, that number is about the right number for us over the long run.

As Ryan mentioned, 3 of the last 5 years, we saw more volatility in the third quarter than we saw in the second quarter. I think if you look to industry weather activity in the beginning of July, it was clearly there. I mean we've seen a ton of water, whether it's flooding, whether it's rain, whether it's other catastrophe activity in July.

We certainly saw some of that as well. Nothing outsized for us in July, but it is an indication that July can also have cat activity industry-wide. That, combined with the volatility that we do see in recency in the third quarter, our math shows us that it makes sense to keep that number where it is and not change it and include that in the guidance. Obviously, after the third quarter is done, we'll revisit that, but it doesn't make any sense for us to not continue to follow the math as we always have.

The second part of your question is the underlying, and we feel really good from an underlying perspective ex prior year development, ex cats, where we sit in the business and feel like the work we've done with rate and our underwriting work has put us where maybe even a little bit ahead of where we would expect us to be.

The third part of your question, when you talk about property volatility and the things that we've put in place to level off that property volatility in the long term are clearly working the way we had hoped that they would work, whether that is introducing roof schedules, higher deductibles, the work we're doing in water claim management. The odd thing is a typical second quarter, you would have more claims so that you could actually see the actual benefit of those things come through. The good news is not as many claims to see it, but we feel really good that we are on track with the plans that we've put in place to improve the underlying performance of the business, and we will continue to plan for cats around what the math tells us. I hope that answers your great question.

Michael David Zaremski
BMO Capital Markets Equity Research

Yes, that was comprehensive. I'll make my follow-up. I'll stick to the P&C segment. High level, when we think about growth in auto and home, but especially auto, it looks like the retention ratio probably needs to tick up a bit. That's too simplistic. But kind of where are we in the, I guess, the cycle in terms of pricing and in terms of condition changes? And do you expect to start seeing some additional kind of improvement or acceleration eventually in policy count growth specifically over the coming quarters or year?

Marita Zuraitis
President, CEO & Director

Yes, we do. I mean we spent a lot of time in New York at our recent Investor Day, unpacking our plans for what we call sustained profitable growth because we think that's the right way for us to think about it a little more long term. But let's face it, there is increased competition in the monoline auto space, it's clear. We're all seeing it. We're all talking about it. But we are an educator and others who serve the community, but we are an educator carrier. We're a household carrier.

We're not a monoline auto carrier. We bundle auto and home. We're able to add Life and Retirement and supplemental group benefits offering to that total account perspective. Our strategy has never been about being the cheapest price. It's about being a fair price over the life cycle. And that's why we don't talk about now is the time to growth, it's growth on, it's growth off. We don't think about it as a faucet. We think about it as sustained profitable growth over the life cycle. And I think the important thing is the things that we've done over the last several years, building the products that are relevant in our space and we have them.

If we believe that it's not the right time for us to write the auto and be on that auto portion of the account, we have great relationships through the Horace Mann General agency when it's appropriate for us to place that with potentially a monoline auto carrier that has the right price or the right appetite or the right scale in that particular geography. And that lever has worked very well for us. We also have a lot of work that we've done in modernizing our infrastructure that allow educators to engage with us easier and more modernized as we built that out. Steve can talk a little bit about the work we've done in marketing and distribution to support that sustained profitable growth. But I feel like we've done what we need to do to meet the objectives that we laid out very clearly at Investor Day. Steve?

Stephen Joseph McAnena
Executive VP & COO

Yes. So Mike, good question. And I think I'll pull back and just sort of point you to the investor supplement. And first thing you can see is for auto because that was your question, you can definitely see that PIF is stabilizing. And I think Marita called this out in her remarks, almost flat quarter-over-quarter. And that sort of gives us a pretty good degree of confidence that it's going to stabilize and turn positive in the next handful of quarters. So that's sort of my direct response to what do we see with PIF.

If I unpack things and divide results into 2 buckets, retention, you can also see the same thing. You see it stabilizing. And so keep in mind, retention did decline a handful of points after 3 years of taking roughly 40% in rate. So we took -- we pumped 40% of auto rate through the system. Retention held pretty steady, did decline a little bit but our expectation is that the rate is moderating. We're going to take rate commensurate more with loss trends. And so our expectation is retention is going to flatten. It will start to uptick over the next handful of quarters.

Marina mentioned new business and sales momentum. So the second piece here around PIF is how are we doing on the new business side. And we talked a lot about this at Investor Day, but there's really 3 broad things we're doing. The first is we're driving more leads. And again, I think Marita did a great job of commenting on that upfront. And you see that in one of our metrics, which is website activity. I think it was up over 75%. So leads is one.

The second is points of distribution. We are growing our points of distribution across the board. And then the last is increased productivity, and that would sort of cover things like Marina referenced Catalyst, which is really a lead management system that allows agents to sort of handle their leads more effectively and efficiently and increase the likelihood of sale. So I think as new business continues to rise and retention stabilizes, we have a high degree of confidence that we're going to deliver first PIF stability and then PIF growth.

Operator

Our next question comes from John Barnidge with Piper Sandler.

John Bakewell Barnidge

Piper Sandler & Co., Research Division

My question is on the Group Benefits business. I know there's seasonality. Can you maybe talk about the volumes, individual supplement and group benefits, how active the company has been in RFP activity? I appreciate the comments you made about your expectations for the year, but curious about the quarter.

Stephen Joseph McAnena

Executive VP & COO

John, good to hear from you. And so I'll unpack both segments, and I'll start with individual supplemental. And so you saw sales are up quite a bit. I think you asked a question last quarter on this as well. When asked if it was driven by any one new account or case, and the answer is no. It's really driven by 2 factors. We have more people selling and the people that are selling, we see their productivity going up, and we're really pleased with that.

I'll also remind you, Q1 of '24 was kind of deflated. We had some weather issues preventing us from getting into schools. And so when you compare some of the numbers year-over-year, they could be a little distorted because early part of '24 was deflated. I think as we go forward and look at individual supplemental right now, if you look at the supplement we're writing about \$5 million and change per quarter, and we probably expect that to continue for the -- certainly for the rest of the year. So we feel pretty good about where individual supplemental is.

And we sort of -- as we look to the horizon, we expect sustained profitable growth, as Marita said. The Group line is very different. And I think Ryan did a nice job of covering this upfront. Just for context, Group is a relatively small book for us. The case sizes can vary from a few hundred thousand to over \$1 million. And so you have lumpiness in there. And then the sales cycle is very long. But given that, that sales cycle is long, it gives us a clear view as to what's coming. And I think Ryan referenced this earlier.

We feel really good about the forecast and what we're looking at for new business sales in Group for the remainder of the year. July is an excellent proof point, so we already know what the sales numbers are. And sort of if we look at July year-to-date, '25 versus July year-to-date '24, we are exceeding '24 growth levels. And so we feel really, really good about what's happening there. You brought up RFPs. We have a fair amount of [indiscernible] activity in the marketplace, and so that's just ongoing. So we feel good about Group. Q2 was a little quiet for us, but we knew that Q3 and likely Q4 are going to be pretty good for us.

Marita Zuraitis

President, CEO & Director

Steve, thanks for unpacking those details. You did a nice job there. I think it's also important to think about the strategy here. The earnings diversification that both the NTA and MNL acquisition have done for Horace Mann, I think, is clear. Think about NTA and the individual supplemental business of Horace Mann now producing new business at a 43% in the quarter and a nice ongoing clip and feel really good about the sustained profitable growth there.

MNL was a couple of years later. feel, as Steve said, very strongly about that business. Longer sales cycle, really nice view, as Steve said, into the future and the rest of this year. But I think it also makes sense for that to take a little bit longer to get that ongoing kind of cadence that we now see with the individual supplemental business. And it's clear, and you see that in the numbers, we are investing in what we need from a long-term sustainable growth perspective in both Individual Supplemental and clearly Group. So I think we unpacked what you needed there.

John Bakewell Barnidge

Piper Sandler & Co., Research Division

And then my follow-up question, P&C sales was nice in the quarter. It sounds like your outlook for PIF has improved. Is this from the core customer, the educator customer? Or are we starting to see the signs of the fruit being born from your Investor Day on new channels?

Marita Zuraitis
President, CEO & Director

Yes. I mean I think we've talked about new channels very clearly and the thoughtful approach that we're taking to concentric growth circles, natural adjacencies, and that work is way too new to be in the numbers in a meaningful way. We are still close to that 80% educator number that we have been. It moves a little bit by a point or 2 here and there, but it is still the lion's share of our business.

And quite frankly, for a long time, will continue to be. I wanted to be really thoughtful, and I think we were at Investor Day to make sure we unpack the amount of opportunity we have within the educator space, not just public K through 12, but higher education, home schooling, trade schools, a lot of the work that we're doing outside of the public K through 12 is still -- it still has some educator centrality to it. So I don't think if you're thinking educator versus non-educator, we are going to move those percentages greatly in the near term because a lot of the work that we're doing is still in that tangential educator space.

Operator

We have a follow-up question from Mike Zarinky with BMO.

Michael David Zaremski
BMO Capital Markets Equity Research

Just given there was a little bit of noise in the investment portfolio this quarter with the true-up, I don't see a live transcript, but did you give the new money yield? I think you said it was exceeded the book yield, but I don't know if you wanted to share any kind of quantification of approximately what the new money yields were or the kind of the book yield ex the true-up?

Ryan Edward Greenier
Executive VP & CFO

Sure. Sure, Mike. No, you didn't miss it. And it's a good result. So I'm glad you asked the question. 5.79% for the core fixed maturity portfolio for the quarter. Another encouraging bright spot when I look at net investment income on a go-forward basis. This is the first quarter where the accounting yield, the equity method of accounting yield, which is what goes into NII, exceeded the cash return for our commercial mortgage loan funds.

Simply put, we're recovering some of the unrealized noise that we saw come through earnings over the last couple of years as commercial real estate continues to stabilize. So that's an encouraging leading indicator. There's always idiosyncratic risk with CMLs, but we're buoyed by that result. LP is also a really strong result. So overall, on a trend line basis, if you adjust for the prior period adjustment, the fixed maturity portfolio would have been tracking right in line with prior quarters.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Ryan Greenier Chief Financial Officer, for any closing remarks.

Ryan Edward Greenier
Executive VP & CFO

I appreciate everyone joining us on the call this morning. Feel free to reach out to the Investor Relations team with any additional questions, and thank you.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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