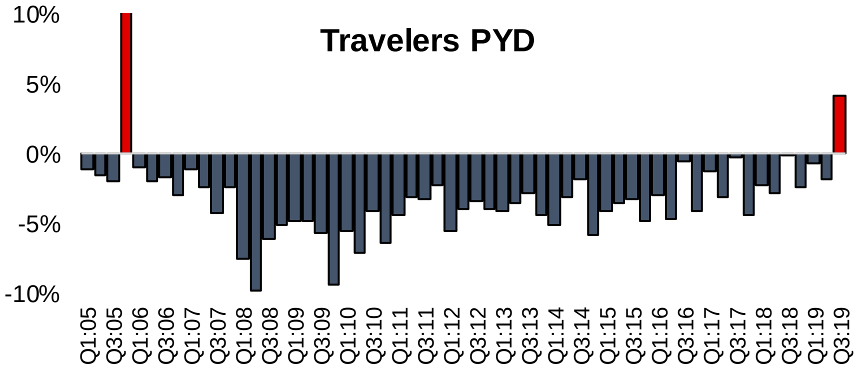
Inside P&C by The Insurance Insider

October 23, 2019

TRAVELERS: THIS IS AN EX-CANARY



On Tuesday, **Travelers** reported a significant earnings miss, with operating EPS of $1.43 versus analyst consensus of $2.35. The “miss” came despite the company going to great lengths to highlight loss trends coming in above its expectations in Q3 at a recent sell-side conference. Even so, the stock was down 8.3% on the day. Ouch.

The result was driven by current accident year true-ups related to commercial auto and GL (details below), and the first net adverse development since 2005 driven by the same factors. However, the company went to great lengths to emphasize the trends it was facing were environmental and not a company specific problem, including providing a chart showing the acceleration of paid claims from ISO in its deck.

However, even without this hard sell, we’d be inclined to agree. Recall, Progressive also specifically called out commercial auto severity in its September release. Both Travelers and Progressive are more sophisticated, data-driven companies than most peers, and tend to have more responsive accounting versus processes that prioritizes stability and bleeds trends in more slowly. Track records counts for a lot in this industry.

Rather than a Travelers specific problem, our view is these companies are likely to be the leading indicator of industry trends, not signals of company specific failures on underwriting guidelines or risk management. And further, their early diagnosis and responsiveness positions them better to get it right quicker than peers that prefer stable reported earnings that mask fundamental weakness in reserve strength.

In many ways, we expect this to play out like the auto hard market of 2015-2017, with “problems” first manifesting at higher quality data-driven companies like Progressive, Allstate and Geico, with other firms at first denying seeing the same magnitude of trends, then being hit twice as hard with catch-up charges further down the line.

As we wrote in our Q3 preview, we expect this quarter to begin a more “confessional” atmosphere on loss trends. As we outlined there, the nature of the insurance business is that pricing follows pain. The nature of executive incentives is that the disclosure of pain often follows the disclosure of better pricing.

A classic scene from the 1970s British comedy group Monty Python involves a disgruntled customer trying to convince a disinterested pet-store clerk that the parrot he recently purchased is dead. “This,” he asserts with increasing exasperation, “is an ex-parrot”.

Our view is that Travelers is the proverbial canary in the coal mine for the industry on social inflation loss trends. And this is an ex-canary.

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Travelers, Key Statistics

Market Cap ($mn)	**36,951**
Share price	**130.2**
MTD	**(12.5)%**
YTD	**8.7%**
1-YR	**4.9%**
3-YR	**20.1%**
Div Yield	**2.3%**
Price / Earnings	**14.1 x**
Price / Book	**1.5 x**
Price / Tangible Book	**1.8 x**

Source: S&P Global, Inside P&C

TRAVELERS: BIG EARNINGS MISS AS SOCIAL INFLATION BITES

- ***Reported $1.43 operating EPS vs. $2.35 consensus***
- ***Reserve charges in casualty, commercial auto liability weigh on results***
- ***Light cat quarter offset by higher "attritional" cats***

Travelers reported operating EPS of $1.43, plunging 44% YoY. The result missed all 20 analyst estimates compiled by MarketWatch, falling 56% short of the consensus of $3.27 and 47% short of the lowest estimate of $2.71.

EXHIBIT: TRAVELERS Q3 RESULTS SUMMARY

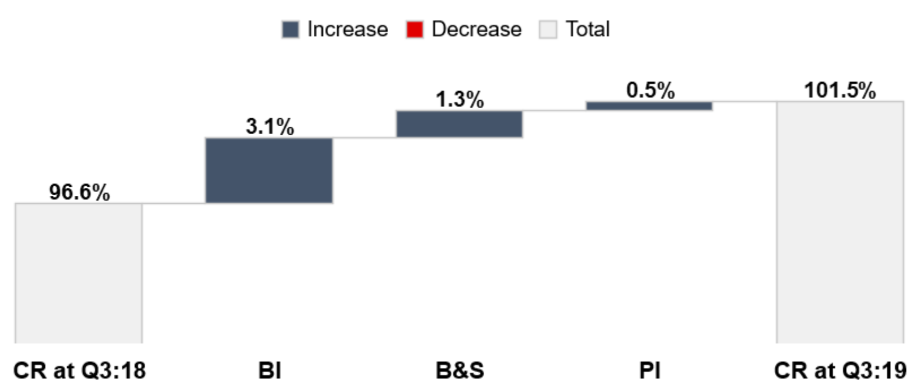
Source: Company reports, Inside P&C

$mn (except for EPS)	Travelers Consolidated					
	Q3:18	Q4:18	Q1:19	Q2:19	Q3:19	VAR
Operating EPS.	**$ 2.54**	**$ 2.13**	**$ 2.83**	**$ 2.02**	**$ 1.43**	**-43.7%**
GWP	7,462	6,943	7,839	7,824	8,022	7.5%
NWP	7,062	6,691	7,057	7,450	7,569	7.2%
NII	646	630	582	648	622	(3.7%)
Loss and LAE	4,655	4,778	4,442	4,821	5,230	12.4%
Amortization expenses	1,117	1,122	1,117	1,134	1,169	4.7%
G&A expenses	1,059	1,063	1,057	1,125	1,098	3.7%
U/W gain, A/T	194	99	307	52	(101)	NM
Cats	3.8%	8.8%	2.8%	5.3%	3.3%	(0.5)pts
PPD	-0.2%	-2.4%	-0.7%	-1.8%	4.1%	NM
AY ex-cat LR	63.3%	61.6%	61.9%	64.7%	64.6%	1.3pts
Loss ratio	66.9%	68.0%	64.0%	68.2%	72.0%	5.1pts
Expense ratio	29.7%	29.5%	29.7%	30.2%	29.5%	(0.2)pts
Combined ratio	96.6%	97.5%	93.7%	98.4%	101.5%	4.9pts

The result was primarily driven by the first adverse development since Q4:2005, and a current accident year loss true-up driven by commercial auto and GL.

EXHIBIT: COMBINED RATIO CHANGE ATTRIBUTION BY SEGMENTS

Source: Company reports, Inside P&C



Social Inflation: The pain begins to show

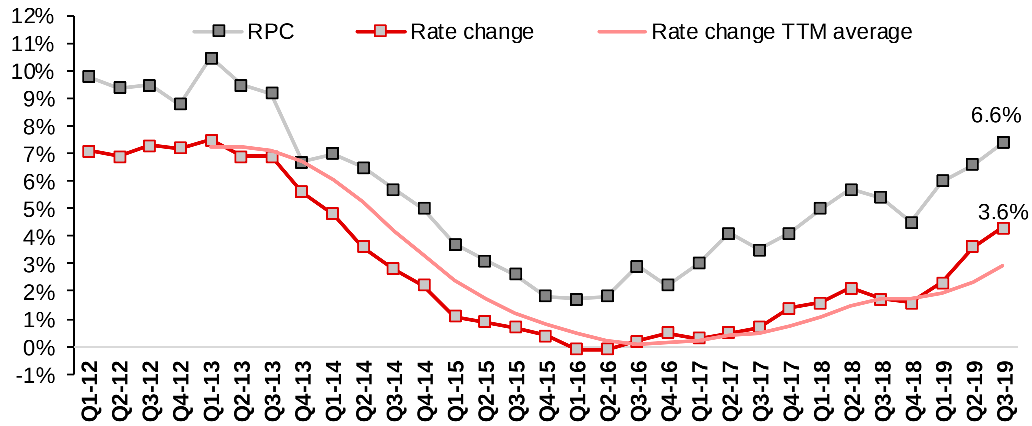
As we wrote in our Q3 preview, we expect this quarter to begin a more "confessional" atmosphere on loss trends. As we outlined there, the nature of the insurance business is that pricing follows pain. The nature of executive incentives is that the disclosure of pain often follows the disclosure of better pricing.

So far this appears accurate, as early data points from **Progressive** and **Travelers** have highlighted the growing loss trend pressures, with share price reactions that suggest the market is focussed more on loss trend than pricing trends this quarter.

On the positive side, it reported renewal premium increases of 7.4% and renewal rate increases of 4.3%, the highest since 9.2% in Q3:13 and 4.8% in Q1:14.

EXHIBIT: BUSINESS INSURANCE PRICING AND RATE CHANGE

Source: Company reports, Inside P&C



However, on the other hand, this quarter provided a more transparent glimpse on the underlying market pressures driving these. The company outlined a $134m reserve strengthening for general liability and $114m for commercial auto, and a 1pt impact to BI current accident year loss ratio by a true-up (including trailing quarters). Explaining the challenges the firm is facing, CEO Alan Schnitzer said "<u>at the heart of the issue is the higher and more aggressive level of attorney involvement on claims</u>", which he described as a tax on American society.

The company also pointed to data on paid claims severity from ISO showing a significant spike in recent quarters. The firm said that given the long tail nature of the exposure and the lengthening of the claim development pattern, the significant spike in the data made it hard to assess the likely ultimate costs in real time. Though this continues to highlight the uncertainty and risk around this type of social inflation, and potential for negative earnings revisions, our view is that the companies who recognize it quicker in accounting provide more incentive for management to get on top of trend quicker, and less risk of playing catch-up if trends continue to worsen.

<u>To this end, we find it surprising Travelers stock has been punished so significantly for transparency, with only some spillover onto peers likely seeing similar underlying trends.</u>

Net investment income downgraded again

Another notable detail in Travelers' Q3 earnings was the outlook on after-tax net investment income from fixed income investments (A/T fixed income NII) that had downward revisions for three consecutive quarters. The company cited expectations on lower interest rate environment as a major reason for the revisions. Notably, Travelers' actual figures beat internal fixed income NII outlooks in every of the last three quarters (see chart below).

EXHIBIT: A/T FIXED INCOME NII ESTIMATE REVISIONS AND ACTUAL RESULTS

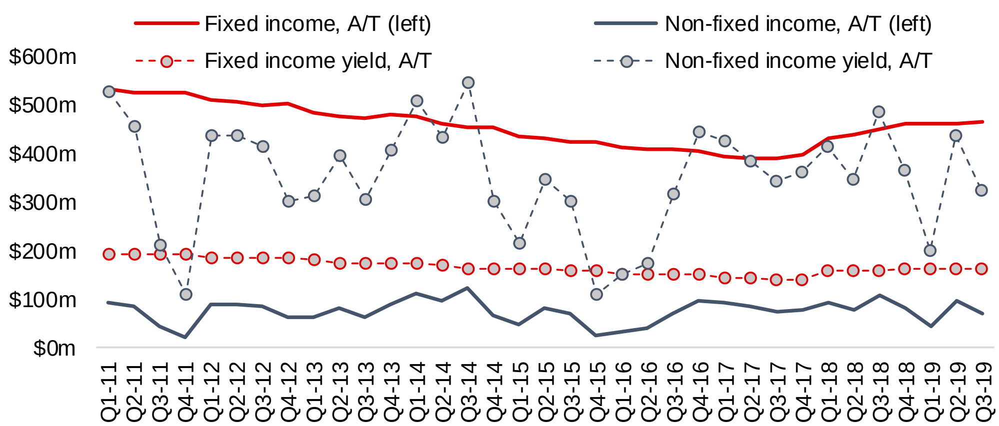
Source: Company reports, Inside P&C

Periods when estimates were made		Q1:19	Q2:19	Q3:19	Q4:19	Q1:20	Q2:20	Q3:20
	Q4:18	**$453.5mn**	**$460.5mn**	**$471.5mn**	**$484.5mn**	-	-	-
	Q1:19	$461mn act.	$458.0mn	$469.0mn	$482.0mn	-	-	-
	Q2:19		$462mn act.	$461.5mn	$474.5mn	**$461.0mn**	**$462.0mn**	-
	Q3:19			$466mn act.	$462.0mn	$448.5mn	$449.5mn	**$453.5mn**

On the headline, Travelers' pre-tax NII declined by $24mn (3.8%) YoY, largely due to investments in more volatile non-fixed income asset classes, e.g. private equity, real estate, stocks, hedge funds, etc. (see chart below).

EXHIBIT: INVESTMENT INCOME BY SOURCE AND YIELDS

Source: Company reports, Inside P&C



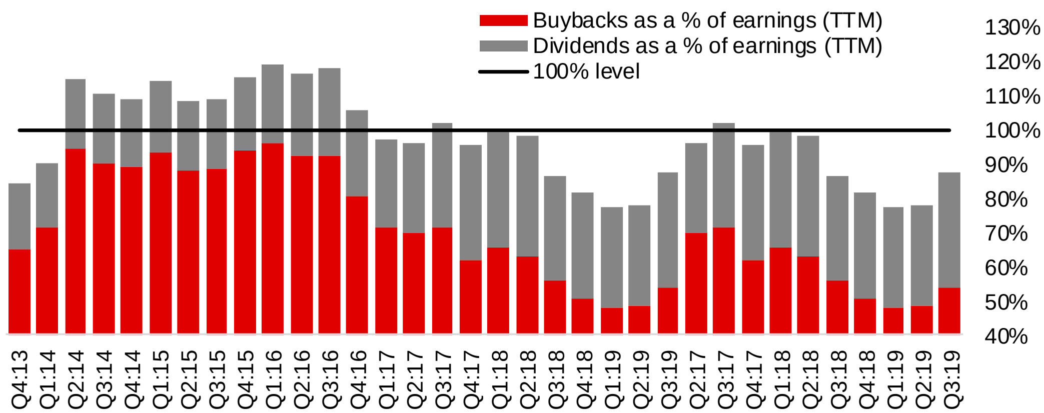
On capital return, the company bought back 2.5mn shares for $375mn at 90.6% of earnings and declared $215mn dividends at 51.9% of earnings, to total 143% payout. This is higher than historical ~100%.

However, the figure is better looked at multiple period basis since the quarterly earnings may be too volatile and distort the trend. Using trailing twelve months, buyback and dividend payout ratio is 87.3%, below ~100% historic level (see chart below).

The capacity remaining under Travelers' existing share repurchase authorization was $2.161bn at the end Q3.

EXHIBIT: RETURN OF CAPITAL

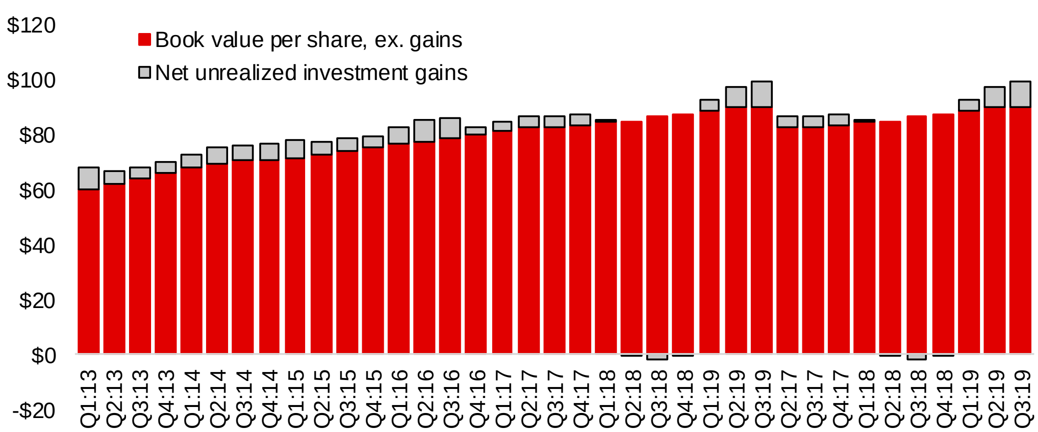
Source: Company reports, Inside P&C



Book value continued sequential growth in Q3. The book value per share (BVPS) grew by 2% to $99.21 from $99.28 in Q2 and by 14% from $86.85 since year-end 2018. The growth is almost exclusively due to market value appreciation of fixed income instruments as a result of decline in yields reflected accumulatively as net unrealized investment gains on the balance sheet. Excluding the impact, the Q3 BVPS was consistent with Q2 and increased by 3% since year-end 2018 (see chart below).

EXHIBIT: BOOK VALUE GROWTH

Source: Company reports, Inside P&C



Segment results: Business Insurance

Business insurance was a weak spot in Travelers' earnings, with unfavorable development in general liability and commercial auto liability impacting the company's overall results.

EXHIBIT: TRAVELERS BUSINESS INSURANCE Q3 RESULTS SUMMARY

Source: Company reports, Inside P&C

$mn (except for EPS)	Travelers Business Insurance					
	Q3:18	Q4:18	Q1:19	Q2:19	Q3:19	VAR
GWP	3,992	3,754	4,730	4,193	4,271	7.0%
NWP	3,648	3,533	4,163	3,874	3,889	6.6%
NII	482	465	427	481	457	(5.2%)
Loss and LAE	2,653	2,642	2,580	2,686	3,028	14.1%
Amortization expenses	610	610	615	618	634	3.9%
Operating expenses	648	651	632	686	657	1.4%
U/W gain, A/T	2	3	44	(48)	(210)	NM
Cats	3.7%	5.2%	2.5%	5.6%	3.0%	(0.7)pts
PPD	1.5%	-1.2%	0.6%	-1.9%	8.1%	6.6pts
AY ex-cat LR	64.4%	64.7%	64.5%	65.9%	65.5%	1.1pts
Loss ratio	69.6%	68.7%	67.6%	69.6%	76.6%	7.0pts
Expense ratio	31.0%	30.7%	30.5%	31.5%	30.4%	(0.6)pts
Combined ratio	100.6%	99.4%	98.1%	101.1%	107.0%	6.4pts

BI booked a net **$316m** pre-tax charge for **prior year development (PYD),** including a $220m net reserve charge, dominated by a $134m reserve strengthening for general liability and $114m for commercial auto.

Favorable development continued in workers' comp. While the exact amount of reserves released was not disclosed, the company ball-parked it at close to $100mn on the call, implying north of $300mn in gross adverse development elsewhere.

Commenting on the company's adverse development, Travelers' CEO Alan Schnitzer referred to the loss cost inflation as an "industrywide phenomenon":

> *"We believe this is environmental. We don't think there's anything about our book of business that makes us more susceptible to these types of claims. If you turn the TV you see advertising. The rate of attorney involvement is up. And I think that's going to impact anybody writing liability coverages. So we don't think there's any reason to think our book of business is more susceptible than anybody else". –* **CEO, Alan Schnitzer**

In line with prior commentary, Schnitzer explained these trends were "broadly across geographies, businesses and accounts", and were focussed in areas like commercial auto and slip and fall where there were large groups of homogenous claim types that could be targeted through retail advertising.

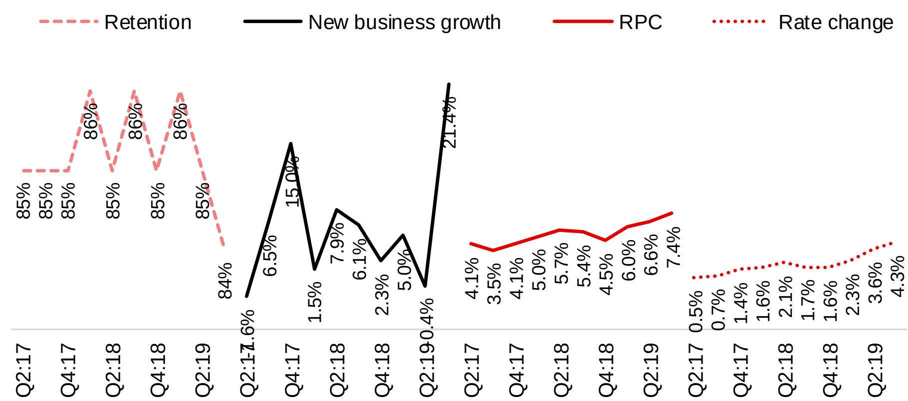
Top line: +7% driven by pricing and retention. Net premiums written were **up 7%** to **$3.99bn.** According to the company, the strong growth was attributed to “higher pricing and strong retention”, with a 7.4% contribution from renewal premium change and supported by 4.3% rate increase.

Within BI, the company specifically highlighted National Property as benefitting from disruption in the market and able to pick up accounts. Overall, new business was up a strong 21% to $568m YoY, while hitting a retention ratio of 82%.

By LoB, worker’s comp was up 2%, comm’l auto +8%, comm’l property +15%, general liability +9%, and comm’l multi-peril +5%.Retention remained strong, but at 84% was the lowest since Q4:15. Against this, new business production was up 21%, the highest since at least Q1:11. These conflicting signals give a somewhat mixed read on competitive pressures and the ability of the firm to take rate without giving up share.

EXHIBIT: BUSINESS INSURANCE PRODUCTION METRICS

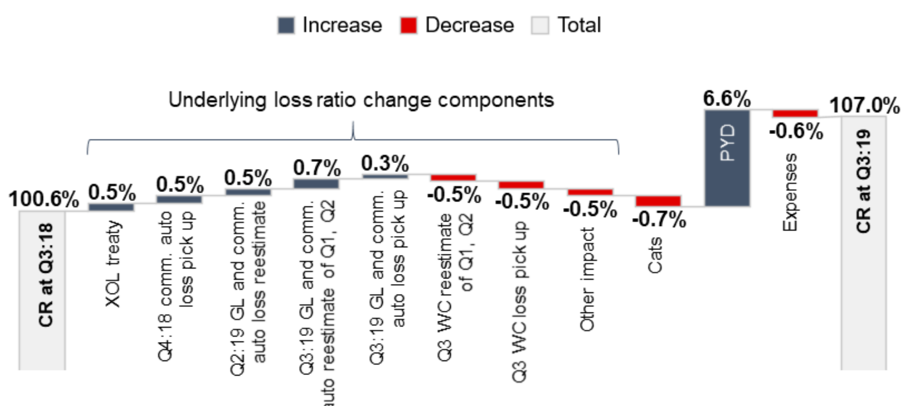
Source: Company reports, Inside P&C



Underwriting: Weaker underlying combined driven by comm’l auto and GL
The underlying combined ratio deteriorated by .5% to 95.9%. This was driven by commercial auto and general liability reestimates, along with the additional cost of the cat aggregate treaty purchased in January.

EXHIBIT: BI COMBINED RATIO CHANGE BY COMPONENTS

Source: Company reports, Inside P&C



Bond & Specialty: 2nd highest combined ratio in 6+ years

Bond & Specialty Insurance (B&S) underwriting earnings declined by 40.6% to $85mn. The result was driven by a worsening in current year losses and less favorable reserve releases than the same quarter in the year prior. These factors contributed to a Q3 combined ratio of 83.3%, the second highest in the 6+ years the segment has existed (Recall, the B&S segment formed as a result of carving out international business insurance lines from legacy Financial, Professional & International Insurance segment).

EXHIBIT: BOND & SPECIALTY Q3 RESULTS SUMMARY

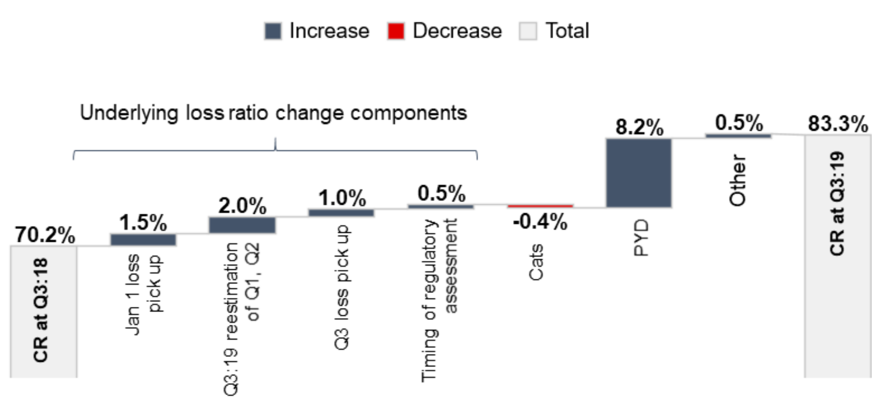
Source: Company reports, Inside P&C

$mn (except for EPS)	Travelers Bond & Specialty					
	Q3:18	Q4:18	Q1:19	Q2:19	Q3:19	VAR
GWP	673	680	662	747	770	14.4%
NWP	644	657	587	710	728	13.0%
NII	57	61	56	58	59	3.5%
Loss and LAE	205	176	266	238	303	47.8%
Amortization expenses	117	117	112	118	123	5.1%
Operating expenses	113	115	117	120	124	9.7%
U/W gain, A/T	143	165	86	120	85	(40.6%)
Cats	0.6%	1.1%	0.5%	0.1%	0.2%	(0.4)pts
PPD	-8.7%	-14.4%	-0.5%	-6.2%	-0.5%	8.2pts
AY ex-cat LR	41.2%	41.2%	43.5%	43.5%	46.0%	4.8pts
Loss ratio	33.1%	27.9%	43.5%	37.4%	45.7%	12.6pts
Expense ratio	37.1%	36.9%	37.6%	37.5%	37.6%	0.5pts
Combined ratio	70.2%	64.8%	81.1%	74.9%	83.3%	13.1pts

As was the case in Business Insurance, both the current AY loss pick and PPD led to a significantly weakened underwriting margin in the segment. Included in the 5pt deterioration of the AY loss ratio, is 1pt due to an increased loss pick in Q3, and 2pts related to adjusting estimates of Q1 and Q2 loss picks (see chart below). According to management commentary, the re-estimates stem from increase in frequency in **sexual harassment claims** and to a smaller degree from **securities class action litigation**.

EXHIBIT: B&S COMBINED RATIO CHANGE BY COMPONENTS

Source: Company reports, Inside P&C



The topline grew 14.4% due to a combination of new business growth and high retention. Notably, the Q3 retention (90%) and new US business volume in management liability were at record high. Renewal rate accelerated to 4.8% from 4.1% in Q2 and 3.5% in Q1.

EXHIBIT: DOMESTIC MANAGEMENT LIAB (B&S) RPC

Source: Company reports, Inside P&C

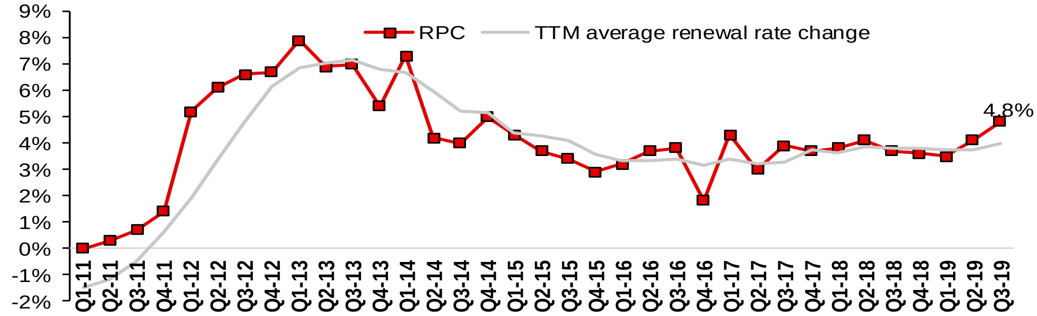
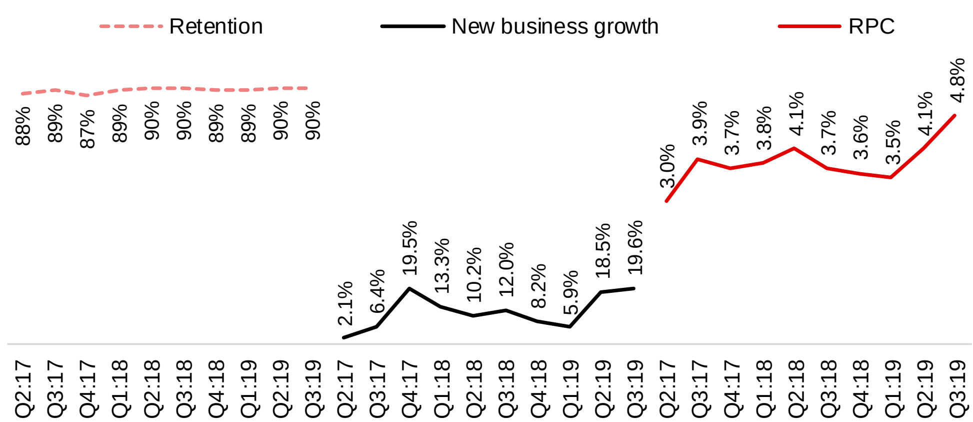


EXHIBIT: DOMESTIC MANAGEMENT LIAB (B&S) PRODUCTION METRICS

Source: Company reports, Inside P&C



Personal: Auto & Home

Travelers' personal segment saw a segment income of $131M, a 14% decline YoY. The result stems primary from lower underwriting income, following a 0.9pt increase in the segment's underlying loss ratio to 67.8%.

On top line, GWP increased 7% to $3bn. The result was driven by strong production figures in both auto and homeowners with renewal premium change of 4% and 7% respectively and higher levels of new business.

EXHIBIT: TRAVELERS PERSONAL SEGMENT EARNINGS

Source: Company Reports

($mn)	Travelers (TRV) Personal					
Period:	**Q3:18**	**Q4:18**	**Q1:19**	**Q2:19**	**Q3:19**	**VAR**
GWP	2,797	2,509	2,447	2,884	2,981	6.6%
NWP	2,770	2,501	2,307	2,866	2,952	6.6%
Loss & LAE	1,796	1,960	1,596	1,897	1,899	5.7%
Expenses	706	661	657	740	754	6.8%
Underwriting income	20	(66)	254	(64)	(9)	NM
AY ex-cat LR	66.9%	62.0%	62.7%	68.1%	67.8%	0.9pts
Cats	4.9%	15.9%	3.8%	6.1%	4.7%	(0.2)pts
PPD	-0.6%	-1.1%	-2.8%	-0.5%	-0.7%	(0.1)pts
Loss ratio	71.2%	76.8%	63.7%	73.7%	71.8%	0.6pts
Expense ratio	26.0%	25.8%	26.4%	26.5%	26.2%	0.2pts
Combined ratio	97.2%	102.6%	90.1%	100.2%	98.0%	0.8pts

Highlights for the segment included:

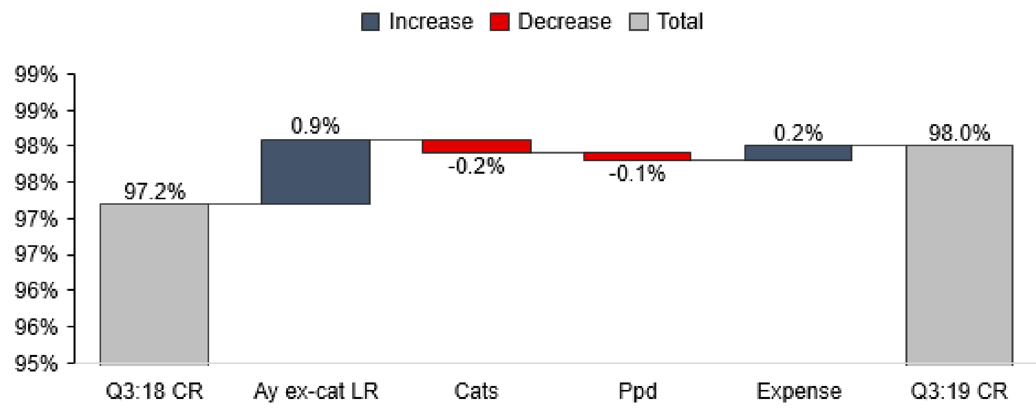
- **98% combined**, +0.8pts YoY, driven by underlying results.
- **94% underlying combined**, +1.1pts YoY, driven by higher non-cat weather losses in Homeowners & Other, the new cat reinsurance treaty mostly impacting Homeowners & Other, and lower other loss activity.
- **0.7pts of favorable development** driven by domestic homeowners & auto product lines for recent accident years.

The rise in the segment's combined ratio to 98% was largely due to a 0.9pt increase in the firm's underlying loss ratio to 67.8%. The effects of catastrophes, reserve development, and expenses largely offset one another with changes ranging 10-20bps.

Michael Klein, president of personal insurance, stated that: *"the underlying combined ratio was higher by 1.1 points, primarily driven by higher non-catastrophe weather-related losses and the impact from the new catastrophe reinsurance treaty, partially offset by lower other loss activity."*

EXHIBIT: TRAVELERS PERSONAL SEGMENT COMBINED LEVERS

Source: Company Reports



In Q3:18, the segment's combined benefited from lower catastrophe losses and favorable reserve developments resulting from better than expected loss experiences in auto. Management also highlighted earned pricing that exceeded loss cost trends in auto.

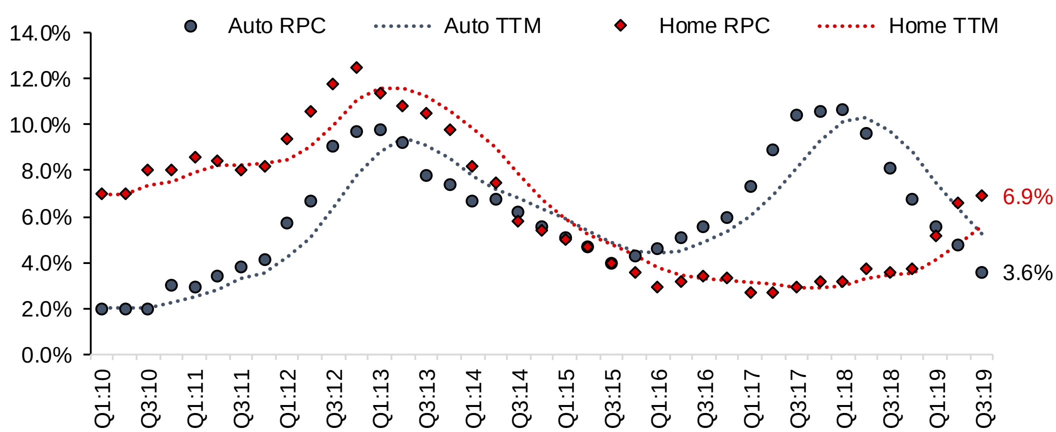
Premium trends

Auto continues to follow a downtrend, while homeowners continued to trend up.

Auto RPC is up 3.6% and is expected to be lower over the next twelve months. Homeowners at 6.9%, is on the rise, and is expected to average a higher result over the next twelve months, according to company guidance.

EXHIBIT: AUTO & HOMEOWNERS RENEWAL PREMIUM CHANGE

Source: Company Reports



In <u>Agency Auto</u>, the combined ratio of 93% marked the "seventh consecutive quarterly combined ratio under 96%".

Highlights for the sub-segment include 3% top line growth, and a 22% decline in the firm's statutory underwriting income to $70mn. Flat underlying performance combined with higher cats and lower favorable reserve development contributed to the result.

EXHIBIT: TRAVELERS AGENCY AUTO SEGMENT EARNINGS

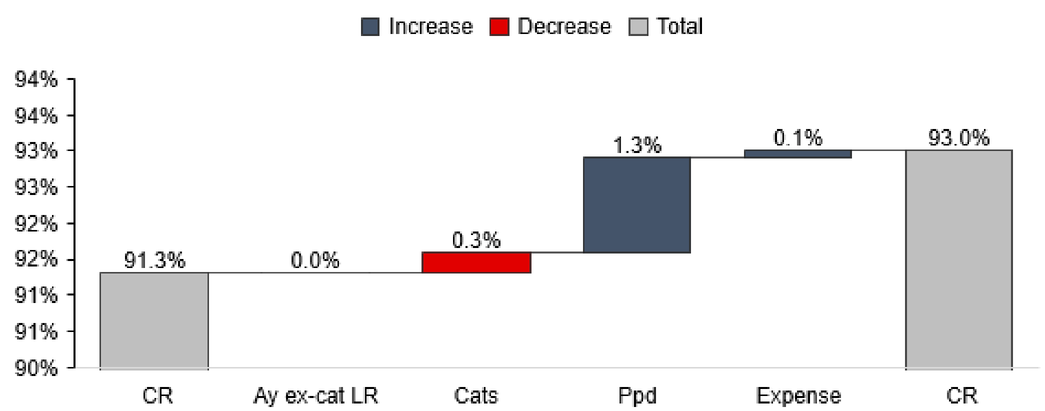
Source: Company Reports

($mn)	Travelers (TRV) Agency Auto					
Period:	**Q3:18**	**Q4:18**	**Q1:19**	**Q2:19**	**Q3:19**	**VAR**
GWP	1,310	1,231	1,240	1,304	1,352	3.2%
NWP	1,305	1,226	1,224	1,300	1,347	3.2%
Loss & LAE	840	900	810	876	891	6.1%
Expenses	297	288	296	312	310	4.4%
Underwriting income	90	54	122	61	70	-22.2%
AY ex-cat LR	69.8%	74.1%	68.7%	69.9%	69.8%	(0.0)pts
Cats	0.5%	0.3%	0.7%	1.3%	0.8%	0.3pts
PPD	-1.8%	-1.9%	-3.4%	-1.1%	-0.5%	1.3pts
Loss ratio	68.5%	72.5%	66.0%	70.1%	70.1%	1.6pts
Expense ratio	22.8%	22.8%	23.4%	23.9%	22.9%	0.1pts
Combined ratio	91.3%	95.3%	89.4%	94.0%	93.0%	1.7pts

The auto combined result is 1.7pts higher YoY, stemming from a 1.6pt increases in the firm's loss ratio to 70.1%. The rise in the segment's loss ratio stems from a 0.3pt increase in cat points to 0.8% and a 1.3pt increase in PPD points to -0.5%. The sub-segment's underlying loss ratio remained flat at 69.8%.

EXHIBIT: TRAVELERS AUTO SEGMENT COMBINED LEVERS

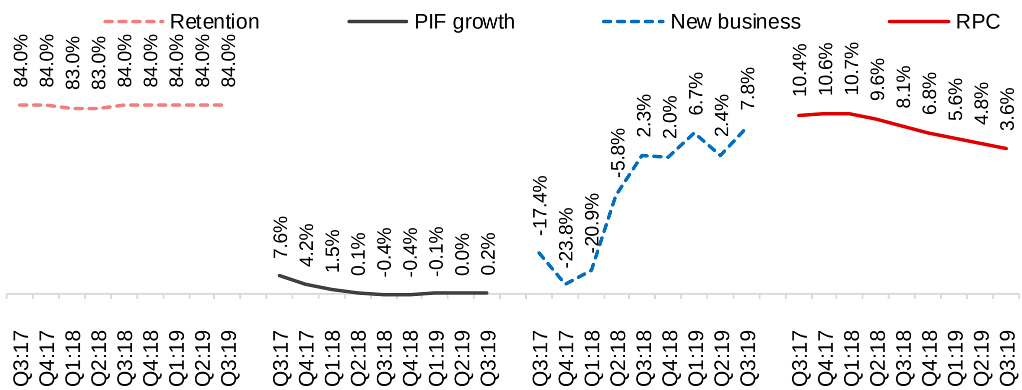
Source: Company Reports



Production metrics including retention and PIF growth remained flat at roughly 84% and 0% respectively. New business growth is on the rise at 7.8% and renewal premium change is down 4.5pts to 3.6%.

EXHIBIT: AGENCY AUTO SEGMENT PRODUCTION STATISTICS

Source: Company Reports



In <u>homeowners</u>, management revisited heightened loss expectations, which "reflect higher levels of loss activity in property". The expectations can be seen in the firm's recent pricing gains, and management plans to further improve pricing and property going forward.

Michael Klein also highlighted the **successful rollout of Quantum Home 2.0.** Management is pleased with the quality of the new business it's writing, and "the profile business is consistent with our expectations and most of the increase in issued policies results from higher quote volume at a consistent close rate."

> *"As we intended, sales and marketing activities associated with the rollout of Quantum Home 2.0, along with its granular pricing segmentation, customizable coverages and ease of quoting are leading contributors to higher new business volumes."*
> **- Michael Klein**

EXHIBIT: TRAVELERS HOMEOWNERS SEGMENT EARNINGS

Source: Company Reports

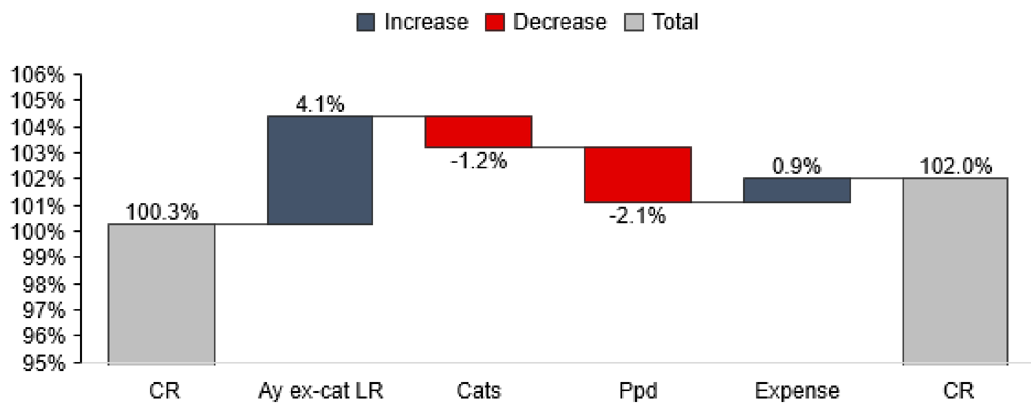
($mn)	Travelers (TRV) Homeowners				
Period:	**Q3:18**	**Q4:18**	**Q1:19**	**Q2:19**	**Q3:19**	**VAR**
GWP	1,180	1,012	954	1,268	1,316	11.5%
NWP	1,168	1,011	837	1,258	1,300	11.3%
Loss & LAE	746	857	604	801	801	7.4%
Expenses	313	281	277	335	349	11.5%
Underwriting income	(34)	(100)	130	(86)	(61)	79.4%
AY ex-cat LR	61.0%	45.3%	54.2%	64.7%	65.1%	4.1pts
Cats	11.1%	37.9%	8.0%	12.9%	9.9%	(1.2)pts
PPD	0.7%	-0.6%	-2.4%	-1.3%	-1.4%	(2.1)pts
Loss ratio	72.8%	82.6%	59.8%	76.3%	73.6%	0.8pts
Expense ratio	27.5%	27.2%	28.4%	28.2%	28.4%	0.9pts
Combined ratio	100.3%	109.8%	88.2%	104.5%	102.0%	1.7pts

All in, the firm's homeowners combined increased 1.7pts YoY to 102%, largely driven by a 4.1pt increase in the segments underlying loss ratio. **Management highlighted higher non-catastrophe weather-related losses which are:**

Management provided data from NOAA as a point of reference with 8,500 severe weather events in the U.S. for the third quarter of 2019, a 28% increase when compared to the average Q3 from 2013 to 2018. The combined was also impacted 1.5pts by the new catastrophe reinsurance treaty, offset by lower other loss activity.

EXHIBIT: TRAVELERS HOMEOWNERS SEGMENT COMBINED LEVERS

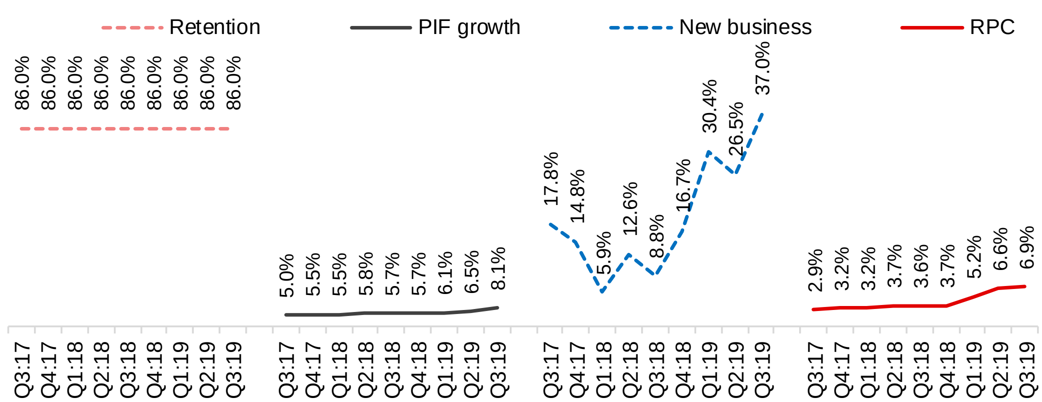
Source: Company Reports



Homeowners production metrics continue to improve. PIF growth of 8.1% is up from 5.7%, and new business is up 37% from 8.8% YoY. Renewal premium change of 6.9%is up from 3.6% YoY. Retention has remained flat at 86%.

EXHIBIT: HOMEOWNERS SEGMENT PRODUCTION STATISTICS

Source: Company Reports



Other Business Insurance tidbits:

- On the cat front, the company revealed that it is $1.2bn of loss through the aggregate retention of the company's catastrophe aggregate treaty. The treaty has an aggregate retention of $1.3bn, with 86% of the next $500m contributing losses covered, outside of a $250m occurrence cap for hurricane and earthquake events.
- Among other tidbits, management took time to address the company's potential recoupment of wildfire losses from 2017 and 2018, pending PG&E's bankruptcy settlement. On September 22nd, PG&E and a group of litigants with subrogation claims reached an $11bn agreement to settle claims against PG&E. The settlement has yet to be reflected in Travelers' financials, but should PG&E emerge from bankruptcy, Travelers estimates the company should recover between $400m and $450m pretax, inuring to the benefit of the company's reinsurance.

This research report was written by Insider Publishing's Research team which includes Gavin Davis, James Thaler, Gianluca Casapietra, and Dan Lukpanov.