# Assurant, Inc. - Climate Change 2018

## C0. Introduction

### (C0.1) Give a general description and introduction to your organization.

Assurant, Inc. is a global provider of risk management solutions, including protection products, services and customer support for major consumer purchases, such as homes, cars, appliances and mobile phones. Focusing on the housing and lifestyle markets, Assurant offers a wide variety of specialty protection products and related services that include mobile protection products and services; extended service programs and related services for consumer electronics, appliances and vehicles; pre-funded funeral insurance; lender-placed homeowners insurance; property appraisal, preservation and valuation services; flood insurance; renters insurance and related products; and manufactured housing homeowners insurance. We support some of the world’s leading brands, helping them solve their business challenges and finding solutions for problems that affect people in day-to-day life — such as natural disasters, car repairs, funeral expenses or a lost phone or broken appliance. Currently, our Assurant products and services help some of the world’s largest companies deliver a better experience for more than 300 million customers in the United States and select worldwide markets.

On May 31, 2018, Assurant completed the acquisition of TWG Holdings Limited (“TWG”) and its subsidiaries. Since the acquisition closed outside of the reporting timeframe stated in C0.2, we do not include any impact of the acquisition on our operations in this response. In addition, on August 1, 2018, we closed the sale of our mortgage solutions business and no longer provide property appraisal, preservation and valuation services.

Assurant is a Fortune 500 company, a member of the S&P 500, and is traded on the New York Stock Exchange under the symbol AIZ. Assurant had approximately $32 billion in assets as of December 31, 2017 and $6.4 billion in 2017 revenue.

### (C0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Row 1 | January 1 2017 | December 31 2017 | No | |

### (C0.3) Select the countries/regions for which you will be supplying data.

United Kingdom of Great Britain and Northern Ireland

United States of America

### (C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

### (C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

# C1. Governance

## (C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

## (C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|---|---|
| Board/Executive board | Managing our climate-related risk ultimately rests with our Board of Directors and Management Committee. The Board's Finance and Risk Committee has oversight for enterprise risk management. For our Global Housing business, our Reinsurance Risk Committee monitors catastrophe exposure monthly and reports results to the Finance and Risk Committee of the Board on a regular basis. The Nominating and Corporate Governance Committee of our Board of Directors oversees our ESG efforts. Our Chief Risk Officer, Chief Operating Officer and Chief Financial Officer, who each report directly to our CEO, oversee functions responsible for climate-related actions, policies and risk mitigation and management. |

## (C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Please explain |
|---|---|---|
| Scheduled – some meetings | Reviewing and guiding risk management policies | The Company's internal risk governance structure is headed by the Executive Risk Committee, which is chaired by our CEO and composed of our Chief Risk Officer, Chief Financial Officer, Chief Operating Officer and Chief Legal Officer. It is responsible for the strategic direction of the Company's enterprise risk management and provides updates to the Board. |

## (C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Chief Risks Officer (CRO) | Both assessing and managing climate-related risks and opportunities | Annually |
| Risk committee | Both assessing and managing climate-related risks and opportunities | Annually |

## (C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

Our Chief Risk Officer leads Assurant's global Office of Risk Management. The Company's internal risk governance structure is headed by the Executive Risk Committee, which is chaired by our CEO and composed of our Chief Risk Officer, Chief Financial Officer, Chief Operating Officer and Chief Legal Officer. It is responsible for the strategic direction of the Company's enterprise risk management and provides updates to the Board. The Enterprise Risk Management Committee (ERMC), which is chaired by our Chief Risk Officer and includes senior members of risk management and other areas of the Company, is responsible for the interdisciplinary oversight of business unit and enterprise risks and the design, management and recommendation of the risk appetite framework and limits. The ERMC reports to the Executive Risk Committee and provides regular updates to the Company's Management Committee.

The ERMC works with four reporting sub-committees, which are each comprised of company subject matter experts and members of the risk management team:
(1) The Business Risk Committee is comprised of leaders from each line of business and each functional support area and meets monthly to focus on operational and strategic risks associated with new and existing business.
(2) The Finance and Investment Risk Committee focuses on Assurant's exposure to financial and investment risks.
(3) The Reinsurance Risk Committee focuses on the insurance risk across the enterprise and approves the use of reinsurance to mitigate these risks.
(4) The Insurance Risk Committee focuses on risks associated with our insurance products.

Our risk committees informally integrate social and environmental factors into their practices by monitoring relevant potential long-term concerns that could impact our business, such as climate change. When the committees identify long-term risks, they work with other company functions to implement necessary programs and processes. Effective enterprise risk management is crucial in the allocation of climate-related risks in our business.

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

**Activity incentivized**

Energy reduction target

**Comment**

Energy/emission reduction goals between 2 to 5 percent are included in the yearly performance goals for facility managers and maintenance teams. Meeting or exceeding these goals are an important component of these employees' annual performance review.

**Who is entitled to benefit from these incentives?**

Executive officer

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Energy reduction target

**Comment**

Energy/emission reduction goals between 2 to 5 percent are included in the yearly performance goals for select vice presidents and senior leaders, in areas such as Corporate Real Estate and Facilities. Meeting or exceeding these goals are an important component of these employees' annual performance review.

# C2. Risks and opportunities

### (C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 1 | |
| Medium-term | 1 | 5 | |
| Long-term | 5 | 15 | |

### (C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

### (C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

| | Frequency of monitoring | How far into the future are risks considered? | Comment |
|---|---|---|---|
| Row 1 | Six-monthly or more frequently | >6 years | For our Global Housing business, our Reinsurance Risk Committee monitors catastrophe exposure monthly and reports results to the Finance and Risk Committee of the Board on a regular basis. Our Reinsurance Risk Committee reviews and approves our catastrophe reinsurance activities. Annually, through our catastrophe reinsurance program, we work to reduce our company’s financial exposure while protecting millions of homeowners and renters against severe weather and other hazards. |

### (C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Additionally, the Business Risk Committee is comprised of leaders from each line of business and each functional support area and meets monthly to focus on operational and strategic risks associated with new and existing business. The Enterprise Risk Management Committee (ERMC), which is chaired by our Chief Risk Officer and includes senior members of risk management and other areas of the Company, is responsible for the interdisciplinary oversight of business unit and enterprise risks and the design, management and recommendation of the risk appetite framework and limits. The ERMC reports to the Executive Risk Committee and provides regular updates to the Company’s Management Committee. We discuss the four sub-committees that report to the ERMC in C1.2a.

Assurant prioritizes risks and opportunities based upon each business unit's exposure to catastrophe, flood, fire and other climate-related events. Assurant's assets most prone to climate change impacts are the homes for which we provide lender-placed, voluntary and flood insurance through Assurant Global Housing. To enhance our understanding of our significant risk exposure to catastrophic events, we purchase aftermarket information that provides us additional building characteristics, which we include in our modeling process and supply to our panel of more than 40 reinsurers. We also employ catastrophe models for various geographic regions that contain medium-term (5-year) projections, which allow us to make more accurate assumptions on the frequency of hurricanes or other climate-related events to determine pricing and guide appropriate risk-taking within the Company. We also work with modeling agencies to improve their models with guidance from our meteorologist, hydrologist and in-house catastrophe modelers.

The Office of Risk Management, in collaboration with corporate real estate and facilities, assesses all Assurant facilities for exposure to severe climate-related events and recommends improved climate resiliency where appropriate. For example, we fortified our Miami, Florida office with hurricane resistance glass that provides protection from hurricanes rated up to category 5 and full electrical generator capacity for use during a tropical cyclone and/or long-term power outage. We also provide optional electrical generators to most large facilities, with additional generators for data protection in select locations. We strategically relocated our data centers in the United States several years ago, so they are in regions less vulnerable to catastrophic events. We also use technology platforms that allow for virtual workstyles and data transfer to other facilities in the case of severe weather events.

For our Global Lifestyle business line, our critical vendors are contractually obliged to let us review and approve of their business continuity programs, plans and disaster response protocols.

In 2017, Assurant completed a materiality assessment to help identify, prioritize and validate our most significant ESG impacts, risks and opportunities, including climate change. In September 2018, we will publish our first Corporate Social Responsibility Report, which will discuss our most significant ESG topics identified by this assessment.

## (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | Assurant's Office of Risk Management and government relations group closely monitors risks relating to current and emerging regulations. For example, Assurant closely monitors our risks from being an administrator of the National Flood Insurance Program provided by FEMA in the United States. Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it. Our approach to regulator engagement advocates for policies that help to mitigate climate-related risk. For example, insurance policies that incent lower-risk behaviors, like adopting climate resilient construction practices. We also work closely with state and local insurance departments to promote fair assessments of building construction that actively mitigate their properties' climate change risks. |
| Emerging regulation | Relevant, always included | Our industry faces substantial regulatory compliance responsibilities and our ability to successfully monitor and respond to regulatory imperatives is crucial to our business. Assurant's Office of Risk Management and government relations group closely monitor risks relating to current and emerging regulations. In addition, several Assurant employees also serve on committees of the Insurance Institute for Business and Home Safety (IBHS), and we provide financial support through our company's membership to further research methods aimed at fortifying homes and improving flood resiliency. |
| Technology | Relevant, sometimes included | Assurant's 2017 materiality assessment identified Innovation and Technology as one of our top five ESG topics. Innovation is core to meeting and anticipating our customers' needs and an integral part of our continued success. As digital distribution and access, for example, lead to increased connections between consumers and technology, as well as increased consumer expectations, our commitment to encouraging and supporting innovation is more important than ever. |
| Legal | Relevant, always included | Assurant's 2017 materiality assessment identified Ethics and Compliance as one of our top five ESG topics. Assurant's reputation as an ethical, fair and honest company is paramount. We understand that to maintain customer trust, we must have a framework in place to promote ethical behavior and compliance with law and regulation. |
| Market | Relevant, always included | As we strengthen our climate strategy, we continue expanding our understanding of consumer needs and global trends, including a more comprehensive look at global climate change impacts. To maintain market leadership, we will continue to incorporate climate change risks and opportunities into our decision-making processes and maximize our operational efficiency. |
| Reputation | Relevant, sometimes included | Assurant's 2017 materiality assessment identified Customer Relations as one of our top five ESG topics. A failure to meet customer needs, preferences or timeframes could compromise Assurant's position as a market leader. |
| Acute physical | Relevant, always included | Assurant purchases forward-looking catastrophe and storm models from several modeling agencies. Our in-house meteorologist, hydrologist and catastrophe modelers also work with modeling agencies to help improve Assurant's models. Assurant employs a proprietary view of risk, which combines and adjusts results from several models to arrive at a comprehensive annual assessment of our climate-related risk, policy rates and reinsurance costs. The Office of Risk Management, in collaboration with Corporate Real Estate and Facilities, assesses all Assurant facilities for exposure to severe |

| | Relevance & inclusion | Please explain |
|---|---|---|
| | | climate-related events and recommends improved climate resiliency where appropriate. For example, we fortified our Miami, Florida office with hurricane resistance glass that provides protection from hurricanes rated up to category 5 and full electrical generator capacity for use during a tropical cyclone and/or long-term power outage. We also provide optional electrical generators to most large facilities, with additional generators for data protection in select locations. We strategically relocated our data centers in the United States several years ago, so they are in regions less vulnerable to catastrophic events. We also use technology platforms that allow for virtual workstyles and data transfer to other facilities in the case of severe weather events. |
| Chronic physical | Relevant, sometimes included | We continue to bolster our understanding of climate change issues impacting our business. We review thought leadership, such as the UNEP Insurance 2030 Report and CERES Insurer Climate Risk Disclosure Survey Report and Scorecard, to provide suggestions and actions to improve our climate change risk mitigation. |
| Upstream | Relevant, always included | Assurant regularly engages with key stakeholders across our value chain, which includes key upstream suppliers. Responsible risk sharing, largely from reinsurance, forms the foundation of Assurant's risk mitigation strategy. Assurant considers reinsurers as strategic partners/suppliers and credits transparency to our strong relationships with more than 40 global firms. |
| Downstream | Relevant, always included | Assurant regularly engages with key stakeholders across our value chain, which includes key downstream customers and consumers. As insurance companies increase their underwriting criteria and pricing of their insurance products in locations with exposure to catastrophes, many homeowners have trouble securing and maintaining affordable coverage. For many, relocating is not an option. We believe that with the right approach, we can provide insurance for consumers currently in homes susceptible to extreme weather while maintaining sound actuarial standards. In addition, several of Assurant's business partners have made commitments to reduce GHG emissions, which may relate to Scope 3 emissions allocated to our operations. A failure to meet these customers' emissions goals or timeframes could compromise Assurant's position as a business partner. |

### (C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Our Chief Risk Officer leads Assurant's global Office of Risk Management. The Company's internal risk governance structure is headed by the Executive Risk Committee, which is chaired by our CEO and composed of our Chief Risk Officer, Chief Financial Officer, Chief Operating Officer and Chief Legal Officer. It is responsible for the strategic directive of the Company's enterprise risk management and provides updates to the Board. The Enterprise Risk Management Committee (ERMC), which is chaired by our Chief Risk Officer and includes senior members of risk management and other areas of the Company, is responsible for the interdisciplinary oversight of business unit and enterprise risks and the design, management and recommendation of the risk appetite framework and limits. The ERMC reports to the Executive Risk Committee and provides regular updates to the Company's Management Committee.

The ERMC works with four reporting sub-committees, which are each comprised of company subject matter experts and members of the risk management team:

(1) The Business Risk Committee is comprised of leaders from each line of business and each functional support area and meets monthly to focus on operational and strategic risks associated with new and existing business.
(2) The Finance and Investment Risk Committee focuses on Assurant's exposure to financial and investment risks.
(3) The Reinsurance Risk Committee focuses on the insurance risk across the enterprise and approves the use of reinsurance to mitigate these risks.
(4) The Insurance Risk Committee focuses on risks associated with our insurance products.

Our risk committees informally integrate social and environmental factors into their practices by monitoring relevant potential long-term concerns that could impact our business, such as climate change. When the committees identify long-term risks, they work with other company functions to implement necessary programs and processes.

With exposure to natural catastrophe through our insured properties, Assurant maintains a high-quality panel of reinsurers, works with state regulators and incents physical risk management tools for flood-prone individuals. Our reinsurance program reduces our financial exposure to climate change and enhances our ability to protect nearly three million homeowner and renter policyholders against severe weather and other hazards.

In June of this year, we finalized our 2018 program with $1.3 billion in coverage, protecting 2.9 million homeowners and renters. To help verify the strength of the 2018 program, the Company tested the program against several of the most significant historical catastrophes dating back to the 1850s using an industry-leading catastrophe model. Through the testing, the model showed that if these events were to recur today (e.g., Hurricane Andrew, Hurricane Katrina or superstorm Sandy), Assurant's loss would be well within the U.S. catastrophe reinsurance program's limit.

We also prioritize opportunities that address the underlying causes of climate risk. For example, we educate consumers and regulators about the benefits of adopting climate-resilient improvements when constructing or repairing homes. To incentivize these behaviors, we offer discounts for those who have fortified their homes to mitigate the impacts of floods, hurricanes or other severe weather. Most of our international home policies offer discounts for customers who build with more resilient materials and install wind mitigation features.

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**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**
Yes

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Acute: Increased severity of extreme weather events such as cyclones and floods

**Type of financial impact driver**

Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

**Company- specific description**

Catastrophe losses, including human-made catastrophe losses, could materially reduce our profitability and have a material adverse effect on our results of operations and financial condition. In Global Housing, our lender-placed insurance is subject to a sizable portion of this risk. Lender-placed insurance products accounted for approximately 56 percent of Global Housing’s net earned premiums, fees and other income for the twelve months ended December 2017. The approximate corresponding contributions to segment net income in this period was 45 percent. U.S. regulation requires a bank or mortgage servicer to maintain gap-free insurance coverage if a homeowner's insurance lapses or fails to meet minimum requirements set by a bank or mortgage servicer. Because of the nature of lender-placed insurance, Assurant cannot assess the property prior to the insurance activating. Additionally, properties may turn to lender-placed insurance after other insurance companies refused to cover the property due to elevated risk. Assurant has observed an increase in lender-placed insurance in areas with higher exposure to tropical cyclones, especially along the coasts and Gulf of Mexico (Florida, New York, and Texas). In Florida, the increased risk and costs from hurricanes has led many insurers to withdraw from the state. Citizens Property Insurance, the state-founded insurer (the insurer of last resort), can reject covering a property for limited reasons. In this manner, Assurant’s lender-placed insurance may take the role of insurer of last resort on properties with high climate-related risks. In other areas prone to drought, such as California, properties experiencing higher fire risk exposure may receive an Assurant lender-placed policy. Lender-placed insurance inherently carries substantial risk. As the percentage of risk relating to climate increases, Assurant must better understand, reduce, and mitigate climate-related risk.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**
High
**Potential financial impact**
1300000000
**Explanation of financial impact**
Our 2017 catastrophe reinsurance program absorbed more than $600 million in total gross losses and supported policyholders during numerous natural disasters. In June of this year, we finalized our 2018 program with $1.3 billion in coverage, protecting 2.9 million homeowners and renters.
**Management method**
Responsible risk sharing, largely from reinsurance, forms the foundation of Assurant's risk mitigation strategy. Assurant considers reinsurers as strategic partners and credits transparency to our strong relationships with more than 40 global firms. In addition, the diversified composition of Assurant's business portfolio helps to mitigate the impacts from risks associated with a single physical location or business line. As we continue to grow our businesses into new regions and markets, we further spread our physical and business risks. Assurant purchases forward-looking catastrophe and storm models from several modeling agencies. Our in-house meteorologist, hydrologist and catastrophe modelers also work with modeling agencies to help improve Assurant’s models. Assurant employs a proprietary view of risk, which combines and adjusts results from several models to arrive at a comprehensive annual assessment of our climate-related risk, policy rates and reinsurance costs.
**Cost of management**
126000000
**Comment**
Cost of management refers to Assurant’s approximate property catastrophe reinsurance premiums in 2017. The potential financial impact is the cumulative coverage of our property catastrophe reinsurance program.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

**Type of financial impact driver**

Other, please specify (Reduced profits)

**Company- specific description**

Catastrophe losses, including human-made catastrophe losses, could materially reduce our profitability and have a material adverse effect on our results of operations and financial condition. In Global Housing, our participation in FEMA’s National Flood Insurance Program is subject to a portion of this risk. In the US, FEMA's National Flood Insurance Program (NFIP) subsidizes properties considered "preferred risk", or those with higher exposure to climate change risks. In 1983, the NFIP started the collaborative Write Your Own (WYO) Program, which allows private insurers to issue and service flood insurance. FEMA assumes all risks and underwriting costs associated with these policies, but the NFIP’s total debt currently exceeds $24 billion, which does not include any debts incurred from Hurricanes Harvey, Irma and Maria. Unless FEMA adopts higher premiums that reflect increased climate-related risk and incents risk reducing behaviors, like relocation or flood resilient construction, the NFIP’s increasing debt may restrict future claim reimbursements to insurers. FEMA’s lack of policies and incentives that prevent or reduce climate-related risk also hinders Assurant’s ability to use similar tools to address the underlying causes of climate-related risk. In addition, Congress must also reauthorize the NFIP periodically. A failure to reauthorize the NFIP, beyond the current extension period of November 30, 2018, would effectively stop the sales and renewal of NFIP flood policies, which may reduce our role as the second largest administrator in the WYO program.

**Time horizon**

Medium-term

**Likelihood**

Unlikely

**Magnitude of impact**

High

**Potential financial impact**

100000000

**Explanation of financial impact**

At present, Assurant is one of the largest administrators of policies in the WYO Program. Thus, any late, reduced, or denied repayment poses a risk to future profits.

### Management method

Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it. As one of the largest flood insurance carrier for the U.S. government under the voluntary National Flood Insurance Program (“NFIP”), Assurant educates FEMA and national legislators on flood cat models and the climate-related flood risk that may influence future policy. In all regulator outreach, Assurant stresses the need to accelerate insurance policy and products that incent lower-risk behaviors, like adopting climate resilient construction practices, and thus address an underlying cause of climate-related risk.

### Cost of management

3500000

### Comment

The cost of management estimates the total shared costs for various business functions that support Risk 2, Risk 4, Opportunity 1, and Opportunity 2. This estimate represents a portion of our costs to run our legal, compliance, government relations, and actuarial teams. $3,500,000 is the mean of our $2,000,000 to $5,000,000 estimated range. The risk of FEMA not honoring its obligations to insurers is remote, but the potential financial impacts of this occurring would be significant to our business. The estimated potential financial impact of $100 million assumes FEMA only pays 80 percent of their obligations on gross losses of $500 million occurred in a bad flood season.

**Identifier**
Risk 3
**Where in the value chain does the risk driver occur?**
Direct operations
**Risk type**
Transition risk
**Primary climate-related risk driver**
Policy and legal: Mandates on and regulation of existing products and services
**Type of financial impact driver**
Policy and legal: Increased costs and/or reduced demand for products and services resulting from fines and judgments
**Company- specific description**
We are subject to extensive laws and regulations, which increase our costs and could restrict the conduct of our business. Violations or alleged violations of such laws and regulations could have a material adverse effect on our reputation, business and results of operations. Our business is also subject to risks related to reductions in the insurance premium rates we charge. Changes in insurance regulation may reduce our profitability and limit our growth. In the United States, insurance regulators attempt to maintain orderly markets, which can lead to moderation of indicated rate movements. One of the unintended consequences of this can be an insufficient differential in insurance rates for properties with high risk exposure to climate events and those with low exposure. Some state insurance departments do not allow the use of computer models in rate proposals, and in some cases the use of models is highly restricted. The evolving nature of climate change risk is not well captured without the ability to model situations and exposures on a go-forward basis, and the ability to build in pricing and underwriting preference for those insured that actively mitigate their exposure to climate change related risk.
**Time horizon**
Medium-term
**Likelihood**
Likely
**Magnitude of impact**
Medium-high
**Potential financial impact**
20000000
**Explanation of financial impact**

Faced with an inability to charge rates commensurate with risk, insurance companies can experience reduced profitability, reduce capacity, or even withdraw capacity from a given area or state. For example, some state insurance offices work to keep rates affordable, but many properties have a much greater catastrophe risk living near coastal regions or other catastrophe-prone areas.

### Management method

Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it. As one of the largest flood insurance carrier for the U.S. government's National Flood Insurance Program ("NFIP"), Assurant educates FEMA and national legislators on flood catastrophe models and climate-related flood risk that may influence future policy. In all regulator outreach, Assurant stresses the need to accelerate insurance policy and products that incent lower-risk behaviors, like adopting climate resilient construction practices, and thus address an underlying cause of climate-related risk. In addition, the diversified composition of Assurant's business portfolio helps to mitigate the impacts from risks associated with a single physical location or business line. As we continue to grow our businesses into new regions and markets, we further spread our physical and business risks.

### Cost of management

3500000

### Comment

The cost of management estimates the total shared costs for various business functions that support Risk 2, Risk 4, Opp. 1, and Opp. 2. This estimate represents a portion of our costs to run our legal, compliance, government relations, and actuarial teams. $3,500,000 is the mean of our $2 million to $5 million estimated range. The potential financial impact is based on estimated shortfalls between our proposed rates and the approved rates from state regulators, which effectively creates rate deficits for insurers. Currently, state regulators allow models calibrated to historical averages and will not consider forward-looking models when reviewing rates. The stated impact of $20 million is the mean of our $10 million to $30 million estimate for the potential impact of regulators refusing to approve higher rates based on forward-looking climate models and instead granting lower rates based on historical averages, which may not properly show how climate change affects weather patterns.

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Acute: Increased severity of extreme weather events such as cyclones and floods

**Type of financial impact driver**

Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

**Company- specific description**

Catastrophe losses, including human-made catastrophe losses, could materially reduce our profitability and have a material adverse effect on our results of operations and financial condition. In Global Housing, our voluntary flood and property insurance is subject to a portion of this risk. Unlike flood insurance issued under the National Flood Insurance Program ("NFIP"), Assurant assumes all risk and costs associated with primary (voluntary) flood insurance policies. As climate change impacts precipitation and the likelihood for hurricanes and storms that lead to flooding, risk exposure on primary flood insurance increases. Along with this risk, the effects of climate change may increase the demand for primary flood insurance. In 2017, roughly 15 percent of Assurant's Global Housing segment revenue was from voluntary manufactured housing and other voluntary insurance (including flood). As we continue expanding our flood insurance products, we face increasing exposure to properties with flood risk. As we grow our voluntary property insurance offerings in Central and South America through our Latin American and Caribbean Dwelling Program, Assurant faces increased risk exposure to properties in regions impacted by climate change-related catastrophes. Regions with high population growth are also catastrophe-prone regions, such as Puerto Rico, Chile, and Mexico. These countries are more likely affected by tsunamis, earthquakes, and hurricanes and rely on different catastrophe modeling than the U.S. regions we mainly operate in.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

High

**Potential financial impact**

1300000000

**Explanation of financial impact**

Our 2017 catastrophe reinsurance program absorbed more than $600 million in total gross losses and supported policyholders during numerous natural disasters. In June of this year, we finalized our 2018 program with $1.3 billion in coverage, protecting 2.9 million homeowners and renters. To help verify the strength of the 2018 program, the Company tested the program against several of the most significant historical catastrophes dating back to the 1850s using an industry-leading catastrophe model. Through the testing, the model showed that if these events were to recur today (e.g., Hurricane Andrew, Hurricane Katrina or superstorm Sandy), Assurant's loss would be well within the U.S. catastrophe reinsurance program's limit.

**Management method**

Responsible risk sharing, largely from reinsurance, forms the foundation of Assurant's risk mitigation strategy. Assurant considers reinsurers as strategic partners and credits transparency to our strong relationships with more than 40 global firms. In addition, the diversified composition of Assurant's business portfolio helps to mitigate the impacts from risks associated with a single physical location or business line. As we continue to grow our businesses into new regions and markets, we further spread our physical and business risks. Assurant purchases forward-looking catastrophe and storm models from several modeling agencies. Our in-house meteorologist, hydrologist and catastrophe modelers also work with modeling agencies to help improve Assurant's models. Assurant employs a proprietary view of risk, which combines and adjusts results from several models to arrive at a comprehensive annual assessment of our climate-related risk, policy rates and reinsurance costs.

**Cost of management**

126000000

**Comment**

Cost of management refers to Assurant's approximate catastrophe reinsurance premiums in 2017. The potential financial impact is the cumulative coverage of our property catastrophe reinsurance program.

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of climate adaptation and insurance risk solutions

**Type of financial impact driver**

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

**Company- specific description**

We see an opportunity for new regulations and building codes that mitigate climate risk. Currently, many state regulators and national legislators limit variance in property insurance rates and do not recognize risk mitigation efforts from homeowners and lenders. Through established relationships, Assurant is positioned to work with state regulators and legislators on regulation to decrease property insurance rates for those homeowners that mitigate climate risk via living/building away from coasts, following modern building standards, and avoiding low-elevation areas. For example, we have the opportunity to work with the state insurance regulatory departments to differentiate rates based on property locations and construction risk abatement. Also, individuals with flood insurance through FEMA's National Flood Insurance Program are not always getting credit for their climate risk mitigations, and we have the opportunity to provide differentiated prices where appropriate and become a leader in acknowledging and responding to these mitigation efforts.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Potential financial impact**

5000000

**Explanation of financial impact**

Collaborating with state regulators on new regulations that reward climate risk mitigations may reduce our costs for reinsuring climate related risks.

**Strategy to realize opportunity**

Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it. Our approach to regulatory engagement advocates for policies that help to mitigate climate-related risk. For example, insurance policies that incent lower-risk behaviors, like adopting climate resilient construction practices. We also work closely with state and local insurance departments to promote fair assessments of building construction that actively mitigate their properties' climate change risks. In addition, several Assurant employees also serve on committees of the Insurance Institute for Business and Home Safety (IBHS), and we provide financial support through our company's membership to further research methods aimed at fortifying homes and improving flood resiliency.

**Cost to realize opportunity**

3500000

**Comment**

The cost of management estimates the total shared costs for various business functions that support Risk 2, Risk 4, Opportunity 1, and Opportunity 2. This estimate represents a portion of our costs to run our legal, compliance, government relations, and actuarial teams. $3,500,000 is the mean of our $2,000,000 to $5,000,000 estimated range. The stated potential financial impact of $5 million assumes improved building codes encourage better building practices, which generates a 5 percent improvement on losses in a year with $100 million of losses.

**Identifier**
Opp2
**Where in the value chain does the opportunity occur?**
Customer
**Opportunity type**
Markets
**Primary climate-related opportunity driver**
Access to new markets
**Type of financial impact driver**
Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)
**Company- specific description**
As insurance companies increase their underwriting criteria and pricing of their insurance products in locations with exposure to catastrophes, many homeowners have trouble securing and maintaining affordable coverage. For many, relocating is not an option. We believe that with the right approach, we can provide insurance for consumers currently in homes susceptible to extreme weather while maintaining sound actuarial standards.
**Time horizon**
Medium-term
**Likelihood**
More likely than not
**Magnitude of impact**
Medium
**Potential financial impact**
10000000
**Explanation of financial impact**
In states or regions experiencing capacity restrictions on voluntary homeowner's insurance, it is possible that increased usage of lender-placed insurance could result, leading to growth in this product offering. Areas with increased lender-placed insurance are typically also affected by consistent price increases from the National Flood Insurance Program (NFIP), and to that end may also be receptive to private market flood alternatives, such as those written by Assurant.
**Strategy to realize opportunity**
Through our lender-placed insurance products, which also serve to protect lenders, consumers are provided the opportunity to secure coverage when other options may not be available. Assurant is prepared and committed for the long term to remaining in Florida as well as other catastrophe-prone areas we service. We take a long-term approach that is responsible to consumers, investors and society.

While we provide coverage for homeowners who lose coverage because of climate risk, we do not underwrite policies in repetitive loss zones, as we believe it is important to follow responsible building practices. We also educate consumers and regulators about the benefits of adopting climate-resilient improvements when constructing or repairing homes. To incentivize these behaviors, we offer discounts for those who have fortified their homes to mitigate the impacts of floods, hurricanes or other severe weather. Most of our international home policies offer discounts for customers who build with more resilient materials and install wind mitigation features.

**Cost to realize opportunity**

3500000

**Comment**

The cost of management estimates the total shared costs for various business functions that support Risk 2, Risk 4, Opportunity 1, and Opportunity 2. This estimate represents a portion of our costs to run our legal, compliance, government relations, and actuarial teams. $3,500,000 is the mean of our $2,000,000 to $5,000,000 estimated range. The stated potential financial impact of $10 million assumes we add $100 million in new premiums from states or regions experiencing capacity restrictions on voluntary homeowner’s insurance and/or price increases from the National Flood Insurance Program (NFIP).

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Type of financial impact driver**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**

Assurant operates two facilities in the United States and one facility in the United Kingdom that provide mobile phone repair and logistics services. In helping consumers protect their increasingly connected lives, Assurant processed 7.7 million mobile devices in 2017, repairing or reselling them while adhering to rigorous environmental practices. We also recycled 1.2 million mobile devices last year through certified partners, reusing valuable materials and reducing the amount of e-waste dumped in landfills. Our mobile operational goals include increasing device reuse rate to 88 percent and recycling 55 percent of total waste by the end of 2018.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Medium-high

**Potential financial impact**

**Explanation of financial impact**

Assurant is incentivized both financially and environmentally to refurbish and reuse mobile devices instead of providing replacements or selling components.

**Strategy to realize opportunity**

Our mobile repair facilities tracks monthly device reuse and recycle rates and landfill conversion rates. We also maintain ISO 9001 and 14001 certifications at our York, Pennsylvania facility. By refurbishing mobile devices instead of simply providing replacements or selling components, we create a win-win-win for our business, clients, and environment. We measure the percentage of units received from customers which go back to customers in good working condition. We use that information to look for opportunities to increase device repair rates, such as through battery replacements, to support our goals to increase device reuse rates and recycle more waste by the end of 2018. During the past several years we have made significant investments in recycling compactors at our mobile device repair facilities to increase our landfill diversion rate. For example, our York facility recycled more than 80 percent of total waste in 2017.

**Cost to realize opportunity**

**Comment**

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### (C2.5) Describe where and how the identified risks and opportunities have impacted your business.

| | Impact | Description |
|---|---|---|
| Products and services | Impacted for some suppliers, facilities, or product lines | We educate consumers and regulators about the benefits of adopting climate-resilient improvements when constructing or repairing homes. To incentivize these behaviors, we offer discounts for those who have fortified their homes to mitigate the impacts of floods, hurricanes or other severe weather. Most of our international home policies offer discounts for customers who build with more resilient materials and install wind mitigation features. For example, through the Federal Emergency Management Agency's Community Ratings System, we can discount flood insurance rates if the customer lives in a community that is taking action to mitigate long-term risks. We also offer index-based insurance in certain geographies susceptible to climate change to protect consumers who are indirectly affected by extreme weather events. Index-based insurance provides coverage to businesses that are indirectly impacted by climate change, such as a business owner whose surrounding neighborhood damaged a natural disaster. |
| Supply chain and/or value chain | Impacted for some suppliers, facilities, or product lines | Assurant addresses business continuity and disaster recovery plans and protocols in its contracts with critical vendors language regarding our access to their business continuity and disaster recovery plans and protocols. We review these plans as part of our due diligence practices and facilitate exercises with them on how they should respond to an event and notify Assurant. |
| Adaptation and mitigation activities | Impacted for some suppliers, facilities, or product lines | The Office of Risk Management, in collaboration with Corporate Real Estate and Facilities, assesses all Assurant facilities for exposure to severe climate-related events and recommends improved climate resiliency where appropriate. For example, we fortified our Miami, Florida office with hurricane resistance glass that provides protection from hurricanes rated up to category 5 and full electrical generator capacity for use during a tropical cyclone and/or long-term power outage. We also provide optional electrical generators to most large facilities, with additional generators for data protection in select locations. We strategically relocated our data centers in the United States several years ago, so they are in regions less vulnerable to catastrophic events. We also use technology platforms that allow for virtual workstyles and data transfer to other facilities in the case of severe weather events. |
| Investment in R&D | Impacted for some suppliers, facilities, or product lines | We drive innovation through multiple approaches, including mergers and acquisitions, research and development funding, investments and partnerships with early stage companies. For example, we created Assurant Growth Investing (AGI), our corporate venture capital group, in 2015. AGI invests in venture and growth stage technology companies that may be complementary or disruptive to Assurant's core businesses. |
| Operations | Impacted for some suppliers, facilities, or product lines | By decreasing our energy and emissions throughout our value chain, Assurant can reduce our operating costs and enhance stakeholder relationships. Maintaining efficient operations also reduces the financial and operational risks posed by governments transitioning to low carbon economies, like a carbon tax or stricter environmental regulation. At an operational level, we set a goal to reduce energy consumption at our facilities by a minimum of 2 percent annually for the past eight years. To achieve this goal, we invest steadily in energy-efficient lighting and HVAC |

| | Impact | Description |
|---|---|---|
| | | systems and share best practices from successful facilities with other facility managers on a regular basis. From 2007 to 2017, we've cut our energy consumption by approximately 47 million kilowatt hours (kWh) and in doing so saved more than $1.6 million dollars. |
| Other, please specify | Please select | |

## (C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

| | Relevance | Description |
|---|---|---|
| Revenues | Impacted for some suppliers, facilities, or product lines | Unless FEMA adopts higher premiums that reflect increased climate-related risk and incents risk reducing behaviors, like relocation or flood resilient construction, the NFIP's increasing debt may restrict future claim reimbursements to insurers. At present, Assurant services the second largest number of policies in the WYO Program. Thus, any late, reduced, or denied repayment poses a risk to future profits. |
| Operating costs | Impacted for some suppliers, facilities, or product lines | We measure total energy consumption of most of our facility footprint and take steps to reduce our consumption. From 2007 to 2017, we've cut our energy consumption by approximately 47 million kilowatt hours (kWh) and in doing so saved more than $1.6 million dollars. |
| Capital expenditures / capital allocation | Impacted for some suppliers, facilities, or product lines | Assurant initiated a leased site assessment (LSA) as the first step prior to signing or renewing any lease. We plan to add minimum energy efficiency standards to the LSA by 2020 and will prioritize signing new leases for environmentally friendly facilities or LEED/ENERGY STAR certified locations. |
| Acquisitions and divestments | Impacted for some suppliers, facilities, or product lines | The diversified composition of Assurant's business portfolio helps to mitigate the impacts from risks associated with a single physical location or business line. As we continue to grow our businesses into new regions and markets, we further spread our physical and business risks. For example, on May 31, 2018, Assurant completed the acquisition of TWG Holdings Limited ("TWG") and its subsidiaries. In addition, on August 1, 2018, we closed the sale of our mortgage solutions business and no longer provide property appraisal, preservation and valuation services. |
| Access to capital | Impacted for some suppliers, facilities, or product lines | As of December 31, 2017, we had approximately $540.0 million in holding company capital. We use the term "holding company capital" to represent the portion of cash and other liquid marketable securities held at Assurant, Inc., out of a total of $649.3 million, which we are not otherwise holding for a specific purpose as of the balance sheet date. We can use such capital for stock repurchases, stockholder dividends, acquisitions, and other corporate purposes. $250.0 million of the $540.0 million of holding company capital is intended to serve as a buffer against remote risks (such as large-scale catastrophe losses). |
| Assets | Impacted for some suppliers, facilities, or product lines | Our Assurant Asset Management team consistently looks to improve risk thinking and relative value analysis to enhance our portfolio performance. Improved understanding of ESG risk is no exception. As we move forward, we will continue to look for opportunities to incorporate enhanced ESG risk analysis, using both qualitative and quantitative approaches, into our overall credit process. Similarly, in real estate investing, underwriting and decision making includes ESG risk consideration, and we will continue to look for metrics and approaches to enhance our analysis. |

| | Relevance | Description |
|---|---|---|
| Liabilities | Impacted for some suppliers, facilities, or product lines | We have obligations and commitments to third parties as a result of our operations. Our liquidity and capital resources, as of December 31, 2017, are detailed in our 2017 Annual Report on pages 63 to 69. Liabilities for future policy benefits and expenses have been included in the commitments and contingencies table. Significant uncertainties relating to these liabilities include mortality, morbidity, expenses, persistency, investment returns, inflation, contract terms and the timing of payments. Climate Change may exacerbate many of these uncertainties. |
| Other | | |

## C3. Business Strategy

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**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

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**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

Yes, qualitative

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**(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

Our Integrated Approach to Climate-related Issues:

We believe considering and incorporating climate risks and opportunities into our business strategy drives long-term profitability and provides educational opportunities for our management and employees. Assurant faces the greatest risk exposure to climate change through our lender-placed, voluntary homeowners, renters and flood property insurance offerings, particularly in coastal regions prone to hurricanes. Ensuring the infrastructure of our facilities is resilient also helps to reduce the risk of business disruption from severe climate-related events.

Risk Sharing and Diversification:

Responsible risk sharing, largely from reinsurance, forms the foundation of Assurant's risk mitigation strategy. Assurant considers reinsurers as strategic partners and credits transparency to our strong relationships with more than 40 global firms. In addition, the diversified composition of Assurant's business portfolio helps to mitigate the impacts from risks associated with a single physical location or business line. As we continue to grow our businesses into new regions and markets, we further spread our physical and business risks.

Climate Risk Governance:

Our Chief Risk Officer, Chief Operating Officer and Chief Financial Officer, who each report directly to our CEO, oversee functions responsible for climate-related actions, policies and risk mitigation and management. Our Reinsurance Risk Committee reviews and approves our catastrophe reinsurance activities. Effective enterprise risk management is crucial in the allocation of climate-related risks in our business. For our Global Housing business, our Reinsurance Risk Committee monitors catastrophe exposure monthly and reports results to the Finance and Risk Committee of the Board on a regular basis. The Enterprise Risk Management Committee (ERMC) reports to the Executive Risk Committee. For a detailed description of the ERMC and its sub-committees, please see C1.2a of this response.

Catastrophe Modeling:

Assurant purchases forward-looking catastrophe and storm models from several modeling agencies. Our in-house meteorologist, hydrologist and catastrophe modelers also work with modeling agencies to help improve Assurant's models. Assurant employs a proprietary view of risk, which combines and adjusts results from several models to arrive at a comprehensive annual assessment of our climate-related risk, policy rates and reinsurance costs.

Stakeholder Engagement:
Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it.

Our approach to regulator engagement advocates for policies that help to mitigate climate-related risk. For example, insurance policies that incent lower-risk behaviors, like adopting climate resilient construction practices. We also work closely with state and local insurance departments to promote fair assessments of building construction that actively mitigate their properties' climate change risks.

We continue to bolster our understanding of climate change issues impacting our business. We review thought leadership, such as the UNEP Insurance 2030 Report and CERES Insurer Climate Risk Disclosure Survey Report and Scorecard, to provide suggestions and actions to improve our climate change risk mitigation. Several Assurant employees also serve on committees of the Insurance Institute for Business and Home Safety (IBHS), and we provide financial support through our company's membership to further research methods aimed at fortifying homes and improving flood resiliency.

Climate Resilience of Assurant Facilities:
We assess all Assurant facilities for exposure to severe climate-related events and recommends improved climate resiliency where appropriate. For example, we fortified our Miami, Florida office with hurricane resistance glass that provides protection from hurricanes rated up to category 5 and full electrical generator capacity for use during a tropical cyclone and/or long-term power outage. We also provide optional electrical generators to most large facilities, with additional generators for data protection in select locations. We strategically relocated our data centers in the United States several years ago, so they are in regions less vulnerable to catastrophic events. We also use technology platforms that allow for virtual workstyles and data transfer to other facilities in the case of severe weather events.

Energy, Emissions, Waste:

By decreasing our energy and emissions throughout our value chain, Assurant can reduce our operating costs and enhance stakeholder relationships. Maintaining efficient operations also reduces the financial and operational risks posed by governments transitioning to low carbon economies, like a carbon tax or stricter environmental regulation. At Assurant, we aim to identify, monitor and report our relevant energy consumption and greenhouse gas (GHG) emissions and improve our energy and emissions intensity. At an operational level, we set a goal to reduce energy consumption at our facilities by a minimum of 2 percent annually for the past eight years. To achieve this goal, we invest steadily in energy-efficient lighting and HVAC systems and share best practices from successful facilities with other facility managers on a regular basis.

Assessing ESG Risks and Opportunities in Our Investments:
To meet our objective of generating consistent, long-term, risk-adjusted investment income, Assurant Asset Management must perform significant risk analysis as part of any investment decision. Investment outperformance relative to the market over the long-term is supported by more robust risk analysis, including the impacts of ESG topics. As we move forward, our Assurant Asset Management team will continue to look for opportunities to incorporate enhanced ESG risk analysis, using both qualitative and quantitative approaches, into our overall credit process. Similarly, in real estate investing, underwriting and decision making includes ESG risk consideration, and we will continue to look for metrics and approaches to enhance our analysis.

Additional Opportunities:
As we strengthen our climate strategy, we continue expanding our understanding of consumer needs and global trends, including a more comprehensive look at global climate change impacts. To maintain market leadership, we will continue to incorporate climate change risks and opportunities into our decision-making processes and maximize our operational efficiency.

## (C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

| Climate-related scenarios | Details |
|---|---|
| Other, please specify (Catastrophe and storm models & scenarios) | In 2018, we published three examples to demonstrate how Assurant’s 2018 property catastrophe reinsurance program would hypothetically work for a Florida-only event, Texas-only and a multi-storm scenario in 2018. Assurant purchases both long- and short-term, forward-looking catastrophe and storm models from several modeling agencies that have additional settings that project a medium-term view (5-year projection). Our in-house meteorologist, hydrologist, and catastrophe modelers also work with modeling agencies to help improve their models. Assurant combines data and modelling from multiple vendors to form a proprietary view of the unique risks represented by Assurant’s insurance portfolio. We use this tailored approach to annually assess our climate-related risk, policy rates and reinsurance costs. We selected these scenarios based in part on these catastrophe and storm models to demonstrate how severe storms may impact our Global Home business in the short-term. Below is a summary of the three examples we published: Example One: A hurricane strikes Florida-only and causes gross losses for Assurant of $885 million. We would expect this to result in a pre-tax net catastrophe loss of $120 million for Assurant before the impact of reinstatement premiums. Example Two: A hurricane strikes Texas-only and causes gross losses for Assurant of $265 million. We would expect this to result in a pre-tax net catastrophe loss of $120 million for Assurant before the impact of reinstatement premiums. Example Three: Multiple hurricanes strike and cause gross losses for Assurant of $1.72 billion. We would expect this to result in a pre-tax net catastrophe loss of $360 million for Assurant before the impact of reinstatement premiums. These examples demonstrate how catastrophe modeling and scenario planning influence Assurant’s Global Home property catastrophe reinsurance program. They do not include the impact of reinstatement premiums. Actual results may differ materially from these examples. |

## C4. Targets and performance

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Scope**

Scope 2 (location-based)

**% emissions in Scope**

100

**% reduction from base year**

20

**Base year**

2009

**Start year**

2009

**Base year emissions covered by target (metric tons CO2e)**

35252

**Target year**

2020

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**% achieved (emissions)**

100

**Target status**

Underway

**Please explain**

From 2007 to 2017, we've cut our energy consumption by 47 million kilowatt hours. In 2017, we reduced our energy consumption in our operational control by nearly 5 percent compared to 2016. Although we've exceeded our 2020 goal, we continue to set annual energy reduction goals at our facilities between 2 to 5 percent and will monitor this goal through 2020.

### (C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

### (C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

### (C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

| | Number of projects | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 0 | 0 |
| To be implemented* | 1 | 58 |
| Implementation commenced* | 0 | 0 |
| Implemented* | 5 | 171 |
| Not to be implemented | 0 | 0 |

### (C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Activity type**

Energy efficiency: Building services

**Description of activity**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

76

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

6396

**Investment required (unit currency – as specified in CC0.4)**

7344

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

20.5

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

3300

**Investment required (unit currency – as specified in CC0.4)**

6600

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

7.8

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

800

**Investment required (unit currency – as specified in CC0.4)**

3000

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

47.5

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

4000

**Investment required (unit currency – as specified in CC0.4)**

1800

**Payback period**

<1 year

**Estimated lifetime of the initiative**

6-10 years

**Comment**

---

**Activity type**
Energy efficiency: Building services
**Description of activity**
Lighting
**Estimated annual CO2e savings (metric tonnes CO2e)**
19.2
**Scope**
Scope 2 (location-based)
**Voluntary/Mandatory**
Voluntary
**Annual monetary savings (unit currency – as specified in CC0.4)**
1950
**Investment required (unit currency – as specified in CC0.4)**
5200
**Payback period**
1-3 years
**Estimated lifetime of the initiative**
11-15 years
**Comment**

---

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---|
| Financial optimization calculations | |
| Compliance with regulatory requirements/standards | |

---

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

## C5. Emissions methodology

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

January 1 2009

**Base year end**

December 31 2009

**Base year emissions (metric tons CO2e)**

627

**Comment**

**Scope 2 (location-based)**

**Base year start**

January 1 2009

**Base year end**

December 31 2009

**Base year emissions (metric tons CO2e)**

35252

**Comment**

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

---

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Row 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

1557

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**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Row 1**

**Scope 2, location-based**

26915.9

**Scope 2, market-based (if applicable)**

26915.9

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**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

---

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

We are excluding some emissions from company vehicles routinely operated for Assurant business.

**Relevance of Scope 1 emissions from this source**

Emissions are relevant but not yet calculated

**Relevance of location-based Scope 2 emissions from this source**

No emissions from this source

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

No emissions from this source

**Explain why the source is excluded**

At present, we are unable to disclose all vehicle emissions from company vehicles routinely operated for Assurant business. For Scope 1 emissions, detailed fuel consumption for company vehicles routinely operated at our U.K. operations is partially available for 2017. We report only Scope 1 emissions from leased vehicles operated in the U.S. and reimbursed mileage in the U.K. We are investigating reasonable ways to track and report more of this source in the future. For Scope 2 emissions, this source does not create any Scope 2 emissions.

---

**Source**

We are excluding emissions from gasoline and diesel fuel consumed at our U.S. and U.K. operations not associated with company vehicles routinely operated for Assurant business (e.g., emergency generators, maintenance vehicles).

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

No emissions from this source

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

No emissions from this source

**Explain why the source is excluded**

We set a threshold of 1 percent of our total Scope 1 and 2 emissions to determine if a source is relevant. For Scope 1 emissions, we calculated emissions from gasoline and diesel fuel consumed at our U.S. and U.K. operations (not associated with company vehicles routinely operated for Assurant business) account for less than 0.5 percent of our annual emissions. Since this percentage falls below our 1 percent threshold, we determined this source is not relevant to disclose. For Scope 2 emissions, this source does not create any Scope 2 emissions.

---

**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**
Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Capital goods**
**Evaluation status**
Relevant, not yet calculated
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**
Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**
**Evaluation status**
Not relevant, explanation provided
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**
Assurant has not identified any fuel-and-energy-related activities that we do not already include in Scope 1 or 2 emissions.

**Upstream transportation and distribution**
**Evaluation status**
Relevant, not yet calculated
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**
Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Waste generated in operations**
**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Business travel**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

6073.5

**Emissions calculation methodology**

Prepared using World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6, which uses the 2014 IPCC Fifth Assessment Report GWP

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Explanation**

The reported business travel emissions cover rental car and air travel booked through our top travel partners and excludes all hotel stays.

**Employee commuting**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Upstream leased assets**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Downstream transportation and distribution**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Products sold by Assurant do not require significant transportation and distribution after the point of sale.

**Processing of sold products**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Assurant does not sell products that require further processing by the customer.

**Use of sold products**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Assurant does not sell products that consume significant amounts of energy or release significant direct GHG emissions during use.

**End of life treatment of sold products**

**Evaluation status**
Relevant, not yet calculated
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**
Assurant has not identified a reasonable means to track or estimate this source of emissions.

**Downstream leased assets**
**Evaluation status**
Not relevant, explanation provided
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**
Assurant does not own assets that we lease to other entities.

**Franchises**
**Evaluation status**
Not relevant, explanation provided
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**
Assurant does not operate any franchises.

**Investments**
**Evaluation status**
Relevant, not yet calculated
**Metric tonnes CO2e**
**Emissions calculation methodology**
**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
**Explanation**

Assurant has not identified a reasonable means to track or estimate this source of emissions.

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**(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

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**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.0000044

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

28473

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

6415000000

**Scope 2 figure used**

Location-based

**% change from previous year**

8

**Direction of change**

Increased

**Reason for change**

We reported $1.1bn less revenue in 2017 than 2016. Our decreased denominator increased our intensity figure reported in 2017.

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**Intensity figure**

0.0141

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

28473

**Metric denominator**

square foot

**Metric denominator: Unit total**

2015870

**Scope 2 figure used**

Location-based

**% change from previous year**

5

**Direction of change**

Increased

**Reason for change**

We updated the approximate square footage for our reported facilities in 2017, which decreased our denominator by almost 300,000 square feet. This change drove the increase in this intensity figure reported in 2017.

## C7. Emissions breakdowns

### (C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

No

### (C7.2) Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|---|---|
| United States of America | 1477 |
| United Kingdom of Great Britain and Northern Ireland | 80 |

### (C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

### (C7.3a) Break down your total gross global Scope 1 emissions by business division.

| Business division | Scope 1 emissions (metric ton CO2e) |
|---|---|
| Global Housing | 985.4 |
| Global Lifestyle | 363.2 |
| Global Preneed | 136.6 |
| Corporate and Other | 71.8 |

### (C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|---|---|---|---|---|
| United States of America | 26068.4 | 26068.4 | 47371 | 0 |
| United Kingdom of Great Britain and Northern Ireland | 847.5 | 847.5 | 2057 | 0 |

### (C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

### (C7.6a) Break down your total gross global Scope 2 emissions by business division.

| Business division | Scope 2, location-based emissions (metric tons CO2e) | Scope 2, market-based emissions (metric tons CO2e) |
|---|---|---|
| Global Housing | 6134.4 | 6134.4 |
| Global Lifestyle | 3392.8 | 3392.8 |
| Global Preneed | 876.1 | 876.1 |
| Corporate and Other | 16512.6 | 16512.6 |

### (C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

### (C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | | | | |
| Other emissions reduction activities | 1459 | Decreased | 4.7 | In 2017, our Scope 2 emissions decreased by this amount largely from a variety of energy reduction initiatives spread across our operations. |
| Divestment | | | | |
| Acquisitions | | | | |
| Mergers | | | | |
| Change in output | 695 | Decreased | 2.3 | In 2017, we discovered our GHG inventory in 2016 double counted our district steam emissions. By correcting our inventory, our Scope 2 emissions decreased. |

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in methodology | 1070 | Decreased | 3.5 | In 2017, we calculated our Scope 2 emissions from our three U.S. mobile factories using the appropriate e-Grid and GWP factors, which is more accurate than the average conversion factor of CO2e per KWH used in 2016. |
| Change in boundary | 864 | Increased | 2.8 | We reported Scope 1 emissions from leased company vehicles operated in the U.S. for the first time this year. |
| Change in physical operating conditions | | | | |
| Unidentified | 50 | Decreased | 0.2 | We could not identify an apparent reason for this reduction in emissions between 2016 and 2017. |
| Other | | | | |

### (C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

# C8. Energy

### (C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

### (C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertakes this energy-related activity |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | Yes |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

### (C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 12.8 | 12.8 |
| Consumption of purchased or acquired electricity | | 0 | 46702 | 46702 |
| Consumption of purchased or acquired heat | | 0 | 3402 | 3402 |
| Consumption of purchased or acquired steam | | 0 | 2726 | 2726 |
| Consumption of purchased or acquired cooling | | | | |
| Consumption of self-generated non-fuel renewable energy | | | | |
| Total energy consumption | | 0 | 52842 | 52842 |

### (C8.2b) Select the applications of your organization's consumption of fuel.

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

### (C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

12.8

### (C8.2d) List the average emission factors of the fuels reported in C8.2c.

**Motor Gasoline**

**Emission factor**

8.78

**Unit**

kg CO2e per gallon

**Emission factor source**

EPA Emission Factors for Greenhouse Gas Inventories Last Modified: 4 April 2014 https://www.epa.gov/sites/production/files/2015-07/documents/emission-factors_2014.pdf

**Comment**

### (C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

**Basis for applying a low-carbon emission factor**

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

# C9. Additional metrics

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

# C10. Verification

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | No third-party verification or assurance |

# C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

**Scope**

Scope 1

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Assurant 2017 CDP Verification Statement.pdf

**Page/ section reference**

Page 1: Boundaries of the reporting company GHG emissions covered by the verification; Emissions data verified; Period covered by GHG emissions verification; GHG Verification Protocols used to conduct the verification; Level of Assurance and Qualifications Page 2: Verification Opinion Page 3: Sign-off

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

23

**Scope**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Assurant 2017 CDP Verification Statement.pdf

**Page/ section reference**

Page 1: Boundaries of the reporting company GHG emissions covered by the verification; Emissions data verified; Period covered by GHG emissions verification; GHG Verification Protocols used to conduct the verification; Level of Assurance and Qualifications Page 2: Verification Opinion Page 3: Sign-off

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

70

**Scope**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

Assurant 2017 CDP Verification Statement.pdf

**Page/ section reference**

Page 1: Boundaries of the reporting company GHG emissions covered by the verification; Emissions data verified; Period covered by GHG emissions verification; GHG Verification Protocols used to conduct the verification; Level of Assurance and Qualifications Page 2: Verification Opinion Page 3: Sign-off

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

70

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

# C12. Engagement

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our customers

Yes, other partners in the value chain

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**Size of engagement**

35

**% Scope 3 emissions as reported in C6.5**

10

**Please explain the rationale for selecting this group of customers and scope of engagement**

We educate consumers and regulators about the benefits of adopting climate-resilient improvements when constructing or repairing homes. To incentivize these behaviors, we offer discounts for those who have fortified their homes to mitigate the impacts of floods, hurricanes or other severe weather. Most of our international home policies offer discounts for customers who build with more resilient materials and install wind mitigation features. For example, through the Federal Emergency Management Agency's Community Ratings System, we can discount flood insurance rates if the customer lives in a community that is taking action to mitigate long-term risks. We also offer index-based insurance in certain geographies susceptible to climate change to protect consumers who are indirectly affected by extreme weather events. Index-based insurance provides coverage to businesses that are indirectly impacted by climate change, such as a business owner whose surrounding neighborhood damaged a natural disaster.

**Impact of engagement, including measures of success**

We monitor and measure success by the adoption rate and overall percentage of home insurance policies that take advantage of climate-resilience discounts or credits. Another related measure of success is our yearly premiums for property catastrophe reinsurance program. Adopting climate resilience improvements may reduce catastrophe claims, which may reduce business travel emissions related to servicing those claims. We loosely estimate 5 to 15 percent of Scope 3 emissions reported in C6.5 are attributed to business travel related to catastrophe claims based on the severity weather in the year.

**(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.**

Assurant works closely with state and national regulators and our reinsurance partners.

Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it.

Our approach to regulator engagement advocates for policies that help to mitigate climate-related risk. For example, insurance policies that incent lower-risk behaviors, like adopting climate resilient construction practices. We also work closely with state and local insurance departments to promote fair assessments of building construction that actively mitigate their properties' climate change risks.

Assurant views its reinsurers as strategic partners and credits transparency to our good standing with over 40 global firms. Assurant limits the amount of risk placed with any given reinsurance firm based on the firm's financial health and insurer rating to spread risk across many well capitalized companies. Assurant combines after-market data on lender-placed properties with projections from catastrophe models to manage internal risk exposure and to share with reinsurers. In 2018, we finalized our property catastrophe reinsurance program with more than 40 reinsurers that are all rated A- or better by A.M. Best.

## (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

## (C12.3a) On what issues have you been engaging directly with policy makers?

| Focus of legislation | Corporate position | Details of engagement | Proposed legislative solution |
|---|---|---|---|
| Adaptation or resilience | Support with minor exceptions | Assurant works with state and national regulators, focusing especially on our relationships in areas facing elevated risk from climate change, such as those along the coasts, or national programs exposed to this risk, like FEMA. We believe engagement with regulators provides the best path to address climate-related risks while ensuring access to fair-priced insurance. We also offer lower insurance rates for structures that are built inland or adopt climate-resilient improvements in regions where local regulations allow it. | Our approach to regulator engagement advocates for policies that help to mitigate climate-related risk. For example, insurance policies that incent lower-risk behaviors, like adopting climate resilient construction practices. We also work closely with state and local insurance departments to promote fair assessments of building construction that actively mitigate their properties' climate change risks. Several Assurant employees also serve on committees of the Insurance Institute for Business and Home Safety (IBHS) and we provide financial support through our company's membership to further research methods aimed at fortifying homes and improving flood resiliency. |

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

No

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Our government relations group work closely with Assurant's Management Committee to ensure our direct and indirect activities that influence policy stay consistent with our climate strategy.

---

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In voluntary sustainability report

**Status**

Underway – this is our first year

**Attach the document**

**Content elements**

Governance

Strategy

Risks & opportunities

Other metrics

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

aiz-news-2018-06-28-financial.pdf

**Content elements**

Strategy

Risks & opportunities

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## C14. Signoff

## C-FI

### (C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### (C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Executive Vice President, Chief Risk Officer and a member of the Company's Management Committee | Chief Risk Officer (CRO) |