



ASSURANT®

Assurant Q1 2025 Earnings Transcript

PARTICIPANTS

Corporate Participants

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

Keith Meier - Executive Vice President, Chief Financial Officer, Assurant, Inc.

Sean Moshier - Vice President, Investor Relations, Assurant, Inc.

Other Participants

Jeff Schmitt - Analyst, William Blair & Co. LLC

John Barnidge - Analyst, Piper Sandler

Mark Hughes - Analyst, Truist Securities

Thomas McJoynt-Griffith - Analyst, Keefe, Bruyette & Woods

Bob Huang - Analyst, Morgan Stanley

MANAGEMENT DISCUSSION SECTION

Operator: Welcome to Assurant's First Quarter 2025 Conference Call and Webcast. At this time, all participants have been placed in a listen-only mode and the floor will be open for your questions following management's prepared remarks. [Operator Instructions]

It is now my pleasure to turn the floor over to Sean Moshier, Vice President of Investor Relations. You may begin.

Sean Moshier, Vice President, Investor Relations, Assurant, Inc.

Thank you, operator. And good morning, everyone. We look forward to discussing our first quarter results with you today. Joining me for Assurant's conference call are Keith Demmings, our President and Chief Executive Officer; and Keith Meier, our Chief Financial Officer.

Yesterday, after the market closed, we issued an earnings release announcing our results for the first quarter 2025. The release and corresponding financial supplement are available on assurant.com. Also on our website is a slide presentation for our webcast participants. Some of the statements made today are forward looking. Forward-looking statements are based upon our historical performance and current expectations and subject to risks, uncertainties and other factors that may cause actual results to differ materially from those contemplated by these statements. Additional information regarding these factors can be found in the earnings release, presentation and financial supplement on our

website as well as in our SEC reports.

During today's call, we will refer to non-GAAP financial measures, which we believe are important in analyzing the company's performance. For more details on these measures, the most comparable GAAP measures and a reconciliation of the two, please refer to the earnings release, presentation, and financial supplement on our website. We'll start today's call with remarks before moving into Q&A.

I will now turn the call over to Keith Demmings.

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

Thanks, Sean, and good morning, everyone. I'm pleased to share that 2025 is off to a strong start. For the first quarter, we continue to demonstrate momentum, delivering 14% growth in adjusted EBITDA and 16% growth in adjusted earnings per share, both excluding reportable catastrophes.

This quarter's performance highlights the position of strength from which we continue to operate, and is supported by our diversified global operating model, where we have market leading businesses across Global Housing and Global Lifestyle that are underpinned by our robust capital position. We have a proven track record of delivering through various economic cycles over the long term, and we remain well-positioned to achieve our ninth consecutive year of earnings growth.

Our differentiated business-to-business-to-consumer distribution strategy in attractive markets is reinforced by our world-class workforce that enables us to win, build and scale transparent partnerships with many of the world's leading brands. And our ability to deliver exceptional customer experiences through customized data-driven solutions and comprehensive wraparound services reinforces the strength of Assurant's long-term fundamentals.

Last quarter, we outlined our 2025 priorities, and I'm incredibly proud of our team's progress to date. We're executing, optimizing and scaling significant partnerships across lifestyle and housing through the foundational investments we made in new programs and clients in 2024. We've continued to make high value, incremental investments to support new program launches in our pipeline and accelerate emerging growth opportunities and we remain focused on achieving our 2025 outlook by driving operational excellence and financial performance.

Next, I want to share a few segment highlights that support our attractive position. Starting with Global Lifestyle, we're laser focused on achieving our growth objectives across Connected Living and Global

Automotive. In Connected Living, we continuously enhance the customer and client experience by investing in innovative products and services while providing differentiated value to our clients with integrity and transparency. This has allowed us to build relationships with every major US mobile operator along with many global leaders in the telecom industry. As mobile and cable operators continue to innovate and compete in the wireless space, Assurant's strengthened partnerships, enhance our market position and support long-term growth.

Our approach continues to generate momentum, and through key investments in leading edge technology, including automation, robotics and AI at our device care centers, we anticipate meaningful opportunities to offer additional value-added services to our key mobile clients in the near future. During the first quarter, we continued to build on our track record of deepening relationships with key clients, reinforcing our position as a preferred partner.

Recently, we partnered with Verizon to launch a new mobile device protection plan from Total Wireless, Verizon's fast-growing, no-contract wireless provider. The program, Total Wireless Protect, will allow new and existing customers affordable replacement and repair against accidents and mechanical breakdowns, supported by our more than 900 Assurant authorized repair centers nationwide. This provides an opportunity to continue building deeper relationships with another US mobile carrier.

In Global Automotive, earnings remain stable, supported by a year-over-year improvement in loss experience. Our leadership team is quickly making progress to enable further success, including a unified, consistent branding approach in our go-to-market strategy, allowing us to better leverage our scale as a market leader. This has contributed to new wins within our US and international distribution channels with runway to gain additional share with large national dealers.

And we're launching several new products within Global Auto this year. We recently launched Assurant Vehicle Care Technology Plus, which provides coverage for high-tech vehicle components, wear-and-tear items and smartphone repairs.

Moving to Housing, shifts in the voluntary insurance market throughout the US have increased demand for lender placed insurance products within homeowners. Our product helps lenders, investors and homeowners remove the risk of uninsured loss. Through the exceptional efforts of our claims team, we remain committed to supporting our policyholders when they need us most. We're proud to be honored by the American Red Cross as a 2025 Disaster Relief Hero recognizing our support for those impacted by 2024 storms, including Hurricanes Helene and Milton, and the wildfires in California.

As we look at results, our strong performance continued in the first quarter, driven by 17% top line growth within homeowners, primarily due to the addition of 70,000 lender-placed policies. We've achieved significant expense leverage, resulting in a compelling combined ratio. Even with elevated cats in the first quarter, we delivered a combined ratio of 90%. For 2025, we're on track to deliver a combined ratio around the mid-80s, including our full-year cat assumption of \$300 million. We continue to extend the tenure of our client base, renewing two lender placed clients in the first quarter, and we see meaningful opportunity to expand with new clients by leveraging our existing infrastructure.

In Renters, we're executing our strategy to scale our technology-enabled services and recently added a new renters book with over 250,000 policies. Our Cover360 platform continues to support double-digit written premium growth in our property management company or PMC channel, demonstrating our competitive edge in a distribution channel with further growth potential. The strength of our combined Lifestyle and Housing businesses has enabled us to grow significantly. Over the last five years, we've delivered a compound annual adjusted EPS growth rate of 18% and a 12% adjusted EBITDA growth rate, both excluding cats.

Since we successfully placed our 2025 cat reinsurance program in April, which Keith Meier will cover, I want to take a moment to highlight how Assurant compares to certain large cat exposed P&C peers. When we look over the past six years, Assurant ranks among the lowest in terms of cat exposure as a percentage of net earned premiums and as a percentage of shareholders equity. Since 2019, we had the lowest average cat losses as a percentage of net earned premiums, as well as the third lowest as a percentage of shareholders' equity. Equally compelling, our volatility across both metrics is among the lowest in the group. Over the last 10 years, our increased scale and efficiency within housing has driven a 10-year average combined ratio of 89% compared to the broader P&C market of 95%. This data illustrates the power of Assurant's unique and advantaged business portfolio as Global Lifestyle and Global Housing have delivered strong growth and returns with lower volatility.

Given our demonstrated resilience over time through various economic environments, balanced risk management and compelling growth path ahead, it's our belief that we should be valued at a premium to the S&P Composite 1,500 PMC Index median. Our strategy is centered around our powerful B2B2C distribution model across lifestyle and housing, which bolsters our competitive advantage and financial performance in the attractive markets where we operate, we see expanding opportunities to continue profitable growth through the scale and efficiency of our service delivery networks. We expect to continue extending our track record of winning new clients and solidifying relationships across the enterprise. Our business model has created diversified sources of earnings and capital, while generating strong returns, cash flow and growth. Looking toward the future, we believe there are expanding growth opportunities including increasing investments in our core markets, continue to expand offerings with existing clients,

and winning new global partnerships, and entering attractive adjacent sectors through new product launches.

Before handing it over to Keith, I want to spend a moment on the evolving economic landscape and Assurant's position. 2024 marked an exceptional year of outperformance representing our eighth consecutive year of earnings growth. Given the strong start to the year and the strength of our businesses, we remain on track to deliver our ninth consecutive year of profitable growth in 2025, reaffirming our enterprise outlook. We are closely monitoring the impact of macroeconomic conditions and tariff policies on our claims cost and consumer demand. We are also taking action to remain well positioned and stay ahead of future developments.

While there remains significant uncertainty, our outlook considers the impact of tariffs. The differentiated features of our business model positions us to navigate the dynamic macroeconomic environment. In Lifestyle, our alignment of financial interests with our partners enables us to work side-by-side to help mitigate risk. This includes client risk sharing contracts that allow us to manage financial exposure through Connected Living and Global Auto. Our partnership with leading brands provides us access to diverse supply chains across the world, as our clients partner with us to optimize claims costs.

Within Housing, our inflation guard product feature includes quarterly state-by-state rate adjustments and will allow us to react quickly to higher materials costs in our lender-placed business. In addition, lender-placed may also serve as a countercyclical hedge in the event of a broader market downturn, differentiating us from other P&C companies.

Overall, the attributes that unify our lifestyle and housing segments also position Assurant to deliver shareholder value over time through growth and disciplined capital management.

I'll now turn it over to Keith Meier.

Keith Meier, Executive Vice President & Chief Financial Officer, Assurant, Inc.

Thanks, Keith. And good morning, everyone. Let me begin by sharing some key highlights we saw in the first quarter. 2025 is off to a strong start with double-digit growth across our primary performance metrics, achieving mid-teens growth for adjusted EBITDA and adjusted earnings per share, both excluding catastrophes.

Our first quarter performance was driven by double-digit earnings growth in Global Housing, led by our lender-placed business. Within Global Lifestyle, we were pleased to see improved loss experience within Global Automotive, as well as solid contributions from our card benefits business in Connected Living. Looking at capital, our holding company liquidity position remains solid at over \$500 million at quarter end. Our cash generation allowed us to return over \$100 million of cash to our shareholders, including \$62 million of share repurchases. Through May 2nd, we've repurchased an additional \$25 million of shares. As we look ahead to the remainder of 2025, we continue to expect our buybacks will remain more balanced throughout the year due to the ability of our businesses to generate significant cash flow. Our ultimate level of repurchases will depend on M&A opportunities and other market conditions.

Turning to our segment results, let's begin with Global Lifestyle. First quarter adjusted EBITDA was down 5% compared to last year and included a \$6 million impact from unfavorable foreign exchange. As a reminder, first quarter of 2024 included a \$7 million one-time client contract benefit that was previously disclosed. Excluding this benefit, Global Lifestyle's underlying adjusted EBITDA was up modestly on a constant currency basis.

In Connected Living, earnings declined 6%. Excluding the one-time benefit from the prior year, Connected Living EBITDA also increased modestly on a constant currency basis. Results benefited from a newly launched card benefits program within the financial services business, where we continue to be encouraged by the growth of a new client. The increase was partially offset by lower results in domestic mobile from device protection and trade in programs. First quarter results also included approximately \$3 million of incremental investments related to new capabilities and client partnerships, including Verizon's Total Wireless prepaid protection program.

Turning to Global Auto. Adjusted EBITDA was stable as lower investment income mainly from lower real estate joint venture income and unfavorable foreign exchange was offset by improved loss experience. We were pleased to see improved loss experience both year-over-year and sequentially as program changes and rate increases continue to earn through our book. In terms of revenue, our net earned premiums, fees and other income for Global Lifestyle grew 5% or 7% on a constant currency basis led by Connected Living.

Moving to Global Housing, first quarter adjusted EBITDA was \$112 million, which included a \$157 million of cat losses. Impacts from the California wildfires were \$125 million, which includes estimated recoveries from subrogation. We saw another quarter of strong double-digit growth as adjusted EBITDA increased 31% to \$269 million excluding cats. Our homeowners business continued to benefit from significant policy growth from higher placement rates, including impacts from voluntary insurance market pressure. Non-catastrophe loss experience was also favorable year-over-year due to lower claims frequency. Looking at Housing reserves, in the first quarter, favorable prior year reserve development was \$26 million, which is

modestly higher than the \$22 million in first quarter of 2024. Within our Renters business, we continued to benefit from results in our P&C channel, which achieved its 11th consecutive quarter of double-digit written premium growth.

Moving to catastrophe reinsurance, we are very pleased with the outcome of our 2025 program placement, which was finalized on April 1. We increased coverage at more attractive terms while maintaining a one-in-five year probable maximum loss or PML for our per event retention level, which is now \$160 million. This is slightly above the \$150 million program retention in 2024 due to growth in the business, but maintains the same PML. Our main US program provides nearly \$1.8 billion in loss coverage in excess of our retention, protecting Assurant and its policyholders against severe events for up to 1 in 265 year PML.

We continue to partner with a diversified group of over 40 highly-rated reinsurers. In terms of cost, our 2025 catastrophe reinsurance premiums are estimated to be approximately \$225 million, compared to a normalized view of \$203 million in 2024, which adjusts for the timing impact of our program placement change in the first quarter of last year. The increase in costs reflects the growth of the business, partially offset by lower rates where we believe we priced on the lower end compared to the broader market. With the placement of our 2025 program, our expected annual catastrophe load is now \$175 million, excluding the California wildfires. Including the wildfire impacts in the first quarter, our expected full year 2025 catastrophe load is \$300 million.

Moving to our outlook for 2025, I want to reinforce that we continue to operate from a position of strength across the company. As we've demonstrated in previous macro cycles, strong cash flow is one of the hallmarks of our company. The ongoing cash generation from our businesses is supported by our large base of customers across our diverse lifestyle and housing segments. Our balance sheet is in a strong position. Our over \$10 billion investment portfolio is well diversified across industries, and 93% of our fixed income assets are investment grade. And from a growth perspective, despite macro uncertainty, we continue to prioritize targeted investing across our businesses as we look to scale and win across the globe.

Turning to our enterprise outlook, we remain on track to deliver on the objectives we outlined at the start of the year, to grow adjusted EBITDA and adjusted EPS modestly in 2025, both excluding cats. Keep in mind that the outlook includes growing off of a very strong 2024, including favorable prior year reserve development of \$107 million last year. Given our first quarter results and the resiliency of our business model over the long term, we are well-positioned to navigate the dynamic environment. We have considered the impacts of tariffs within our outlook and continue to monitor macroeconomic conditions, including inflation, foreign exchange and interest rate levels, which may impact the pace and timing of growth.

In Lifestyle, growth in Connected Living and Global Automotive is expected to be partially offset by unfavorable foreign exchange, as well as investments in new partnerships and programs in 2025. Combined, we continue to expect foreign exchange and incremental investments to mute lifestyle growth by a few percentage points.

Turning to Housing, we are increasing our outlook and now expect growth, reflecting our first quarter results as well as the expected continuation of lender placed policy growth in our homeowners business. Our capital objectives for 2025 remain consistent as we focus on maintaining balance and flexibility to support new business growth while returning excess capital to shareholders. From a share repurchase perspective, our expected range for 2025 continues to be between \$200 million to \$300 million, subject to M&A as well as market and other conditions.

Overall, we are off to a great start in 2025 as we continue to drive long- term shareholder value.

And with that, operator, please open the call for questions.

Question & Answer Section

Operator: The floor is now open for questions. [Operator Instructions] Thank you. Our first question is coming from Jeff Schmitt with William Blair.

Keith Demmings: Good morning, Jeff.

Keith Meier: Hi, Jeff.

Keith Demmings: Good morning, Mark. Morning.

Sean Moshier: Hi, Jeff. Are you there?

Jeff Schmitt, Analyst, William Blair & Co. LLC: Hi. Sorry about that. Can you hear me?

Keith Demmings: Yeah. Yeah. We got you, Jeff. Good morning.

Jeff Schmitt, Analyst, William Blair & Co. LLC: All right, good. So, in Global Lifestyle, the loss ratio is still kind of relatively high versus historical levels. I know you've taken a lot of actions there in Global Auto, just in terms of rate increases, process changes, things like that. But could you maybe give us an update on when you expect to see improvement there?

Keith Demmings: Yeah. And are you speaking specifically to Auto, or are you talking more broadly to lifestyle overall?

Jeff Schmitt Analyst, William Blair & Co. LLC: Well, yeah, I guess Lifestyle overall, but I guess Global Auto may drive that down.

Keith Demmings: Yeah, maybe let me provide a few thoughts overall and then Keith can talk a little bit about the progress in auto. We're obviously pleased with how that business continues to perform. But when I look at Lifestyle in the quarter, came in very much in line with our expectations overall. If you look at Connected Living, there's a couple of adjustments that I would suggest you make relative to the results. We had actually grown on a constant currency sort of normalized basis in the quarter. We had \$7 million one-time client adjustment last year in the first quarter, and then we had about \$4 million of foreign exchange.

So if I look at Connected Living, normalized were up about \$3 million in the quarter. We actually had some benefit, and this will be a question we'll get today at some point. We had about \$5 million of EBITDA benefit in the quarter relative to the new programs that we talked about launching last year. So I'd say we're on track with our one-year payback timeline that we expected a little bit softer results around trade-in in the quarter, but nothing unexpected. So we're generally pleased with the long-term opportunity around Connected Living and certainly we've got a lot of client momentum which we'll talk about.

And then auto, we've certainly seen continued stability in the performance and maybe Keith can provide a couple of highlights just on loss performance and development relative to those rate increases.

Keith Meier: Yeah. So, Jeff, in terms of auto, I think we've continued to see the results stabilizing. This is two quarters in a row of increased EBITDA for that business. We've seen our loss experience in the VSC side of the business improving quarter-over-quarter. And we've also seen our GAP experience level off now as well. So, I think overall that provides some encouraging trends in terms of how we see the year playing out. And then I think that also is what enables us to reinforce our outlook for growth for our auto business as we think about the full year ahead.

So overall, pleased with the progress that's taken place so far.

Jeff Schmitt Analyst, William Blair: Okay. Great. And then in Connected Living, could you give us an update on the size and cadence of higher investments for these new partnerships, program launches, things like that? And when do you expect that to kind of roll off this year?

Keith Demmings: Yeah. So we talked about the \$25 million that we invested in 2024. And if you'll remember, we said about \$15 million was relative to new client launches and then \$10 million was related to investments in our device care centers. And that would yield a full one-year payback this year embedded in our results and our outlook. As I think about the 2025 investments, we had about \$3 million of incremental invest in the first quarter. And I would say we're still in that zone of a similar amount relative to the client launches. So, last year was \$15 million, it's probably in that order of magnitude for the full year. We'll see how things progress. And again, very excited about being able to announce what that all relates to as we get further through the year. You saw in our prepared remarks launching a relationship

with Total Wireless by Verizon. We're obviously incredibly proud and excited about the opportunity to become a device protection partner with such an important client. And there'll be more things we'll talk about as the year goes on and I think we're still on track for that type of investment level this year.

Jeff Schmitt Analyst, William: Okay. Great. Thank you.

Keith Demmings: You bet. Thanks, Jeff.

Operator: Our next question is coming from John Barnidge with Piper Sandler.

John Barnidge Analyst, Piper Sandler: Hey, John. Good morning.

Keith Meier: Good morning, John.

John Barnidge Analyst, Piper Sandler: Good morning. Thanks for the opportunity. Hope you're both well. My first question is about tariffs. I believe 2025 guidance now assumes impact from tariffs. What range of impacts are you assuming? And how do you view the new versus used car dynamic playing out within that?

Keith Demmings: Yeah. So maybe I'll provide a few high-level thoughts around context. Keith can talk about where we see - we mentioned we'll see some impact certainly in auto and housing around parts of material. He can walk through our thoughts on how to think about the impact. We're not going to size a specific dollar amount, but we will give you a sense of how we think about it.

The first thing I would just say is obviously there's still a lot of uncertainty when it comes to the scope and the timing of tariffs. And it will no doubt evolve and change over time, throughout the year. We try to take a really pragmatic approach and worked with really the most current information we had available. We went ahead and assumed tariffs would remain in place throughout the entirety of 2025. And at the end of the day when we looked at the underlying performance in the business, a really, really strong first quarter, we believe tariffs will be manageable this year and we'll deliver the original guidance that we had laid out. But maybe Keith just a little bit of color. We talked about auto and housing having greater impact, how do we think about that flowing through the claims cost?

Keith Meier: Yeah. And I think as we think about any potential impact, I think it probably is more in line with higher claims cost potentially in our auto and in our housing business. And the way we have approached that is in our housing business we have a history of navigating potential inflationary aspects. And I think one of the key drivers of our - the rigor that we've developed through that process is having our ability to utilize our inflation guard features.

And so I think us being able to now adjust our rates based on inflation every quarter and by state, whereas a couple of years ago it used to be once a year across the board. So, overall, I think we're in a good position to navigate those types of impacts in housing. And then when it comes to auto, I think you have to kind of frame it up in terms of the actual impact to our claims. So probably about two thirds of our business is more risk shared with our clients and reinsurance arrangements and so forth. So you're already

at a third of our business at that point. And then of that third, basically you could think about claims being half parts and half labor. So now you're down into the mid- to high-teens percentage of our business that could be affected.

And then even of those parts, probably half or so is imported. And so now you're talking single-digit kind of impacts on our claims. And so with all the work we're doing with our clients on an ongoing basis, just because of the inflationary aspects of the business from the last few years and we've been putting in 18 rate increases and also working on program designs, I think we're in a good position to navigate impact in auto as well.

So overall, I think we're in a good position to manage through that and I think that's what also gave us confidence to reinforce our guidance for growth across all of our businesses.

Keith Demmings: Yeah. And maybe just to pick up the question on new and used, I think as we've talked about before, we're pretty well-positioned across our auto business. We've got very much balance between new and used. It's in the range of 50-50. So should we see a dynamic shift there or there maybe there's more used sales, less new sales? I think we're well-positioned overall from that perspective. We'll obviously monitor that closely.

We're working with our partners, but we do feel like we've got muscles built the last couple of years with clients to make the right adjustments, whether it's rate, product design, claims management that will continue as we go forward. And we're going to continue to focus on growth and executing and delivering financial results.

John Barnidge Analyst, Piper Sandler: Thank you for that. My follow-up question is on Global Housing. It's about the expense ratio in the quarter. Are you able to identify by how much that expense ratio was impacted by dealing with the catastrophe loss events that occurred in the quarter related to the wildfires that brought it to 39.1% versus 37.9% a year ago? Thank you.

Keith Demmings: It's a great question. I would say that if we sort of made adjustments to normalize, we'd be relatively flat year-over-year. If you look at the first quarter, 2025, we had reinsurance costs up \$11 million over last year, that's a 110 basis points. The balance of the difference is related to the higher expenses related to managing through the claim, the claims cost from the cat. So broadly speaking, I would say underlying expenses as a ratio are flat year-over-year.

Keith Meier: Yeah. And I think you can think through - think about our expense ratio as being that high 30s kind of percentage. And so I think in general, we're on track with that. And like Keith said, I think you should expect it to be a similar kind of normalized rate year-over-year.

John Barnidge Analyst, Piper Sandler: Thanks for the answers.

Keith Demmings: You got it. Have a good day.

Operator: Our next question is coming from Mark Hughes with Truist.

Keith Demmings: Good morning, Mark.

Keith Meier: Hey, Mark.

Operator: [Operator Instructions]

Keith Demmings: Hey, Mark. Are you there?

Mark Hughes Analyst, Truist Securities: I should be here now. Yeah. Good morning.

Keith Demmings: Hi. Morning.

Keith Meier: Good morning.

Mark Hughes Analyst, Truist Securities: Yeah. The Total Wireless by Verizon seems pretty interesting. How many subscribers under that program? I think the fact that you're extending your relationship or deepening your relationship with Verizon is great. How much financial impact from that program would you anticipate?

Keith Demmings: Yeah. I think - first thing I would say is it's starting. It's not an existing base of business that's porting across to us. So this is a brand new launch. So we're starting from customer one as we build that book. So, it will naturally ramp probably three or four years to get to its full run rate potential depending on consumer behavior, et cetera. So, I think that's the first thing to recognize. The second thing, yeah, we're really excited. I mean, we're deepening relationships with clients. We've done an amazing job in the mobile business.

And I think we continue to demonstrate that we can add value to major partners and this is just another example of that. And obviously there are massive potential client for other things and we'll look to continue to execute and deliver and prove our value to them, so we earn the right to do more over time.

So - but it's a big opportunity for us, and we're very, very happy with it.

Mark Hughes Analyst, Truist Securities: Yeah. You mentioned on the homeowners that the shifts in voluntary were increasing demand. How is that trending now? Is there still as much pressure on homeowners that's benefiting you or is that starting to taper a little bit?

Keith Meier: Yeah. I think we're still seeing and expecting growth in our policies for our lender-placed business. I think in California, we're still seeing a little bit of growth. And also in the Midwest and in some of the Inland Northeast as well. So overall, I think the business is continuing to see that type of progress and progressive growth. So, I think our product is only becoming more and more valuable over time.

Keith Demmings: Yeah. And I think I think to your point, the year-over-year placement rate improved pretty significantly. It's definitely slowed down as we look at the sequential view. But to Keith's point, we

expect to see kind of modest growth over the balance of year and I think we're really well-positioned with how that business is performing, and how it's performed through various cycles as well.

Mark Hughes Analyst, Truist Securities: And then on the trade-in, anything structural around trade-ins, people keeping their phones longer or anything like that? Or was it just timing of customer promotional activity that impacted the quarter?

Keith Demmings: Yeah. I think it's both. Definitely customers are keeping devices longer, but I think the - what stimulates a lot of that demand is the promotional activity, the competitive intensity. Saw a little bit more muted in the first quarter. I don't think it was different than we expected it to be. We'll see how that plays out. It's a pretty competitive environment today. I think our clients are going to be looking to drive growth, and that could ultimately stimulate more competition. I think yet to be seen as we look at Q2 and the rest of the year, but nothing that is unusual in terms of those dynamics.

Mark Hughes Analyst, Truist Securities: And if I could squeeze in one more, on the renters book you talked about picking up 250,000 policies. Could you talk about that and then maybe the underlying growth in renters aside from that new customer pickup?

Keith Demmings: Sure. I'll speak about the book, and then Keith can cover sort of the growth and how we think about it across the areas within renters. So again, we worked with an insurer who was looking to exit the renters business, really more of a book roll. We talked about 250,000 policies, about \$50 million of gross written premium annually. This insurance company served a wide range of affinity clients, so it fits in incredibly well with our affinity business. It was acquired through reinsurance, we'll convert it to our paper over time.

And I would say, as we think about the contribution, I don't expect a massive step change in overall financial performance, but it is a very strategic opportunity. It generates a lot of scale, and it continues reinforce our market leadership position. And I think we feel good about how we've structured and de-risked the deal overall. But Keith, how would you reflect on the growth for the quarter?

Keith Meier: Yeah. And I would just say on that book roll that we had, I think that really just speaks to our executing on our strategy to really scale our technology-enabled services that we've been developing over time. And we talked about our Cover360 product where we track renters policies for the landlords. And so I think those are the types of things where we're able to invest in this business. And I think that's enabling us to be able to leverage those capabilities to drive scale where others may not see the benefit of investing the way that we have.

So these are great opportunities for us to grow. I think you'll see contributions from the acquisition as well as through our property management channel, which again, has grown for the 11th consecutive quarter at double digit. So we'll see contribution there. And we also see, as Keith said, this helps our affinity business as well. So overall, I think we've got some nice balanced growth as we look ahead for Renters.

Mark Hughes Analyst, Truist Securities: Thank you very much.

Keith Demmings: Thank you.

Keith Meier: Welcome.

Operator: Our next question is coming from Tommy McJoynt with KBW.

Keith Demmings: Good morning, Tommy.

Keith Meier: Hi, Tommy.

Tommy McJoynt Analyst, Keefe, Bruyette & Woods: Hey. Good morning. A question about the mobile side and the potential impact of tariffs. It doesn't sound like you guys are expecting a significant impact there. Can you talk about why maybe the potential importing of parts and cell phones might not be impacted? And I think a lot of it has to do with your role as more of a program administrator than being on risk. Perhaps you can lay out the details on that?

Keith Meier: Yeah. I think you actually hit on it, Tommy. I think it's the way that we work with our clients and these are large players with highly developed supply chains, and we complement their supply chains as well. So we work very closely with them. Obviously, a lot of the programs are reinsured or risk shared like you just spoke about. So I think that's what mitigates a lot of that impact. And then obviously we work very closely with them to optimize the programs for the consumer as well as for our clients.

So overall, I think those are the things that do put us in a good position overall for the - on the mobile side.

Keith Demmings: Yeah. I think the other thing I would add, Tommy is think about the mobile business, particularly around device protection. We've got 64 million or so monthly subscribers, but its monthly pay, monthly earned. So the profile of that business is different than selling a single premium contract that earns out over time. So that also helps us be a little bit more nimble with the changes we can make, whether it's product or pricing, it can have an impact more quickly than in other lines of business.

Tommy McJoynt Analyst, Keefe, Bruyette & Woods: Okay. Got it. And then looking at the full year guidance, when I unpack the various components there, so it doesn't sound like the enterprise-wide guidance has changed, but housing segment got a little bit better. Does that imply that on the margin that the lifestyle segment came in a little bit worse than you were expecting a few months ago? And just want to make sure if that's the case, what is the driver of that?

Keith Demmings: Yeah. I'd say I think that's a fair way to interpret it. Overall, feel really good about the full year guide. We obviously increased housing from a modest decline to generating growth, so we feel really good about that adjustment. And then to your point on lifestyle, I would say we're certainly factoring in the impact of the macro environment and tariffs as we think about the year, that wouldn't have been true in the same way a few months ago. So I'd say that's the only difference. But if I think about the underlying financial performance of the lifestyle business, we feel really good where we came out in Q1,

setting aside the dynamic world we're living in, we feel really good about the year in front of us and even considering those factors, we're still planning to grow Connected Living, we're planning to grow Auto, and we're going to grow Housing.

Tommy McJoynt Analyst, Keefe, Bruyette & Woods: Great. Thank you.

Keith Demmings: You bet.

Operator: [Operator Instructions] Our next question is coming from Bob Huang with Morgan Stanley.

Keith Demmings: Good morning, Bob.

Keith Meier: Hi, Bob.

Bob Huang Analyst, Morgan Stanley: Hi. Can you guys hear me now?

Keith Demmings: Yeah. We can. We got you.

Keith Meier: Yes.

Bob Huang Analyst, Morgan Stanley: No? Okay. Perfect. Yeah. So maybe another follow-up on tariffs. I know we talked about this quite a bit. Just can you maybe help us think about if there are any particular components within the tariffs that is more sensitive? For example, are there like within housing, is there more aluminum, steel, lumber or within auto like how is a particular part? Just trying to see if there's anything that we should monitor from like a commodities futures perspective?

Keith Meier: Yeah. So Bob, I think when we do our scenario planning, we take into account the various tariffs that have been talked about in the marketplace and so then we apply them into scenarios for each of those businesses. So I kind of went through that earlier in terms of the way we think about housing. It could impact a little bit in some building costs, but we think we're well-positioned to navigate potential inflationary aspects from whether it's lumber, steel, those types of things. And then on auto, we're consistently monitoring parts and auto related tariff discussions. And so I think also there by working with our clients and the way our business is structured, we feel very good about being able to manage through the different scenarios that are being discussed today.

Keith Demmings: Did we lose, Bob?

Keith Meier: Maybe.

Bob Huang Analyst, Morgan Stanley: Sorry. Can you hear me now?

Keith Meier: Okay. Yeah. Yeah.

Keith Demmings: Yeah. Yeah. Yeah.

Bob Huang Analyst, Morgan Stanley: Yeah. Perfect. Yeah. So my second question is regarding used car versus new car sales, right. Like if you think about just the recent auto sales and things of that nature,

obviously something that we've been talking and you guys have mentioned. Is there a way to think about whether or not like there was a new car sales pull forward due to tariffs, would that have any significant impact on how we should think about the business going forward?

Keith Demmings: Yeah. I don't think it has a significant impact on how we think about business going forward. I definitely think there was a pull forward both for new and for used. If I even look at the car sales in the month of March, they were higher than sort of the average for the quarter. So that suggests that there is a pull forward. I would expect that to probably be true in April as well. I don't think it has a significant effect on how we think about the business for the year. I suspect it's just a timing point where there'll be a little bit of additional sales front loaded and then maybe a little bit of softer sales following. We'll sort of see how the environment evolves. But, obviously, it's always good to get a little more business in the door earlier in the year. But because of the nature of this business, we're earning off of \$11 billion UPR that's in force, it doesn't have a huge effect on how we think about the short-term picture for auto.

Keith Meier: And I would just add there, Bob, that we look at the macroeconomic environment in terms of there could be inflation aspects and consumer impact. And so on the consumer impact, we don't see that as really affecting Assurant as much in 2025 because of the existing business, and it takes time to earn through and so forth. So, I think that part doesn't have as much.

And then we talked a lot about the flipside, which is the inflationary aspects which can happen earlier and that's the part that we talked a lot about and we feel well-positioned on that side of it.

Bob Huang Analyst, Morgan: Okay. Thank you. Really appreciate it.

Keith Demmings: Thank you. You got it.

Keith Demmings: I think that was the last question. So, I will go ahead and say, thanks everybody for joining us today. And we'll look forward to the next update in August. Appreciate the time. Thanks, everyone.

Keith Meier: Thank you.