

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha symbol in orange on a dark red background.

## Philadelphia Consolidated Holding Corp. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

---

[Operator Instructions] And we will take our first question from Mike Grasher [ph]. Please go ahead.

**Unidentified Analyst**

Good afternoon, congratulations on another solid year.

**Joseph Barnholt - Assistant Vice President of Investor Relations**

Thanks Mike.

**Unidentified Analyst**

Want to begin with question just around the guidance that you said here, I am wondering if there is more to it in the comparative environment. Is there an area or a line of business that you maybe are concerned about, I guess I look at the combined ratio jumping 10 points, and not necessarily surprised it's going higher, but the rate of change I guess I am bit surprised by that change particularly given your comments around renewal pricing. Can you give us a little bit more color or discuss that a little more in depth?

**Craig P. Keller - Executive Vice President, Secretary, Treasurer, and Chief Financial Officer**

Hey, Mike it's a Craig Keller I'll address that, when you mentioned about the loss ratio jumping 10 points.

**Unidentified Analyst**

I am sorry I meant the combined.

**Craig P. Keller - Executive Vice President, Secretary, Treasurer, and Chief Financial Officer**

The combined ratio jumping about 10 points and other we have had significant redundancy in '07. And in our guidance we are not anticipating redundancy these are our operating earnings. So pricing will have an impact on our loss ratio, but not to the extent of 10 points. And the other thing about the environment is the financial markets and investment yields that's the other thing that is going to impact earnings through a way for ultimately that settles out with reinvesting our cash flows.

**Unidentified Analyst**

Okay, that's... thank you for that. And kind of leads me into my next question is if you have any intension of changing your allocation to equities?

**Craig P. Keller - Executive Vice President, Secretary, Treasurer, and Chief Financial Officer**

We have discussed that, we have certain ranges we operate in or sort of that to a lower end of our equity range and throughout the year we'll probably be allocating more cash flows to start approaching the upper-end of our equity allocation range.

**Unidentified Analyst**

Okay. And then final question, I'll get back in the queue. What portion of your investment portfolio would be facing reinvestment risk during the course of I suppose the next six months if you can put it in that perspective, if not the entire 2008?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.