

Universal Insurance Holdings, Inc. NYSE:UVE

FQ1 2026 Earnings Call Transcripts

Friday, April 24, 2026 2:00 PM GMT
S&P Global Market Intelligence Estimates

	-FQ1 2026-			-FQ2 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	1.39	2.00	▲43.88	1.43	4.00	NA
Revenue (mm)	369.49	393.56	▲6.52	376.76	1505.87	NA

Currency: USD
Consensus as of Apr-20-2026 7:21 AM GMT

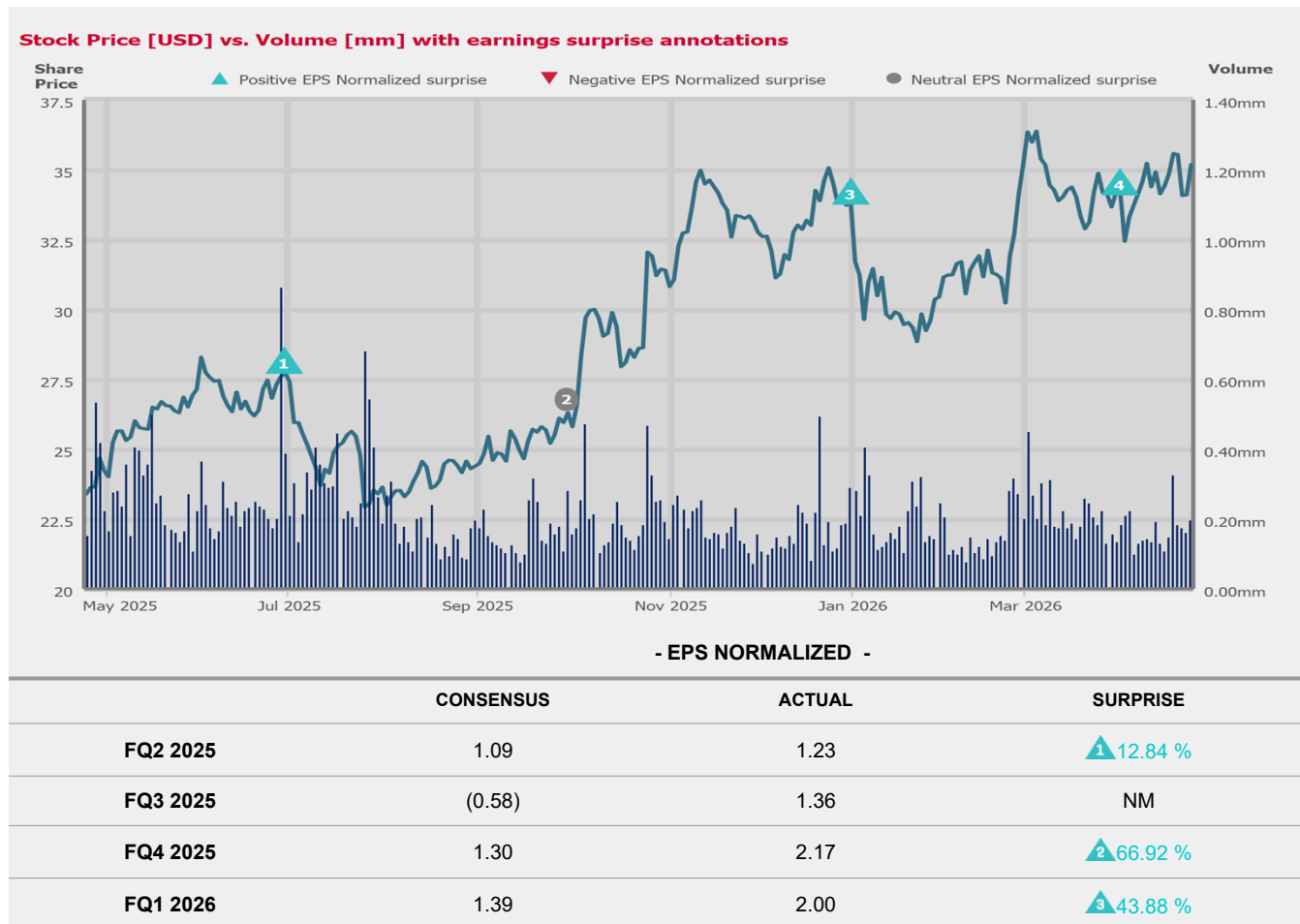


Table of Contents

Call Participants	3
Presentation	4
Question and Answer	5

Call Participants

EXECUTIVES

Arash Soleimani
Chief Strategy Officer

Frank Crawford Wilcox
Chief Financial Officer

Stephen Joseph Donaghy
CEO & Director

ANALYSTS

Jon Paul Newsome
Piper Sandler & Co., Research Division

Nicolas Iacoviello
Dowling & Partners Securities, LLC

Presentation

Operator

Good morning, ladies and gentlemen, and welcome to Universal's First Quarter 2026 Earnings Conference Call. As a reminder, this conference call is being recorded. I'll now turn the conference over to Arash Soleimani, Chief Strategy Officer.

Arash Soleimani *Chief Strategy Officer*

Good morning. Thank you for joining us today. Welcome to our quarterly earnings call. On the call with me today are Steve Donaghy, Chief Executive Officer; and Frank Wilcox, Chief Financial Officer. Before we begin, please note today's discussion may contain forward-looking statements and non-GAAP financial measures. Forward-looking statements involve assumptions, risks and uncertainties that could cause actual results to differ materially from those statements.

For more information, please see the press release and Universal's SEC filings, all of which are available on the Investors section of our website at universalinsuranceholdings.com and on the SEC's website. A reconciliation of non-GAAP financial measures to comparable GAAP measures is included in the quarterly press release and can also be found on Universal's website at universalinsuranceholdings.com. With that, I'll turn the call over to Steve.

Stephen Joseph Donaghy *CEO & Director*

Thanks, Arash. Good morning, everyone. We had a fantastic start to the year with a 38.5% annualized adjusted return on common equity. Our top line results were strong with growth across our multistate footprint, including in Florida. On a separate note, I'm pleased to announce the completion of our 2026-2027 reinsurance renewal for our insurance entities as our program is now fully supported and secured. During the renewal process in 2026, we also secured \$352 million of additional multiyear coverage, taking us through the 2027-2028 treaty period. I'll turn it over to Frank to walk through our financial results. Frank?

Frank Crawford Wilcox *Chief Financial Officer*

Thank you, Steve, and good morning. Adjusted diluted earnings per common share was \$2 compared to an adjusted diluted earnings per common share of \$1.44 in the prior year quarter. The higher adjusted diluted earnings per common share mostly stems from a lower net loss ratio and higher net investment income. Core revenue of \$398.2 million was up 0.8% year-over-year with growth primarily stemming from higher net investment income and net premiums earned.

Direct premiums written were \$506.5 million, up 8.5% from the prior year quarter. The increase stems from 4.9% growth in Florida and 18.3% growth in other states. Overall growth mostly reflects higher policies in force and inflation adjustments across our multistate footprint. Direct premiums earned were \$531.4 million, up 3.5% from the prior year quarter, reflecting direct premiums written growth over the last 12 months. Net premiums earned were \$356.9 million, up 0.3% from the prior year quarter. The increase is primarily attributable to higher direct premiums earned, partially offset by a higher ceded premium ratio.

The net combined ratio was 89.7%, down 5.3 points compared to the prior year quarter. The decrease reflects a lower net loss ratio, partially offset by a higher net expense ratio. The 63.9% net loss ratio was down 6.6 points compared to the prior year quarter, with the decrease reflecting better current accident year results. The net expense ratio was 25.8%, up 1.3 points compared to the prior year quarter, with the increase primarily driven by a higher ceded premium ratio and higher policy acquisition costs associated with growth outside of Florida.

During the first quarter, the company repurchased approximately 210,000 shares at an aggregate cost of \$7.1 million. The company's current share repurchase authorization program has approximately \$13.1 million remaining. On April 10, 2026, the Board of Directors declared a quarterly cash dividend of \$0.16 per share of common stock payable on May 15, 2026, to shareholders of record as of the close of business on May 8, 2026. With that, I'd like to ask the operator to open up the line for questions.

Question and Answer

Operator

[Operator Instructions] And our first question comes from the line of Paul Newsome of Piper Sandler.

Jon Paul Newsome

Piper Sandler & Co., Research Division

Congratulations on the quarter. Maybe we could just start off with some thoughts or color on the competitive environment, both in Florida and outside of Florida. It gets lots of investor questions about whether or not we're seeing a change in the number of folks who are competing in those markets and maybe the speed at which obviously, the ROEs that you and others are reporting are so huge, whether or not that will attract a lot of new competitors.

Stephen Joseph Donaghy

CEO & Director

Paul, thank you. I think from a competitive perspective, we analyze our rates and are chasing rate adequacy more than we are chasing business. So from a competitive perspective, we feel good about where we stand. And obviously, from the quarter, we can bring on business when we want to and we see the markets profitably. So that's probably the answer I would give you. There is competition everywhere, but we feel good about our position and our relationship with our agents has never been stronger. So, yes.

Jon Paul Newsome

Piper Sandler & Co., Research Division

Should we expect further price adjustments and rate adjustments for you folks in the future?

Stephen Joseph Donaghy

CEO & Director

We haven't kicked off our rate analysis at this point. So as we get ready to do that, we will analyze the past 12 months and see how that impacts. And I think as we continue to benefit from the legislative environment and our business, we will do the right thing by our shareholders and our partners. So we'll take that all into account and continue to do the right thing.

Jon Paul Newsome

Piper Sandler & Co., Research Division

Maybe some thoughts on capital management. Obviously, given where the returns are accumulating some excess capital. How do you balance the various uses of that capital today? And should we expect further purchases as a focus or not? Or just maybe you could just kind of prioritize how you think about that.

Frank Crawford Wilcox

Chief Financial Officer

Paul, this is Frank. I think we're going to stay the course. Our #1 priority with capital has always been to support the insurance entities, ensuring that they are adequately capitalized so that we can continue to produce the business that benefits the entire holding company system. That, combined with continuing to return shareholder value.

Operator

Our next question comes from the line of Nicolas Iacoviello of Dowling & Partners.

Nicolas Iacoviello

Dowling & Partners Securities, LLC

Congrats on the quarter. Could we just start -- I was wondering if there's any additional details or commentary you could provide around the outcome of your reinsurance renewal?

Stephen Joseph Donaghy

CEO & Director

Nick, thanks. I appreciate the comments. I think from the reinsurance perspective, we are very excited to be done and have it fully secured for 2026, '27. We were quite happy that we also extended our multiyear agreements. From a pricing perspective, we're going to sit on that until we get to May and release all the details as normal. We think it'd be premature for us to kind of make public comments relative to how we did, but we were very pleased with the market and very pleased with our partners for many, many years and how they treated us relative to this year.

Nicolas Iacoviello

Dowling & Partners Securities, LLC

Got it. I know we'll see more details in May. But I mean, is there anything you could comment on how we should think about the retention? Is it fair to assume it would be similar on a GAAP basis versus prior year, and it would include some captive usage. I get, obviously, you'll have the opportunity to maybe buy down. But as it stands today, is that a fair assumption?

Frank Crawford Wilcox

Chief Financial Officer

Yes. The retentions will remain the same for the insurance entities, \$45 million. We plan to continue to use the captive in the same manner for the \$66 million layer above \$45 million for the first event. So structurally identical to last year.

Operator

I'm showing no further questions at this time. I'll now turn it back to Steve Donaghy, Chief Executive Officer, for closing remarks.

Stephen Joseph Donaghy

CEO & Director

Thank you. I'd like to thank all of our associates, consumers, agents and our stakeholders for their continued support of Universal. Have a nice day.

Operator

Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.

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