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PRESENTATION

Operator

Hello, everyone. Thank you for joining us today for the CNO Financial Group third quarter earnings call. My name is Sammy, and I'll be coordinating your call today. (Operator Instructions)

I would now like to hand over to your host, Adam Auvil, from CNO, to begin. Please go ahead, Adam.

Adam Auvil - CNO Financial Group Inc - Vice President - Investor Relations & Sustainability

Good morning. Thank you for joining us on CNO Financial Group's third quarter 2025 earnings conference call.

Today's presentation will include remarks from Gary Bhojwani, Chief Executive Officer; and Paul McDonough, Chief Financial Officer. Following the presentation, we will also have other business leaders available for the question-and-answer period.

During this conference call, we will be referring to information contained in yesterday's press release. You can obtain the release by visiting the Media section of our website at cnoinc.com. This morning's presentation is also available in the Investors section of our website and was filed in a Form 8-K yesterday.

Let me remind you that any forward-looking statements we make today are subject to a number of factors, which may cause actual results to be materially different than those contemplated by the forward-looking statements.

Today's presentation contains a number of non-GAAP measures, which should not be considered as substitutes for the most directly comparable GAAP measures. You'll find a reconciliation of the non-GAAP measures to the corresponding GAAP measures in the appendix.

Throughout the presentation, we'll be making performance comparisons. And unless otherwise specified, any comparisons made will refer to changes between third quarter 2025 and third quarter 2024.

And with that, I'll turn the call over to Gary.

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Thanks, Adam. Good morning, everyone, and thank you for joining us.

Starting on slide 4. CNO once again delivered a strong quarter, demonstrating our capabilities to generate consistent, repeatable results and execute on our strategic plan. We remain focused on growing earnings and improving profitability.

To do so, we have taken action on two items that we expect will accelerate operating ROE improvement through 2027 by an additional 50 basis points: first, the execution of a second Bermuda treaty; and second, changes to our Worksite Division's fee services business. Further details will be provided later in our prepared remarks.

Sales results in the quarter were excellent, including record total new annualized premiums of \$125 million, up 26%; and double-digit insurance sales growth in both divisions. We also delivered our 13th consecutive quarter of strong insurance sales and our 11th consecutive quarter of growth in Producing Agent Comp. I'll cover these results in more detail in each division's comments.

Operating earnings per diluted share were \$1.29, up 16%. Earnings continue to benefit from favorable insurance product margin and solid investment results, reflecting growth in the business and expansion of the portfolio book yield.

New money rates have exceeded 6% for 11 consecutive quarters now, while maintaining portfolio quality. Capital and liquidity remained above target levels. We returned \$76 million to shareholders in the quarter and \$310 million year to date.

Book value per diluted share, excluding AOCI, was \$38.10, up 6%. Paul will go into greater detail on our financial performance.

Turning to slide 5. Nearly all of our growth scorecard metrics were up for the quarter. As a reminder, our growth scorecard focuses on three key drivers of our performance: production, distribution, and investments in capital. I'll discuss each division in the next two slides. Paul will cover investments and capital in more detail during his remarks.

Beginning with the Consumer Division on slide 6. The Consumer business delivered another quarter of excellent sales results and our 12th consecutive quarter of sustained growth. Nearly all product lines were up most by double digits.

Steady execution and our dedication to serving the middle income market continue to fuel our growth. Life and Health NAP once again posted double-digit growth in the quarter up 27%. We are pleased with our Life business results, including total life insurance, up 33%; and record direct-to-consumer life insurance sales, up 56%.

Our D2C results benefited from three key factors. First, process and technology enhancements continue to drive sales productivity. Second, we have been proactively diversifying our direct marketing away from television to include more web, digital, and third-party channels. Non-TV lead sources combined generated 72% of all D2C life sales in the quarter.

Lastly, our D2C results were bolstered by increased direct marketing spend by some of our third-party partners. We don't expect this level of spending to repeat in the fourth quarter, which is traditionally the lowest selling quarter of the year for the D2C channel.

Our approach to partnerships is intentionally selective, ensuring that distributors complement our existing capabilities and target markets that are different from our typical customer base. This strategy enables us to conduct rapid experiments with minimal investments that augment our in-house development and testing.

Sustained growth in our health results continues to underscore strong customer demand for practical solutions to protect against out-of-pocket gaps in medical coverage and the growing cost of healthcare.

Total Health NAP was up 21%, which marks 13 consecutive quarters of growth. Supplemental Health was up 23% and long-term care was up 7%.

Medicare Supplement was up 33%. Medicare Advantage policies sold, which are not reflected in NAP, were down 24%. Our Medicare results reflect a growing shift in consumer preferences from Medicare Advantage to Medicare Supplement, reversing a decade-long trend.

As many of the leading MA sponsors pare back plans and benefits, more customers are moving to Medicare Supplement plans. With more than 11,000 people in the US turning 65 every day, overall demand for Medicare products continues to grow, and we have an opportunity to continue to expand the total number of households we serve.

Annuity collected premiums were up 2% in the quarter, our ninth consecutive quarter of growth. Collected premiums in the quarter totaled nearly \$475 million, our third highest quarter of all time. Average account size was up 5% and in-force account values were up 8%, exceeding \$13 billion for the first time.

Our capital distribution and the long-term relationships that our agents establish with their clients add stability to our annuity blocks. We delivered our 10th consecutive quarter of brokerage and advisory growth. Client assets in brokerage and advisory were up 28% and hit a new record, surpassing \$5 billion.

Total accounts and average account size were each up 13%. When combined with our annuity account values, our clients now entrust us with more than \$18 billion of their assets, up 13%. Agent productivity and retention continue to support our sustained sales momentum.

Producing agent count grew for the 11th consecutive quarter, and registered agent count was up 6%. Investments in technology continue to enable customer experience enhancements and drive operational efficiency. For example, accelerated underwriting on a portion of our Simplified Life products delivered an 89% instant decision rate on submitted policies in the quarter, up 11%.

Next, slide 7 and our Worksite Division performance. As a reminder, our Worksite Division encompasses two primary components: insurance products and fee services.

First, insurance product sales are the larger part of our Worksite business, which once again delivered record sales in our 14th consecutive quarter of growth. I'll touch on our third quarter performance shortly. We have a long and successful history of selling insurance at the Worksite. We like the profile and growth of this business.

The second component is our fee services business which was added through the acquisitions of Web Benefits Design in 2019 and DirectPath in 2021. This includes benefits administration technology and education, advocacy, and communication services. This business is small, representing less than 1% of total C&O revenue and contributing a pretax annual loss of approximately \$20 million.

In October, we decided to streamline our Worksite operations and exit the fee services business to sharpen our focus on the core insurance business and align resources to proven growth areas. We expect the exit process to be substantially complete in the first half of 2026.

After several years of strategic investment, Worksite fee services has not met our expectations for financial performance or in delivering new insurance customers. Additionally, competition has intensified, with lower cost alternatives and new technologies disrupting our market position. Paul will provide more detail on the financial impacts of this decision, which we expect to be favorable to earnings and return on equity.

It was the right strategic decision for CNO, and it was not made lightly. We remain grateful to the associates who supported this business and thank them for their service and dedication to our clients and customers.

It is important to emphasize that we remain fully committed to our Worksite insurance products and distribution. Worksite insurance sales have never been stronger. The division adds valuable diversification and balance to our model.

Turning to our results in the quarter. We delivered another record performance for insurance sales with Worksite Life and Health NAP up 20%. This represents our seventh consecutive quarter of record NAP growth and our 14th consecutive quarter of overall NAP growth.

Highlights included Life insurance sales, up 24%; Hospital Indemnity insurance, up 53%; Critical Illness insurance, up 17%; and Accident insurance, up 15%. Strategic growth initiatives contributed significantly to our Worksite NAP performance. Our geographic expansion initiative delivered 42% of the NAP growth in the quarter, marking the seventh consecutive quarter of growth from this program.

Recent investments in training and sales tools continue to enhance agent productivity. Worksite recruiting was up 5% in the quarter, and agent productivity was up 15%. Producing agent count was up 9%, our 13th consecutive quarter of growth. As supported by our strong results, we remain bullish on Worksite insurance growth in the fourth quarter of 2025 and beyond.

And with that, I'll turn it over to Paul.

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Thank you, Gary, and good morning, everyone. Before turning to my remarks on the quarter, I'd like to first comment on our second reinsurance treaty with our Bermuda affiliate.

Effective October 1, we have ceded approximately \$1.8 billion of Supplemental Health US statutory reserves, and we'll see 50% of new Supplemental Health business from our Indiana domiciled Washington National Insurance Company to our Bermuda reinsurance company.

We are proud to deepen our commitment to the Bermuda insurance community with this transaction. We are actively exploring additional transactions with our US and Bermuda regulators, which, in aggregate, position us better to carry out our mission of serving middle-income consumers.

Turning to the financial highlights on slide 8. We had another strong quarter across both operating earnings and capital, reflecting favorable trends in insurance product margins, investment income, and continued expense and capital discipline.

The expense ratio was 18.6% in the quarter and 19.0% on a trailing 12-month basis. The income was modestly unfavorable to expectations due to underperformance in our Worksite fee services business.

We continue to manage to our capital and holdco liquidity targets while deploying \$60 million of excess capital on share repurchases in the quarter. This contributed to an 8% reduction in weighted average diluted shares outstanding. On a trailing 12-month basis, operating return on equity was 12.1% and 11.2%, excluding significant items.

For the third quarter, we are recording an impairment of \$96.7 million in non-operating income on the goodwill and intangibles associated with the acquisitions of Web Benefit Design and DirectPath. This impairment reflects updated financial projections for the fee services side of our Worksite business, considering recent performance and an increasingly competitive market.

Additionally, as Gary previously discussed, in October, we decided to exit the Worksite fee services business. We anticipate that decision will result in charges estimated to be in the range of \$15 million to \$20 million, which will also be reported in non-operating income.

The timing of the exit charges will be primarily in the fourth quarter of 2025. We expect this exit decision together with the new Bermuda treaty will improve operating return on equity starting in 4Q '25, with the full effects emerging over the next five quarters through year-end 2026.

The bulk of the ROE improvement relates to the exit of Worksite fee services and stems from the elimination of pretax operating losses previously associated with the fee income segment as well as the effects of the Q3 impairment and exit charges on shareholders' equity. I'll elaborate on the ROE impacts in a moment when I get to the guidance slide.

Turning to slide 9. Total insurance product margin was strong in the quarter. All major product categories were up year over year, reflecting growth in the business and mostly favorable underlying trends.

In other annuities, the prior period results benefited from reserve releases due to higher mortality on larger closed block policies. [Adds up] results reflect higher claims year over year but improved results sequentially. Life margins reflect lower advertising spend in our traditional life business, partially offset by higher policy benefits in interest-sensitive life.

Finally, our annual actuarial review resulted in a \$41.3 million favorable impact to operating income. This was driven by net favorable assumption updates, including most notably, favorable lapse rates in Supplemental Health and surrender rates in fixed index annuities, partially offset by unfavorable morbidity within Medicare Supplement. Consistent with past years, we're calling this out as a significant item in the quarter and presenting the margin on this slide ex significant items.

Turning to slide 10. We continue to deliver strong net investment income results. Q3 marks the 11th consecutive quarter the new money rate has exceeded 6% and the eighth consecutive quarter of growth in total net investment income.

The average yield on allocated investments was 4.91%, up 10 basis points year over year. The increase in yield, along with growth in the business, drove a 7% increase in net investment income allocated to products for the quarter.

Investment income not allocated to product results reflect alternative investment income results better year over year, but slightly below our long-term run rate expectations; lower option forfeitures as a result of lower annuity surrenders and lower in-the-money options; and lower NII from general account assets as the robust capital return in the last four quarters has reduced excess capital.

Our new investments in the quarter comprised approximately \$812 million of assets with an average rating of single A and an average duration of six years. Our new investments are summarized in more detail on slide 22 of the presentation.

Turning to slide 11. Our-high quality and liquid portfolio is producing solid and consistent results. Approximately 97% of our fixed maturity portfolio at quarter end was investment-grade rated with an average rating of single A, reflecting our up-in-quality bias over the last several years.

Turning to slide 12. Our capital position remains strong with our primary capital and liquidity metrics in line with targets.

Turning to slide 13 and our 2025 guidance. Over the next five quarters, we anticipate the combined impact of the exit from the fee services business and the new Bermuda treaty will lead to 50 basis points of incremental operating return on equity over and above our previous projections for the 2025 to 2027 period. So we are revising our operating return on equity target for 2027 to an improvement of 200 basis points, up from the prior target of 150 basis points versus a run rate of approximately 10% in 2024.

We are narrowing our operating earnings per share range to \$3.75 to \$3.85 while maintaining the same midpoint. This adjustment reflects, among other things, an expense ratio of approximately 19%, down from the prior range of between 19.0% and 19.2%; an effective tax rate between 22% and 22.5% compared to the prior estimate of approximately 23%; and fourth quarter fee income approximately \$2 million below 4Q '24, reflecting lower fee income from our distribution of Med Advantage products due to the shift towards Medicare Supplement products and away from Medicare Advantage products, as Gary touched on, and no impact from the results of the Worksite fee services business, which we will include in non-operating income beginning in 4Q as we exit that business.

We are raising our guidance for excess cash flow to the holding company to a range of \$365 million to \$385 million, up from \$200 million to \$250 million, which incorporates the impact of our new Bermuda reinsurance transaction. Finally, no change to our target capital, holdco liquidity, and leverage targets.

And with that, I'll turn it back to Gary.

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Thanks, Paul. CNO delivered another strong quarter. Our performance continues to demonstrate the strength of our business model and our capabilities to generate consistent, repeatable results.

We remain well positioned to grow sales across both divisions, drive improved profitability, and importantly, keep delivering on our promises to customers and stakeholders. We enter the fourth quarter with meaningful momentum, and we once again expect to end the year strong.

Thank you to everyone who joined us in September for our CNO Investor Briefing on the Consumer Division. As a reminder, the webcast and materials from that session are available in the Investor Relations section of our website, cnoinc.com.

We thank you for your support of and interest in CNO Financial Group. We will now open it up to questions. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Ryan Krueger, Keefe, Bruyette, & Woods.

Ryan Krueger, CFA - Keefe Bruyette & Woods Inc - Analyst

My first question was on the really strong D2C sales. Can you give us a little bit more color on how much new partnerships are contributing and how to think about those relative to your D2C volumes, excluding these newer partnerships?

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Maybe I'll make some general comments, and then I'll let Paul fill in some of the precise numbers and growth rates and so on in terms of what we disclosed.

As I mentioned in the prepared remarks, Ryan, we're very selective about who we work with. I'll give you an example. We believe there's a material opportunity in the Hispanic market. We don't think we're well positioned to tap that on our own, so we partnered with somebody to help us with that.

It's those types of things that we are partnering with folks on. It is in addition to what we're doing relative to shifting from our dependence on television advertising.

We expect that growth to continue very nicely. As we did reference because some of the growth in Q3 was due to a pull forward of some advertising expenses and so on by our partners, we don't think the fourth quarter will be quite as strong. But we do believe we will continue to see good solid growth there.

Paul, do you want to backfill any of the numbers or percentage growth rates that we disclosed?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Consistent with our general practice of not providing specific guidance, I won't provide any here. But I would just echo Gary's comments directionally in terms of what you should expect.

Ryan Krueger, CFA - Keefe Bruyette & Woods Inc - Analyst

Got it. And then just a quick one. Is the current roughly \$20 million annual earnings loss from the services business, does that flow through the fee income line from a reporting standpoint?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

It does. It's always been part of the fee income segment. And so you should see that segment, all else equal, improve on an annualized basis by about \$20 million.

Operator

John Barnidge, Piper Sandler.

John Barnidge - Piper Jaffray Inc - Analyst

How do you view the opportunity? Just following up on the comments about actively exploring additional transactions, the total addressable market for remaining health life and long-term care liabilities that could be available to Bermuda.

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

It's Paul. I'll take a first crack at that. So the question is, how much more might we cede to Bermuda? I won't give you specific quantitative answer. But I will say that we are looking at opportunities to see additional business.

We are looking at life in particular, which we think has some benefit, including, among other things, the diversification across products. As you know, we currently have FIAs. Now we have Sup Health ceding some life reserves would increase the diversification.

We continue to actively explore additional transactions with our US and Bermuda regulators. And I would just emphasize the comment we made in our prepared remarks, which is that, in aggregate, the Bermuda platform positions us better to carry out our mission of serving more middle-income consumers in what are very often underserved markets.

John Barnidge - Piper Jaffray Inc - Analyst

And my follow-up, once DirectPath and Web Benefits Design is fully wrapped up in the first half of '26, does it seem reasonable that the direct expense ratio should fall given that that wasn't necessarily a profitable business?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

So John, the \$20 million annualized impact is really all in, including the expenses that were attached to that business. So that's really the expectation at a high level that you should see flow through in the wake of exiting that business.

Operator

Joel Hurwitz, Dowling & Partners.

Joel Hurwitz - Dowling & Partners - Analyst

Paul, on the assumption review, any ongoing earnings benefits from the updates and any statutory impacts?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Sure. So on a GAAP basis, the only go-forward impact that's notable is in Sup Health, that \$2 million quarterly. And then on a stat basis, I'll invite Jeremy to weigh in, our Chief Actuary.

Jeremy Williams - CNO Financial Group Inc - Chief Actuary

Yeah. No, there's no statutory impacts related to any of the unlocking.

Joel Hurwitz - Dowling & Partners - Analyst

Okay, got it. And then just two quick ones on the fee service exit. One, how much of your Worksite insurance business is linked to these platforms that you're shutting down? And then in terms of that \$20 million of a GAAP loss, is that equivalent to what the cash impact was from those businesses?

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Yeah, I'll take the first question, Joel. We don't expect any material adverse impact to our Worksite insurance sales. I would point out, indeed, that's part of the reason we're exiting this business. It just hasn't delivered enough cross-selling and support and so on.

We've been able to grow the insurance business and expect to continue to grow the insurance business without the support or the cross-sell of the fee business. So we expect minimal impact to the insurance sales in Worksite. Paul?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Yeah. So the second part of your question, Joel, I think, is the \$20 million pretax GAAP earnings a reasonable proxy for cash flow? And just thinking out loud, honestly, that I haven't thought of the specific question. But I think there aren't any significant delays in the cash impact as opposed to the GAAP accruals. So I think so, Joel.

Operator

Wilma Burdis, Raymond James.

Wilma Burdis - Raymond James - Analyst

Is there any way you could help us think a little bit more through the forward cash benefit or impact from the Supplemental Health business? And maybe if you can talk about -- I know that relates to a specific sub, but just give a little bit more detail there on the portion of that business that will be going through that sub.

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Wilma, you were breaking up quite a bit there. I'm not sure I got your question. I think you're asking about the go-forward impacts of the Sup Health assumption update.

Wilma Burdis - Raymond James - Analyst

Yes. On cash.

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

On cash, okay. Jeremy, do you want to take that one?

Jeremy Williams - CNO Financial Group Inc - Chief Actuary

Sure. So certainly, on a cash basis, with the movement of the new business, the flow piece, there's certainly some reduction in strain there. I don't know the exact numbers specific to that. But certainly, you would see some reduction in strain and some additional cash flows related to that.

Wilma Burdis - Raymond James - Analyst

Okay. And then can you guys hear me?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Yeah, I can hear you, Wilma, but you're just breaking up a little bit.

Wilma Burdis - Raymond James - Analyst

Breaking up a little bit, sorry. Along the lines of my -- similar lines of my first question, is the \$20 million freed up from the fee services business, is that going to also be a cash impact? I guess what I'm trying to get at here is just maybe help us think a little bit about the forward cash benefits from these two actions.

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Got it. Yeah, so similar to Joel's previous question. I think that certainly, the expenses supporting the fee services business are real-time cash. And on the revenue side, there aren't material deltas between the cash flow and the GAAP accruals. So I think the simple answer to your question, Wilma, is yes.

Operator

Jack Matten, BMO.

Jack Matten - Bank of Montreal - Analyst

I had one more on the Bermuda transaction and more around the uses of the additional cash flow you're seeing this year. Is something you're planning to earmark for shareholder returns next year? Or are there incremental, I guess, investments in the business and growth or capabilities that you're planning to make?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Sure. So Jack, clearly, we'll have elevated cash at the holdco in the fourth quarter in the wake of the new Bermuda treaty. And we will nevertheless be measured in our level of share repurchases as we continue to invest in sales growth and in the previously announced three-year tech modernization project. We view these to be an attractive strategic trade-off, as both will contribute over time to earnings growth and improved return on equity.

Directionally, I would say that you should view our 3Q '25 share repurchase levels as more indicative of go-forward levels than the more elevated levels that we had in 4Q of last year and the first half of this year. Absent, of course, more compelling uses of that capital, we haven't changed in any way, how we think about deploying excess capital. We'll put it to the best and highest use in practice that has and will likely continue to translate to some level of share repurchase activity.

Jack Matten - Bank of Montreal - Analyst

Got it. And on the revised or raised ROE target, just on the cadence of that, should we think about the, I guess, more of a step-up next year since a big driver is just the divestiture of the fee business and then maybe a smaller step in 2027? I guess any other puts and takes we should think about regarding the -- just the cadence of the ROE uplift?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Yeah, that's the right way to think about it, Jack. Initially, we said expect 150 basis points of '25 to '27 off of a run rate of approximately 10% to '24. And we said, including 50 basis points in 2025. We're on track to deliver that.

The benefit from the exit of fee services together with the second Bermuda treaty will begin to emerge in the fourth quarter, but won't really have a material impact until we begin to move through 2026. So yes, the incremental 50 bps is really in the '26, '27 period.

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Jack and Paul, I'd just like to add one other perspective on that. I think it's important to note that even when we hit that 12% ROE, that is not a stopping point. We have to continue to improve.

Right now, we've made public commitments to our shareholders about things we have line of sight for. But I want to emphasize, even when we get there, and hopefully, we get there sooner and we're able to, again, increase the target and again, talk about instead of '27 talk about '28, '29, we have to continue to improve.

So this team is geared around continuing to look for ways to improve. It's just at the moment, we're only willing to commit to things we have line of sight for. But you should not interpret that as accepting that number and the stopping point. It's anything but it's nothing more than a way point.

We have to continue to get better. And so we're constantly looking for things. And if we're lucky, we're good and we're lucky. We'll be able to say something about that before 2027 and increase that target. Again, that is our goal.

Operator

(Operator Instructions) [Joseph Bamillero], Jefferies.

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Operator, we're not hearing anything. I don't know if you can hear something, but we cannot.

Operator

No, I don't believe Joseph is there.

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

We can skip to the next question, operator.

Operator

No problem at all. Jack Matten, BMO.

Jack Matten - Bank of Montreal - Analyst

Just one more on the Medicare Supplement business. I guess, can you talk about what you're seeing regarding claims trends and what the assumption review impact this quarter? I think in the last quarter, you talked about expecting a 10% average rate increase in your filings with some moving into next year. Is that still roughly your expectation?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Yes, so the annual actuarial assumption update did incorporate the trends that we've seen. So no real surprise there and no real change in those trends. And as you've pointed out, we have the opportunity each year to address claim trends with pricing and trying to get to that information. So let me circle back on that once I put my finger on it.

Jeremy Williams - CNO Financial Group Inc - Chief Actuary

Yeah. This is Jeremy. I'll go ahead and jump in. We've certainly filed something around the neighborhood of the 10% and expect to get something in that realm. So you're correct.

Operator

Joseph Bamillero, Jefferies.

Suneet Kamath - Jefferies LLC - Equity Analyst

It's Suneet Kamath from Jefferies. I think we might have an issue with me using his passcode. Can you hear me?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Yes. Hi, Suneet. We can hear you.

Suneet Kamath - Jefferies LLC - Equity Analyst

Okay. Perfect. Sorry about that. My first question, just on acknowledging the strong NAP in consumer. We did notice that the producing agent count was flattish, maybe up just a little less than 1%.

And I guess I'm just curious if we're running into a tough comp issue there. And if that continues, does that start to put some pressure on the consumer NAP? Or are you going to be able to continue to grow as you have been?

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

Suneet, this is Gary. We expect to continue to grow. You are correct that the comps are getting tougher, but we do continue to expect to grow.

Conventional wisdom has always held that as employment market softens, more people are interested in trying out a commission-only career. So we expect that to start to help us in coming quarters based on what we're seeing. We also like the results we're getting from a number of our efforts to bring agents in.

All of that said, Suneet, if you force me to pick -- I've been consistent about this for a few years -- I'm still way more focused on productivity. Productivity is way more important than agent count. So ideally, we try and do both. But if I had to prioritize, I'd prioritize productivity and that continues to move nicely.

Suneet Kamath - Jefferies LLC - Equity Analyst

Got it. Okay. And then I guess on the impairments, I know the numbers aren't huge, but you did reference that you've invested in these businesses and now are exiting them. Does this episode make you think differently about inorganic growth as a use of capital? Or do you just feel like this one got away from you and you're going to continue to look for inorganic opportunities?

Gary Bhojwani - CNO Financial Group Inc - Chief Executive Officer, Director

This is Gary again, Suneet. Let me, I guess, be plainspoken about it. There are clearly some lessons we need to take from this. So I want to make sure that you and our shareholders do not think that we are simply saying this is just one that got away.

We have to get better. We have to learn from this. And the responsibility for that is mine. So it doesn't sound like we're making excuses or anything like that.

So there's definitely is causing us to rethink how we want to handle acquisitions. We'll be presenting a pretty detailed analysis to our Board about lessons learned. So we're taking this very seriously. It will definitely impact the way we move forward.

All that said, I do want to make sure that our shareholders also don't lose sight of some of the things that have gone really well. I mean, we've got minority stakes we've taken in partners like Tennenbaum and Rialto and Victory Park and so on that have done very, very well for us.

So there are some good skills here. Some people have done some really good work. There are some lessons that need to be learned from these particular investments.

And you can rest assured, we're taking that very seriously. And it will definitely give me pause as we think about other inorganic opportunities. There's no question about that.

Suneet Kamath - Jefferies LLC - Equity Analyst

That's good to hear. If I could sneak one more in just on the Bermuda, should we be thinking about the cadence of you guys thinking about reinsuring in-force business as maybe one deal a year, and that's what you're shooting for? Is that a reasonable way to think about it?

Paul McDonough - CNO Financial Group Inc - Chief Financial Officer

Suneet, I think that's reasonable. Yeah. I don't think it would be reasonable to expect that we would do more than that. And at some point, with our existing book other than new business, we'll probably hit the right amount of in-force reserves that are ceded.

There is a balance, and it's certainly not 100% ceded to Bermuda. So we're not there yet, but at some point, we would reach that right balance. But for the time being, yes, as we mentioned, we're exploring an additional business that we might see to Bermuda.

Operator

We currently have no further questions. So I'd like to hand back to Adam for some closing remarks.

Adam Auvil - CNO Financial Group Inc - Vice President - Investor Relations & Sustainability

Thank you, operator. Thank you all for participating in today's call. If you have any further questions, please reach out to the Investor Relations team. Have a great rest of your day.

Operator

This concludes today's call. We thank everyone for joining. You may now disconnect your lines.

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