ASSURANT®

Assurant 2022 Investor Day Transcript

PARTICIPANTS

Corporate Participants

Keith Demmings, President and CEO
Bob Lonergan, EVP, Chief Strategy & Risk Officer
Richard Dziadzio, EVP and CFO
Biju Nair, EVP, President, Global Connected Living
Suzanne Shepherd, SVP, Investor Relations and Sustainability

MANAGEMENT PRESENTATION SECTION

Suzanne Shepherd, Senior Vice President, Investor Relations and Sustainability, Assurant, Inc.

Hello. And welcome to Assurant's virtual 2022 investor day. I'm Suzanne Shepherd, Senior Vice President of Investor Relations and Sustainability. I would like to begin by thanking you all for joining us, as this is a prime opportunity for us to share with you our vision for the future.

As you may have seen, this morning, we issued a news release outlining that today, we will review our long-term strategy and three-year financial objectives for Assurant. Some of the statements during our presentation, including those projected in the company outlook and financial objectives, may constitute forward-looking statements and our actual results may differ materially. Please check out our SEC filings for factors that may impact those statements.

In addition, we use non-GAAP financial measures to evaluate the company's operating performance. Comparable GAAP measures and a reconciliation of the two can be found in our presentation materials.

Turning to our agenda for the day, we're looking forward to sharing our vision for the connected world and why we believe we are well positioned to outperform in the attractive mobile, auto, and housing markets within which we compete.

Today, you'll hear from members of our management committee, including Keith Demmings, our President and CEO, who will outline our aspirations for the future; Richard Dziadzio, our Chief Financial Officer, providing a view of our enterprise and segment financial objectives and capital management strategy; as well as Bob Lonergan, our Chief Strategy and Risk Officer, who will help shed light on the importance of innovation and how we see that as a key differentiator.

We are cognizant in this virtual environment to focus our discussion on areas you have specifically expressed interest to learn more. So, with that said, we'll carve out a meaningful portion of our program to explore our growth opportunity and our Global Connected Living business, diving deeper specifically on mobile. That discussion will be led by Biju Nair, President of Global Connected Living.

As we look ahead, we expect to provide opportunities to review our auto and other key housing businesses over the course of this year as we help further enhance the understanding of our opportunities in these areas.

Following management presentations, we've set aside ample time for Q&A, which can be accessed via phone or the web.

Now, before we get into the program, I'd like to say a huge thank you to my colleagues and specifically investor relations. They are an exceptionally talented team that has worked incredibly hard over the last few months to make today possible. Thank you to Francesca Luthi, Sean Moshier, Matt Cafarchio, and Vashti Johnson, as well as our broader communications, marketing, and finance colleagues.

Today, members of our management team will share how we are the partner of choice for many leading global brands to connect, protect, and support their customers' connected lifestyles, capitalizing on shifting customer needs and emerging growth opportunities. We are investing in technology to strengthen our offerings, driving a superior customer experience, and doing that with a purpose-driven culture that attracts, develops, and retains the best talent while maintaining our commitment to sustainability for all stakeholders.

It is now my great pleasure to turn the program over to Keith Demmings, our President and CEO.

I will now turn the call over to Keith.

Keith Demmings, President & Chief Executive Officer, Assurant, Inc.

Thanks, Suzanne. And thanks to everyone for joining us today.

As I step into the role as CEO, I'm excited to share our vision and our aspirations for the future. Even though I've been with Assurant for 25 years, every day I continue to be so inspired by our incredible employees, and the depth of our talented leadership team.

I couldn't be prouder of how the entire organization responded to the challenges of the pandemic. We didn't just survive during this unprecedented time. We thrived in what has now become a truly connected world, and that's the theme of our conference today, thriving in the connected world.

Thriving in the connected world is grounded in how quickly we pivoted, how well we executed, and how we held true to our guiding principles. We kept our employees safe. We delivered for our clients and their customers. And we supported our communities.

And importantly, we outperformed for our shareholders and built a stronger Assurant for the future. I'm excited to talk to you about the momentum we have across all of our businesses and around the world. Along with several opportunities we see in front of us.

We have a clear vision for the future that provides focus. A vision that unites us and a vision that's a rallying cry for our future success. Our vision is to be the leading global business services company supporting the advancement of the connected world. These words crystalize the results of our multiyear transformation and our tremendous future potential.

Global represents our presence across 21 countries and our global mindset. Business services stands for our business model of partnering with the world's largest consumer brands to offer protection and integrated services across mobile devices, automobiles, and homes. And connected world encompasses the critical role we play in supporting, connecting, and protecting consumer purchases and their lifestyles, along with a drive to deliver digital services and seamless omnichannel experiences.

To bring this life, let me play a brief video.

(Video Presentation)

Our confidence in our future vision comes from the fact that we have a strong track record of outperformance. We've consistently delivered on our financial commitments and today we'll outline our objectives, which, again, underscore our strong growth potential and the significant cash flow generation of our businesses.

Putting the portfolio transformation behind us, we're redirecting our energy to double down on driving profitable growth with a bias towards serving clients and delivering market-leading innovation. Today, our portfolio of businesses are leaders with strong market positions in each of our verticals. But my aspirations as CEO are bolder.

Over time, I expect Assurant to be the number one provider in every one of our businesses. We have continued to simplify our portfolio, focusing on the best opportunities, and investing in key businesses where we have a clear right to win. We expect to be number one and our team won't be satisfied until we get there.

As many of you know, I bring an operator mindset to running Assurant. For me, the P&L is the ultimate scorecard and we'll be disciplined as we prioritize our time and our capital to build leadership positions and strong returns for our shareholders. In fact, I'll lead with value creation in mind, eliminating inefficiency from our operating model.

As you'll hear, we have many exciting opportunities to create operating leverage through increased digital investments and automation, all designed to drive operational efficiency and improve the overall customer experience. As we drive the company forward, we'll leverage the power of our people and our collective commitment as a purpose-driven organization to build a more sustainable future.

We wake up every single day to serve our clients and their customers with no exceptions. This requires the best talent, a mindset for value creation, and the courage to adapt our business model as the needs of our clients evolve over time. It requires leaders that are willing to innovate our products and invest in new capabilities to deliver world-class customer experiences.

We'll bring intense focus on growth and profitability as we simplify, optimize, and scale. In the end, I believe you'll see Assurant as a compelling investment, attractively priced versus comparable companies in the market.

Starting with our financial objectives, we have a strong track record of delivering on our commitments and holding ourselves accountable for delivering results. Since our last investor day in 2019, we delivered on or surpassed all of our financial commitments. We outperformed the S&P 500 on total shareholder return. We drove strong operating earnings growth and delivered 17 percent EPS growth for the last two years, exceeding our 12 percent target.

We completed our commitment to return $1.35 billion to shareholders while at the same time invested more than $500 million in acquisitions that truly strengthen our leadership positions and delivered significant shareholder value. This combination was a testament to our longstanding track record of disciplined capital deployment.

Importantly, we also demonstrated the combined resiliency and strength of our business model as we navigated the global pandemic, managed inflationary pressures, and overcame supply chain constraints, all while maintaining our investment grade ratings. It's also important to mention that we're monitoring the Ukraine situation closely and recognize it'll continue to be fluid in the weeks and months ahead.

Overall, we've delivered strong results and we've maintained our momentum and set ourselves up to continue to outperform over time.

Over the next three years, we expect to deliver strong, profitable growth. Looking at this year specifically, as we shared on the Q4 earnings call, we expect 8 to 10 percent growth in Adjusted EBITDA excluding CAT losses. We're also now moving to Adjusted Earnings Per Share, which we believe better aligns with EBITDA. It essentially adds back purchased intangible amortization to the numerator.

For our '22 outlook, we're expecting our Adjusted EPS to grow between 16 and 20 percent excluding CAT losses off our $12.12 baseline in 2021.

As we look out to '23 and '24, we expect to deliver 10 percent average annual growth in EBITDA while we continue to deepen our client partnerships and scale our offerings. Our disciplined capital management philosophy should support an Adjusted EPS increase of 12 percent or higher, outpacing our EBITDA growth.

Richard will provide more detail on our enterprise and segment growth drivers later in the presentation.

Another differentiating aspect of Assurant is our cash flow generation and our strong track record of discipline capital deployment. Over the next three years, we expect to generate approximately $2.9 billion of capital from our business segments. This should provide us with $2.2 billion of deployable capital.

We'll continue to be disciplined about capital deployment with the objective of maximizing long-term returns. We take a balanced approach between investments in growth and returning capital to shareholders. Our goal is to maintain greater capital flexibility as we see attractive opportunities for growth.

At different times, we might hold higher levels of capital depending on the opportunities we have in front of us. I would emphasize that we won't accumulate cash without line of sight of value creating opportunities and we'll continue to return excess capital through share buybacks.

To highlight our track record, since our IPO in 2004, we've increased our dividend every year and retired 80 percent of our shares. This represents a cumulative capital return of $8 billion, making us very unique compared to other S&P companies.

We've also made important strategic acquisitions over the past few years that have transformed us into a global business services leader. We'll continue to seek strategic acquisitions that strengthen our competitive positions by adding new products, new capabilities, new distribution channels, or access to new clients while we also delivering attractive financial returns to our shareholders. Later, Bob will talk a little more about our approach to M&A.

Turning to our portfolio of advantaged businesses. Through the years, we've double downed on businesses where we see a clear path to market leading positions. Today, our two business segments, Global Lifestyle and Global Housing, generate substantially more earnings and cash flow with more predictable and fee-based offerings.

Since we began our transformation in 2016, we've significantly grown segment EBITDA by an average annual growth rate of 11 percent. We also have much greater diversification across lines of business and geographies while lowering our overall CAT exposure to less than 25 percent of the company.

If we take a deeper look at our fee-based capital-light offerings, they now represent almost 80 percent of our overall segment EBITDA. This includes Connected Living, Global Automotive, Multifamily Housing, and even portions of our Specialty Housing products. We also have P&C risk-based businesses, like lender-placed that provides specialty insurance products and related services. These businesses have consistently generated strong returns and cash flows.

Collectively, our business is operating in attractive industries where we see favorable tailwinds and they're also generally insulated from major macroeconomic risks. This comes down to our strong installed base across auto, renters, and mobile, and the counter cyclical nature of our lender-placed business, along with several other unique characteristics that Richard will cover later.

What makes this portfolio so attractive is that we believe all of our businesses are advantaged in the marketplace. They're also unified by a common model that will allow us to continue to outperform in terms of growth, cash flow generation, and client satisfaction.

First, we have a powerful B2B2C business model aligned with industry leaders and market disrupters that's allowed us to generate significant scale. We're also uniquely positioned relative to our competitors due to the specialized nature of our solutions and the fact that we have the broadest set of capabilities in the marketplace.

Second, we hold leadership positions with scale advantages in attractive growing markets.

And third, we have a proven track record of consistently adapting to changing consumer needs and innovating our business. This is all backed by industry leading execution that's allowed us to scale and adapt with our clients and continue to differentiate from our competitors.

I'll take a couple of minutes to walk through each one of these in a bit more detail. At the end of day, our role is simple. We protect and enhance the brands of the world's leading consumer companies. We have an impressive global client list, including many of the world's largest and most trusted companies.

We currently serve 15 of the top 50 most valuable global brands and over 300 million in consumers. Since 2018, we've added 22 new programs and we have plenty of white space left to drive long-term growth.

Our clients choose Assurant for a few reasons. The specialized nature of our services requires deep capabilities and expertise that takes years to tailor and perfect. For example, we operate a comprehensive set of repair capabilities and trade-in services that wrap around our mobile protection business.

We have an entire field force dedicated to helping our auto clients drive their F&I performance and optimize results. And we offer mortgage tracking services that support more than 50 percent of all U.S. mortgages. We also have meaningful scale advantages due to the sheer size of our client relationships and the substantial investments we've made over decades of focus on core products.

We also tailor our solutions to provide choice and flexibility through modular scalable products and services that can evolve with our clients over time.

For many clients, we operate as an extension of their team, delivering direct customer service support and leveraging embedded systems to share and track data in real time. Without scale and a proven track record, it's very hard to win large clients. And without large clients, it's very hard to justify the necessary investments and capabilities that are required to succeed.

We also provide significant transparency. Even though we work in very specialized areas, we are a large, publicly traded Fortune 300 company. Many of our largest clients are also publicly traded and they place a premium on partners who share their commitment to financial transparency, financial strength, compliance, and broader sustainability issues.

Importantly, we also have an impressive track record of delivering superior customer experiences and industry leading net promoter scores. Our proven ability to launch, scale, and even migrate large client programs is another big advantage that we've built over time.

We believe we have the scale and capabilities to win in every product line, with strong momentum and a proven track record for growth. We operate as a vertically integrated service provider including specialized expertise in very attractive product lines. This includes complex administrative solutions and deep integrations with our key clients.

We primarily operate in four large attractive markets with long-term opportunities for growth. These include mobile, auto, renters, and lender-placed.

Starting with mobile. We estimate there's roughly 300 million device protection customers in our key markets around the world and we're currently a top device protection provider with significant long-term opportunities for growth. We have strong momentum and the broadest set of services and capabilities in the market.

With the HYLA acquisition, we're now the clear market leader supporting global trade-in services. HYLA not only brought us strong capabilities to capitalize on 5G, it allowed us to significantly expand our client-base with some of the largest mobile operators in the world -- operators like AT&T, Verizon, and Docomo. We're now proud to be their partner and we deliver services that are critical to their growth plans.

Globally, we estimate there were 250 million preowned devices sold in 2021, and this is poised for continued growth over time. And with the increasing adoption of 5G, rising device prices, and more consumer reliance on mobile phones, we expect the attractiveness of our services to remain strong and help us capture additional market share over time.

We also added to our already strong foundation and reinvented the service delivery model to include in-store repair enabled by our proprietary dynamic fulfillment platform. Overall, across our entire set of services, we've continued to gain share in the U.S. and Japan, which are the two largest mobile markets in the world.

Since last investor day, we've grown our mobile subscribers by over 40 percent in these markets while also significantly expanding devices serviced. We've also strengthened our business prospects in Europe as evidenced by our recent partnership with Deutsche Telekom, Samsung, and Telefonica.

As we move forward, we'll be increasing our focus on our consumer electronics and appliances business with expectations for long-term growth. Biju will share highlights on the exciting opportunities we see emerging around the Connected Home.

To highlight the power of our B2B business model, here's a clip from Michael Hagspihl, head of global strategic projects and marketing partnerships at Deutsche Telekom, sharing his perspective on why they selected Assurant as their partner of choice.

(Video Presentation)

Moving to Auto, Assurant is a clear market leader in the automotive business with meaningful scale advantages. We have leading share in a fragmented market and see significant long-term opportunities for growth, both domestically and internationally, as illustrated by the 400 million global vehicle contracts.

The acquisitions of TWG and most recently AFAS dramatically reshaped our Global Auto business and added long-term partnerships with several marquee clients.

In the U.S., we partner with more than 5,000 dealerships, including 4 of the top 5 public dealer groups. This perfectly complemented our already successful affinity distribution channels.

Internationally, we now support auto clients in 19 countries around the world, partnering with 8 of the top 10 global OEMs. We leverage our decades of experience and our trusted team to partner with clients and optimize the performance within their F&I operations. Industry leading training and powerful analytics have become cornerstones of our solutions.

Since 2019, we continue to outpace industry growth. We now have over 54 million contracts in our portfolio, which is an increase of 10 percent, and we've grown our annual sales by over $2 billion. During this time, we've expanded our base of dealers, growing with our clients as they gain market share while also building new client relationships. All this positions us well to outpace market growth as the industry stabilizes.

But we never stand still. We've also accelerated our efforts to create a first mover advantage to support electric vehicles. Since 2020, we've launched EV One in 12 countries, which is our service contract solution protecting electric vehicles. We expect this to be an important market over time and we're uniquely positioned to deliver given our expertise and our powerful brand.

Testing and learning in multiple countries allows us to learn quickly and adapt our solutions and truly leverage the power of operating at a global business.

Now, let's talk a little bit about our housing businesses. In Multifamily Housing, we continue to win and grow. We now have over 2.6 million insured, which is up more than 70 percent over the last five years. We continue to lead the renters' industry, providing solutions and services to 7 of the top 10 largest property management companies.

We continue to expect market share gains over time and currently support 2.6 million policies within a growing U.S. renters' market. The renters' market has been very strong coming out of the pandemic and we're seeing near record occupancy rates in the U.S. And with rising interest rates and a tight supply of single-family homes, we expect a robust rental market moving forward, which would provide a tailwind for our business.

We also expect to see growing penetration rates for renters' insurance. This comes naturally as landlords more frequently mandate renters' policies. Our unique Cover360 solution not only allows us to digitally integrate our product into the landlord's bi-flow and billing process, it also uses our proprietary insurance tracking platform. This is akin to the process we use to track insurance on more than 30 million mortgages.

We also see an opportunity to expand in underserved segments since roughly 75 percent of renters don't reside in larger multifamily dwellings. We think we can leverage our flexible capabilities and our digital tool to drive growth in these underserved segments. The significant investments we've made in digital, in technology, in CX give us all the capabilities we need to drive success.

This has been a sector with a lot of noise coming from disruptive insuretechs. However, we believe we have the best platform and capabilities in this sector to drive long-term growth while also delivering the bottom line.

In lender-placed, we play a critical role in the mortgage industry and have strengthened our market position through decades of experience. We currently have partnerships with 7 of the top 10 mortgage services, and the majority of the leading U.S. banks.

Our success comes from the fact that we offer clients a comprehensive end-to-end solution that focuses on compliance and customer experience while protecting our clients and their borrowers' interests. This business has many similar characteristics to the rest of Assurant. At its core, a service offering to attract millions of loans across the U.S. that requires complex, differentiated solutions with deep client integration. Over decades, we've built the best-in-class platform in the market.

In terms of the CAT risk, we've continued to demonstrate our ability to reduce our CAT risk over time and we'll continue to optimize our exposure in ways that create long-term value for shareholders. As we move forward, we're well positioned to drive growth across LPI from both market trends and further optimization of our business model.

The last few years have reflected a low point in our business lines. We've seen placement rates decline and significantly lower real estate owned policies driven by the recent foreclosure moratoriums. However, during this time, we've been very focused on driving operational efficiencies across our loan servicing process.

As we look at 2022 and beyond, we're well positioned to benefit from changing market trends along with more efficient operating model. We expect our placement rates to increase beginning modestly in 2022 and our real estate owned volume to begin recovery in the second half of the year. Both of these trends will create scale benefits with our large portfolio along with operational efficiencies that are driving lower expenses across the business.

The combination of factors will allow us to drive EBITDA growth as we move forward.

Lender-placed also provides a counter cyclical hedge. As we move forward, we also expect to more fully leverage our relationships with leading financial services companies, which is another large distribution channel. We're already starting to unlock more cross-selling opportunities across the company overall.

A simple example within our Financial Services distribution channel is the progress we're making providing credit card benefits to several longstanding lender-placed clients.

While we see great potential for our businesses going forward, our culture and our 16,000 people represent the engine that's allowed us to outperform and continue to differentiate. Our culture is grounded in our values and driven by our purpose as a global organization.

Our people want to work for an organization that helps them thrive. Last month, we're very proud to be named a great place to work in the U.S., giving us this distinction in 10 countries worldwide. We also benefit from long tenure, with an average of 7 years across our 16,000 employees and 17 years for our management committee, which is a huge advantage in a client-oriented business model where we rely on longstanding relationships and deep industry knowledge. We also have lower turnover compared to the industry, which is a notable statistic in today's labor market.

Importantly, our employee base is increasingly diverse. We have balanced representation in terms of gender, race, and ethnicity, which gives us strong diversity of thought and experience, enabling us to better deliver for our more than 300 million consumers worldwide. This is even more relevant as we look at our composition of our workforce.

Today, we employ more than 10,000 frontline workers across our operational centers, mobile repair depots, and retail venues. And this represents nearly 70 percent of our total headcount. These employees are the life blood of our company.

We also expanded the diversity of our management committee in January, and we plan to continue to drive more diverse representation as a priority moving forward. And while talent has been a key driver of our success, it's only one component of our steadfast focus on corporate social responsibility.

As a global organization, talent, climate, and our products represent the underpinnings of our broader focus on sustainability.

As our strategy and business model continue to evolve toward the connected word, there's an even closer association with the environment as it relates to our mobile, auto, and home businesses, specifically around our products and our business operations.

Climate impacts continue to be an important area for Assurant and for our clients. This drives our commitment to find ways to reduce our carbon footprint. Many of our products are focused on extending the life of mobile phones, consumer electronics, major appliances, and automobiles. Our focus on newer categories, like electric vehicles and mobile trade-in solutions are good examples of how our products can truly make a difference.

We're committed to further integrating sustainability into our business model, our operations, and our offerings as we mature our ESG practices.

As I look at our momentum and growth opportunities, I wanted to spend a couple of minutes addressing Assurant's compelling valuation. Over the last few months, I've spent a lot of time with our investors and our analysts. I've seen a strong appreciation for the strength and the quality of our business along with the significance of our transformation.

I've also noticed a wide range of views on how to best value the company. So, I thought I'd share how we think about it. It starts by looking at our lines of business, particularly from an economic perspective and the relevant comparable companies.

We have fee-based, capital-light, and service-oriented businesses like Connected Living, Global Automotive, and Multifamily Housing. These businesses require lower levels of capital, have strong cash flows, predictable earnings, and little to no CAT risk. When looking at comparable businesses in the market, we typically see them valued based on EBITDA.

Now, I want to unpack our Specialty business for a minute. Within our Specialty line of business, over half of our business is very predictable with no CAT exposure and an extremely attractive return on equity. This is mainly driven by our equipment insurance business and our fee-based flood administration business.

In 2021, this part of Specialty actually delivered $66 million of EBITDA. We believe these products have a profile that's more consistent with our capital-light offerings and therefore should be valued on EBITDA.

Second, we have our P&C risk-based businesses that provide more traditional insurance coverage and operate at higher levels of risk and in most cases, CAT exposure. Our largest in this area is lender-placed. Given the strength of our comprehensive reinsurance program, the risk is relatively manageable while the upside potential is meaningful.

When you reflect on my slide from earlier in the presentation, our capital-light businesses represent nearly $1 billion or 77 percent of EBITDA ex-CAT in 2021, growing significantly since 2016.

As we move forward, we'll continue to evaluate how to provide the market with additional information to better understand and track the performance of these businesses.

Given the breadth and depth of our businesses, there's no perfect peer group for valuation purposes. When we look at capital-light businesses, most of our largest competitors are privately held. As we look at other public companies, we've consistently benchmarked ourselves against the S&P. But increasingly, we see ourselves more closely aligning with business services companies, specifically across home warranty, diversified commercial services, and information brokers.

We believe these companies have similar low risk, fee income business models across a range of industry that more closely aligned with Assurant's businesses. And when we compare ourselves to companies in this group, we believe Assurant performs favorably, both in terms of our historical track record and based on our 2022 outlook and longer-term projections. We've also proven the resiliency of our well diversified business model and our ability to adapt and innovate to drive growth across large, attractive markets with limited macro sensitivity.

When we think about our P&C risk businesses, we believe we have a very attractive business based on our highly specialized capabilities, our market-leading position with large clients, and our attractive target returns. We think this business is positioned well against a range of Specialty P&C and homeowners companies.

Interestingly, when we view our capital-light and P&C risk businesses together at the overall Assurant level, we not only add diversification across industries, clients, and distribution channels, we create attractive potential cross-selling synergies and then add a counter cyclical hedge.

When we look at our historical performance, we've generated EPS growth of 20 percent since 2016, which is well above the 12 percent growth of the S&P 500. Our forward P/E multiple of 14 times is nearly five turns under the S&P 500.

Given our mix of business, client partnerships, growth opportunities, and superior cash flow generation, we're well positioned to outperform, making Assurant a very attractive investment.

As we move forward, we'll strive to close that gap through continuing above market growth across our portfolio while we continue to transform our business toward lower risk, capital-light earnings, as well as our ongoing efforts to reduce CAT risk over time.

To summarize, I'm very proud of our track record but even more excited about our future prospects. We have a clear path to drive strong profitable growth and generate significant cash flows. We have a roadmap that targets 10 percent average annual growth in EBITDA with strong EPS growth that will outpace our EBITDA performance and the ability to generate nearly $3 billion of cash flow over the next three years.

We have the client base, capabilities, and momentum to cement our leadership position and our competitive advantages. We have a strong commitment to our culture and our talented employee base, and our confidence in our future reinforces our belief that Assurant is a very compelling and attractive investment.

Suzanne Shepherd, Senior Vice President, Investor Relations and Sustainability, Assurant, Inc.

Thank you, Keith, for sharing Assurant's compelling vision for the future. I'd now like to introduce Bob Lonergan, our Chief Strategy and Risk Officer, who will walk us through how we create value through innovation.

Bob Lonergan, EVP, Chief Strategy & Risk Officer, Assurant, Inc.

Thanks, Suzanne. And good morning. I am really excited to spend today discussing why we believe we are in the best position we have ever been in to continue our recent growth momentum with innovation and smart investments.

And why is that? Well, we have a demonstrated ability to innovate and differentiate. We have a clear focus on where we want to go and what we want to be, the evolving needs of the connected consumer increasing demand for our services. And finally, our foundation, including our existing capabilities, client relationships, and talent is stronger than ever.

To this last point, we have teams of experts to drive our innovation pipeline. For example, we have a dedicated research team that provides insights on over 225 companies that keep pace with market trends and track our clients' priorities. We also have a primary research team that conducts around 75 research studies each year focused on better understanding the needs of our consumers and testing ways to improve our existing offering as well as create new ones. Together, these groups keep our leaders updated on the strategic priorities of our clients and competitors and help connect the dots on future opportunities.

We also have Assurant Ventures, which is our corporate venture capital team. The team evaluates more than 800 startups each year with about 400 direct conversations with startups and venture capital funds. From these conversations, the team identifies both investment and commercial opportunities for Assurant, as well as disruptive threats.

We also have an ops transformation team that is constantly testing and applying the latest technologies and best practices across all of Assurant's business lines to digitally transform our operations.

In addition, this past July, we created a new enterprise innovation office led by Manny Becerra to advance our global innovation agenda. For the previous two decades, Manny has been a key leader of our Connected Living business and driver of the culture that led it to being one of the most innovative businesses here at Assurant.

In his new role, we believe that he and his team can accelerate our overall innovation agenda. In sum, all these resources work together to generate the ideas that feed into our robust innovation pipeline.

From all this great work, we identify the most meaningful secular trends and then assess how to best position ourselves. So, as an example, one of the biggest changes in this new post-pandemic world is the expanded role of the home. This is driving strong demand for support and protection products as people spend more time at home and increasingly bring devices back and forth between schools, offices, and homes.

We are looking to capitalize on this trend through the significant investments we are making on our whole home coverage capabilities, which Biju will expand upon later.

The pandemic has also meaningfully accelerated consumer attitudes and behaviors about buying just about anything online. Our clients are focused on creating an effortless and seamless customer experience. Here at Assurant, we are able to leverage our expertise and scale across industry verticals to invest in new digital capabilities that meet the evolving need of our clients and customers.

In a little bit, I will share examples of investments we've made and their strong results.

Next, there are several trends to provide new Connected Living opportunities. The acquisition of HYLA's trade-in platform accelerated our market position at the very beginning of the 5G era. We are still in the early innings of a multiyear upgrade cycle, which will result in new use cases for connectivity.

We are also seeing increasing demand from consumers for sustainable products and services, such as our mobile device trade-in and upgrade programs. We are also noting--noticing a potential evolution of how consumers think about device ownership, including increasing interest in rental and subscription models. The combination of all these trends will create new device life cycle service opportunities to further enhance our offerings well beyond the traditional protection product for the mobile device.

Finally, going back to the sustainability trend, with the increasing adoption of electric vehicles, we believe we are well positioned with our EV One solution. In addition, as the car becomes more like a connected device, we will be seeking ways to both leverage our Connected Living capabilities and to expand our presence in the electric vehicle value chain as we've done similarly in the mobile value chain.

So, those are a few of the trends that we are closely monitoring. These and other trends help set the table for where we want to innovate next. Currently, we are using three primary levers to achieve innovation.

First, organic investments in areas such as new product and services, ops transformation, and digital and CX improvements. Second, using M&A to broaden our capabilities and scale our strategic businesses. And third, making investments in early-stage technology companies through Assurant Ventures that can access new technology and capabilities and help generate commercial opportunities.

So, starting with organic investment, we are constantly looking to innovate and create new products and services. Biju is hitting on some great examples in his Connected Living presentation, so I wanted to highlight a few examples from other lines of business and Assurant overall.

Tech support is a great example of a value-added service that we now provide for our mobile, auto, and home customers. This past year, we introduced Pocket Geek Home where a consumer can outsmart their smart home with protection and unlimited tech support for a monthly subscription. This on-demand tech support service helps the consumer navigate any technical challenges or a question they may have.

Our Personal Tech Pro product for mobile is currently accessed by 31 million customers across seven countries. And we've received outstanding feedback to date with a 4.8 average star rating and a 98 percent resolution rate of customer issues.

Next, we are seeing increasingly that property managers mandate that new tenants have renters' protection coverage. As Keith mentioned earlier, we created our Cover360 solution and integrated renters' insurance and tracking platform that allows consumers to quickly and easily meet their insurance requirements. With Cover360, renters can purchase a policy that's combined with their monthly rent payment in less than one minute.

The platform also minimizes the burden of insurance tracking and compliance on a P&C leasing staff. The platform continues to gain momentum with double digit growth each year as our clients benefit from higher participation rates. In fact, had one client participation rate doubled in less than a year.

Finally, we created The Digital Hub to provide secure access for our auto clients to important documents and tools to support the digital sales process as well as provide secure access to relevant financial and risk performance in an on-demand quick way. We are rolling out this new service to our clients this year and expect the platform to significantly enhance our client's experience.

These are just a few representative examples that hopefully give everyone a good understanding of the breadth and depth of recent products and service innovations occurring at Assurant.

Beyond products and service innovation, we have made several significant investments in CX, digital, technology, and ops transformation to drive a meaningfully better consumer experience and operational efficiencies. Simply put, we believe more choice and less effort leads to happier customers.

The first, we are giving customers more choice by enabling them to digitally self-serve their claims. For example, with a key mobile client, we've seen a 28 percent increase in utilization of the self-serve functionalities since January '21, which has resulted in an 11 percent increase in NPS.

Another great example of increased choice is around our best-in-class dynamic fulfillment capability, which provides customers flexibility around how they get their electronic device repaired, including choosing a repair location near them for quick and easy service. Since we rolled out our dynamic fulfillment capability, we have seen a 27 percent increase in NPS scores.

Another example of making consumers' lives easier is our IVR to web routing capability that enables self-service when a customer files a claim. To date, NPS scores for filing online are 25 percent higher than those filed by phone. We've also used machine learning, an intelligent process automation to accelerate claims adjudication.

The average overall time to approval is now about 35 percent faster than it was a couple of years ago, which also helps lead to happier customers.

We've also seen significant cost savings from our CX and digital efforts. In our three largest U.S. call centers in the last three years, we've reduced call volumes by 25 percent and increased the number of claims closed per day by 30 percent, leveraging our new digital self-service and auto adjudication platforms.

Overall, we are thrilled with the progress to date to improve our consumers' experiences and see additional opportunities to replicate these measures across our broader portfolio.

Turning to M&A, acquisitions remain a key driver of growth and transformation. Just as an initial indicator, about 20 percent of Assurant's overall EBITDA growth has come from M&A since 2019. We take a disciplined approach here at Assurant to M&A. Our valuations are based on cash-on-cash returns. And the appropriate hurdle rate is determined by our assessment of the riskiness of the transaction, including macro, industry, and company specific risks.

Since 2018, we've deployed more than $3 billion of capital on 16 acquisitions. The vast majority of the capital is on three acquisitions, The Warranty Group, HYLA, and AFAS. But we also made 13 acquisitions that added key capabilities across Connected Living and Auto. On all the material transactions, we are very pleased with each one's performance to date.

With The Warranty Group, we delivered on all our financial commitments and expectations. For example, we said we would deliver around $60 million of net pre-tax operating synergies. And ultimately, we were able to realize around $72 million. HYLA is significantly exceeding financial expectations. Current EBITDA is running about 50 percent ahead of our deal model.

AFAS has been a great example of the value of the TWG asset. Because of the resulting scale platform from the TWG acquisition, we were able to target an attractive IRR on this deal and are in line to meet our expectations.

And so, obviously, material M&A is lumpy and hard to predict. But strategically, going forward, we will be continuing to look to M&A to be a key enabler of our vision for Assurant.

Now, I'm excited to share some examples of how we've used M&A to transform our business strategically, starting with our auto business. If you go back to 2017, we had a nice vehicle service contract business. We were one of several similarly sized players playing in a fairly narrow part of the value chain, supporting our important TPA partners. But for example, we did not have a direct sales capability.

When we acquired TWG, we became the key leader in the VSC market. TWG provided Assurant with an excellent direct sales force, a robust and impressive list of auto clients, and allowed us to significantly scale our claim admin operations. We were able to benefit TWG from our full set of digital, CX, and ops innovation capabilities as well as our ability and willingness to invest in innovation to drive growth.

As mentioned earlier, the TWG acquisition also set the table for the AFAS acquisition. AFAS was a client for almost 20 years and represented a high quality TPA. Prior to TWG, it would've been challenging to consider because we didn't have a direct sales force. Now, though, we have an optimal platform to acquire an asset like AFAS with its great customer and client relationships and strong capabilities in critical U.S. markets.

So, in summary, with the help of M&A, we've almost quadrupled our VSC volumes since 2017 to become a global leader with a great platform that we can continue to build on both organically and inorganically.

Moving to the next example, we've always viewed trade-in services as a key differentiating capability for Assurant. Assurant was one of the original pioneers of trade-in and upgrade programs, partnering with T-Mobile to launch a jump program in 2013. In addition, our main mobile protection competition did not provide this capability. However, while we had a strong business, it was mainly with a few select clients.

We viewed the HYLA acquisition as an opportunity to establish Assurant as a clear global leader in the attractive trade-in and upgrade sector.

From the market side, we believe that there are potentially significant market tailwinds coming from a 5G adoption wave. On the commercial side, the client portfolios were highly complementary whereby post acquisition, Assurant would have relationships with almost all major mobile carriers in both the U.S. and Japan.

In addition, HYLA was primarily U.S.-based, and we knew that our global platform could help them significantly accelerate their international growth plans. HYLA is also an example of the exceptional account we've acquired and retained from our M&A transactions. Biju is one of many, many great examples of this.

Ultimately, we've been thrilled with the financial and strategic results to date from this transaction and the momentum it's helped generate in our business.

In mobile repair, we've also made investments and enhanced our competitive position. In 2018, we primarily fulfilled mobile claims with an advanced exchange model where we would ship a device to a consumer, and they would mail us back their damaged device. With the acquisition of CPR, nearly about 500 mobile repair stores in Fixt, a come to you on-demand mobile repair platform, as well as our recent investments in T-Mobile retail stores, we are giving consumers optimal choice on how to fulfill claims, which is both enhancing our customer experience and driving operational efficiencies.

Over the last two years, we are seeing almost a 20-point higher NPS for walk-in repair claims versus advanced exchange, which is also delivering lower calls per claim and greater customer retention metrics.

Finally, the investments in same unit repair expand our addressable market to now include serving consumers who prefer on-demand repair.

Before moving on to Assurant Ventures, the last point I'd like to highlight that we did HYLA and AFAS in 2020, right as all the world was trying to best navigate the fallout from the COVID pandemic. It's a great example of both the strength and resilience of Assurant's business model and how Assurant remains balanced and disciplined at all times.

In this case, despite the turmoil in the markets, our business remains strong. And we stayed the course and realized the benefit of acquiring two high quality assets.

Turning now to Assurant Ventures, we started our corporate venture capital fund in 2015. We have a dedicated team of diverse venture capital professionals who invest in early-stage high growth technology businesses and sectors strategically relevant to Assurant. To date, we've invested in more than 125 million in 25 plus companies. We've had seven full or partial exits with an average IRR north of 50 percent.

And even though it's been proven to be a challenging macro market for Assurant techs and SPACs, we love our portfolio, which includes four SPACs and additional strong performers who have been navigating the turbulence well.

We have always said that our first objective with Assurant Ventures is financial returns. After all, there is nothing strategic about losing money. But we also do realize significant strategic benefits and I wanted to share a great illustration of this.

Our Assurant Ventures team has been focused on identifying disruptive digital companies and in doing so, we came across Cazoo, a digital used car retailer headquartered in the UK. We found Cazoo's business model and go-to-market strategy very appealing. Cazoo valued Assurant's ability to provide a strong warranty program alongside their car sales.

This mutually beneficial relationship led to initial investment and commercial agreement between Cazoo and Assurant in late 2019. In the following video, you'll hear from Paul Whitehead, Cazoo Group's COO.

(Video Presentation)

Cazoo has been a phenomenal investment and we believe the company has significant upside as it continues to grow rapidly across Europe. And it's just one example of how our ventures team adds value to our business teams commercially while also driving financial results. Hopefully, the details around our processes and resources dedicated to innovation as well as the examples shared help bring to life why our growth momentum has been so strong in recent years.

In closing, we have a great foundation to build on with strong momentum. With our capabilities, client relationships, talent, culture, and financial wherewithal, we are in a fantastic position to continue to capitalize on the evolving needs of the connected consumer in this ever-changing world. And we feel confident based on our demonstrated track record of effectively using organic investments, M&A, and venture investing to drive growth and innovation that we will continue to meet and often exceed our commitments to our stakeholders.

Suzanne Shepherd, Senior Vice President, Investor Relations and Sustainability, Assurant, Inc.

Thanks, Bob, for highlighting the various ways we plan to continue our track record of profitable growth with innovation and disciplined investment.

I'd now like to invite Richard Dziadzio, our Chief Financial Officer, to review our financial and capital management strategy.

Richard Dziadzio, EVP & Chief Financial Officer, Assurant, Inc.

Thanks, Suzanne. I'm pleased to share with you today our view of Assurant's future financial performance, including key business initiatives and financial drivers that will enable our success over the next three years. So, let's jump in.

As we've consistently demonstrated, we have a strong track record of superior financial performance. And if we look back, our strategy has delivered strong growth since 2019. This growth was delivered across diverse yet connected businesses and through various macroeconomic environments, including the significant turbulence caused by the global pandemic over the past two years.

Moving forward, our underlining strategy remains clear. We will leverage the market leadership positions of our businesses to drive continued strong financial performance. Today, I'll speak to our financials across three main metrics: earnings, cash flow, and capital deployment.

First, let me provide a brief reminder of our overall enterprise financial objectives for the next three years. As Keith outlined, we have three enterprise financial objectives. First, in terms of earnings, our objective is to grow Adjusted EBITDA, excluding reportable CATs, by 8 to 10 percent in 2022 and approximately 10 percent on average in 2023 and 2024.

Second, with cash flow. We expect to generate an estimated $2.9 billion of cash from our business segments within the next three years.

And third, our capital deployment strategy allows for growth in Adjusted EPS of 16 to 20 percent in 2022 and on average 12 percent or more in 2023 and 2024. To achieve these enterprise objectives, we will rely on the underlying strength and momentum of our businesses. For each segment, we have set Adjusted EBITDA financial objectives through 2024 that are based on three key factors.

First, organic growth, which will continue across all businesses. Second, ongoing investments, both organic and inorganic, to build upon our growth. And third, expense management to further leverage our size and scale.

Beginning with Lifestyle, we expect Lifestyle to lead the growth for Assurant, generating low double-digit growth in 2022 and approximately 10 percent average annual growth in 2023 and 2024. Housing will also contribute with Adjusted EBITDA increasing each year between mid- to high-single-digits, excluding impacts from reportable CATs. And finally, within our Corporate segment, we are targeting a flat net level of expense of approximately $105 million in each of the next three years. We expect that each segment will contribute to Assurant's multiyear objective for strong financial performance.

Diving deeper, our Lifestyle businesses will continue to contribute meaningfully to the Adjusted EBITDA growth of the broader Assurant enterprise. In terms of Lifestyle revenue, we're expecting mid-single digit growth rates each year, driven by both Connected Living and Global Auto.

Within Lifestyle, Connected Living will be the key driver of EBITDA expansion, growing at a faster pace than the total segment. Later today, Biju will review Connected Living in greater detail. Additionally, we are moving our Financial Services business within Connected Living. We're making this change to drive further synergies across our Global Connected Living suite of products. And I would add that the relative size of

Financial Services compared to Connected Living does not result in a meaningful impact on the financial trends for the business, which will continue to be largely driven by mobile.

Moving to our Auto business. Global auto will continue to be a pillar for both Lifestyle and Assurant overall. To give you an idea of the size and breadth of this business, I'd like to mention a few key items.

First, starting with distribution, we work across multiple channels, including partnerships with large franchise dealers, TPAs, and OEMs. Second, many of our clients are large players in the market and have been active in the acquisition of other dealers over the past few years. This has contributed to our market share growth. And third, our suite of product offerings is broad, providing protection for both new and used vehicles, which allows for stability when there are shifts in sales between the two as we have experienced during the pandemic.

Looking ahead, we are well positioned to continue our strong sales momentum. We have expanded in the market, growing net written premium by 13 percent annually over the last two years, despite the industry impacts of the pandemic. And we expect to build upon that momentum over the next few years.

Specific to 2022, we expect Auto EBITDA growth to be modest with moderate growth in the following years. First, as concerns to 2022, we are building off of an extremely strong performance in 2021 where Auto earnings increased over 20 percent. As we've disclosed, this included about $10 million of favorable non-recurring items.

And second, while underlying operating income will show growth, we do expect continued headwinds from investment income over the next few years. However, these trends should stabilize with time.

We will also continue to invest in both Connected Living and Global Auto to maintain and expand our market-leading positions. In 2022, we anticipate incremental spending related to the development of our Connected Home offerings. And given the growing client base, we also have increased investments for new client implementations across Connected Living. And within Auto, we will continue to invest in technology, integrating our systems and processes following several years of acquisitions.

These investments are factored into our financial projections and will partially offset some near-term growth, but they will ultimately position us for greater long-term growth within Lifestyle.

Now that I've discussed Lifestyle, let's talk about our financial expectations for Global Housing. The Housing business is expected to continue to perform well, with Adjusted EBITDA growth of mid- to high-single-digits each year through 2024.

In terms of revenue, we expect mid-single growth per year, driven across each line of business. As demonstrated by our past performance, our underlying Housing business provide attractive returns and support cash flow generation. These specialized returns can be seen in our combined ratio, which is expected to remain between 84 and 89 percent over the next three years, including CAT losses.

In terms of CAT losses, I would like to point out that we are now assuming a future average annual loss of $120 million pre-tax. This figure equates to the actual average CAT losses that we have experienced over the past three years. We have also taken this into account in our deployable capital projections, which I will speak to later.

Let me now talk further about the underlying business trends within Global Housing. Lender-placed is expected to be a key driver of this segment's growth over the next three years. We are well positioned to grow should the housing market shift, including the expected placement rate increase each year beginning

in 2022. Growth will also be driven by the recovery in REO activity where volumes were significantly reduced from foreclosure moratoriums in the pandemic.

Additionally, we have focused on creating efficiencies across our operational areas, including system enhancements and new digital capabilities. We expect these cost reductions to create scale as the volume of our business grows.

I also want to address our continued plan to manage CAT risk. Over the past few years, we've taken meaningful steps to reduce our CAT exposure. A few years ago, we lowered our per event program retention to $80 million, below historical retention levels of more than $200 million.

For 2022, we've already placed two-thirds of our reinsurance program, which also includes maintaining our per event retention of $80 million. Going forward, we will closely manage our CAT risk while looking for additional opportunities to reduce our exposure.

Turning to Multifamily Housing. This business continues to be an important contributor to Housing's overall profitability. To share a few of the details about our underlying Multifamily Housing business model, I'd like to highlight the following items.

First, we serve customers across a variety of distribution channels, including coverage offered through our strategic partners or at point of lease with property management companies. Second, entering 2022, we provide protection for 2.6 million renters, which shows an 8 percent average annual growth rate per year since 2019. And third, we're well positioned to capitalize as the overall rental market grows, following industry slowness during the global pandemic.

To keep pace with this competitive market, we are focused on investments related to improving our end user platform and broader consumer experience. Due to these investments, Multifamily Housing Adjusted EBITDA in 2022 will be down modestly year over year. However, we do expect longer term payoffs, including anticipated EBITDA growth in 2023 and 2024.

And finally, within our Specialty line of business, several products will contribute to Adjusted EBITDA growth. As Keith highlighted, this line of business is comprised of two broad groups of products. First, those capital-light, low-risk products. These businesses generate predictable profitable earnings growth. In our forecast, we expect growth to continue across a few products with our equipment insurance business leading the way.

Second, our risk products within Specialty where we leverage our disciplined risk management process to achieve appropriate returns on capital. Over the forecast period, we expect modest growth from our manufactured housing and sharing economy businesses.

Now, let's talk about Corporate, which supports our earnings growth and is another example of where we continue to exercise expense discipline. Our expense philosophy has been and will continue to be focused on using efficiencies to help fund business growth. And our financial objectives are driven in part by our continued plans to gain leverage across our core underlying expense base.

Our focus on expense management going forward can be observed through a few numbers. First, during the period, our forecasted Adjusted EBITDA growth rate of 10 percent on average is higher than our projected revenue growth rate of mid-single digits. And second, we are targeting our Corporate expense to remain flat at approximately $105 million over each of the next three years, while both revenue and Adjusted EBITDA grow. Both of these points demonstrate the continued expense leverage we expect to gain.

I'd like also to share with you a few examples of expense initiatives that will allow us to achieve these results. First, digital operations and claims handling improvements have and will continue to improve the customer experience while reducing expenses. In 2021, approximately $25 million of savings were achieved through efficiencies and simplifications in our operational processes. We expect continued digital implementation to be a financial driver over the forecast period while improving the customer experience.

Second, we have focused on and will continue to focus on optimizing our third party spend and achieving efficiencies through vendor management saving approximately $20 million in 2021. Third, as previously mentioned, we have an ongoing project concentrating on using our facilities more strategically and efficiently to meet business and employee needs. Last year, we consolidated six domestic sites which alone translates to a run rate savings of approximately $6 million.

And the last example is IT. Technology initiatives focused on multiyear efforts to drive agile project management, along with the additional offshoring of resources, have also added value. These initiatives have allowed us to be more efficient in the execution of our various IT and digitalization projects. In other words, we're getting more done for less cost.

We also drive to extract value from the investments we make. As you heard from Bob, our acquisitions are delivering value in excess of our expectations, driven by both underlying business performance and realized expense synergies.

And finally, we achieve leverage to the collective power of the Assurant enterprise. Our global support functions are organized the centers of excellence and not only drive best-in-class and consistent support, but also deliver efficiencies of scale. Now, let's move on to talk about our second financial metric, cash flow.

One hallmark of Assurant is the high level and consistency of our cash flow. And one of our major strengths is the significant diversity in these cash flows, which are sourced from multiple products and business lines.

Over the next three years, we expect to generate approximately $2.9 billion of cash from our business segments. This equates roughly 75 percent of business segment Adjusted EBITDA, including our expected CAT load of $120 million pre-tax per year. After subtracting Corporate segment costs and interest expense, estimated at approximately $700 million, the net amount will be available for future organic investments, M&A, share repurchases, and dividends.

Given the diversity of our businesses, which are supported by growth and less capital-intensive products, we believe our cash flows are stable, predictable, and consistent. The strength of these cash flows should provide us with significant financial flexibility to fund future growth initiatives as well as return excess amounts of capital to our shareholders. And we are confident that we can deliver strong cash flow in a variety of market conditions.

I'd now like to share some additional thoughts on our overall business model and its resiliency, which drives our expectations for ongoing cash flow generation.

Our business model provides us with a level of resiliency that we believe is rather unique. It's important to realize that while our businesses are connected, they are not strongly correlated from a financial perspective. Let me provide a few factors that contribute to this resiliency.

To start off with, business mix. We have a broad base of businesses with varying products and services. Our product base is diverse, spanning across insurance, operations, trade-in and repair, and administration, just to name a few. We have hundreds of clients and millions of customers around the world.

And our international footprint is diverse with no single concentration by region. This provides insulation against economic disruptions outside the U.S. Europe, for example, represented less than 5 percent of our segment EBITDA in 2021. Additionally, our businesses tend to react differently to changing market conditions. For example, within Housing, our lender-placed insurance product is counter cyclical, providing additional stability through various market cycles.

And finally, our product features. Within Lifestyle, our deal structure is typically involved with sharing with our clients. In fact, we estimate that we only retain about one-third of the risk in the lifestyle business with our clients baring the balance.

In Housing, lender-placed premiums adjust to reflect changes in inflation and increased home values. Additionally, program rates are regularly filed, which means they reflect our latest financial performance. All of these factors should allow us to continue to deliver to a variety of market cycles, economic conditions, and other external disruptions. We continue to monitor the changing market environment, including the impacts of inflation, supply chain, and the current geopolitical risk.

Of course, any prolonged periods of these factors or worsening of the current situation could impact our businesses. We remain vigilant and proactive and genuinely believe that the diversity across our businesses will continue to be a strength through this period.

I think it's worth repeating that while our businesses are connected, they are not strongly correlated from a financial perspective.

And now, I want to move to our third financial metric, capital management, starting with our financial strength. We are financially strong and aim to remain that way. We'll do so by maintaining a strong balance sheet, moderate levels of debt, and a thoughtful investment portfolio, all supported by our deep risk management culture.

Starting with the balance sheet, maintaining strength is important to our clients, customers, investors, and employees. It differentiates us from competition and gives us an advantage in the market.

In terms of debt, the level of debt is one element of our financial soundness. Consistent with our history, one of our important go-forward financial objectives is to maintain our investment grade rating. As such, we'll continue to target a leverage ratio of 30 percent or less. And our investment portfolio, which is focused on highly rated fixed income assets, has the objective of generating stable and consistent investment income. About 94 percent is invested in fixed income assets with 90 percent of that in public assets with investment grade ratings.

Finally, our robust risk management program helps to monitor and identify items that may impact our financial performance.

To summarize on cash flows, the growth of our businesses and their future profitability, coupled with the resiliency of our business model and balance sheet strength, give us confidence that we will generate $2.9 billion of cash flows over the next three years.

Now, let's turn to our capital management strategy. We pride ourselves on being strong stewards of capital with an objective to maximize shareholder returns over the long-term. Our approach to capital allocation has three principal objectives: to drive and execute our strategy while maintaining our investment grade ratings and maximizing long-term shareholder returns.

Therefore, when allocating capital between investments and shareholder returns, we compare financial returns between potential investments and share repurchases. We target risk adjusted returns on our investments. And we have consistently returned excess capital to shareholders. This approach will not change.

While we don't know what future investment opportunities may arise, we do know that we will maintain a high level of disciplined capital stewardship. Our ultimate mix of capital returns will depend on the level of attractive opportunities in the market. Therefore, we will require flexibility in our use of capital.

And we expect our future capital mix to be more balanced as compared to our expectations at our last investor day. With respect to liquidity, we will continue to hold adequate levels of cash with less focus on minimizing liquidity held. As such, the overall level may vary from period to period, but we will not sit on excess cash for extended periods of time.

And finally, a quick word about common stock dividends. We take pride in the fact that dividends have grown every year since going public in 2004. We expect future dividends to be consistent with our past history, subject, of course, to board approval.

Now that I've covered three key metrics, earnings, cash flow, and capital, let me summarize why we are confident that our strategy will deliver our financial objectives over the next three years.

We have reshaped our businesses over the past few years. We have exited those businesses that were not core to our strategy. We have invested and we'll continue to invest in our core businesses. And we will continue to demonstrate leadership across the businesses, creating multiple ways to win.

Our strategy is sound and clear, and we are well positioned to meet the three-year financial objectives that we have outlined. In doing so, we will drive to achieve superior earnings growth and strong cash flows, which will provide us significant capital flexibility that will be used to maximize shareholder returns.

In summary, we're excited about the business momentum we have and the financial performance that it will drive over the next three years. Thank you.

Suzanne Shepherd, Senior Vice President, Investor Relations and Sustainability, Assurant, Inc.

Welcome back. Next, we have Biju Nair, President of our Global Connected Living business. Biju, happy to turn the program over to you to review our growth opportunity and Connected Living.

Biju Nair, EVP, President, Global Connected Living, Assurant, Inc.

Thank you, Suzanne. Good morning. And welcome to a deep dive into our very exciting Global Connected Living business.

I'm going to share an overview of the business along with some details about our key capabilities and show how they come to life with some of our key clients. At the end of this presentation, I want you to remember five key things about this business.

First, industry and consumer trends are very favorable and align with our growth strategy, including those that help consumers maximize their experience on their connected devices while enabling our clients to generate incremental revenue. Second, Assurant has a global and well diversified client base across the entire connected ecosystem, including carriers, retailers, OEMs, and insurance partners, which enables us to proudly serve more than 200 million customers.

Third, Assurant is a trusted partner to our clients with capabilities, digital technology, experience, and scale to help solve their critical problems that are relevant to their customer base so they can focus on their core businesses. The global addressable market for these opportunities run into billions of dollars.
Fourth, you'll hear about our investments, client relationships, and deep knowledge of the mobile ecosystem puts us in a great position to capitalize on these opportunities as well as future growth prospects.

And lastly, none of this matters if we don't have the talent to deliver. Our experienced and diverse team of colleagues around the world are growth oriented, sustainability minded, and have a deep understanding of our clients' needs and their systems. These are perfect ingredients for a strong growth recipe for our business.

Let's get started with an overview. We often say Connected Living starts and ends with the consumer. This business is focused on maximizing the consumers' experience on all of their connected devices.

This enables our global clients to increase the lifetime value of a customer by improving stickiness and generating new digital revenue streams. In our traditional business, we do this by connecting protecting, supporting, handling returns, servicing, repairing, and upgrading connected consumer electronic devices and home appliances. All of this is anchored by technology elements that help our platforms and solutions scale securely. We leverage artificial intelligence, analytics, and automation to support security, compliance, privacy, and efficiency in operations.

As a B2B2C company, we use three main distribution channels to reach the consumer. First, our mobile channels serve traditional carriers, electronic retailers, and OEMs. Second, our home solutions channel caters to big box retailers, MVNOs and appliance manufacturers. And third, our financial services channel serve some of Assurant’s longest tenured clients who are looking to provide new and differentiated services to their customers through our solutions. We help them innovate.

So it's clear, we are serving consumers, and the business has a strong track record of growth, but how do we plan for that growth? Along with our strategy of following industry trends closely and making timely investments, we've also expanded and diversified our client base. We have made a balance of organic investments and M&A to drive our growth strategy, along with global expansion into Europe, Latin America, and Japan. But best laid plans don't work unless we have disciplined execution. You will see examples of this during our conversations today.

The result of all of this has been Connected Living EBITDA growth of 15% CAGR over the last three years. You heard Keith referred to 15 of the top 50 global brands putting their trust in Assurant to serve their customers. What we consistently hear from our clients is, you are a valued partner, because you bring innovative solutions to us while we focus on running our business. And that is how we grow or expand--and expand our partnerships. These are leading brands in their respective categories and geographies, spanning the entire connected devices ecosystem.

Now let's talk about scale. We drive clients across 21 countries, supported by global technology platforms and streamlined supply chain operations. The importance of these capabilities cannot be emphasized enough, especially when operating in ongoing uncertainty. The four geographic regions in which we operate all have different market dynamics and characteristics.

For instance, in mobile, North America and Asia Pacific are more mature markets with higher protection attachment versus Latin America and Europe, that tend to have more market fragmentation and significant opportunity for attachment growth. Their one common quality is profitable growth, but it goes beyond scale and reach. Our clients also choose Assurant for our extensive capabilities.

Along with our talented and long tenured team, our digital platforms play a critical role in executing deployments for global clients big and small. These platforms have strong end to end capabilities, are deeply entrenched into various client systems, such as billing, point of sale, fraud management and inventory management, making us a critical component of their everyday operations. We continuously invest in new technologies and automation, and always lead with technology to solve our clients' problems.

It is important to note that several of the key capabilities that you see listed under each mobile offering are unique to Assurant, and all are performed in house. A few examples. We do our own underwriting of our policies. We develop our own automation platforms to support our clients' business models. We invest in our own omni channel support systems. And we have diverse fulfillment options that we manage. We believe that all of these are competitive differentiators, as they allow us to stay flexible and nimble with client solutions, leading to a strong track record of innovation. That innovation is reflected in the 110 patents we have been issued and 107 patent pending applications. Some things we don't talk about often but definitely demonstrates our innovation.

Now let's take a step back and look at the trends that have been driving our growth that we expect to continue. As Bob shared earlier, we are uniquely positioned to capitalize on macro trends. First, 5G growth globally, but especially in U.S., Japan, and Europe. Technology inflection points such as 5G are great drivers for our business, as it stimulates device upgrades that generates growth opportunities for all of our businesses. Current global 5G penetration sits at 19%. We expect 60% of smartphones shipped in 2022 to be 5G and adoption growing to 58% by 2024. This gives us plenty of runway for growth.

Second, global demand for pre-owned devices in the secondary market. This has always existed but increased exponentially due to COVID related supply chain constraints and other stay at home trends. Third, strong competition globally between mobile carriers, MVNOs, prepaid players and other emerging players is driving commoditization of traditional offers like voice messaging, and access, driving up the need for new digital revenue streams.

Finally, COVID accelerated trends relating to the advent of Connected Home and support needs for the aging global population as they navigate an increasingly complex world. We believe these trends, along with our technology, capabilities and expertise will enable our clients to serve their customers better. The end result of which is increased customer loyalty, and revenue.

So let's pivot now to talk about what all of this means for our shareholders. Bottom line, we expect Connected Living to be the major growth driver for Global Lifestyle. In fact, we expect the Connected Living business to outpace the 10% average annual Adjusted EBITDA growth rate expected for Lifestyle overall over the next three years.

This will be led by our multi-dimensional growth strategy, including mobile and retail client expansion throughout our global footprint, continued tailwinds in our trade-in and upgrade business and fee-based revenue growth through services like T-Mobile in store service and repair. In addition, we should also see Adjusted EBITDA growth from strategic M&A over the next three years, as well as savings from our automation in our repair depots, and claim processes and continued digitization efforts.

Let's get specific and talk about some of our offerings on the mobile side of the business. In the device protection and insurance side of the world, we have become a recognized leader. We have been reliably serving clients like T-Mobile, Vodafone, KDDI, Xfinity and Spectrum and repeatedly defending our position through competitive bids and expanding business. We have added 20 new mobile protection programs globally in the last six years, and we have doubled growth in the devices we protect.

Our global platforms for claims and policy management, integrated with best-in-class fraud management solutions, and automated claims and digital first approach has led to world class customer experience and some of the highest NPS in the industry. Our platforms are flexible, scalable, and proven across the globe, in multiple use case scenarios. It's little wonder that when cable MSOs like XFINITY and Spectrum embarked on their quest to launch a mobile business, or when a large Marquee client like Deutsche Telekom wanted to revamp their entire device experience, Assurant was the natural partner of choice.

When we win new business, we are ramping subscribers from zero, and we have plenty of experience doing that. Converting a large block of subscribers is a whole other game. It requires that systems be ready to onboard millions of subscribers overnight with a smooth transition to avoid churn. Customer Care teams have to be ready to handle calls. Regulatory filings need to be completed in all states on time. Notifications to subscribers need to be handled in a timely manner.

Late last year, that is exactly what we did when we won the competitive bid to onboard the legacy Sprint subscribers onto T-Mobile device protection program. It was executed extremely, well with no issues and minimal customer churn. No other provider in our industry has the experience of handling a transition of this scale that quickly and with such outstanding results. We know how to get it done. We have the experience of winning and deploying large scale device protection solutions from scratch, like KDDI. We have launched brand new clients who are new entrants to the space, like our cable MSO partners, and we have converted large block of subscribers smoothly with the Sprint to T-Mobile conversion.

Our experience is compelling because we have the data and the insights and the best practices of successfully delivering consistently. As you can see in these charts, despite consistently becoming more expensive across all markets, consumers tend to buy higher end devices. Premium devices, those that cost more than $500, now represents 60% of North American smartphone shipments, and 25% globally. According to our research, consumers want better options for protecting and repairing their essential devices. We, along with our clients, are providing them with those options.

Let's focus on something that is near and dear to me, our trade-in and upgrade solutions. Today, we published our revised supplement, which now includes a new metric, devices serviced. This encompasses the devices we touch in our trade-in, repair, and dynamic fulfillment ecosystem. This is another important fee-based revenue stream. And we believe this figure should serve as a good proxy to determine illustrate the strength of this business. With 26 million devices serviced across more than 30 different client programs, serving some of the world's largest wireless players in the ecosystem, we are a leader in this space. Our software and services model enables us to do two things, adapt to the business model that best suits our clients, and build a revenue model that is capital light with strong margins.

Importantly, our trade-in programs have been a strong contributor to our sustainability initiatives, as well as enabling our clients to make a measurable progress towards their own ESG goals. Since inceptions, these programs have repurposed 116 million devices, putting more than $11 billion in the pockets of consumers, and helped avoid over 22,000 metric tons of e-waste, resulting in offsetting 6 million metric tons of carbon dioxide emissions. Listen to our clients from AT&T and Verizon describe the importance of trade-in and upgrade.

(Video Presentation)

Best in class, high quality, seamless, putting customers in the best device as possible. That's what we are known for and it's what we deliver for all of our clients. Trade-in is an extremely important value proposition in the carrier's quest to monetize 5G investments, as well as driving additional new revenue opportunities. With most 5G devices costing nearly $1,000 or more, consumers have been hesitant to upgrade. And as

published in our quarterly trade-in reports, upgrade cycles have been steadily increasing, with consumers now holding on to their devices for close to three years.

As you have seen throughout the U.S. wireless ecosystem, most players are offering substantial trade-in values, giving consumers strong incentives to upgrade. Most recent promotions are offering up to $800 per trade-in for devices in any condition. Seems excessive, but it is indeed a true win-win value proposition. Think about it. Consumers are offered a tremendous amount of money at the beginning of a device purchase transaction. This incents them to buy a better device than originally contemplated, say an iPhone 13 Pro instead of an iPhone 13, or a Galaxy Note instead of an S22. Then they add high margin accessories or invest in a device protection plan to secure the newly purchased device, while making additional upgrades for the rest of the family. This makes consumers happy while the carriers and retailers are thrilled about the increased retail transaction size and incremental digital revenues.

The devices collected through these programs also have tremendous value. They can be used in certified preowned programs or used as insurance replacement devices and have proven to be an important asset in a post COVID world that has been challenged by global supply chain issues. And as discussed earlier, these repurposed devices play a significant role in sustainability efforts. True win-win across the board.

Strong market trends, along with our expertise in the space and our ability to leverage and deploy global best practices, tailor to a specific client and regional needs has helped drive trade-in attach rates over the years. Our trade-in platform is a true returns management platform. In the mobile world there are several kinds of returns, trade-in and upgrades being only one of them. Products can be returned to retailers within 14 days. And our platforms manager most returns of--for large retailers like Target and Best Buy. Insurance, payment plan upgrades and warranty returns are also managed for clients like T-Mobile.

Furthermore, our platform handles more than mobile devices. We manage wearables, hearables, tablets, and laptops for a myriad of clients today. I hope you're starting to see an interesting picture emerge. We grow trade-in attach rate with current clients and add new device trade-in device categories. We will expand to manage new return channels and we will continue to win new clients globally. Assurant is the only provider who has a proven track record of offering full device lifecycle capabilities at scale for carriers, retailers, and OEMs today. I hope you can tell why we are excited about our global growth prospects.

So we haven't yet spoken about the role technology and robotics play in our story. Technology is key to our value proposition to ensure clients are getting the benefit of automation and efficiencies from scale. We continue to implement robotic process automation across all of our depot's. Why is this important? A few reasons. The labor market has been tightening up over the last 18 months, and labor costs have increased 50% during that timeframe. Hiring has been challenging for every industry.

When we are dealing with used electronic devices, time is money, and they lose value with every day they spend in our depots. Speed, precision, and consistency are important and process automation accomplishes that for commoditized tasks. Additionally, automation for in depth testing and reconditioning allows us to extract higher value for these devices in secondary markets, further adding value to the assets that we and our clients own.

Our efforts are not just limited to depot capabilities. We are innovating to ensure that retail operations for our clients continue to operate smoothly. Our investments in on device diagnostics, as well as cost effective kiosk-based solutions are just a few examples in this area. It is investments and thought leadership like these that make Assurant a valuable long-term partner for our clients.

Let me wrap up this section of our discussion with our very exciting advancements in service and repair. First, allow me to tell you how we got here, as this was not an overnight success. Our research and strategy

teams identified that consumers are demanding better and more convenient repair options for their consumer electronics products. Given this insight, Assurant proactively acquired CPR for retail repair capabilities, and fixed for continued repair capabilities.

In addition, we established a strong partnership with Batteries and Bulbs Plus, bringing our total retail footprint to 1,100 plus locations around the country. In addition to this, for the last three plus years, we have been developing critical technology elements that can bring these repair capabilities to life, scheduling tools that can reliably track availability and direct users and technicians productively and a critically important solution called dynamic fulfillment. Dynamic fulfilment uses artificial intelligence and takes a number of factors into consideration, including consumer preference, store schedule, parts, availability and inventory levels. Based on that information, we process a claim from the customer and direct them to the most convenient way to service them. The platform also enables us to gather data and information on the most efficient and cost-effective ways to service a request and enables our clients to continuously optimize and improve their offerings and associated margins.

As a result of these investments globally, we have the best footprint in the industry to serve consumers where they need to be served, when they like to be served, and how they prefer to be served. Or depots can take care of the traditional advanced exchange model of repair. Our footprint of nearly 2000 CPR or partner retail locations can take care of repair while you wait or our come to you repair can be summoned in Uber like fashion, from an app or a website with dynamic fulfillment powering it all to make it easy and convenient for the consumers. All of these investments and expertise came together beautifully when T-Mobile asked us to implement service and repair capabilities for more than 500 of their retail locations. The details of how all of that came together could very well be the subject of a Harvard Business Review article someday.

It took IT work on both sides to implement certain capabilities on our platforms and integrate them into T-Mobile systems. Our people team hired more than 1,500 technicians and ensured that we had the infrastructure and systems to support them while they (inaudible) distributed all over the country at client locations. We put in place a supply chain system that could procure OEM parts from Apple and Samsung. We coordinated with various client teams to ensure that marketing plans and retail location plans aligned. All of this required capital time and superhuman effort on both sides against a backdrop of a macro environment that was having unprecedented impacts on the labor market, and wreaking havoc on global supply chain systems.

The results of this launch have been very good. We have seen marked improvement in customer satisfaction, a 10-point increase in NPS compared to advanced exchange. The infrastructure we have put in place to support this effort, as well as the data and experience we have gained as a result, or leverageable for future initiatives. We talked at the outset about consumers demanding better support for their connected lifestyles. We have seen this as an increasing need for a few years. If you purchase an--an appliance or a consumer electronic products recently, they come with no instructions and you're asked to download an app, configure and then use that app to connect and set up that newly acquired device. According to market studies, 72% of consumers have responded that they have experienced frustrations with connected devices.

Assurant connects with over 200 million customers globally every year solving problems, and 86% of those consumers interact through our digital channels. And if you look at the results, we do this very well, with NPS that are well ahead of our competition. We leverage our experience and data to do this in an omni channel fashion. We asked Vodafone to share a bit about our partnership in this space.

(Video Presentation)

Allow me to describe a little bit more about what Phil was describing in that video. A key solution that enables this level of connection with our consumer is our Pocket Geek family of products. And again, it does

so in an omni channel fashion. Personal TechPro, which is a part of the Pocket Geek family is our premium tech support service and has been focused on solving these problems for consumers on behalf of our clients with extremely high customer satisfaction scores. We support all major devices and appliances with the consumer-friendly digital experience. This demand for higher caliber of support, however, took on a whole other level during the pandemic and post pandemic life when consumers are spending more time at home and are struggling with connected consumer electronic devices.

This makes for a perfect segue to discuss the exciting opportunities we have in the Connected Home solution space. And Assurant is no stranger to this market given our history in extended service contracts. The Connected Home is a key growth opportunity for us as consumers and our client's relationship with the technology and home evolve. We see rapid growth of connected devices in the home. The number of connected devices per household in the U.S. is projected to increase from 18 now, to 25 by 2025. With this increase, consumers are demanding comprehensive support and service for everything at home, rather than disjointed services for individual devices and appliances.

The data are clear. Nearly three quarters have reported frustration with their experience. Almost 40% have returned their devices because they struggled to set them up, and nearly a quarter of them haven't connected their smart devices. Our clients are looking towards Assurant for innovative solutions that help fill this gap and serve the consumers.

Enter Assurant Connected Home Solutions. This is truly a solution that brings together multiple capabilities we built and investments that we have made over the years Connected Home flips the traditional device focused approach to put the consumer at the center. The same capabilities highlighted for mobile, create a repeatable, leverageable model to succeed in the home.

We have unified our existing capabilities and unlocked a frictionless omni channel digital experience from the time they own the device or appliance through signup, services and support, to filing and servicing a claim. We do all this with the utmost mindfulness to protect the consumer privacy and identity which are constantly under threat.

So patented capabilities like Pocket Geek identity, we provide email aliasing, and other identity protection features that provide consumers with that all important peace of mind. These help the consumers get the most out of their devices, while also helping our channel partner optimize their programs. Earlier today, you heard Keith's vision of helping consumers thrive in a connected world. This is an example of how our solutions make that vision a reality.

So how do we get these solutions to market? We are well positioned to serve this market through our existing channel relationships, which range from our key partnerships with home retailers, OEMs, and communications companies. All these partners are looking to win and expand in the home, and our solutions unlock these opportunities. And through these channels, we have an opportunity to reach two billion plus already installed connected devices, plus an additional one billion devices sold each year.

We have expanded our multi year relationship with the leading retailer of appliances in the U.S., providing a suite of Connected Home offerings. We are currently working on rolling out and look forward to sharing more details in the coming months. We will continue to innovate with our key clients and drive market adoption.

To summarize, we see favorable consumer and market trends across all of our business segments and our innate ability to understand and stay on top of them, our current and ever-expanding global client base, who views Assurant as a thought leader, a partner, and an innovator, our dedication to trade-in and service delivery as demand for those solutions have grown, our continued investments in talent capabilities, and

strategically executed M&A. Lastly, as we pointed out, the consumer relationship with their devices and their home that evolved through the pandemic and offer new growth opportunities. Thank you for your time.

Suzanne Shepherd, Senior Vice President, Investor Relations and Sustainability, Assurant, Inc.

Thanks, Biju, for bringing to life the industry leading services we provide to hundreds of millions of consumers globally in our Connected Living business, and the opportunities we see ahead. Now, we'll take another five-minute break before turning to Q&A. And as a reminder, you can submit questions via the phone or Web.

(Video Presentation.)

QUESTION AND ANSWER SECTION

<Moderator: Suzanne Shepherd - Assurant, Inc.>: Great. Welcome back. We're now going to move to the Q&A portion of our program. And just as a reminder for investors and analysts, we'll be taking questions over the Web and via the phone. And it looks like we've got a couple questions in the Web that I'll start with. And Keith, maybe I'll start with you first.

<A – Keith Demmings - Assurant, Inc.>: Sure.

<Q – Suzanne Shepherd – Assurant>: So how should we think about the pace of EPS growth over the three-year period?

<A – Keith Demmings - Assurant, Inc.>: Yeah, so maybe I'll start and just talk a little bit about the EBITDA growth. So today, we reaffirmed 8% to 10% growth for 2022. We expect that to accelerate to 10% as we look at '23 and beyond. And then when we look at our EPS growth, we signaled 16% to 20% growth this year, so significantly outpacing our EBITDA growth. Obviously, driven by significant buybacks that we did last year related to Preneed business, and then buybacks that we'll do.

This year, we talked about $375 million of return for Preneed by the first half of the year, and then continued buyback over the course of the year. As we look at our EPS growth going forward, we do expect it to outpace EBITDA growth. We talked about 12% EPS growth over time, roughly 200 basis points higher than our EBITDA growth. That really signals the additional buyback that we expect to do over time, and--and we expect that to be a strong part of our capital mix going forward.

And then finally, I would say in 2023, we do expect stronger than 12% EPS growth, likely a couple 100 basis points higher, really resulting from all of the capital work that we're doing this year.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks for that. Turning to a next question, what impacts from inflation are you anticipating? Richard, are you going to start?

<A – Richard Dziadzio - Assurant, Inc.>: Yeah, sure. Thank you, Suzanne. Yeah. So I would--I would start by saying we're positioned to perform well, uh, in an atmosphere of inflation. And I would break that down into a couple of things. You know, first, from a diversity point of view, you've seen our--the taping just now that from a diversity point of view, we're very good, broad businesses, et cetera. But also, from a business point of view, um, we're well positioned. And why do I say that? Because we'll have some pressure, but we'll also have some positives.

Let me talk about each segment. If I look at the Lifestyle segment, you have heard, uh, in our prepared remarks that we do profit share with our clients. So if there is pressure on those profits, our clients take two thirds of that, we take about a third of that. So that's a big mitigate. And then if I look at the Housing side,

obviously, with lender-placed they're being exposed to CAT and inflation, claims costs would go up. So we're expecting pressure there. On the other hand, built into our contracts, are inflation guards. So we would get a--an increase in premiums every year to help us on inflation.

And then if I look across Assurant, overall, the enterprise overall, obviously wages are under pressure today, so we get some pressure there. On the other hand, in an inflationary environment, we have seen interest rates start to tick up. And so with the increase in interest rates, we will benefit in investment income. So that will be an offsetting factor there. So pluses and minuses across the board, which is why--you know, sitting here today, we're happy to reaffirm our outlook of 8% to 10% and expect us--ourselves to perform well in that environment.

<Suzanne Shepherd - Assurant>: Great. Thanks, Richard. So I'd like to now move to the questions over the phone. I think we're gonna try to take our first question from Tommy at KBW. Tommy, please go ahead.

(inaudible)

<Q - Tommy McJoynt - KBW>: Yep. Okay. Sorry about that. Uh, just want to ask if the trade-in volumes, uh, that you guys expect to grow, is that supposed to come more from the U.S. or more internationally?

<A - Keith Demmings - Assurant>: Perfect.

<Suzanne Shepherd - Assurant>: Got it. Now we heard it loud and clear. Thanks.

<A - Biju Nair - Assurant>: Yeah, thank you for the question, Tommy. So U.S. is the predominant leader in the--in the trade-in space today. And as you can see from what's happening in the wireless industry across all segments, carriers, retailers, OEMs, very aggressive trade-in programs going on. So we expect U.S. to continue to lead but we are also starting to see other markets picking up based on the patterns that they have seen in the U.S. and the success that the U.S. carriers have had to customer acquisitions. Uh, so you're right, U.S. will be leading that trade-in segment for some time, but we are starting to see other markets pick up as well.

<Q - Tommy McJoynt - KBW>: Okay, thanks. And then the— *(inaudible)*.

<Q - Suzanne Shepherd - Assurant>: Seems like we are having a little bit of technical difficulty. So maybe if--I'm going to pivot to take a couple of questions for the me--Web, and then we'll come back to the phone, uh, for just a minute. Uh, so maybe if we could just move to Web questions. So, um, let's see, we've got one here. So if you could share some, uh, color on the historical M&A performance and where you're most focused in terms of opportunities going forward.

<A - Bob Lonergan - Assurant>: All right. Thanks, Suzanne. I'll take that one. So the first thing I want to start with is that M&A has been and will continue to be a key growth driver here at Assurant. And as mentioned earlier--you know, we are really thrilled with the recent performance of our M&A transactions, specifically AFAS and HYLA. Both those transactions are currently either meeting or significantly exceeding both our financial and strategic expectations.

And so when I look going forward--you know, there's a couple things I'd call out. One, we love our current portfolio of businesses. And so we're going to continue to look to kind of grow, strengthen and augment our connected consumer businesses, so around the home, auto, and device. And then also, when you think about geographies, we're not looking to currently expand beyond our current geographies, but we'd love to also continue to grow and strengthen our existing geographies.

And finally, we're always looking to add differentiated capabilities. Capability that one, differentiate us versus our competition, two, that increase the value to our consumer, and also three, to improve the consumer experience. So those are the areas we'll be focusing on.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks, Bob. Next question. I see here, what markets does Assurant have come-to-you repair options in? Biju.

<A – Biju Nair – Assurant>: Uh, predominantly in the U.S., uh, but we are also starting to look at, um--you know, Canada and Europe, as well as expansion opportunities there.

<Q – Suzanne Shepherd – Assurant>: Great. Got it. Thank you. All right. Next question here. Can you discuss the risks presented from the current Russia-Ukraine situation and sanctions, potential supply chain issues we should be thinking about?

<A – Keith Demmings – Assurant>: Yeah, maybe I'll offer a couple of thoughts, and then--and then let Richard and Biju chime in. Obviously, devastating to watch what's going on in the Ukraine, and our thoughts and prayers are with everybody affected and certainly senseless violence. So first and foremost, that's important to say.

You know, as we think about our business, we don't have any direct operations in the Ukraine. We don't operate in Russia. So from that point of view, um, really no impact on us directly. We're not leveraging suppliers in those markets directly as well. But clearly, this is a significant geopolitical situation. Uh, there are a lot of impacts that we're monitoring closely. We're fortifying our efforts around cyber. Without question, that's been a priority for the company for many years and we're strengthening our resiliency as an organization.

Um, obviously, we're monitoring supply chain really closely, which we could talk about a little bit more. Inflation's another longer-term impact. As Richard talked about, we feel like our business is very well diversified, very balanced, and quite insulated, but certainly there's a lot of us to con--continue to monitor as we go forward. But maybe, Biju, some thoughts just on how we're managing supply chain parts and inventory, at least relative to the mobile side.

<A – Biju Nair – Assurant>: Yeah, no, great, Keith. And I joined Keith, in my thoughts and prayers to the--to the people in Ukraine, just--you know, just a terrible human tragedy there. Uh, as far as supply chain goes, we have been managing supply chain extremely well through the pandemic process, right? That taught us how to manage supply chain work closely with our partners and suppliers in order to--in order to carefully monitor it. So we've been maintaining inventory levels. It's slightly higher than normal, in order to make sure that we can service all the claims that are coming in and take care of all the clients and their customers.

Um, we also talked with some of the--some of our clients. And I was in Europe recently at Mobile World Congress and talked explicitly about this topic. Obviously, the Ukraine secretion is very new at that time. However, in totality, our clients did not indicate that they are making any changes to their plans as of now. So they are carefully watching the supply chain situation to ensure that they have sufficient inventory available to take care of all of their consumers as well.

<A – Richard Dziadzio – Assurant>: Yeah, and if I just add one other thought on the Auto side, obviously, um, the chip shortage impacts the Auto business as well, particularly around, uh, new car sales. We've seen that, uh, over the last year, year and a half, and our businesses performed really well, just based on the mix of business that we have between new and used cars. So as our new car volume has slowed down, we've seen a significant increase in used car volumes over time. Uh, we'll continue to monitor obviously, what happens

with new car volumes. But we do expect to continue to see growth in that business o--as we look forward in the rest of the year.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks for that. All right, next question. How sensitive are you to trade-in volumes to carry your promotions? And if the carriers opted to pull back on promotions, can AIZ's trade-in business still grow due to market share gains or other levers?

<A – Biju Nair – Assurant>: Uh, obviously, promotions play a very important role, right? There is a big difference between an organic trade-in value of say $200, or $250 versus the current trade-in values and promotions, like $800. Consumers are, uh, always going to trade-in more when there is a higher trade-in value. But is it significant? It's not that significant, because still consumers want to upgrade, and try to take advantage of the opportunities to get onto that 5G network and, uh, make sure that those devices get upgraded. Uh, we expect trade-in attach rates to go slightly lower when it is, um, organic trade-in as opposed to promotions, uh, but we don't see significant impacts.

Furthermore, in talking to our clients, which we do constantly, about what their opportunities are related to--you know, promotions going on, none of them have indicated that they want to go back from trade-in promotions as of now.

<A – Suzanne Shepherd – Assurant>: Great, thanks, Biju. All right, next question. So why the increase to $120 million assumption in CAT losses? Is that to be more conservative for capital management purposes? Or do you have a reason to think expected losses might be higher, perhaps a function of CAT modeling? Richard, maybe, you want to take that?

<Q – Richard Dziadzio – Assurant>: Yeah, great question. Uh, thank you for that. Yeah, it--it's a good question because historically, we've used a model--you know, annual expected loss for the CAT, uh, that we put into our--into our P&L. Um, what we've done this year is we've looked at the P&L, we basically said to ourselves, let's look at the modeled number. And it's essentially about the same we've had in the past. Think about $80 million pretax. But we also looked at the CAT losses we had in the last three years, which was $120 million.

So we said to ourselves, let's take the higher number, obviously, higher, more conservative, than the lower number, seems more appropriate. It's not that we're expecting higher ones, but we just want to be conservative in the--in the assumption that we pick, and also exactly, with the question, there was the dimension of capital. We've taken that amount, and when we're looking at the future capital that will be deployable and the cash generation of $2.9 billion, that $120 million is being used as well.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks, Richard. All right, next one. Beside the Russia issue and other supply chain that you've talked about, there have been some recent COVID related shutdowns just this month in China, any impact in the near term because of those, to you?

<A – Biju Nair – Assurant>: Um, not that we--not that we anticipate, uh, Suzanne. We, um, as you know, many of the OEMs like Apple and others, have moved some of the supply chain operations and manufacturing operations away from China because of the COVID related concerns they had last time and the impact that they saw. When we talk to our partners, uh, the OEMs especially, they give us a heads up related to what they are seeing in the supply chain world. And proportionately, we make sure that our inventory levels continue to remain high.

As I mentioned earlier, during COVID, we learned how to manage through this process, um, and we make sure that we have, um, sufficient inventory available in order to cater to all the claims that might be coming through.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks, Biju. Maybe moving now to the Connected Home and just trying to understand kind of the opportunity there and how big those partnerships could be over the long term.

<A – Biju Nair – Assurant>: Um, very exciting opportunity for us. So just to start with, um, our investors are very familiar with our ESC business, right, where we underwrite claims--you know, process them, administer them, et cetera. So think about home solutions as the need is coming from the fact that we are all spending a lot of time at home. And we've got connected devices at home, appliances that are increasingly more complex due to connectivity et cetera.

The buyer, consumer electronic devices, you need to make sure that you can configure them and make them to their full use. Um, and consumers are finding it difficult when it's a very disjointed one-off type of support. So what our model entails is a monthly, uh, subscription, which will take care of everything that is inside your home. Uh, and that's a model that seems to be very attractive to consumers, and even our partners that we work with very closely, retailers, the OEMs, as well as the carriers that we partner with. Uh, so that's a--that's a model that--that we think is very exciting, uh, for us, as well as for our--for our partners that we are closely working with.

<A – Keith Demmings – Assurant>: Yeah, great, and maybe I'll just add one thought. Um, so as we think about our forecast for the next three years, we do have some investments, uh, to help--you know, grow our vision around the Connected Home, embedded in our model. We've got some business assumptions based on, um, active dialogue with clients. But in terms of the impact on long term EBITDA growth, really nothing baked in that we can't see in front of us. So, um, obviously, we'll see how this emerges over time, and there's certainly opportunities for us to generate growth that is--that is not inside of our 10% EBITDA, growth commitments as we look at '23 and '24. So more to come as we move forward.

<Q – Suzanne Shepherd – Assurant>: Great. All right. Next question, M&A. It sounds like M&A is likely to remain an important growth lever over the next few years. Are you anticipating the--uh, benefits from M&A included in these stated targets? And is there a general baseline target for cash-on-cash return for acquisitions?

<A – Richard Dziadzio – Assurant>: Maybe I'll start that--

<Q – Suzanne Shepherd – Assurant>: --sure--

<A – Richard Dziadzio – Assurant>: --that one off. Yeah. Good question on M&A. It's been an important part of the past, as Bob mentioned earlier, um, and up to 20% of our EBITDA over the last year. So very good component. We are very disciplined in our M&A. So when we're buying something, cash on cash is a very good question. We're really looking at IRR, and making sure that as we look at an investment, we're looking at it as being, is that the optimal use of capital that we can do?

You know, oftentimes we compare to share repurchases, as I mentioned in my remarks. If we look at EBITDA and the importance of it in our EBITDA numbers, the 10% EBITDA growth that we see over the next three years, think about M&A, adding about two points to that. Two points out of 10 points, think about that being 20%. So very similar to what we've done in the past.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks. All right, next question. Do you anticipate expanding the in-store service center outside of T-Mobile? Is it exclusive to T-Mobile? And can you discuss the economics?

<A – Keith Demmings – Assurant>: Maybe I'll start and then ask Biju to chip in as well. So, uh, it's not exclusive to T-Mobile. Uh, we've talked about the economic model a little bit in some previous calls. So--you

know, we looked at our relationship with T-Mobile. We renegotiated our entire deal, obviously absorb 10 million subscribers from Sprint, which we've talked about. So significantly scaled the relationship. Uh, we did trade away some per unit economics, but in total, we believe we'll drive profitability growth, because of the scale of the relationship, adding services like same unit repair, driving operational efficiency, and then expected growth, from innovation in the future.

And as everyone knows, T-Mobile is a very innovative partner. They're always looking to do new things. And we're well positioned to help them do that. So I would say the economics of the deal are more holistic. Um, it's fee income oriented in terms of the service and repair. Um, so we get paid for providing the services. We don't really bear a risk. It's very much a fee income deal. But we are seeing interest around the world from a number of different clients, as they think about augmenting service delivery options in a number of different ways, could be come to you repair, in retail, through third party. So maybe Biju can share some of what we're hearing.

<A – Biju Nair – Assurant>: Yeah, absolutely. Just what Keith mentioned, first of all, earlier today, we shared some of the early results from the launch of service and repair. Uh, consumers are loving it, the option that they'll be able to go to the store, that is where they bought their phone or close to their--wherever they're working or living, and to be able to get it repaired while they wait or while they go off shopping and coming back. You saw the NPS results, 10-point increase over the advanced exchange where you actually get a new phone and then you send in your old phone. So there's a much more convenient option. It doesn't surprise anybody, right? Because mobile phone has become such an important component of, uh, your everyday life and it's indispensable.

Um, and as Keith mentioned, the fact that we were able to stand up and operationalize, uh, service and repair this quickly and get such outstanding results out of it has caught attention from some of our other clients. And we are receive inquiries related to how do we--how can this be, what are the best practices that were set up? What is the data and the learnings that you got from it? Because there's a lot that goes behind it, which I alluded to during my presentation. So very excited about that.

<A – Keith Demmings – Assurant>: Yeah, and just one other thought. I mean, it's really difficult to execute, um, some of what we've delivered recently. And Biju talked about it earlier, that the migration of 10 million customers flawlessly, uh, which is a really tricky thing to accomplish, and then standing up this program. Not only are clients interested to learn from everything we're seeing, but the track record of being able to execute, deliver and have all the data that supports, how these things have performed, that's a huge advantage. And our credibility around this space, I would say is dramatically stronger today than it was even six months ago.

<Q – Suzanne Shepherd – Assurant>: Thanks for that. And maybe I'll just, um, for those who are actually in the phone queue, I'd maybe encourage you to pose your questions over the Web to make sure we get to them. Uh, with that said, maybe we turn to Auto. So is there a change in the U.S. car buying landscape away from traditional dealerships? And can you comment on how you're positioned to remain competitive in this changing landscape?

<A – Keith Demmings – Assurant>: Sure, and I'll provide some thoughts. And certainly, Bob, if you have any others, to join in. But, um, our business has been very strong. You know, we've got a really, really well diversified Automotive business, geographically diversified, but particularly in the U.S. were extremely strong. The acquisition of TWG, the acquisition of AFAS, um, have really cemented our leading position in the dealer space.

We've got, uh, a really wide range of distribution channel partners. We operate with dealers. We operate with third parties. We have affinity partners. Well diversified set of clients. We tend to operate with the

largest publicly traded dealer groups, but we operate with--you know, thousands of dealers around the country. You know, our partners are the ones that are accumulating the market, so our partners are growing. Um, they're buying other assets. They're also, um, putting more energy into digital delivery, Omni channel services and solutions.

So we're seeing our clients actually succeeding in the market today and we expect that to continue. We saw really rapid growth in net written premium last year, over 23% growth. We expect to see strong growth again this year in the auto business, and it's really just the strength and diversity of our channel partners.

<A - Bob Lonergan - Assurant>: Yeah, and maybe to add to that. So first of all, we love our partnership, the car dealership channel. But if you go back to 2017, when we did The Warranty Group acquisition, one of our kind of deal thesis is that we saw the auto industry really evolving, really changing. And one of the things that we thought we really brought to the table, were all our wonderful Connected Living capabilities, and that we could take those capabilities, apply them to the auto channel, and really create a differentiated position.

And so when we acquired The Warranty Group, platform, one of the things that was really interesting is that it was a larger, more scaled platform, but we actually really liked our capabilities that we brought to it and our ability to invest behind that. And we alluded to it earlier with some of the capabilities around the digital self-service, the digital hub, that we can really kind of differentiate.

And the last thing that I'll highlight is the Cazoo partnership. So Cazoo, this digital disruptor out of Europe, um, really changing how business is done in--in Europe. And we're the partner of choice. And so we're really excited about that. And we think we're in a better position than others in terms of being able to take advantage of these changes.

<Q - Suzanne Shepherd - Assurant>: Great. Maybe let's stick on Auto and the evolution of that market. And so just around electric vehicles, and how we think about kind of the additional services we can provide there. And then in the market opportunity we see ahead.

<A- Keith Demmings - Assurant>: Yeah, and I'll start again, and I think Bob--

<A - Bob Lonergan - Assurant>: --yeah—

<A- Keith Demmings - Assurant>: --will have some thoughts as well because he's very involved in this. But--you know, we think it's really important for us to build a leadership position around electric vehicles. Uh, there is no doubt that this will become more prominent over time. We're seeing trends around the world. We're seeing, um, trends in the U.S. as well. With gas prices, where they are today, there's even more, um, connections to electric vehicles. So we want to build a really strong brand.

We operate in--in many countries around the world. It really does allow us to establish a leading position and provide protection for the electric vehicle, protection for the battery, and then think about additional services over time. And our goal is to be the leader in all things that are happening inside the F&I office, within a dealership, and we're well on our way to do that.

<A - Bob Lonergan - Assurant>: Yeah, and we love our EV one solution that we've come out. We feel like it's really leading in the marketplace. And when you think about the car, you think about where it's going, we view it as almost--you know, it's the large, connected device. And again, these capabilities that we have across our enterprise, we really feel like we can--we can leverage share to be in an advantageous position. So--you know, we're excited about this migration, feel like we're really well positioned.

<Q – Suzanne Shepherd – Assurant>: Great. So let's turn, okay, to EBITDA growth by segment. Could you provide how you think about revenue versus margin expansion as part of your EBITDA growth?

<A- Keith Demmings – Assurant>: Sure, maybe I'll start. I mean, we--as we look forward--you know, we do expect our revenue to grow across all lines of business. So--um, and we're in a really fortunate position. We talked about the balance of our portfolio, but I think we'll see over time, revenue growth, mid-single rev--digit revenue growth over time, across all of our lines of business. And we're going to obviously have more accelerated growth in terms of our EBITDA over time. We do expect EBITDA growth, as we think about '23 and '24 across every one of our product lines, and I'm not sure if we've ever had that happen in--in our history where we've had all of our business poise to drive both revenue and profitable growth over time. So we're really excited about that.

Clearly, Connected Living this year is really, really well positioned. We're looking at, um, high teens EBITDA growth in 2022, uh, mid-teens, EBITDA growth going forward, so really, really strong. We talked about the Auto business this year, um, being relatively flat in terms of EBITDA growth. But obviously, we had a really, really strong 2021. But as we look out, and '23 and '24, we expect that to normalize with strong mid-single digit EBITDA growth.

And then we see growth in LPI, significant EBITDA growth over time, and continued growth long term in the rest of our Specialty lines Multifamily Housing. So I do feel really, um, good about all of our businesses in the way that we're operating. And then driving operational efficiency, while delivering significant investments to drive long term growth.

<A – Bob Lonergan – Assurant>: Yeah, and I would just say, that--that--that's a very important point because--you know, when we look at our revenues, really across the board, we're growing. In every one of our businesses, for the next three years, we plan revenue growth. Think about it being somewhere by business 4% to 7%, so good, strong revenue growth there, but EBITDA growth is key to us, that it's double digits. So really, we're looking to get leverage out of the businesses by operational efficiencies, other things we're doing on expenses, et cetera, automation to drive that kind of leverage. So I think we're in a really good place to be able to deliver there as well.

<Q – Suzanne Shepherd – Assurant>: Great. All right. Next question. Given that earnings continue to be volatile from the LPI business and the valuation lags business service companies, despite the shift to a service company, do you still feel the LPI business is fitting into your strategy going forward?

<A – Keith Demmings – Assurant>: Yeah, and I think the first thing I would say is, we really like the strength of that business, and we talked about it earlier. I mean, it really--it really does fit in terms of how we deliver value for our clients across everything we do at Assurant. If you think about the complexity of the services that we deliver, how deeply integrated we are with our client partners. We got a market leading position with really the key leaders in the industry, and we're well positioned to drive growth going forward.

Obviously, it's got CAT risk that creates volatility. We've talked about, uh, some of the parts of you on valuation. We've talked about--you know, our capital-light and fee-based businesses being--you know, almost 80% of the company today. And looking at that valued on an EV to EBITDA basis, we've looked at our P&C risk businesses, which we think are really attractive. They target attractive ROEs and we think they should trade on a--an attractive price to book basis. So we do think, um, the overall valuation of the company is attractive, as we look at that methodology.

What I would say is this--this business is positioned to grow over time for a number of reasons and we do feel like we can continue to look at ways to minimize CAT risk in the future. We've done a lot of work over many

years, um, to reduce our CAT exposure. It's now less than 25% of the overall business, and we're going to continue to look for ways to drive the best economic trade for shareholders over time.

<A – Bob Lonergan – Assurant>: Yeah, maybe just kind of build off of that. You know, this is the first time we've really tried to share an investment view in terms of how to think about the business. And so hopefully--you know, I hope you all find that helpful in terms of the sum of the parts. And then the second thing as Keith said, I mean, we love the LPHO business, but we are continuing to look at ways to maybe move off CAT risk in the future. And so the business is excellent, but the CAT risk, that's what we'll continue to evaluate.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks. All right, moving to expense initiatives. So seems like they're a key part of the earnings growth story going forward? Could you discuss initiatives and Global Lifestyle in particular?

<A – Richard Dziadzio – Assurant>: Maybe I could--maybe I could start with just overall, just to set the table a little bit, because part of the overall expense initiatives we have apply to Lifestyle as well, and then maybe pass to Biju. I mean, we--as you heard in our remarks, we are focused on driving, uh, expense efficiencies, I think it's one of the things that we do really well as a company. You know, it's almost part of our DNA. And we gave some examples during the remarks in terms of--you know, procurement, operational efficiencies, uh, facilities and how we're using our facilities. So a couple of those definitely apply to lifestyle, as--as well as housing.

And what's interesting about it, is it really helps us in a number of different ways--you know, pushing on the expenses and using them as a leverage. Number one, as we save in one place, it gives us funds to invest somewhere else. So--you know, when we're talking about investments, think part of it, were self-funding. The second part is some of it can go to talent--you know, hiring in new talent, whether it's in lifestyle or housing or across the enterprise. So talent helps and particularly in a market today where there's pressure, wage pressure around--you know, being able to save expenses to adjust to that is very good. And then finally, just--you know, the expenses dropping to the bottom line, and helping the growth in the future.

<A – Biju Nair – Assurant>: Thanks, Richard. And in the Connected Living space, uh, this morning, we talked about--you know, digital first and automation. That's a big part of not just customer--not just cost savings, but also better customer experience overall. Um, so I shared a stat earlier this morning, that of the 200 million customers that we talk to annually, roughly 86% of them communicate with us digitally. So that definitely is a cost saving impact, but also think about the better customer experience that brings forward.

I think the investors saw the automation video that we talked about. Uh, if you were to visit one of our depots anywhere in Nashville or in Texas, you will start to see all of these things are being put in action. Uh, once again, a lot of custom--cost savings initiatives there, but also better custodian of our--of our customers inventory, because we want to get these devices out into the marketplace soon, as soon as the trade gets completed. So it's a win-win situation across the board.

<Q – Suzanne Shepherd – Assurant>: Great. Thanks, Biju. So let's see, looking back at LPI, can you elaborate on some of the ways we consider de-risking the LPI business?

<A – Keith Demmings – Assurant>: Sure, and maybe I'll start Richard can jump in. So--you know, we--we've brought down our retention level consistently over the last many years. And--you know, and even as that business is poised for growth, we expect the business to grow. We'll see placement rates increase over time, steadily. We'll see a recovery of the REO business. So we do expect the business to grow, but we also expect to hold our retention level at the $80 million level, um, to be really prudent around how we manage the CAT risk.

We've moved to a lot more multiyear coverage, now more than 50% of the portfolio. Uh, we'll continue to evaluate other strategic options, whether we can, um--you know, find a quota share, or another structure that may be interesting for us to look at, um, and looking at ways to get out of any nonstrategic CAT expose businesses that--you know, really don't give us a competitive market advantage. So there are a lot of different ways the team is certainly always looking at it. It's a regular part of our mindset, and it's something as a new CEO, it's imperative for me to have a point of view on this, something that we're working really hard on with the team.

<A - Richard Dziadzio - Assurant>: So--and I would just--I would just add to that, that even when we look at our retention level this year in 2022, keeping it at the same level as it was in the prior year, but lender place growing and all the rest of the businesses at Assurant growing, makes it relatively smaller itself. And then secondly, when we talk about covering ourselves for CAT risk, CAT exposure, it really comes down to an economic decision. At some point, do the economics worse for--work for us to--you know, pay a part of the profits to buy some CAT reinsurance. And obviously, as that becomes a smaller and smaller piece of the pie, it's less important for us to do that.

So we keep looking. We want to do things that make economic sense for our shareholders. And if the stars align, at some point, we will be ready to do something in a variety--and there are a variety of ways to do it. Whether it's buying more CAT reinsurance, buying an aggregate, doing quota shares. There's a number of things they're out in the market that we can test and look at, and we'll continue to do that.

<Q - Suzanne Shepherd - Assurant>: Great. Looks like we've got a clarifying question. Did you say that two points of the 10% EBITDA growth is coming from M&A?

<A - Richard Dziadzio - Assurant>: Yes, yes, I did. Yeah and that's over the next three years. If we look at over the next three years, what component of our EBITDA growth will come from M&A? Think about--think about two points.

<A - Keith Demmings - Assurant>: And again, really consistent to what we've seen, when we looked at the last three years, about 20% of our growth and EBITDA was from M&A, so it's really a consistent story. I think, consistent capital management philosophy as we move forward, um, which also, I think is consistent.

<Q - Suzanne Shepherd - Assurant>: Thanks. So given expectations for growth and profitability, to outpace revenue growth, how should we think about the long-term target for EBITDA margins?

<A - Keith Demmings - Assurant>: So maybe I'll provide one comment, and then you can jump in. So one thing I would say is we--we've had a history. You know, if you look at Connected Living as an example, it's our largest business, it's growing EBITDA the quickest, um, and we still have tremendous amount of opportunity for long term growth, which we talked about earlier. We've always seen our EBITDA growth, materially outpace our revenue growth, and a lot of that comes down to how the revenue is booked in that business. Um, so we expect that trend to continue as we move forward.

As you think about my messaging earlier, we're talking about mid-teens to high teens growth in EBITDA for Connected Living and mid-single digit growth in revenue. So that is certainly part of the story, and we'll see expanding margins over time as we drive the automation that--that Biju and Richard talked about, the expense discipline, and then continue to scale the enterprise and continue to mature our international footprint.

<A - Richard Dziadzio - Assurant>: Yeah. And I would just say, yeah, definitely, we are shooting for, uh, margin expansion, um, with all the things that Keith mentioned, but also to be by business by business. So

as we look at the overall, uh, EBITDA margin, for Assurant over time that will be affected by the change in mix in business and the growth of the various businesses within.

<Q – Suzanne Shepherd – Assurant>: Great. Looks like we've got a series of Connected Living questions. So you're giving consumers more choices for repair. But how are you conveying those choices to the consumer?

<A – Biju Nair – Assurant>: Oh, I love that question. I can hear our technology and innovation team cheering back home. Um, uh, great question. So, um, this morning, I talked about some key technology investments that we made as we were bringing--you know, service and repair up, ramping it up. One of them is dynamic fulfillment. So what dynamic fulfillment really is, think about it as a piece of technology, software technology, that is overlaying, uh, how consumers are being treated.

So you file it. Bob breaks his phone, he files a claim and the claim comes in. Dynamic fulfillment takes into consideration, what was Bob's previous choice? If he didn't have a choice, no problem. We'll take a look at the type of phone. Where does it want to get fixed? Which store has the inventory available? What is the backlog, the wait time associated with the store? All sorts of intelligent information. And then direct Bob to go, here is a T-Mobile store two miles down the road from you. You can go there.

Bob decides that, well, I don't feel like leaving home this morning. You know, I just want to do the good old fashioned advanced exchange type of a model. In which case, he has that choice and he'll be able to request that a phone be sent to him. And when he received the phone, he'll send his old phone back. Um, and that choice will get recorded. Next time, that will be the primary choice to giving him the option to do that. So it--it--it's consumer efficiency but it's also efficient in how labor and parts inventory, et cetera, get treated. Sometimes the store next door may not have the option to fix it quickly and we can find another option for them to go 10 miles down the road if they--if they so choose to do that. So that will be the mechanism that is used to give them the options.

<Q – Suzanne Shepherd – Assurant>: I got to remember that next time my kids break my screen. Um, so on the next one, can you expand on the idea that commoditization and mobile drives demand for new digital revenue streams? How material can this be?

<A – Biju Nair – Assurant>: Yeah, again, great observation and great question. So if you think about what mobile operators are offering around the world, it's access, voice, and messaging, right? Typical thre, um, things that all consumers end up using. And if you look across the spectrum, there are unlimited for a fixed price, that due to--due to competitive pressures are going down. So obviously, we are all in business to make money, so our--you know, our clients, and they are looking for innovative solutions to be able to generate new revenue opportunities. And this is--in the industry, we call this as digital revenue opportunities.

So if you think about it--you know, trade-in helps them generate new revenue, because a customer upgrades and extends the life of that that customer. That gives them the opportunity to give them a protection solution, which consumers want because they are buying expensive devices, but it generates new revenue opportunities for them. And service and repair is another example of a--a convenient solution that has been provided, but also creates new revenue opportunities for customers. So you will see this as a trend across the globe, where carriers are looking for--you know, new solutions and looking towards us, uh, to bring new ideas like that, innovative ideas like that to them. And we are very successful at doing that.

<A – Bob Lonergan – Assurant>: And maybe, Suzanne, I'd just say, I mean, Biju did a great job explaining how carriers think of that, but I would just kind of bring it up a level to say, like, we work with, like, the leading companies in the world, and a lot of them are looking to become platform companies. And when you look at what we're strong at, not only on the device but around the home and auto, that's why we're really

excited because we think we're in this great position to be able to add all these kinds of value-added solutions to these platform companies, and that's part of the reason why we're so excited.

<Q – Suzanne Shepherd – Assurant>: Great. So also in the Connected Living segment, how does your team view their respective addressable markets and further growth? And will the primary growth come from new partnerships or within the current partnerships?

<A – Biju Nair – Assurant>: The answer to the second question is yes. So, um, so the--we shared some numbers earlier today, which talked about our, uh, devices and the protection having grown from 45 million to 63 million. And then we shared a new data devices service going from 10 million to 26 million, right? So these are important numbers because this gives you an indicator of that. That ladder number in particular is important because that encompasses trade-in capacity to service and repair, dynamic fulfillment, all of those capabilities that we talked about earlier.

So as that segment continues to grow, um, it generates incremental opportunities for carriers, retailers, OEMs to sell new services and solutions. So we see that when you replicate that around the globe, I think Keith shared this during his presentation, that we expect used devices to be 200--sold next year to be 250 million, uh, next year. So all of what we do contributes to those numbers and satisfying those demands as we go forward.

<A – Keith Demmings – Assurant>: Yeah, and I think the exciting thing is we--we've got a really, really broad range of services. Um, trade-in is a great example. We're the clear global market leader. It has become really critical as companies are competing to win 5G. We're seeing that clearly in the U.S., but the interest level around trade-in is expanding globally very quickly. And Assurant having a broad range of capabilities allows us to create more value, as we have those client partnerships and continue to expand them.

When I think about--you know, what's built into our longer-term model--you know, we're looking at what's in front of us, right? We've got great clients that are growing. We're expanding our scope of services. We're innovating. We're creating value, and we're--and we're driving efficiency. That is what's driving the vast majority of our growth and EBITDA going forward. It doesn't assume a massive new client win. That's not embedded in our outlook today.

New clients at scale are obviously, uh--you know, there's not that many of them. They don't come around in terms of opportunity every day, but our team is working exceptionally hard. You saw that we've got access now to so many more clients as a result of the HYLA acquisition. So over time, that does provide some longer-term opportunity to drive material growth that is not embedded in our model.

<Q – Suzanne Shepherd – Assurant>: Great. So I know we've just got a couple of minutes left, so I'm just gonna reprompt. So for anyone else who's got a question, please, I'd encourage you to put it in the webcast portal so we can get through as much as we can in the next few minutes. Umm – looking at just cash generations is there anything you can help us think about – how you see the $2 billion in cash generation allocated to share repurchase vs. investments?

<A – Keith Demmings – Assurant>: Maybe I'll start and you can walk down the $2.2. The one thing I would say just for clarity around share repurchases - so as I talked about, we expect roughly 200 basis point difference between our EBITDA growth of 10% and longer-term average EPS growth of 12%.

That obviously implies a certain amount of share repurchases. I would think about that in the range of $200-$300 million in share repurchases each year. Obviously we've signaled flexibility is key. It may be more, it may be less. Depending on the opportunities. We do see our shares as attractive and we expect that to be an important part of our mix. But maybe you can talk through the totality.

<A – Richard Dziadzio – Assurant>: Yeah, so and I think the one thing Keith emphasized that I would emphasize as well is, we are disciplined with our capital management strategy. I mean when we look at acquisitions, we have high verbal rates on any M&A we do.

So we're really looking to optimize the value of the company long term. So that for me is base number one. And then when we look at it, I think Keith gave the information in terms of…When we go from EBITDA to Adjusted EPS, we're looking at the 2 points there. Now that will be a few hundred million dollars, $200-$300 million on average per year.

The other thing I'd add, is when you add 2022, if you want to try to bridge from the 12%, at least 12% over the next few years to the $400 million, you're not going to get there with just the $375 from Preneed. So, you'll need to add a supplemental amount to that.

<Q – Suzanne Shepherd – Assurant>: So from a corporate strategy standpoint, where are the key focus areas in the market where Assurant would really like to be paying close attention in 2022?

<A – Bob Lonergan – Assurant>: Love the question.

So, as mentioned earlier, we're focused on the device, the car, the home and any of those businesses, we'd love to continue to scale and augment our solutions there. So whether it's around protection, tech support, service repair, you know, we really just want to grow and scale across our existing geographies.

As always, these differentiating capabilities that can really make us unique in the marketplace are really attractive. And one of the other areas we are thinking about is around the consumer and the consumer experience and what are the best places to engage and are there other platforms that really help differentiate us and get us the right point in time with the consumer.

So there's a lot of exciting things we're seeing and we'll see where it goes.

<Q – Suzanne Shepherd – Assurant>: Great. Can you talk a little bit about client concentration in Connected Living. How much revenue comes from your 3 largest clients?

<A – Keith Demmings – Assurant>: Maybe I'll start. So, obviously Connected Living is like I said before, it's our largest, fastest growing business with the most amount of opportunity. But that business is built around really large clients, really large prospects. So, we obviously have significant clients that we care deeply about. We just renewed our relationship with T-Mobile, expanded with Sprint. That's critically important.

We have several other material clients in the business that are critical long term.

We have diversified significantly over time, though. We've now got partnerships with some of the Cable operators, some of the new MVNO's, that's been a really a really important part of our growth in the last several years.

And again, partnering with disrupters, partnering with new market entrance and leaders.

We've obviously scaled Japan, significantly if we look over the last 5 years. You know, it's now for us it's our 2nd largest market, outside, it's our 1st largest market outside the US. So that's been really important.

And then through the HYLA acquisition, we have many more clients now. And as we see opportunities around the Connected Home, we expect to broaden our scope of services and continue to expand what we do for clients.

So, there's a lot of diversification, different revenue streams, different client bases. But Certainly we have several large clients we protect every single day.

<A – Biju Nair – Assurant>: And growing with Financial Services now being included as a part of Connected Living as well. Because we see financial institutions wanting to offer the solutions that Connected Living brings forward to their customers. The care benefits and things like that.

<Q – Suzanne Shepherd – Assurant>: Great, it looks like we have our last question. Can you talk a little bit about the duration of your investment portfolio and the amount of new cash you're putting to work annually?

<A – Richard Dziadzio – Assurant>: Yeah I'll take that. Good question. Particularly in today's markets. If we think about the duration of our investment portfolio, it's right around 5 years. And also if you think about the overall size of it. In terms of the investments that we have. It's around $8 billion. So, think about 20% of that $8 billion rolling through every year as new sales and new cash come in.

I think the interesting part of the question is, "where are we." Because if you walk back to 2020, when the pandemic hit back in March and interest rates went way down. You know for the past year and a half or so, we've been seeing some headwinds on that.

What's interesting now is that you know the interest rates are turning the corner and starting to head back up. You've seen either the 10-year rate or what the fed did recently with its rate. Up 25 basis points.

That's a nice thing for us. That will, any acceleration or increase in interest rates will be favorable to us in the future.

<Q – Suzanne Shepherd – Assurant>: Great. Well, thank you, that actually now concludes our Q&A session. We appreciate you all joining us today. I will now turn it to Keith for closing remarks.

Keith Demmings, President & Chief Executive Officer, Assurant, Inc.

I want to thank everyone for your participation today and for your interest in Assurant.

Hopefully, our presentation and the discussion during Q&A really reinforced our focus on driving sustained profitable growth, delivering strong cash flows and continuing to drive disciplined capital management as we create even more value for our shareholders over time.

We also hope you found our vision to become the leading business services company supporting the advancement of the Connected World as compelling as we do.

And as we continue to build on our market leading positions – we have an aspiration to be number one in all of our businesses - with a focus on our clients, a bias for growth, a willingness to innovate – all of which is unlocked by our strong culture and incredible talent.

So, again, thank you so much for your time and we look forward to sharing more as we move forward.