



ASSURANT®

Integrating ERM into Strategic Planning and Company Culture: A Case Study

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Safe Harbor Statement

Some of the statements included in this presentation and its exhibits, particularly those anticipating future financial performance, business prospects, growth and operating strategies and similar matters, are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they may use words such as “will,” “anticipate,” “expect,” “estimate,” “project,” “intend,” “plan,” “believe,” “target,” “forecast,” or the negative versions of those words and terms with a similar meaning. Our actual results may differ materially from those projected in the forward-looking statements. The Company undertakes no obligation to update any forward-looking statements in this presentation or the exhibits as a result of new information or future events or developments.

The following risk factors could cause our actual results to differ materially from those currently estimated by management: (i) the effects of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, and the rules and regulations thereunder on our health and employee benefits businesses; (ii) deterioration in the Company’s market capitalization compared to its book value that could result in further impairment of goodwill; (iii) loss of significant client relationships, distribution sources and contracts; (iv) failure to attract and retain sales representatives; (v) losses due to natural and man-made catastrophes; (vi) a decline in our credit or financial strength ratings (including the risk of ratings downgrades in the insurance industry); (vii) actions by governmental agencies that could result in the reduction of the premium rates we charge; (viii) unfavorable outcomes in litigation and/or regulatory investigations that could negatively affect our business and reputation; (ix) current or new laws and regulations that could increase our costs and/or decrease our revenues; (x) general global economic, financial market and political conditions (including difficult conditions in financial, capital and credit markets, the global economic slowdown, fluctuations in interest rates, mortgage rates, monetary policies, unemployment and inflationary pressure); (xi) inadequacy of reserves established for future claims losses; (xii) failure to predict or manage benefits, claims and other costs; (xiii) increases or decreases in tax valuation allowances; (xiv) fluctuations in exchange rates and other risks related to our international operations; (xv) unavailability, inadequacy and unaffordable pricing of reinsurance coverage; (xvi) diminished value of invested assets in our investment portfolio (due to, among other things, volatility in financial markets, the global economic slowdown, credit and liquidity risk, other than temporary impairments and inability to target an appropriate overall risk level); (xvii) insolvency of third parties to whom we have sold or may sell businesses through reinsurance or modified co-insurance; (xviii) inability of reinsurers to meet their obligations; (xix) credit risk of some of our agents in Assurant Specialty Property and Assurant Solutions; (xx) failure to effectively maintain and modernize our information systems; (xxi) failure to protect client information and privacy; (xxii) failure to find and integrate suitable acquisitions and new insurance ventures; (xxiii) inability of our subsidiaries to pay sufficient dividends; (xxiv) failure to provide for succession of senior management and key executives; and (xxv) significant competitive pressures in our businesses and (xxvi) cyclicality of the insurance industry.

For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including but not limited to our 2010 Annual Report on Form 10-K, as filed with the SEC.

Case Study Agenda

- ERM program goals and features
- Value Centric ERM Model
 - Advantages Over Traditional Models
 - Applications
- Closing thoughts and questions

ERM at Assurant

Critical features of a successful program

- *Customized* to meet Assurant's risk management needs
- Promotes a *risk aware, not risk averse* culture
- *Collaborative* approach that leverages company's risk management expertise
- *Model driven*, not model dependent
- Applies *consistent metrics* to evaluate diverse *operating and financial* risks
- *Improves decision making* using risk-reward measures

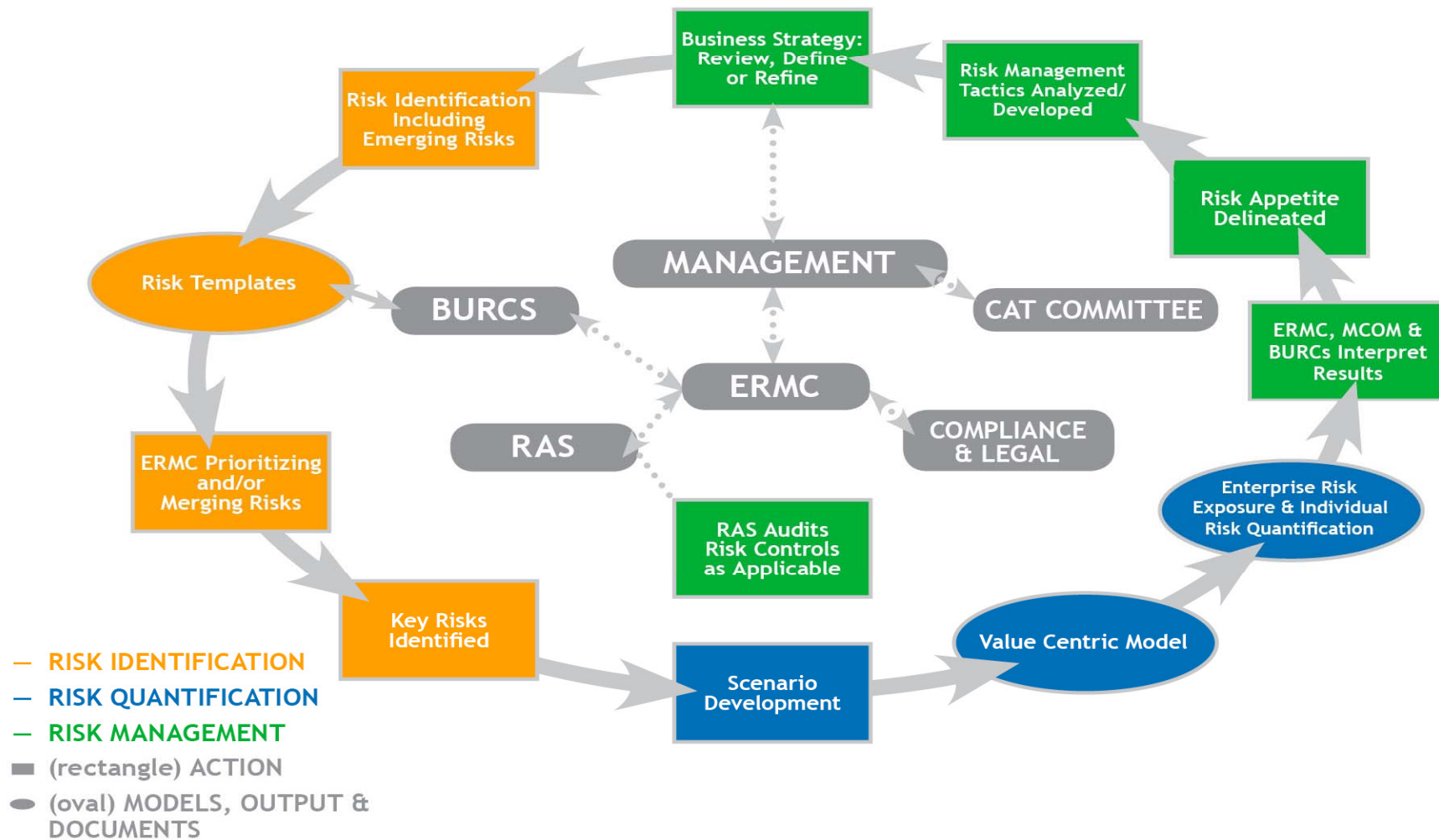
ERM at Assurant

Balancing quantitative and qualitative

- **Infrastructure**
 - Collaborative Oversight
- **Value Centric Model**
 - Enterprise risk evaluation “engine”

Assurant's ERM Process

Identify, Quantify, Manage



Risk Quantification *Scenario Development - ERM Team*

- Risk experts are identified and interviewed
- Failure Modes and Effects Analysis method used to produce scenarios and assumed effects
- Risks sources and scenarios evaluated in Value Centric Model

Risk Quantification

What is the “Value Centric Model”

- **Total company financial projection engine**
 - Includes projections by business segment
- **Designed for “what-if” scenario analysis**
 - Risk viewed as deviation from current plan
 - Scenarios provided by risk experts
- **Calculates metrics relevant to management**
 - Revenue, earnings, capital ratios, return on equity, etc.
 - Internal valuation of the firm

Value Centric Model

Ideally suited to Assurant

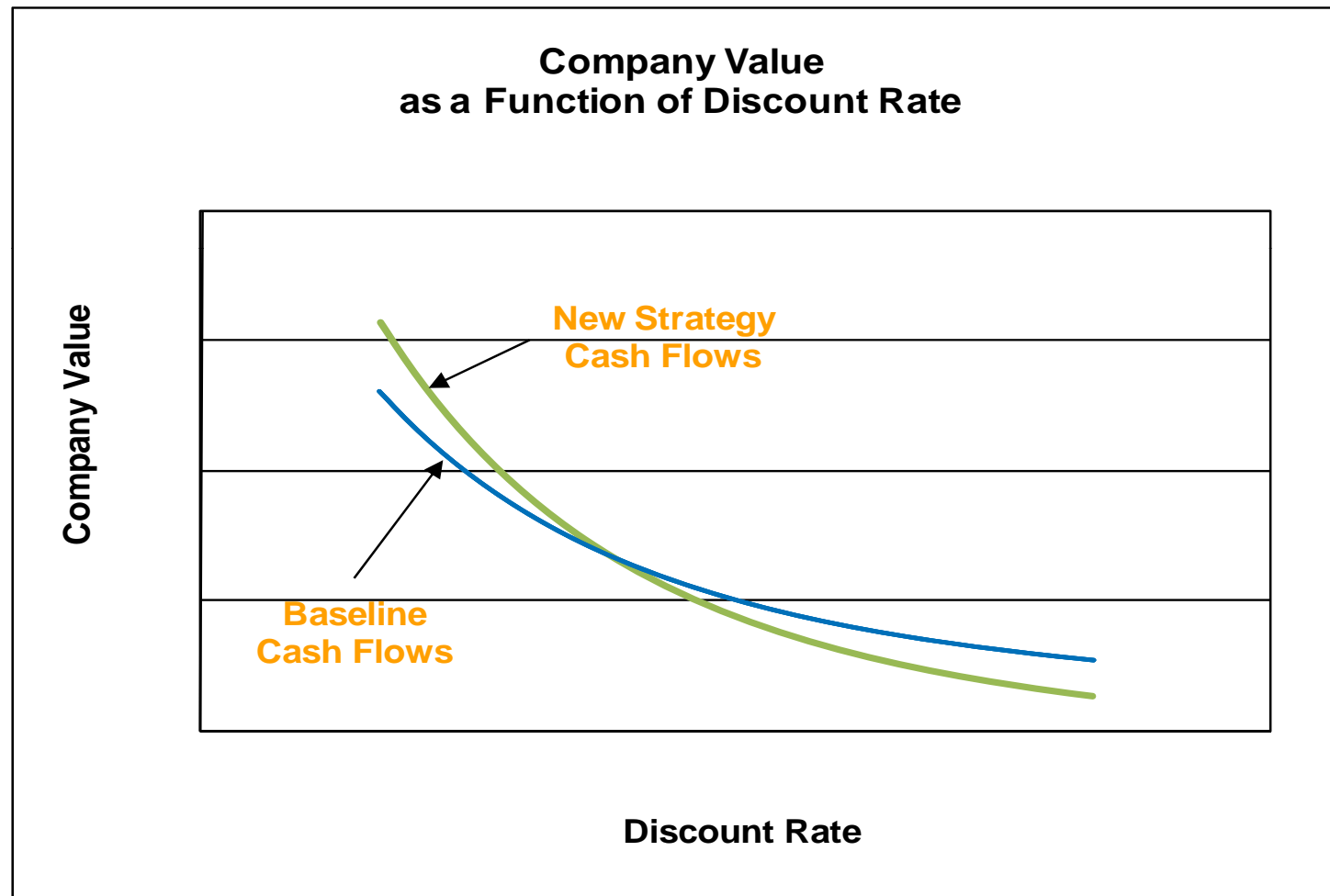
- **Consistent quantification of all risk types**
 - Measures financial and operating risks
 - Expedites defining risk appetite and tolerance
- **Balances sufficient detail with reasonable run time**
- **Facilitates advanced risk analysis**
 - Multiple risk interaction and risk source attribution
- **Adaptable and expandable**
 - New products, M&A, other initiatives

Hypothetical Risk Reporting Example

Risk Source XYZ

Metric	Baseline	Best Case	Optimistic	Pessimistic	Worst Case
Probability	45%	5%	20%	25%	5%
Company Value	1,000	1,200	1,050	900	700
Year 1 GAAP Earnings	100	140	125	75	25
Year 1 Distributable Earnings	90	110	105	50	-50
Year 1 RBC Ratio Before Div	250%	260%	255%	230%	200%
3-Yr Average GAAP ROE	12%	14%	13%	9%	4%
5-Yr Revenue CAGR	4%	7%	5%	3%	2%
5-Yr GAAP Earnings CAGR	8%	12%	10%	6%	3%

Additional Model Uses *Evaluating Strategic Initiatives*



Return on Our Investment *Value in the intangibles*

- Better understanding of Assurant's businesses and the risks we face
- A proactive, risk aware culture
- Improved ability to make decisions under uncertainty
- Effective and open dialogue among all participants