



Assurant, Inc. (AIZ)

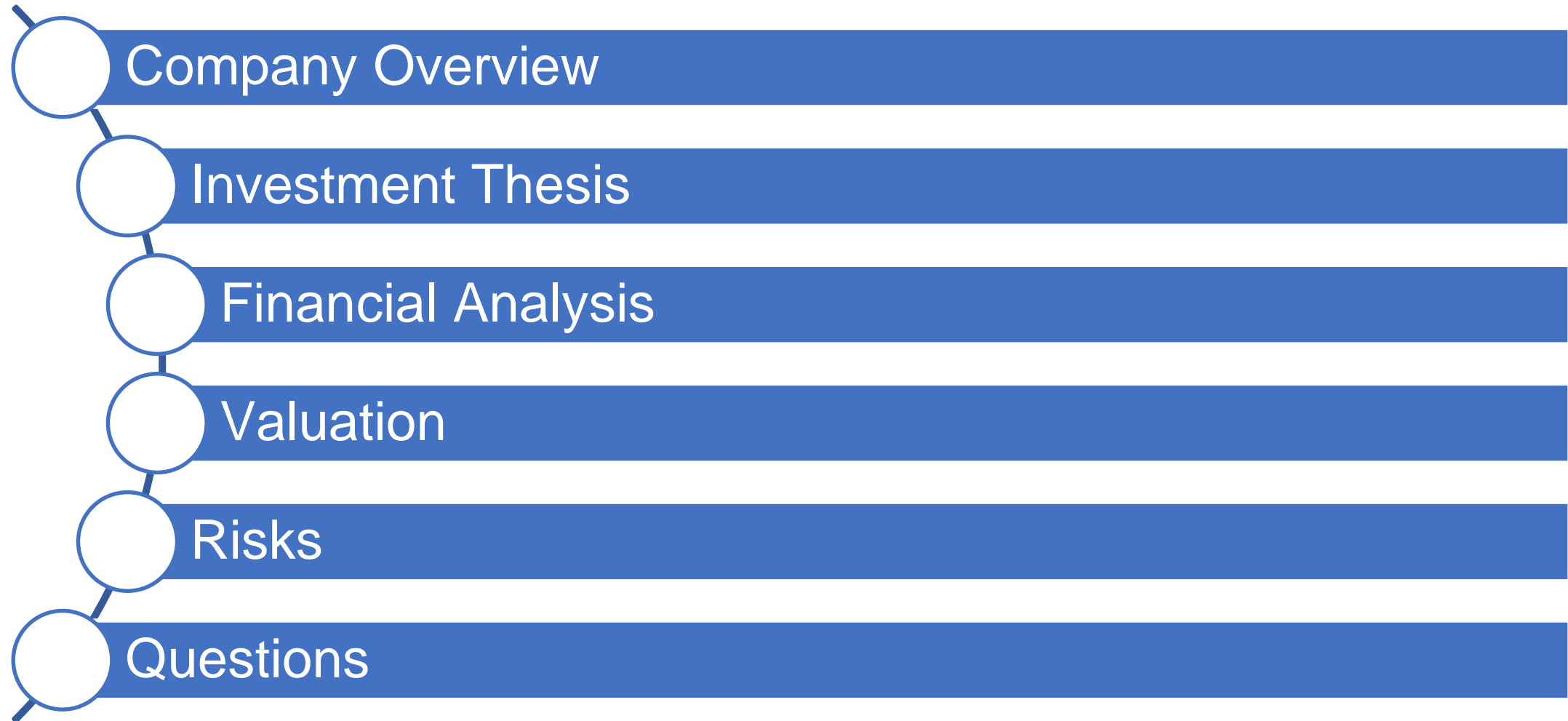
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ASSURANT

Senior Analyst: Jeff Steers

Presentation Overview





Company Overview

Assurant, Inc.



- Founded in 1892 as La Crosse Mutual Aid Association (Disability Insurance)
- Became Assurant in 2004
- Global provider of risk management solutions
- Provides a diverse set of specialty property and casualty insurance products
- Revenue streams includes return on financial investment, service fees and premium on policies



ASSURANT

HQ: New York, NY

Operates in 21 Countries

Assurant, Inc.



LENDER-PLACED HOMEOWNERS INSURANCE AND SERVICES
36 MILLION mortgage loans tracked



FLOOD PROTECTION PROGRAMS
600,000 homeowners protected from losses due to flood damage



RENTERS INSURANCE PROGRAMS AND SERVICES
1.8 MILLION rental units protected



CONNECTED DEVICE PROTECTION AND SUPPORT
36 MILLION mobile devices connected and protected



HOME AND GARDEN TOOLS, JEWELRY AND FURNITURE PROTECTION
18 MILLION tools plus **5 MILLION** pieces of jewelry and furniture protected



HOME APPLIANCE AND ELECTRONICS PROTECTION
40 MILLION appliances and electronics humming



VEHICLE PROTECTION PROGRAMS
15 MILLION motor vehicles running smoothly



PRE-FUNDED FUNERAL INSURANCE AND PLANNING
1.9 MILLION families prepared for the expenses of end-of-life arrangements

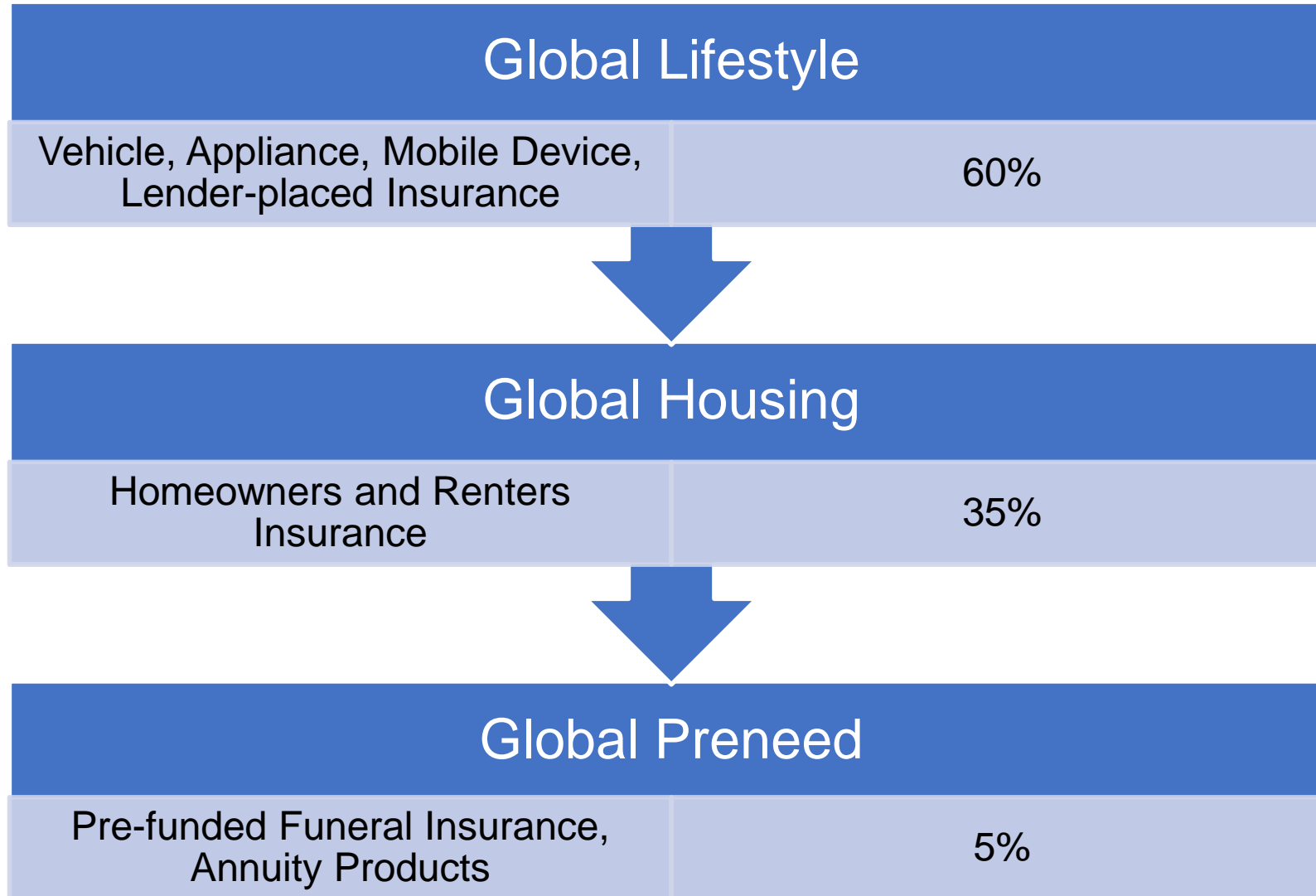


LIFESTYLE ASSISTANCE AND FINANCIAL SERVICES
11 MILLION customers with financial products covered with credit protection



TRAVEL ASSISTANCE
34 MILLION travelers supported and assisted on their journey

Revenue Breakdown by Segment



Peer Analysis



Name	Ticker	Market Cap (Million)	Combined Ratio (%)	Revenue (Million)	EPS	P/E	ROE (%)	Total Debt to Total Capital
Assurant, Inc.	AIZ	6,155.8	<u>73.35</u>	7,996	8.56	11.59	11.4	<u>.20</u>
Principal Financial Group	PFG	13,866.5	214.16	13,714	5.59	13.82	11.23	.36
Kemper Corp.	KMPR	4,771.9	99.46	3,312	3.60	20.46	5.91	.28
First American Financial Corporation	FAF	5,373.6	68.96	5,800	4.25	11.32	10.81	.21
AmTrust Financial Services	AFSI	2,771.8	98.2	5,942	2.23	14.62	10.3	.43
<i>Peer Group Average</i>	-	6,587.9	120.195	7,352	4.85	14.36	9.92	.30



Investment Thesis

Multi-Year Transformation



- Announced in 2016
- Finalized in Q3 2018
- Included sale of Health Insurance, Employee Benefits, and Mortgage Lending operating segments
- Shifted focus to expansion of niche product lines
- Accelerated technological advancement

Health Insurance

Underperforming
Operating
Segment

Differing
Reserving
Mechanics

Extremely Risky

Government
Regulation

Employee Benefits + Mortgage Lending

Underperforming
Operating
Segments

Outperformed by
Undiversified
Competitors

Conflicting
Drivers

Less Growth
Potential

Warranty Group Acquisition



- Cost of \$2.5 Billion
- Finalized in Q3 2018
- Further cements Assurant's position as a global leader in vehicle and renter protection
- Attractive and complementary product line
- Expected to generate over \$2 Billion in revenue and \$60 Million in net income in 2019
- Valuable consumer insights in emerging markets
- Minimization of incurred debt



the warranty group®

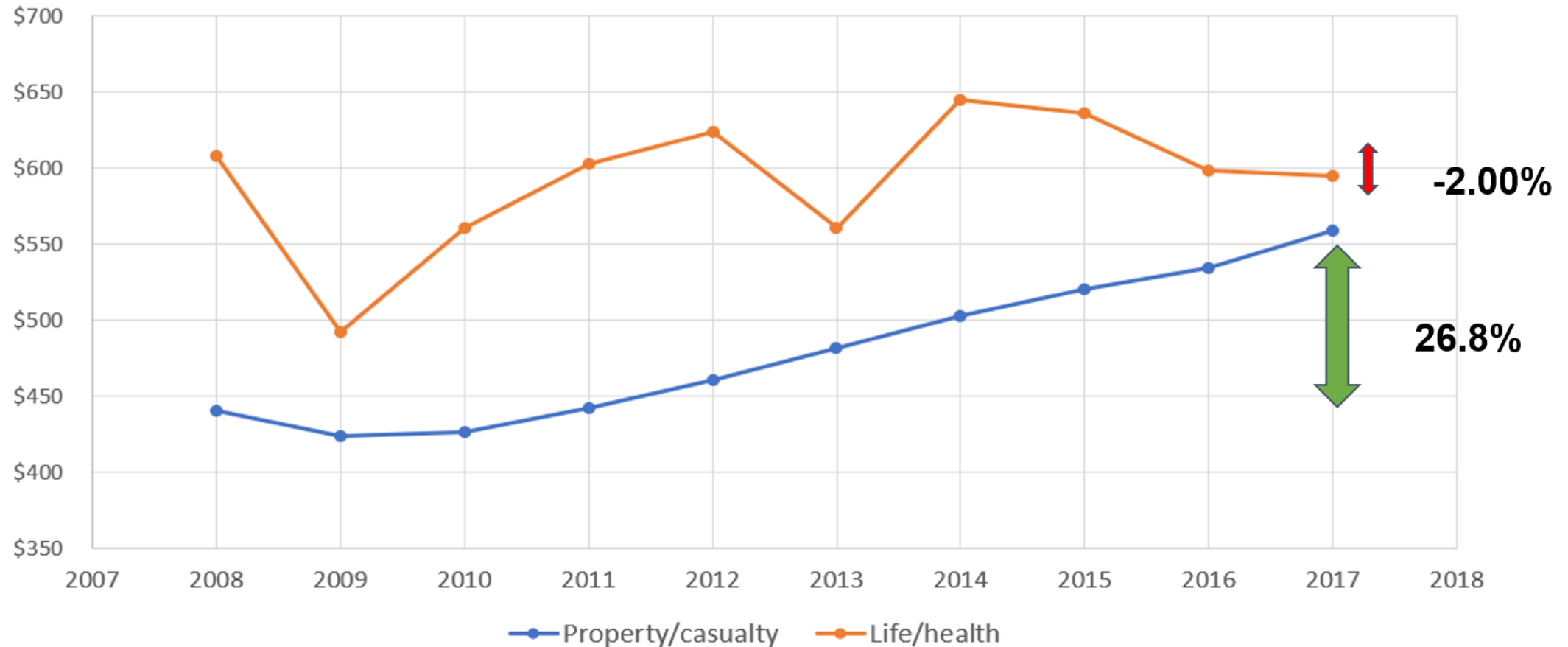
Industry Trends



P&C vs Life and Health



Property/Casualty And Life/Health Insurance Net Premiums Written,
2008-2017 (M)



Management



Alan Colberg: President, CEO, Chair

- President and CEO since 2014, previously VP of Marketing and Business Development
- Spent 22 years as Bain & Company's Global Practice Leader for Financial Services
- Lead consultant to Assurant since its conception



Gene Mergelmeyer: Executive Vice President, COO

- Responsible for profits and losses for all business units
- Lead guide through the company's transformation and acquisition of The Warranty Group
- Credited with architecting Assurant's global operating model

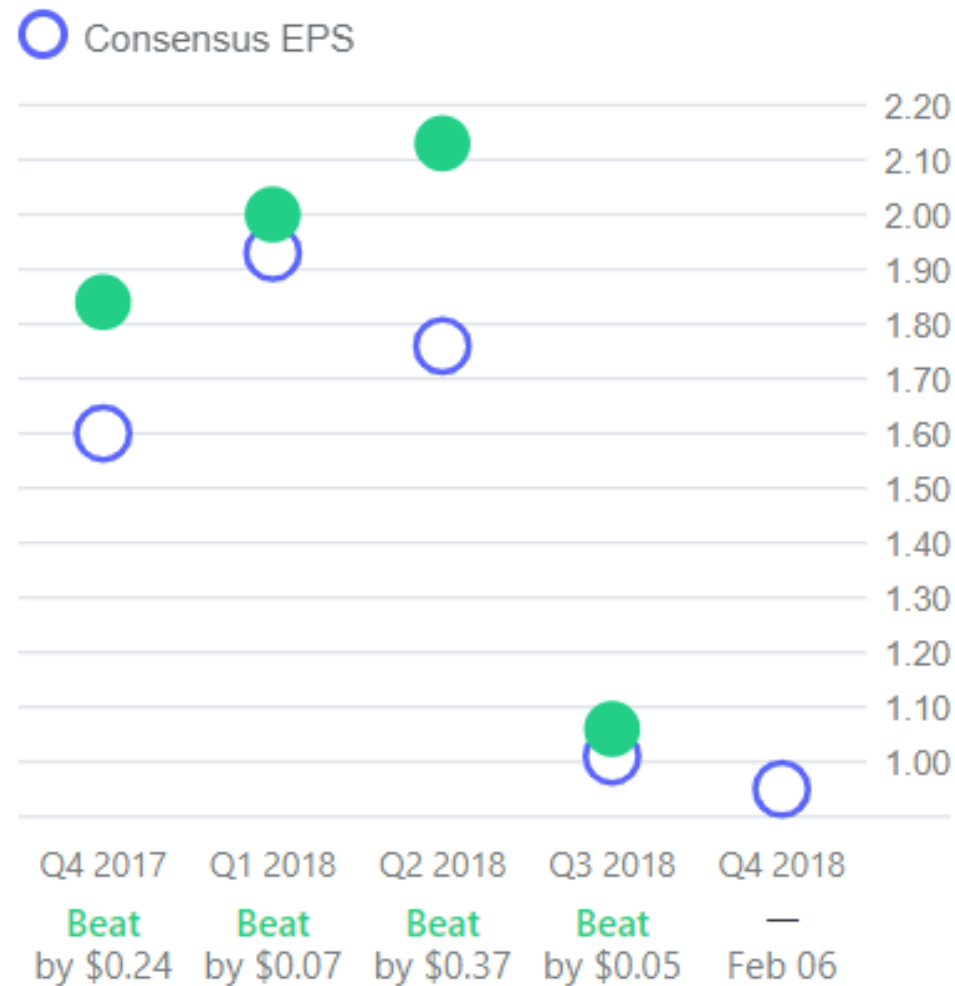
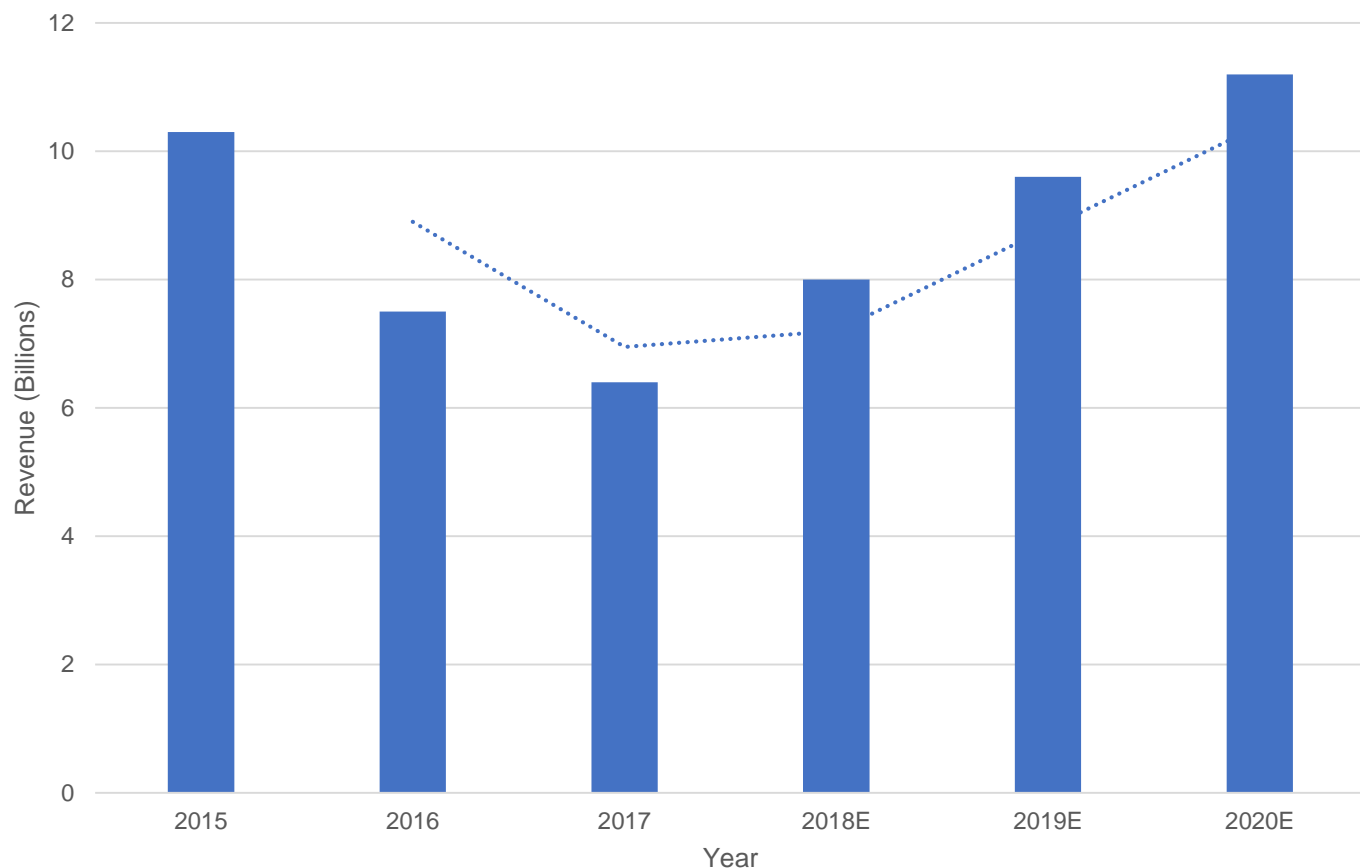


Financial Analysis

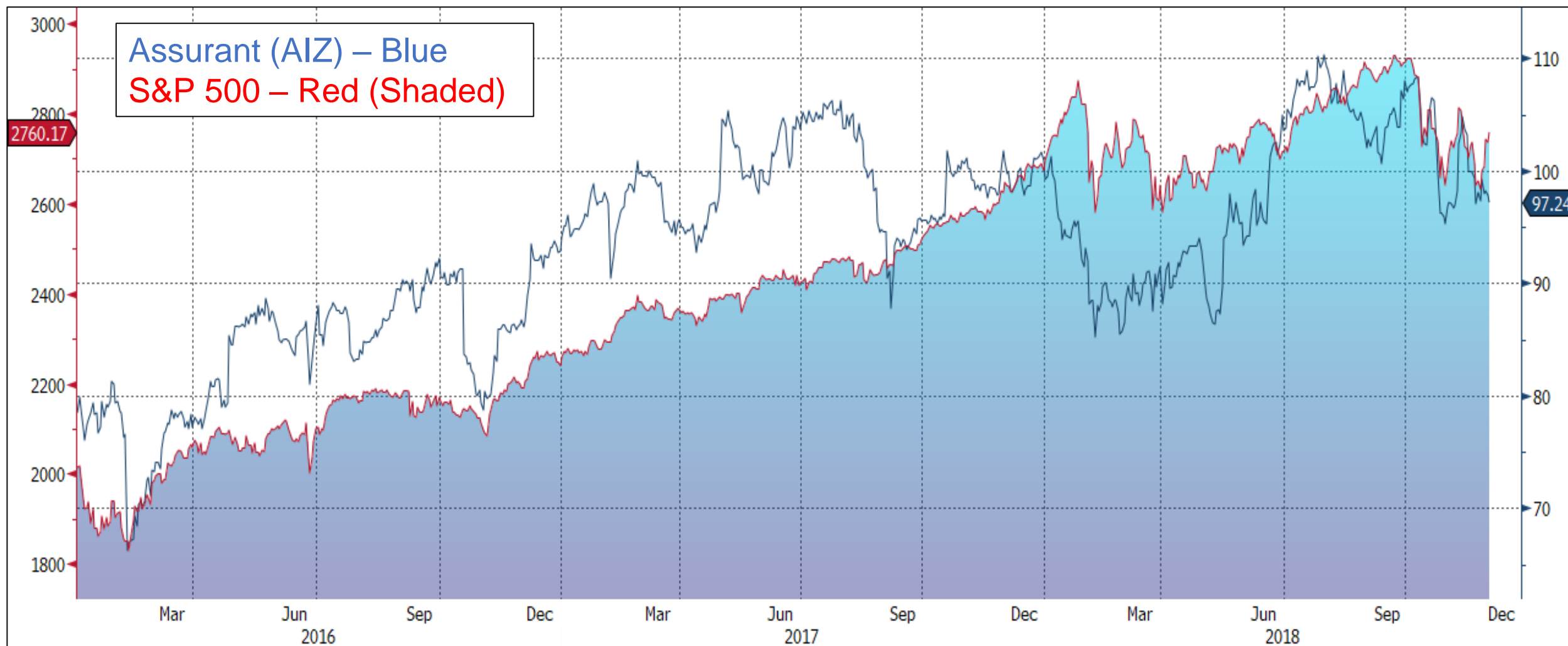
Revenue/Earnings



Revenue (Billions of Dollars)



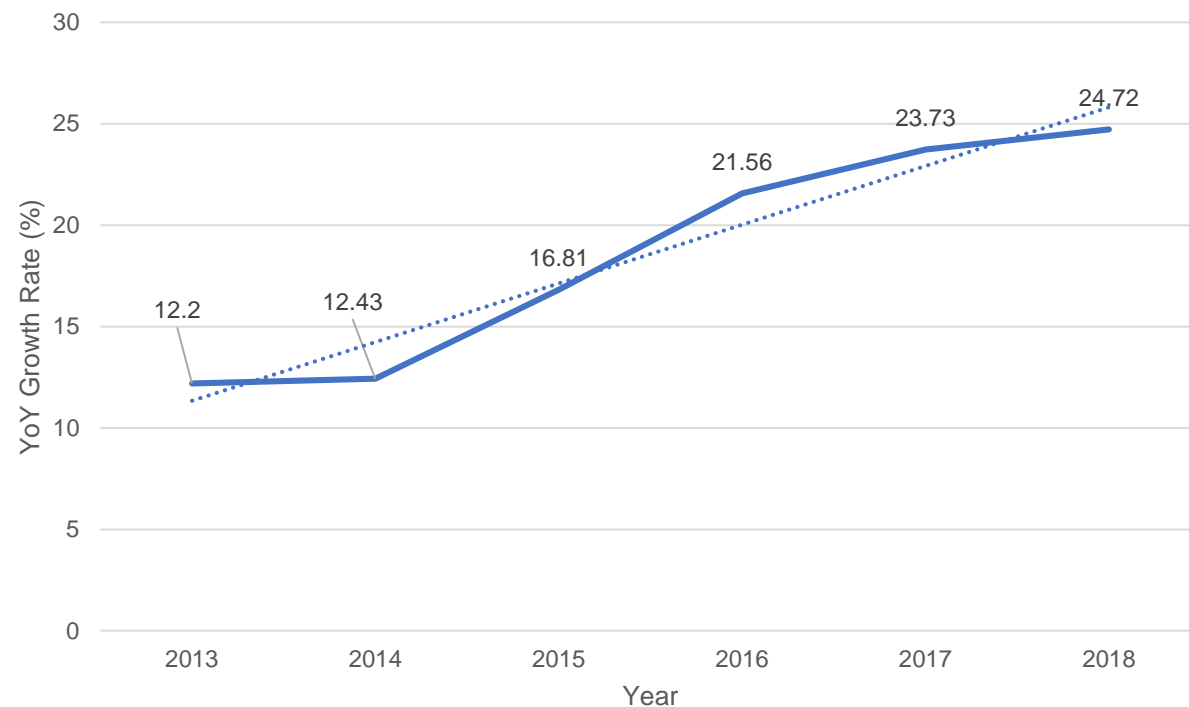
Assurant v. S&P 500



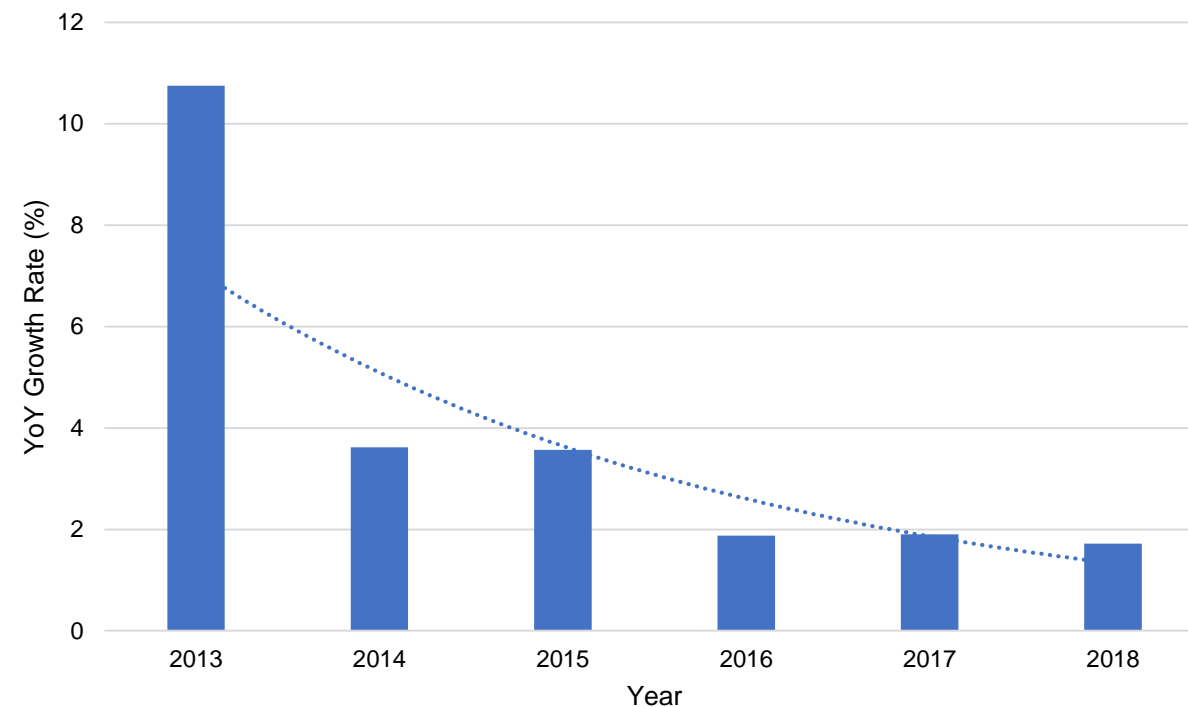
Dividend and Debt Growth



Dividend per Share Growth



Total Debt Growth Rate





Valuation

Revenue Estimates



	History		Estimates	
Revenue (B)	Dec 2016	Dec 2017	Dec 2018	Dec 2019
Analyst	\$7.1	\$6.3	\$8.0	\$9.6
Growth Rate	-31.27%	-11.23%	26.94%	20.6%
Team	-	-	\$8.2	\$9.9
Growth Rate	-	-	28.08%	22.18%

Valuation

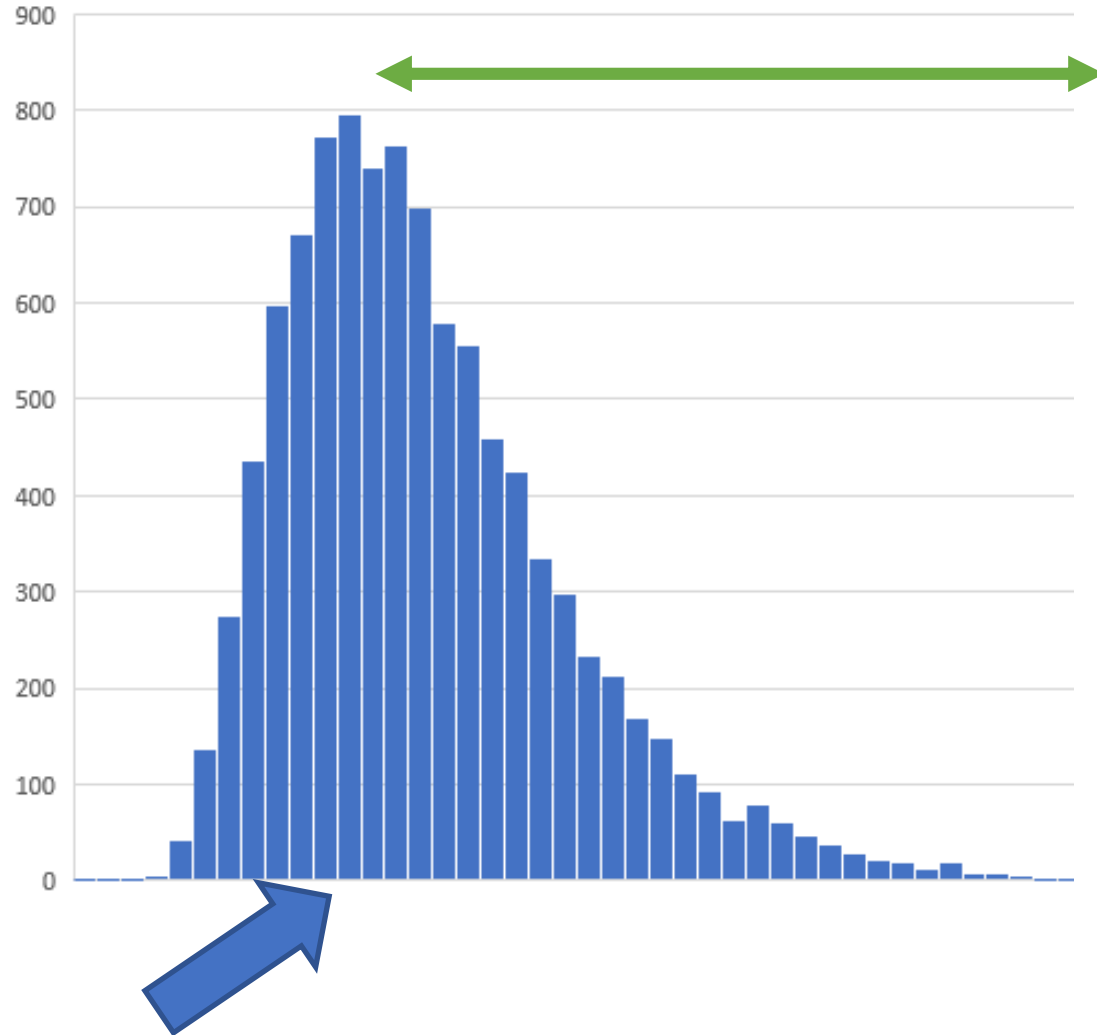


Model	Price	Weight
P/E	110	15%
P/B	121	35%
P/EV	120	50%

Current Price
\$97.52
Target Price
\$119
Target Range
\$110-\$120



Monte Carlo Simulation



Result:
72%
Probability of Buy

Adjusted Variables

Policy Growth Rate

Claims Growth Rate

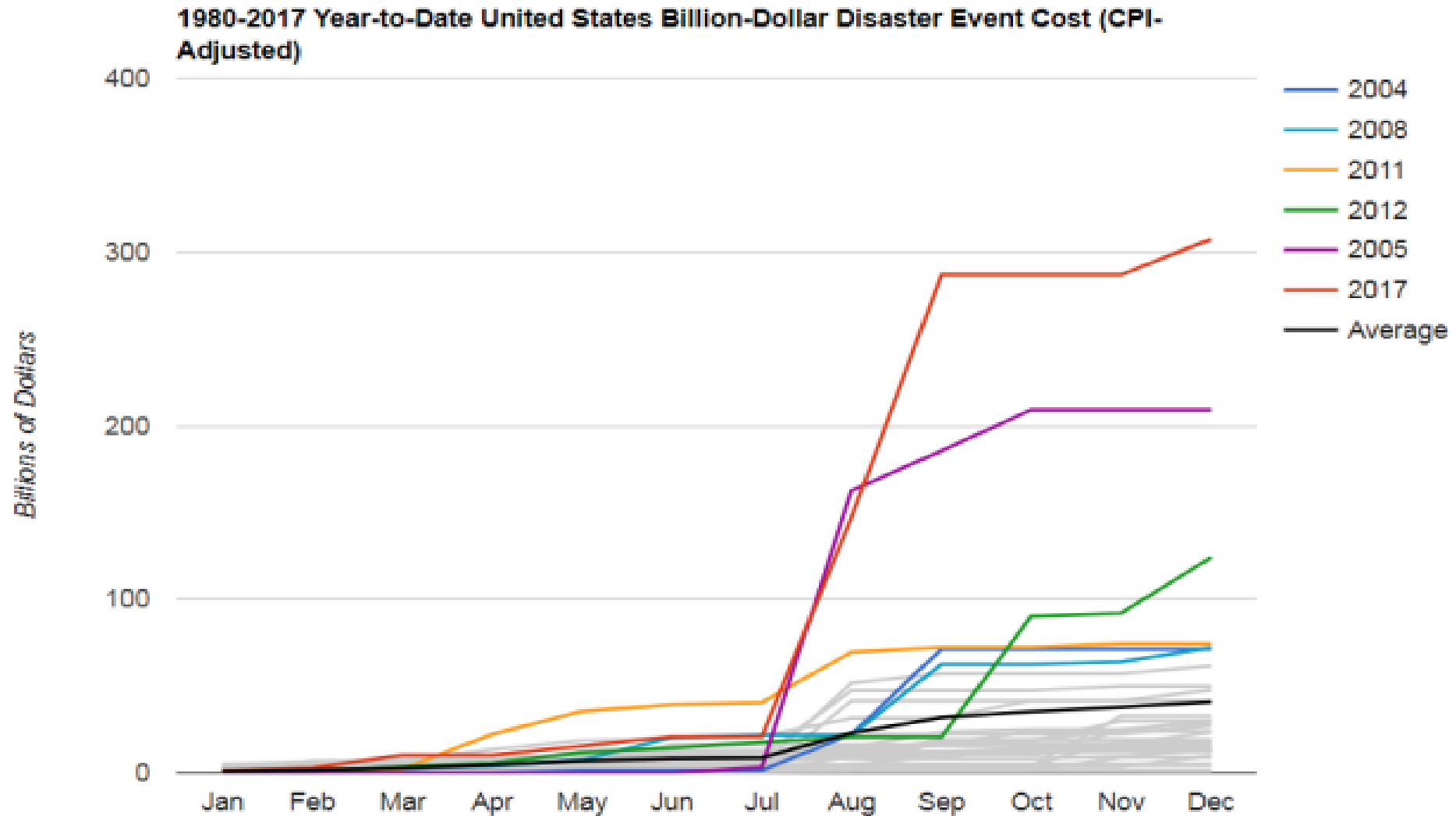
Catastrophe Losses

New Product Development



Risks

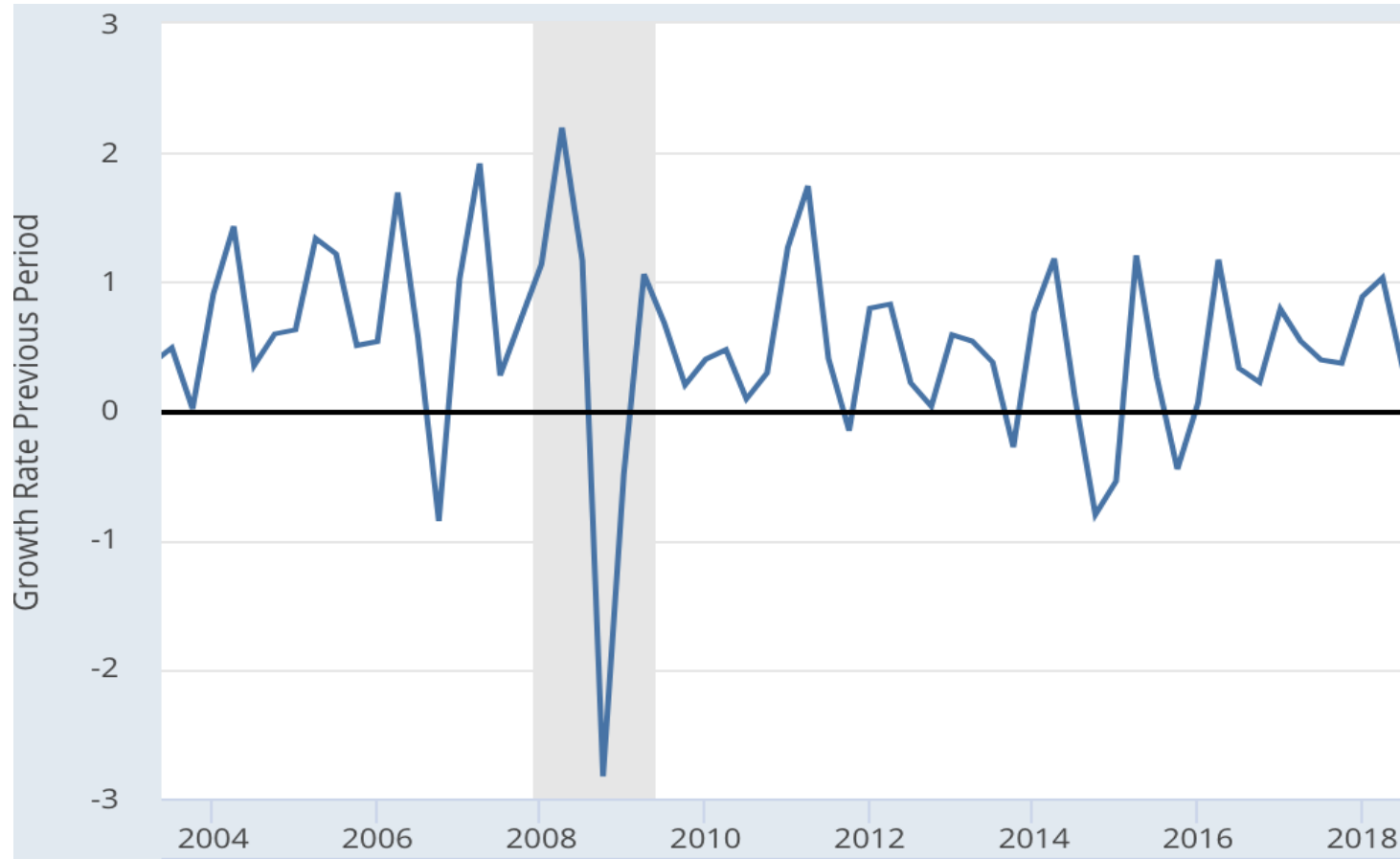
Catastrophe Losses



Unfavorable Economic Conditions



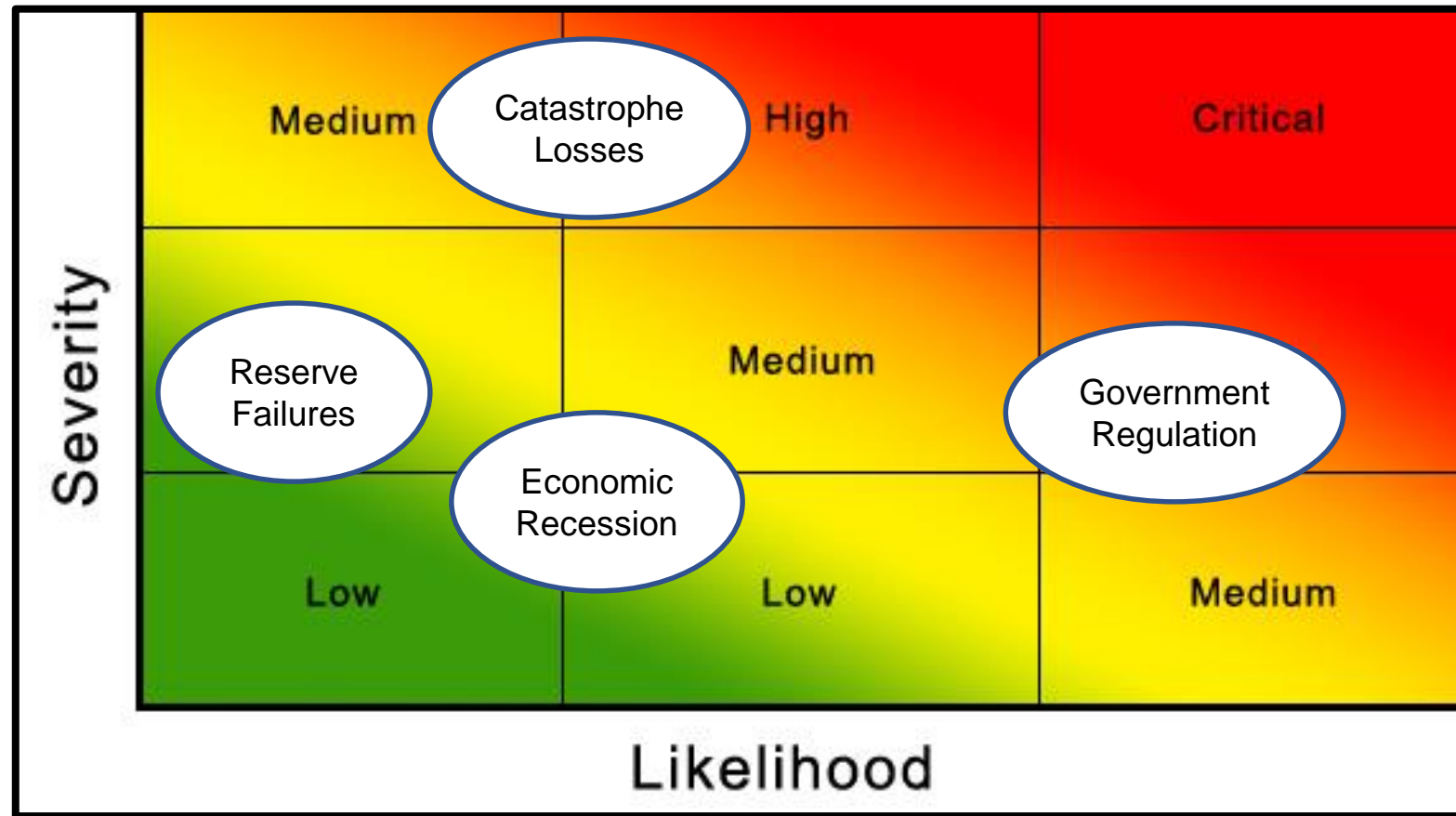
Consumer Price Index Growth Rate



Changes in Interest Rates



Heat map





Summary

Summary



- Recently completed multi-year transformation
- Acquisition of The Warranty Group
- Expansion via technology into emerging markets
- Strong, experienced management team
- Positive trends within the Financials Sector
- Poised for immediate financial growth
- **Target Price Range: \$110-\$120**
- **Upside: 22%**

Working with integrity & innovation to protect what matters most



ASSURANT



Questions?