S&P Global
Market Intelligence

Universal Insurance Holdings, Inc. NYSE:UVE

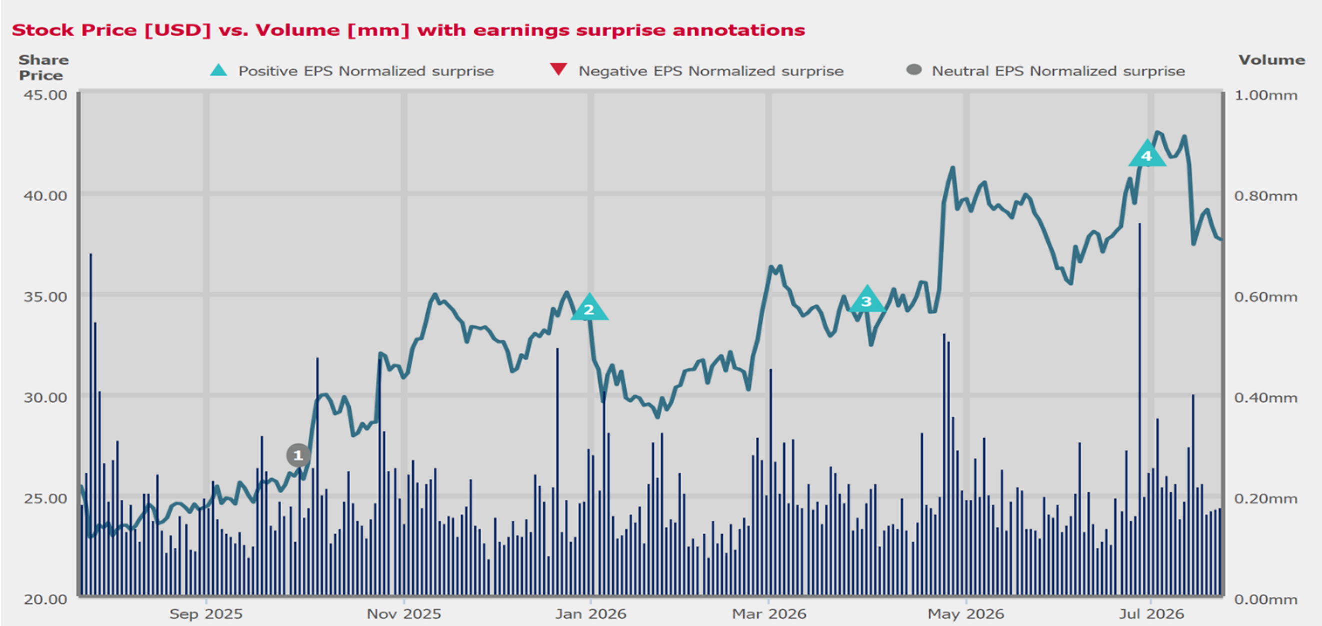
FQ2 2026 Earnings Call Transcripts

Friday, July 24, 2026 2:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2026-			-FQ3 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	1.43	1.84	▲28.67	0.01	4.75	4.40
Revenue (mm)	381.58	427.03	▲11.91	383.29	1544.42	1567.83

Currency: USD
Consensus as of Jul-23-2026 10:12 PM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ3 2025	(0.58)	1.36	NM
FQ4 2025	1.30	2.17	▲66.92 %
FQ1 2026	1.39	2.00	▲43.88 %
FQ2 2026	1.43	1.84	▲28.67 %

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Call Participants

EXECUTIVES

Frank Crawford Wilcox
Chief Financial Officer

Stephen Joseph Donaghy
CEO & Director

UNKNOWN SPEAKER

Unknown Speaker

Presentation

Operator

Thank you. Good morning, ladies and gentlemen, and welcome to Universal's second quarter 2026 earnings conference call. As a reminder, this conference call is being recorded. I would now like to turn the conference over to Arash Soleimani, Chief Strategy Officer.

Stephen Joseph Donaghy
CEO & Director

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 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. Thanks, Arash. Good morning, everyone. In the quarter, we delivered a very strong 33.2% annualized adjusted return on common equity. driven by solid underwriting and revenue performance. Notably, the net loss ratio improved by 7.5 points year over year, driven by favorable claims and litigation trends that we expect to benefit non-catastrophe margins throughout the year. Strong retention and new business generation resulted in 4.1% direct premiums written growth, including growth in Florida and across our multi-state footprint. The favorable claims and litigation trends in our results are a direct product of Florida's legislative reforms. Thanks to the efforts of the governor, the legislature, and the OIR, the Florida homeowners insurance market has stabilized and now operates much more like the rest of the country. Our litigation inventory is back down to levels that preceded Florida's litigation crisis. and the impact of pre-reform claims practices is behind us.

As a result, we believe our aggregate reserves provide a meaningful margin above expected ultimate losses. combined with more favorable reinsurance rates and our ability to write rate-adequate premium throughout our robust, organic new business pipeline, We believe we are well positioned to deliver sustained profitable growth. I'll turn it over to Frank to walk through our financial results. Frank,.

Frank Crawford Wilcox
Chief Financial Officer

Thanks, Steve. Good morning. Adjusted diluted earnings per common share was $1.84 compared to an adjusted diluted earnings per common share of $1.23 in the prior year quarter. The higher adjusted diluted earnings per common share mostly stems from a lower net loss ratio and a higher net premiums earned and net investment income. Core revenue of $419.4 million was up 4.6% year-over-year, with growth primarily stemming from higher net premiums earned and net investment income. Direct premiums written were $621.3 million, up 4.1% from the prior year quarter. The increase stems from 0.8% growth in Florida and 14.4% growth in other states. Overall, growth mostly reflects higher policies and force across our multi-state footprint. Direct premiums earned were $544.8 million, up 4.1% from the prior year quarter, reflecting direct premiums written growth over the last 12 months.

Net premiums earned were $377.3 million, up 4.7% from the prior year quarter. The increase is primarily attributable to higher direct premiums earned in a lower seeded premium ratio. The net combined ratio is 91.6%, down 6.2 points compared to the prior year quarter. The decrease reflects a lower net loss ratio partially offset by a higher net expense ratio. The 64.8% net loss ratio was down 7.5 points compared to the prior year quarter, with the decrease reflecting better current accident year results. The net expense ratio was 26.8%, up 1.3 points compared to the prior year quarter, with the increase primarily driven by higher policy acquisition costs associated with growth outside of Florida, partially offset by a lower seeded premium ratio. During the second quarter, the company repurchased approximately 122,000 shares at an aggregate cost of $4.5 million.

The company's current share repurchase authorization program has approximately $8.6 million remaining. On July 8th, 2026, the Board of Directors declared a quarterly cash dividend of 16 cents per share of common stock payable on August 7th, 2026 to shareholders of record as of the close of business on July 31st, 2026.

Operator
With that, I'd like to ask the operator to open the line for questions. Yes, sir. Ladies and gentlemen, if you have a question or comment at this time, please press star 1-1 on your telephone keypad. If your question has been answered or you wish to remove yourself from the queue, simply press the pound key. Again, to ask a question, please press star 1-1 on your telephone keypad. please stand by while we compile the Q&A roster. Our first question or comment comes from the line of Paul Newcomer Newsome from Piper Sandler. Mr. Newsome, your line is open.

Question and Answer

Unknown Speaker

Good morning. Congratulations on the quarter, folks. Maybe some updated thoughts on the competitive environment today and where you fit into it. both in Florida and outside of Florida. It looks like you're moving a little bit more outside of Florida as well, which is great.

Stephen Joseph Donaghy
CEO & Director

Any thoughts would be very appreciated. Yes, good morning, Paul. Yes, we continue to write new business across our portfolio. We are laser focused on our internal profitability model and how and where we write business. And our goal is to continue to write rate adequate business where possible. So from a competitive perspective, we feel really good about where we sit and really good about our relationships with our agents. And our growth in Florida reflects our positivity on that book of business.

Unknown Speaker

It's on the business outside of Florida, and is that something that you would think about accelerating further?.

Stephen Joseph Donaghy
CEO & Director

Yes, I think it's the same response, Paul. I apologize if I didn't hit it in the first pass, but I think we are, again, we study the profitability models that our actuaries put together in the other states, and we continue to take rate in many of the other states. So, as rate adequacy improves, we open up additional areas and write more business. And again, I think the agents see us as a really good resource in those markets. when they need help. So we feel really good about the entire footprint we sit on.

Unknown Speaker

Great. It sounds like there may be some changes in the potentially in the citizen situation. Any thoughts on that or even the regulatory environment?.

Stephen Joseph Donaghy
CEO & Director

I apologize, Paul. What was it you said? Which situation?.

Unknown Speaker

I've heard rumblings of potential changes with South CISIS's run, but also just regulatory environment thoughts in Florida, which obviously have been very favorable, so now they would.

Stephen Joseph Donaghy
CEO & Director

You know, I think from a citizen's perspective, Paul, you know, they have reduced substantially and are almost at a low that we've not seen in many, many years. So they're not a competitive threat whatsoever to us any longer. And I think they've done some good things relative to ensuring security. they don't take on new business that they don't want. I think from a regulatory perspective, the state of Florida has been very steady, and I think Michael and the department have been very, They really have done admirable work relative to ensuring and encouraging people to come into the state. So I think the market reflects the positivity.

Unknown Speaker

across the board right now. I appreciate the thoughts and help.

Operator

Thanks, Paul. Have a good day. Thank you. Again, ladies and gentlemen, if you have a question or comment, please press star 1 1 on your telephone keypad. I'm showing no additional questions in the queue at this time. I'd like to turn the conference back over to Mr. Steve Donaghy, Chief Executive Officer, for any closing remarks.

Stephen Joseph Donaghy
CEO & Director

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

Operator

Ladies and gentlemen, thank you for participating in today's conference. This concludes the program. You may now disconnect. Everyone, have a wonderful day. Speakers, stand by.

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[Call has ended.]