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PARTICIPANTS

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PRESENTATION

Jawad Haider: Good morning. So, I'm Jawad Haider with Barclays. And with me is Alan Colberg, CEO of Assurant. Assurant describes itself as more than an insurance company. With a $5 billion market cap, Assurant provides products and services that protect major consumer purchases, including the car, the home and mobile devices, among others. Since its IPO in 2004, Assurant has significantly outperformed the S&P while consistently raising its dividend. Alan was named CEO in January 2015, and he's been leading the evolution of Assurant, focused on ensuring consistent outperformance. Welcome, Alan.

Alan B. Colberg: Jawad, thank you. And on behalf of Jawad and the Barclays team, we're excited to have the opportunity to come talk a little bit about Assurant today. And many of you may know, but one of the things we did over the last couple of years is we sold our Employee Benefits company. I think we got a very good valuation for our shareholders. And actually, Jawad and the team at Barclays led that sale on our behalf. So thank you, Jawad, for that.

Jawad Haider: Thanks. I'd like to start with asking you about the multiyear journey that you've been on to transform Assurant. Could you discuss where you are in the process and ultimately, what your end goals are?

Alan B. Colberg: Yes, Jawad. So for those who are familiar with our story, I apologize. I'm going to take a minute just a little bit of history on Assurant. So, we were originally formed in the mid-70s as the U.S. operations of a Dutch parent. And for 30 years, we were the U.S. operations that ultimately became Fortis. And during that 30 years, they bought and sold about 75 insurance companies in the U.S. There was really no rhyme or reason to what they bought or sold. They tended to buy assets that were underperforming and then try to rehabilitate them. So, when we went public in 2004, there wasn't really a coherent logic to Assurant's portfolio other than we were in niche businesses that had the ability to out-earn. And so, for much of our first decade, we talked about specialty insurance and the ability to outperform. When I became CEO, we embarked on a mission to really focus the company. And so, we looked around our businesses and decided that where we do well is where we partner with market leaders. So, these are companies who make products for consumers or sell products to consumers or finance products for consumers. And we partner with those large companies around a major consumer purchase or major consumer ownership. We do well. So we made the decision to sell Employee Benefits, which was much more of a commodity business. We sold -- we had a standard lines insurance company we sold. We sold and wound down our health insurance business, which used to be a great business but just wasn't viable in today's environment. So we really focused the company around 2 broad verticals. We call them housing and lifestyle. So housing is where people live. And so we do things -- for example, we have a lender-placed homeowners business, which we'll talk about in a minute given the catastrophes that have happened in

Houston and ongoing with Irma that protects people when a catastrophe strikes or there's damage to their house. We have a large business with renters. Now we call it multi-family, where we work through landlords and affinity partners to protect people around their rental, whether it's a house or other things like cars. We have a significant business around what we call mortgage solutions, which is in the field, providing services for a fee around the home. That's our housing business. Our lifestyle business really focuses around things consumers purchase. So for example, we're one of the leaders globally around the cellphone in providing a whole set of services around purchase of a cellphone. We have another business that protects consumers around their funeral and the planning of their funeral that we call preneed. And then we have a significant business around the car, where we partner with OEMs or with third-party administrators to provide a set of services around car ownership. So first thing in our transformation and, Jawad, I think we feel good about is really focusing the company. Pretty much everything we do now as a company, we're one of the market leaders where we've chosen to play. And we have a lot more focus and more scale in the pieces that we play than we did as a much more diversified company. The other part of our transformation is still ongoing. So if you look at the way we operated historically, we were completely decentralized. Our Dutch parent almost was a quasi-private equity fund. And they wanted the ability to buy or sell these companies whenever they needed capital. And we basically, for our first decade as a public company, kept that model. So the other part of our journey has been to move to operate as Assurant and unlock some of the real potential that's in front of us. And so in 2016, we went through the process of creating for the first time ever, for example, a common HR organization across Assurant. We hired our first ever Head of Technology across Assurant. We integrated the operations for the first time ever under a COO. That journey is ongoing, and we're just beginning to see the benefits that, that really creates for us with our clients, our economics, our ability to serve consumers. But I think we feel pretty good about where we are in the transformation, but work, obviously, remains as we really begin to deliver on the potential that is underneath our businesses.

Jawad Haider: Great. I'd like to talk a bit more about that journey in a minute, but I'd be remiss if I didn't take a moment to just acknowledge that your -- one of the businesses you referenced under the Assurant umbrella is the lender-placed housing coverage business, and that's a business which has not only been impacted by the storms that we've all spent the weekend watching. Could you comment on the impact of those storms? I know you've put something out in the public domain as well on that topic.

Alan B. Colberg: Yes. So for those who are not as familiar with our business, what we do in lender-placed homeowners is we track about 36 million mortgages on behalf of the people who own the mortgages. And what we do is when a borrower no longer has insurance coverage for whatever reason, we'll work with the borrower to get insurance back in place. And ultimately, if there is no insurance, they can't get it, for example, we're the insurer of last resort. So we write insurance only when there is no other ability to get insurance on a property. What that means is we are a significant insurer. Now with Harvey and Irma, first and foremost, we're focused on being there for our policyholders. We have many people. Our customers, our employees were directly affected. We have a major operation in Miami, as you all are probably familiar with. We actually shut that down on Thursday morning and allowed all of our people time to deal with their home, prepare for the worst. We have a significant operation in Tampa and similar activity there. So first and foremost, as we go in these catastrophes, I'm worried about our employees and delivering for our policyholders. It is a good example, though, of what we're here for. We talked a lot about we're here to protect what matters most. We're there for the consumer when something happens to them, whether it's around their house, around their car, around their cellphone. And it's a great opportunity for us to deliver on that promise. Our teams are in the field. Now we still have teams in the field, obviously, in Texas. We have teams all over Florida who are there to adjudicate and pay claims promptly. And so I want to thank our employees. Many of them, as we go through these catastrophes, are personally affected, and they're out there servicing our policyholders. It's that commitment which is extraordinary. Now to Jawad's question, we felt the need just to help the market understand what the real exposure is in our business. So the way our business works is we create all this risk through the policies we write, and then we structure a

program to manage that risk. And if you followed us, you'll see every January and every June, we put out details of our reinsurance program. The simple way to think about it, and you'll see it if you look at our 8-K we put out this morning, is we have exposure of about $127 million pretax if an event goes to that level, and we hold that first $127 million effectively ourselves. We then have about $1 billion of reinsurance on top of that and even more in Florida. Florida is a little more complicated because there's a -- as many of you know, there's a hurricane CAT fund in Florida that adds even more coverage. So the way our tower works is we're on the hook for the first $127 million. Beyond that, if it goes into the tower, the reinsurance kicks in. And hypothetically, if we ever went over the top of the tower, we would be responsible beyond the top of the tower. We are having trouble ever even modeling an event that could do that because we buy very conservatively on the reinsurance. But, what we put out today on Harvey is we do expect Harvey to get over our retention, but obviously nowhere near the top of our tower. So, our losses will be $127 million pre-tax, plus the cost to reinstate our insurance, which depending on which layers -- we have many layers of reinsurance -- is another $7 to $13 million pre-tax. So, what we put out this morning on Harvey is somewhere between $134 to $140 million pre-tax event. Now, claims are still coming in, but we've had enough history and enough development that we feel very comfortable with those numbers on Harvey. With Irma, Irma is obviously still an ongoing storm, but as you might imagine we have a lot of history and a lot of knowledge about what happens when hurricanes strike various states. We've worked with AON, we've modelled repeatedly where all of our total insured value is, we know the exact track, and although we can't give a definitive number today on Irma, we are confident Irma is not going to go anywhere near the top of our reinsurance tower, and so it could be another $127 million event for us, pretax, plus reinstatement. And the way our insurance works, we have 5 layers, effectively. The first layer is $45 million on top of our $127 million. If we threw that twice -- so the first time we eat through it, it's automatically reinstated. I gave you the number already. That's included in the $7 to $13 million of a pre-tax reinstatement fee. If we eat through it a second time, that layer disappears, and then our tower just drops down $45 million. So currently, the top of our tower is at $1.155 billion, not including Florida Hurricane CAT fund, we would drop down to $1.1 B if we exhausted both of those layers through Harvey and Irma. And so that's how the tower works. If we had multiple events and we ever felt exposed at the top of the tower, we can go get reinsurance there, that is by far the cheapest place to buy re-insurance at the top of the tower, given the extraordinarily low likelihood. But in a long-winded, apologies if that was a little confusing, explanation of where we are, we feel, again, we're doing what we're doing, we honor our commitments to our policyholders, our employees are out there paying claims, and for us it will end up being between these two events, maybe $280 million pre-tax capital event.

Jawad Haider: And we certainly hope that all your employees in Tampa and Miami and elsewhere in Florida are safe. Maybe transitioning now back to the journey that you're on. Back in 2016, you hosted an Investor Day and you targeted a few areas for growth, and you called them out specifically, Connected Living, multi-family housing and mortgage solutions. Could you talk about why you chose to focus on those particular areas and how those businesses are performing?

Alan B. Colberg: Yes. So one of the things as we evolve from our old model being a sub of a Dutch company to being independent publicly traded company is, in the Dutch model and even post the IPO, we didn't really differentiate the businesses. So every business received some of the investment dollars. Every business had the same right to M&A and capital. We changed that when I became CEO, actually, even when I was in my prior role before becoming CEO. And we looked around our portfolio and said, we are differentially advantaged in certain places. And we're differentially advantaged because of our position, our capabilities, the market dynamics. And we picked a few that we elected to start to focus resources on. What that meant is M&A dollars only going into those areas. Our best resource is moving people around within the company as opportunities arose. We biased toward those businesses. And Jawad mentioned some of the ones we picked. So Connected Living is our mobile and service contract business. So what we do there is we partner with large retailers, with carriers, with the equipment manufacturers like Samsung and Apple. And we protect consumers around electronics, primarily around cellphones. We have a long

history around service contracts. If you go back 30 years, we've been protecting around computers. Mobile, though, for us, we weren't even in really meaningfully until 2008. And we've built an extraordinary business now in mobile over the last decade, really leveraging our capabilities. And I'm sure we'll probably talk more about mobile as we go along given its importance. But that business, we have a great position. We're #2 globally in that business in what we do. We're #1 in certain countries that we play in, and we feel very good about it. Multi-family is another great example. This is our rental business. So we partner with landlords, with affinity partners, and we provide products around rental, primarily around the house but increasingly around collaborative consumption in the sharing economy. That business, if you look at our disclosed financials, we've been growing revenue double digits-plus 5 years in a row, and we have good line of sight to continue to really grow that business. And then finally, mortgage solutions is a little bit different. We weren't in that business prior to 2013. But as we looked at our great relationships, we're the trusted partner of the leading banks in the United States, the leading mortgage servicers. And we are constantly being in discussions with them about what else could you do for us, where else can you help us consolidate very fragmented server providers. And so we looked around and said, well, we know how to be out in the field, around the house. We're doing it all the time when there's a catastrophe, like we're doing right now with Harvey and Irma. Why don't we go out around the house when there's not a catastrophe? So we got into what's called field services, and then we added to that with a disruptive title play that we did, with things we're doing around valuation of homes. That business was really predicated on gaining share. Went very well in 2015 into 2016. That business has hit a bit of a stall this year as the market for those services has declined far more than any of us predicted, really driven by the housing market and the strength of the U.S. housing market. A lot of the services we provide are countercyclical with the housing market. But again, those areas, we feel very good about where we are with Connected Living and multi-family, and then we've been taking appropriate action to make sure that we continue to build our position in mortgage solutions.

Alan B. Colberg: So let me -- a little history on our mobile business. So if you go back 10-plus years ago, we had a little exposure to mobile. We were fronting for a partner that we had who was actually in the mobile business. And then some of our retail partners were beginning to sell cellphones, so we had a little bit of exposure. We looked around, and we got very excited about the potential in mobile on, really, a couple of fronts. This is in 2007, 2008. One is we had the premise back then that mobile would become a massively disruptive way to distribute products, and I think we're seeing that playing out as time has gone by, and that there was opportunity for us to be one of the leaders and consolidate. So we purchased a company in 2008 called The Signal, which really put us firmly into the mobile business. What The Signal did, and they were our partner that we were fronting for, they did, basically, administration around insurance programs, but they had gotten into a little bit of a skunkworks on repair and logistics. And they've gotten into that skunkworks to control claim cost. So if you have a claim, they were experimenting with, well, whether than go buy a new phone from Apple or Samsung, what if we could refurbish the phone? And we really got enamored with that idea and had blown it out. We now have about 2,500 people in the U.S. who repair cellphones and refurb. And now most of the cellphones now, we did about 9 million cellphones we touched last year. Most of them are being sold by us. We're selling them on Amazon. We're selling them on eBay. We're selling them into enterprise partners. And some of them are going back into insurance programs where it's appropriate. But we've kind of built from that. So today, what we do is we still provide handset protection, so the traditional if it breaks or you lose it or something happens to your phone, we'll be there to provide a replacement or repair it. But we're now one of the major buyback logistics player. So when you go into a store and you trade in your phone, a good chance that Assurant will be on the other side as the company buying that phone and then managing that phone into its ultimate next destination in the device life cycle. And we've continued to build off of that. You may have heard us talk about this summer our deals that we've now rolled out with a variety of partners wrapping AppleCare into our product. This was a first in the industry, where we partnered with Apple and with our partners to take our loss/theft in other insurance covers, integrate them in with AppleCare, which is mechanical breakdown and service that Apple provides. It's a big step-up in the consumer value. They can get their phone repaired in the Apple

Store. They can get it dealt with by us, et cetera. And then we have continued to build on that. More recently, we've rolled out premium tech support with a variety of our partners, where we are now the front-line customer care when anything goes wrong in trying to use their device. And that's a whole another -- that's a fee per subscriber per month type of revenue opportunity for us. So at this point in time, we built off of that original handset protection, but roughly half of our business now is things unrelated to insurance. We built competitive advantage and scale. And you can see the Global Lifestyle business, where we've talked about we can grow earnings, on average, 10% a year over time. That's being powered in part by the success we're having in the mobile market.

Jawad Haider: That's really interesting. I mean, one of the things that I thought that really helped me get my arms around better was when you said you're more than an insurance company, what that means. Just continuing on this thread of Connected Living. You have an existing relationship that you've extended with T-Mobile, a new client in Comcast. Could you talk a little bit about the economics of these programs and what sets you apart from some of your competitors?

Alan B. Colberg: So, Jawad, I'll answer part of your question, not part of it. So we never talk about the economics of a specific client, so I'm not going to get into that. But anyway, T-Mobile, we have a long history with T-Mobile. We originally started almost a decade ago, right after we bought The Signal, with an opportunity in their Puerto Rican operation, where we have a very strong presence. And we've built from that over the years, so now we're a very important partner for them, things like the JUMP! program, which rolled out a couple of years ago. That was the first-ever upgrade program in the U.S. and global cellular industry. It was something we helped them do. We were the behind-the-scenes to actually make JUMP! work from a logistics and capability. This year alone, we've rolled out 4 new programs with T-Mobile. One of them, we talked about publicly with AppleCare, wrapping AppleCare in our product. But a great relationship, great partnership. I was just in Seattle a couple of weeks ago as we're doing planning for the launch of iPhone, whatever ends up being tomorrow. So we'll see how that goes. So helping -- really help ensure we're in position to scale with them and quickly respond to whatever Apple releases tomorrow. With Comcast, we're honored to have been chosen as their partner. So they have a right through a deal they did years ago with Verizon to use Verizon's network to distribute wireless services. They're trying to build that out now, what's called an MVNO. And they chose us in a competitive process as the best partner to bring them the full suite of services and capabilities. So everything that I mentioned earlier, we are now doing with Comcast. And if they're successful, we'll be very successful as they build out that MVNO. Importantly, though, it's a relationship for us. What else can we do for Comcast over time? We have a wide range of services that we can bring to our partners beyond our initial entry points. So I'm thrilled and I think we're honored to be a Comcast partner. And we continue to do that. We've talked about various new programs over the course of the time that we're really focused on who are the people in the ecosystem that are going to be the long-term winners. And we are differentially trying to bring our resources and our capabilities to support them as they consolidate their markets, and we benefit from their consolidation.

Jawad Haider: So I think those sort of questions and comments, thank you, Alan, really helped set a bit of the stage for what the growth outlook of the company looks like in many of these areas that you've highlighted. Maybe shifting to the other side of the equation and talking a little bit about your operating model. Following the sale of Employee Benefits and the exit from Health, you realigned your organizational model. You've recruited some new leaders. Could you talk about the new model and your mindset going forward? And then maybe we can transition to some of the comments you made about savings that you were going through as you went through that realignment.

Alan B. Colberg: Sure. So one of the things that we talk about a lot and Jawad referenced in the very beginning is we're more than an insurance company. If you look at the breadth of things that we do, yes, certainly, there's a risk at the heart of what we do, but where we succeed is when we do a lot more than insurance. So as I became CEO, that's the backdrop of where we were taking the company, combine that

with we have 4 key long-term enablers of our strategy that I talk about all the time with our employees. One of the key ones is inclusion, and what I mean by that is diversity of thought. So we want to challenge ourselves by not having all insurance people around the table. So as I became CEO, we made a variety of changes. We did -- first of all, we said we must have an integrated technology approach. We've never done that. We were building digital over the company as opposed to building digital one way. So we went out and created our first-ever Chief Technology Officer, and I hired someone from Verizon. I did -- I purposely did not want someone necessarily from the insurance industry. I wanted somebody from an industry that was ahead, and so we did that. Our head of now Marketing Communications, Francesca, she also came out of our industry, not from our industry. She mostly came up in the either consulting industry or in the health industry. And so what I was trying to do is bring in some new people with different perspectives, combining that with kind of a different model. So, for example, the 2 individuals who run our largest segments, Keith and Mike, who run lifestyle and housing, respectively, in our old model, would not have been part of the management committee because they don't report to me. I said, I don't care who they report to. These are our key operators. They need to have a seat at the table. They're now part of the management committee, even though they don't report to me. So we really tried to shake that up and then begin to live a much more inclusive -- where we challenge ourselves. You have all these different perspectives. I think it makes us better. Related to that, we put out at our Investor Day last year that we have an ability to deliver gross expense savings by 2020 of $100 million-plus a year. Where is that coming from? Our individual businesses have always operated pretty efficiently. And there are a lot of programs going on at the line of business level to continuously improve their margins. What we haven't done is really take advantage of the power of being a large S&P 500 company. So for example, prior to this year, we hadn't really done procurement. Each organization did what they wanted to do. We had a couple of pockets in our shared infrastructure, which are de minims. So we had, this year, invested to stand up a true procurement capability. In fact, our technology that we're rolling out rolls out this week across the company to enable us to manage procurement as Assurant. That's just money on the table that we can go after and get. Now we've been looking at that everywhere. In things like digital, I mentioned a minute ago, we had built, I think at the peak, 11 different content management systems to manage the data that you're providing to consumers. That created massive complexity and cost. We now standardized on one, and we have a second alternative for a couple of special situations that just frees up money. So really, a large part of that shift in the operating model was in the old model, with the decentralization, we couldn't really go after those very easily. In our new model, we can go after it. Also for our clients. If you go back even 2 years ago, we managed our clients independently at the line of business level. We didn't have great coordination across our products. We now have identified the key clients. We're now engaged with them across all of our products, and it's creating lots of new opportunities to either sell more into their customers or combine our products. Think renters and mobile as a natural adjacency into something different that we can bring to market. So I think we're -- as I said earlier, we're kind of early on unlocking the power of all this, but we're starting to see the benefits. You could see it in our corporate expenses this year, where we took down our estimated loss at corporate. In part, that's some of the benefits beginning to come through of operating this company as one company as opposed to many companies.

Jawad Haider: And Alan, just to continue on that thread then, you outlined $100 million in -- I think the words were gross saves.

Alan B. Colberg: Gross saves.

Jawad Haider: Could you speak a little bit about what that means? What is net savings? And what the time frame is to achieving these? And what might be some of the risks to achieving those sorts of numbers?

Alan B. Colberg: I'm not sure we've been definitive on the net saves. What we gave out is the long-term outlook for the company at Investor Day, were really 4 big commitments. Number one and most important to me is that we can grow net operating income. We call it net operating income ex cat. We exclude cat in

that measure just because the cats will either happen or not happen. And if you look at the last few years, as we've gone through all the transformation, this year, 2017, is the first year that we've been able to save in the market. We expect stabilized earnings at that level. We'll be flat, roughly level as what I've said on the last earnings call and on the first quarter earnings call. That's still our perspective for the year, that we'll be roughly flat for 2017. But that's significant progress for us because our lender-placed homeowners business has been normalizing. It's heavily countercyclical. And we said, for 2018 and beyond, we are well positioned to grow profitably. Part of that is the expense savings. Part of that is the momentum in the market. Part of it's the new clients. When we land a new client, it's a great thing. But generally, we lose money the first year because all the start-up costs, the block has to build, et cetera. So that's really the first point around the commitments. So net operating income, we can grow it. Second thing we said is, over time, we can grow EPS about 15% a year. We did not do that in 2016. I think we had 1% EPS growth the way we define it. We're on track, and I've said it this year, double-digit EPS growth ex cat. And we feel well positioned to continue between the combination of growing earnings and our ongoing commitment to disciplined capital management and capital return to shareholders. We feel well positioned to be in the double digits on EPS as we look forward. Now the third commitment was to gradually improve ROE to 15%. We're kind of flat on that so far. Why are we flat on that? We've got a lot of excess capital at the holding company. And over time, as our business mix continues to rotate -- we're in the middle of this rotation where we were more risk-based, and we're increasingly becoming more fee income-based. We're going to get natural momentum lift on ROEs just because of the nature of the business. And then as we manage our excess capital down, over time, that also lifts it. So that one, we're kind of flat, but again, we still don't see anything today that would cause us to materially change how we think about that. And then our fourth commitment was that we were going to generate roughly $1.5 billion of proceeds from the sale of Employee Benefits and the sale and wind down of Health. And we committed to return all of that to shareholders during 2016 and 2017. If you listened to the third quarter earnings -- or second quarter earnings call, we were about $1.3 billion through that commitment at the end of the second quarter, and we are still on track to deliver on that commitment by the end of this year.

Jawad Haider: That's great. Maybe we can take a quick pause and see if there's any questions here from the audience.

Alan B. Colberg: And if there is, we have a microphone they'll come bring to you.

Unidentified Analyst: Is there any way to track -- for the casual observer, to track Assurant's success in lifestyle products in terms of the number of devices under – maybe under protection or coverage? It's hard to gauge because some things, you're repairing. Some things, you said you're returning into the secondary market. How does one, like, look at metrics in that business?

Alan B. Colberg: It's a great point. One of the things that we've been trying to do is provide more transparency into our company. Now there's always balancing act we have given -- almost every competitor we have is private. So there's a natural kind of balance we have to have there. But we started to give some metrics that you could focus on, and we've done this over the last few quarters. So for example, number of handsets that we protect is now, I think, in our supplement. I'm looking at Suzanne to make sure I'm in the right place. And we're at 32 million. So you can look at that and see how that trends over time. The number of devices that we processed in some way, shape or form through our infrastructure, I don't think it's in the supplement, but we talk about it periodically. It was just under 9 million devices in 2016. So those are some of the metrics. We've talked, for example, about the number of vehicles that we have under service contract. That metric is 12 million, I believe, in the last -- end of the last quarter by giving you the slightly off, look at the cellphone to get the right number. But it gives you a sense that what we're really trying to help the market understand is these are the key indicators of our success and growth in lifestyle. The other one in preneed, we started to report on face sales. The accounting on preneed is

particularly unusual and complicated. And so really, the driver of that business is how many new policies are you selling as a metric. But those are all things we've started to disclose over last year.

Unidentified Analyst: And I know that Apple is going to test the $1,000 mark for the phone [projection]

Alan B. Colberg: I'll repeat the question for you.

Unidentified Analyst: And cellphones, smartphones have gotten, I guess, virtually cheap over the last several years. You've got, first, the ability to sell ancillary protection [privacy, too].

Alan B. Colberg: So I have kind of a short term and long term. So the question was Apple is now going to maybe test the $1,000 mark for a cellphone. But in general, cellphones have been getting cheaper for the same functionality over the last couple of years. What does that mean? So in the short term, what's happened is our attachment rate of insurance has actually gone up a little bit over the last couple of years. Why is it going up? The consumer is now realizing the phone actually does cost $400 or $500 or $600. In the old model, I'm talking about the U.S. because every market's a little different, in the old model, that was subsidized by the carrier and embedded in the monthly fee of some kind. Carriers can't afford it, right? They can't afford it, and so what they've done is they pushed the ownership cost to the consumer. That's caused consumers to realize, actually, that phone is pretty expensive. And so despite the fact, put aside what Apple might do shortly, the gradually declining period of time, it's actually lifted attachment rates. Our long-term -- I'll come back to Apple in a minute. Our long-term thinking has been that we should assume a world where handsets become like computers. They gradually just go down a curve, and we're well positioned. We've invested all around that phone because what people will still have are problems using their phone, problems with their phone. And so even if they don't necessarily exchange the phone as often, for example, you could have elongation of life cycle, we have seen our economics continue to improve. And so we're investing all around it. If Apple really does bring out a $1,000-plus phone, that's probably going to be a great thing for everybody who plays around the phone. We'll see. Apple is, as always, Apple. We'll see what they actually announce tomorrow.

Unidentified Analyst: A question about your reinsurance tower. I was just curious, how much is rated balance sheets versus ILS? And then for the ILS, mean, as a significant reinsurance buyer from your seat, how do you think that market will respond to the losses?

Alan B. Colberg: So I will comment. I'm not 100% expert on the specifics of what you asked there, but the vast majority of our reinsurance tower is with the large global reinsurance companies. And we have a whole risk committee process that looks at our credit exposure at any one company, and we feel very good about that tower. I don't think we'll have any issues in there. Will the market harden after this event? Don't know. There's a lot of excess capacity in the world of capital. If it does, the good news about our lender-placed homeowners business now is, as you all probably saw, we worked through all the issues of the past with a settlement that we did early this year, multistate settlement of all the past questions that any regulator ever had. And we're largely now ordinary course in rate filings. So if premiums go up on reinsurance, that will ultimately go into our cost structure that goes into the rate filing. Obviously, you don't wish to have a cat. But now that we have some significant cats, that will go into our rate filing. And so over time, we're not worried about our reinsurance tower or the impact that anything might happen in reinsurance pricing.

Jawad Haider: Alan, why don't I just take this moment since you were touching on lender-placed to ask a question, which I know is likely in the minds of some. We've seen the placement rate, and you referenced it, having come down. Do you think that we're getting to some port of stabilization? And/or at what point does the outlook or the longer-term outlook should change for that business from a revenue and placement perspective?

Alan B. Colberg: So our lender-placed business, what Jawad is referring to, and many of you have seen this in our disclosures, we talk about we track 36 million mortgage loans. Of those loans, at any point in time, how many of them do we have policies outstanding on? That's the placement rate. And our business is a little bit unusual. Because we're the insurer of last resort, we have a real mix of what's in our placement rate. When we went through the housing crisis, the reason this business is countercyclical, if a property goes into foreclosure, i.e. there's no longer a homeowner there, or if the property is vacant when it's seriously delinquent or it's REO, we're often providing the insurance on a vacant property. So what happens – the reason this business is countercyclical, when you get into a housing dislocation, a lot of houses end up needing insurance cover. There's no borrower there to provide insurance cover. That's the piece that we talked about normalizing. Then there's a large piece of our business which is from current borrowers. These are borrowers in the home who are current, and the issue they run into is they can't get cover. So every time we have a cat event, think Sandy up here in 2012, the next year, we became one of the leading carriers on Long Island. Why? Because no voluntary cover was available or was prohibitively expensive in the short term. So what we'll see -- as long as we stay out of a crisis, our placement rate will gradually drift down. Sometimes, it moves a little bit more. Sometimes, a little less. But it gradually drifts down, but it doesn't go away because of this phenomenon of there are current borrowers. And there's always some level of foreclosure even in a good housing market. And then if we get into any kind of dislocation housing, our placement rate will go back up, and that business will grow again. And I'm not wishing that on anybody in our society. But if we get into that kind of housing crisis of any kind again, we'll see an upcycle in lender-placed.

Unidentified Analyst: Thank you very much for disclosing some of your more recent financial information related to the hurricanes. I appreciate that. I just wanted to follow up on something that you said and confirm it. You mentioned your commitment to return capital to shareholders associated with your benefits business sale.

Alan B. Colberg: Yes, and Health.

Unidentified Analyst: And Health. And you said through -- I think you said you have $200 million more to return through the end of the year, and you remain committed to that. I just wanted to confirm if that's what I heard.

Alan B. Colberg: That is what you heard. We remain committed to that, and we see nothing at this point that would cause us not to deliver on that commitment.

Jawad Haider: Okay. Great. Well, I just want to say, on behalf of Barclays, thank you very much for joining us. And I appreciate all the investors who were able to attend as well.

Alan B. Colberg: Thank you.

Jawad Haider: We're going to move, after this, to the Clinton Suite to continue the breakout.

Alan B. Colberg: Jawad, thank you, and thank you all for your interest in our company.