Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

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

Assurant, Inc. ("Assurant" or the "Company") is a global provider of lifestyle and housing solutions that support, protect and connect major consumer purchases. The Company operates in North America, Latin America, Europe and Asia Pacific through three operating segments: Global Housing, Global Lifestyle and Global Preneed. Through our Global Lifestyle segment, we provide mobile device solutions and extended service products and related services for consumer electronics and appliances (referred to as "Connected Living"); vehicle protection and related services (referred to as "Global Automotive"); and credit and other insurance products (referred to as "Global Financial Services and Other"). Through our Global Housing segment, we provide lender-placed homeowners insurance, lender-placed manufactured housing insurance and lender-placed flood insurance (referred to as "Lender-placed Insurance"); renters insurance and related products (referred to as "Multifamily Housing"); and voluntary manufactured housing insurance, voluntary homeowners insurance and other specialty products (referred to as "Specialty and Other"). Through our Global Preneed segment, we provide pre-funded funeral insurance, final need insurance and related 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 $44 billion in assets as of December 31, 2019 and approximately $10 billion in revenues for the year ended December 31, 2019.

C0.2

(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
Reporting year	January 1, 2019	December 31, 2019	No

C0.3

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

Argentina
Australia
Brazil

Canada
Chile
China
Colombia
France
Germany
India
Italy
Japan
Mexico
Netherlands
Peru
Puerto Rico
Republic of Korea
Singapore
Spain
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

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

USD

C0.5

(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 chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Insurance underwriting (Insurance company)

C1. Governance

C1.1

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

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board, directly and through its committees, oversees our risk management policies and practices, including climate-related risk. The Board approves and oversees the Company's risk appetite and reviews management's assessment of key enterprise risks annually and management's strategy with respect to each risk. The Board's Finance and Risk (F&R) Committee has oversight responsibility for Assurant's investment strategies and, in conjunction with the Board's Audit Committee, oversees risk management and enterprise risk management activities. This includes oversight of our climate-related risk appetite and the integrity and adequacy of our risk mitigation strategies, including with respect to catastrophic, climate-related events. Additionally, the Board's Nominating and Corporate Governance Committee oversees our material Environment, Social and Governance (ESG) efforts, including climate-related actions, and receives an annual update compiled by leaders of our CSR/ESG Governing Oversight Committee.

C1.1b

(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	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding risk management policies	Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients	Assurant faces the greatest risk exposure to climate change through our lender-placed and voluntary homeowners, renters and lender-placed flood property insurance offerings, particularly in coastal regions prone to hurricanes. The Board, directly and through its committees, oversees our risk management policies and practices, including climate-related risk. The Board approves and oversees the Company's risk appetite and reviews management's assessment of key enterprise risks annually and management's strategy with respect to

			each risk. The Board's Finance and Risk (F&R) Committee has oversight responsibility for Assurant's investment strategies and, in conjunction with the Audit Committee, oversees risk management and enterprise risk management activities. This includes oversight of our climate-related risk appetite and the integrity and adequacy of our risk mitigation strategies, including with respect to catastrophic, climate-related events. Our Chief Strategy and Risk Officer, who reports directly to our Chief Executive Officer (CEO), regularly reports results to the F&R Committee and periodically to the Board. The SVP, Chief Actuary provides an annual actuarial update to the Audit Committee, including a review of actuarial reserve liabilities and the impact of climate-related risks, such as catastrophic events, and joins quarterly Audit Committee earnings meetings where catastrophic events impacting our financial statements and related disclosures are discussed. At the management level, our risk governance structure is headed by an Executive Risk Committee (ERC), comprised of the CEO, the Chief Financial Officer, the Chief Strategy and Risk Officer and the Chief Legal Officer. The ERC reviews the most significant risks and the mitigation and remediation plans that correspond to these risks, including climate-related actions, policies and risk mitigation and management. The CEO is a member of the Board.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on

and/or committee(s)				climate-related issues
Other C-Suite Officer, please specify Chief Strategy and Risk Officer	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Other committee, please specify Reinsurance Risk committee	Other, please specify Chief Strategy and Risk Officer	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities	Quarterly
Other committee, please specify CSR/ESG Oversight Governance Committee	Corporate Sustainability/CSR reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Quarterly
Other committee, please specify Executive Risk Committee (ERC)	Other, please specify Chief Strategy and Risk Officer	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly

C1.2a

(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 (do not include the names of individuals).

Members of Assurant's Management Committee, who report directly to our CEO, oversee functions responsible for climate-related actions, policies and risk mitigation and management and business operations. Risk management is the responsibility of the Chief Strategy and Risk Officer, who leads the risk management function and reports directly to the Chief Executive Officer and regularly reports to the F&R Committee and to the Board. Our risk governance framework cascades downwards into the enterprise through various management committees. Our Chief Strategy and Risk Officer also oversees the Office of Risk Management (ORM). The ORM develops risk assessment and risk management policies, facilitates reporting and prioritizing in the assessment of risk and coordinates with the Internal Audit Services department and other departments and committees charged with functions related to risk management. Our internal risk governance structure is headed by the ERC, which is chaired by our CEO and composed of our Chief Strategy and Risk Officer, Chief Financial Officer and Chief Legal Officer. The ERC reviews the most significant risks and the mitigation and remediation plans that correspond to these risks, including climate-related risk.

For our Global Housing and Global Lifestyle businesses, our Reinsurance Risk Committee (RRC) monitors climate-related issues monthly. Our RRC reviews and approves our catastrophe reinsurance activities. The Chief Strategy and Risk Officer provides RRC updates to the F&R Committee of the Board on a regular basis, including on risk appetite related to reinsurance, changes to catastrophic risk, and material issues in catastrophe-prone areas where Assurant plans to take on business. The RRC reports into the enterprise-level Business Risk Committee (BRC), which is chaired by the Chief Strategy and Risk Officer and includes the leaders of each line of business, international and functional support areas.

The BRC meets monthly to focus on all key risks (i.e., inherent risks greater than $5 million Net Operating Income across the full spectrum of Assurant's risk taxonomy). The BRC 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 BRC reports and provides regular updates to the ERC.

Our risk committees 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.

Additionally, a cross-enterprise Assurant CSR/ESG Governing Oversight Committee identifies, reports and recommends actions, including those related to climate matters on a regular basis as part of the Company's CSR/ESG Dashboard, which tracks key ESG metrics (as discussed in

the Company's Social Responsibility report) and is shared with the Company's Management Committee. This Committee includes members of Assurant's Management Committee (in 2019 the members were the Chief Strategy and Risk Officer, Chief Legal Officer, Chief Human Resources Officer and Chief Communication and Marketing Officer), among other functional leaders and subject matter experts representing the Risk Management, Social Responsibility, Investor Relations, Legal, Human Resources, Innovation and Customer Experience departments.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Other C-Suite Officer	Non-monetary reward	Behavior change related indicator	In 2019, we launched a targeted Go Green program to accelerate our sustainability efforts and increase employee education and engagement. Our Chief Strategy and Risk Officer serves as executive sponsor of the Go Green program, and the program is reflected in annual performance targets that influence monetary rewards. In 2019, we completed the elimination of Styrofoam from our offices through the program, launched additional local initiatives such as our community engagement with Trees Atlanta, and are replacing single-use plastics with eco-friendly alternatives in partnership with our suppliers and reducing paper use enterprisewide.
Other C-Suite Officer	Monetary reward	Energy reduction project	In 2019, our Chief Marketing and Communication Officer was responsible for Assurant's overall Social Responsibility/ESG program reporting of progress related to the material topics, including Climate Action and Energy, Emissions, and Waste. Performance on the Social Responsibility/ESG program, including progress toward our two percent annual energy reduction goal, was reflected in annual goals that influenced 2019 monetary rewards.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3	15	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Assurant defines a substantive financial or strategic impact on our business when identifying or assessing climate-related risks as an impact from an individual catastrophe event that generated losses in excess of $5.0 million, pre-tax and net of reinsurance. All items greater than $5.0 million are reported to the Audit Committee on a quarterly basis. All risks with a potential impact to net operating income in excess of $10.0 million are reported to the Finance & Risk Committee for additional review.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

For our Global Housing and Global Lifestyle businesses, our RRC monitors catastrophe exposure monthly. Our RRC reviews and approves our catastrophe reinsurance activities. The Chief Strategy and Risk Officer provides RRC updates to the F&R Committee of the Board on a regular basis. 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. Additionally, the BRC meets monthly to focus on all significant risks (i.e., inherent risks greater than $5 million Net Operating Income across the full spectrum of Assurant's risk taxonomy).

The BRC, which is chaired by the Chief Strategy and Risk Officer and includes the leaders of each line of business, international and functional support areas, 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 BRC reports and provides regular updates to the ERC.

Risk management is the responsibility of the Chief Strategy and Risk Officer, who leads the Assurant risk management function and reports directly to the Chief Executive Officer and regularly reports to the F&R Committee and to the Board. Our risk governance framework cascades downwards into the enterprise through various management committees. Our Chief Strategy and Risk Officer also oversees the ORM. The ORM develops risk assessment and risk management policies, facilitates reporting and prioritizing in the assessment of risk and coordinates with the Internal Audit Services department and other departments and committees charged with functions related to risk management. The Company's internal risk governance structure is headed by the ERC, which is chaired by our CEO and composed of our Chief Strategy and Risk Officer, Chief Financial Officer and Chief Legal Officer. The ERC reviews the most significant risks and the mitigation and remediation plans that correspond to these risks, including climate-related risk.

Assurant prioritizes risks and opportunities based upon each business unit's exposure to catastrophe, flood, fire and other climate-related events. Assurant's business most prone to climate change impacts relate to the properties for which we provide lender-placed, specialty voluntary, multifamily (and/or flood property insurance through Assurant Global Housing. To help manage risk to Global Housing we maintain a high-quality panel of reinsurers, work with state regulators and incentivize flood-prone individuals to use physical risk management tools.

To enhance our understanding of our significant risk exposure to catastrophic events, we purchase third-party information that provides us additional building characteristics, which we include in our modelling process and supply to our panel of more than 40 reinsurers. We employ catastrophe models for various geographic regions that contain long-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. For short-term projections, we annually model our catastrophe reinsurance program against significant historical catastrophes such as Hurricane Andrew, Hurricane Katrina or Superstorm Sandy to ensure our resultant losses would be well within the program's limit. We also work with modelling agencies to improve their models with guidance from our in-house meteorologist, hydrologist and catastrophe modelers.

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.

Through our Global Automotive group, Assurant provides administrative services for vehicle service contracts (VSCs) and ancillary products providing coverage for vehicles. On January 1, 2019, car makers in China were required to sell a certain number of "New Energy Vehicles", defined as battery electrics, plug-in hybrids or fuel cell cars. The risks associated with this requirement were a reduced market for internal combustion vehicles for which Assurant provides VSCs, which may result in reduced revenue. At the same time, however, Assurant realized an opportunity to diversify our offerings and include VSCs for new energy vehicles, including the growing electric vehicle markets, to capitalize on this evolving landscape and consumer need. To capitalize on this opportunity, we evaluated and quantified the risks of providing VSCs for new energy vehicles to price out new VSC products, resulting in a partnership with a leading Chinese original equipment manufacturer to launch an extended warranty program catering to the electric-vehicle market. Through electric vehicle products and other innovative services, we believe that we can grow net operating income in the Global Lifestyle segment and continue to produce strong cash flows.

C2.2a

(C2.2a) Which 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 (NFIP) provided by the Federal Emergency Management Agency (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, we offer insurance policies that incentivize 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. For example, the Bank of England is currently developing a set of standards for operational resiliency covering companies in the financial sector operating in the UK. These standards will require firms to have plans in place to deliver essential services no matter the cause of the disruption, including climate-related severe weather events. These potential changes could adversely affect our revenue by requiring additional spending for contingency equipment and planning due to catastrophic disruption. At the same time, the possibility exists that catastrophic disruptions could create additional opportunities as clients turn to Assurant for support.
Technology	Relevant, sometimes included	Assurant's 2017 materiality assessment identified Innovation and Technology as one of our top 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 lead to increased connections between consumers and technology, as well as increased consumer expectations, Assurant uses technology platforms

		that allow for virtual workstyles and data transfer to other facilities to maintain operations and fast services for our customers. In the event of increased severe weather or catastrophic events, we risk losing the ability to provide a convenient, fast, self-service experience to our customers, which could cause our customer base to deteriorate.
Legal	Relevant, always included	Legal issues involving climate-related issues could include legal initiatives and court decisions in the aftermath of major catastrophes that could expand insurance coverage for catastrophic claims that would negatively impact our business.
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 our leading positions, we will continue to incorporate climate change risks and opportunities into our decision-making processes and maximize our operational efficiency. For example, Assurant committed to a new partnership with a leading Chinese original equipment manufacturer to launch an extended warranty program catering to the electric-vehicle market.
Reputation	Relevant, sometimes included	Assurant's 2017 materiality assessment identified Customer Relations as another key ESG topic. A failure to meet customer needs, preferences or timeframes could compromise Assurant's position as a market leader and our broader reputation. Each year in advance of hurricane season, for example, we conduct an awareness campaign through social media and communication outreach to reinforce readiness, especially in catastrophe prone states. Additionally, Assurant conducts social media tracking to review trending topics, gain additional insights on stakeholder comments and perceptions of the company. The social media tracking includes various ESG topics, such as climate, and feedback is considered when assessing reputational risks. If customers perceive Assurant as not taking action to help address climate change or provide services that mitigate climate-related risks, we could damage our reputation in the market, which could result in lost customers and lost revenues.
Acute physical	Relevant, always included	Assurant purchases forward-looking catastrophe and storm models from several modelling agencies. Our in-house meteorologist, hydrologist and catastrophe modellers also work with modelling 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 climate-related events and recommends improved climate

		resiliency where appropriate. For example, due to Florida's high exposure to hurricanes, we fortified our Miami, Florida office with hurricane resistant 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 such as hurricanes.
Chronic physical	Relevant, sometimes included	We continue to bolster our understanding of chronic physical climate change issues impacting our business. To mitigate potential chronic risks across our U.S. footprint, we have constructed depot locations both in Texas and Pennsylvania to ensure business continuity during disaster recovery. These diverse locations lower the risk that any chronic or acute physics risks would affect both depots.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Insurance underwriting (Insurance company)	Yes	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. We integrate several strategies into our business approach to mitigate these risks and seize opportunities, including diversifying our business away from insurance, risk sharing largely through reinsurance and catastrophe modelling.
Other products and services, please specify		

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Insurance underwriting	Minority of the portfolio	Qualitative and quantitative	Through the use of industry standard modelling tools, Assurant quantifies its risk to hurricane and

(Insurance company)			voluntary flood risks on a semi-annual basis. Changes in total insured value and hot spots are updated monthly, with aggregates and trends reported to management on a quarterly basis.

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	Assurant faces the greatest risk exposure to water-related events through our lender-placed, voluntary homeowners, renters and flood property insurance offerings, particularly in coastal regions prone to hurricanes, and arid regions prone to drought.
Other products and services, please specify			

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Insurance underwriting (Insurance company)	No, we don't assess this	Wildfire exposure does not represent a material risk to Assurant. For this reason, modelling is not performed for this peril.
Other products and services, please specify		

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	Assurant plans to establish more rigorous and explicit ESG investment policies going forward, which may

		include requesting climate-related information from investees.
Other products and services, please specify	Yes	

C2.3

(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

(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 & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

In Global Housing, our lender-placed insurance is subject to a sizable portion of this risk. Lender-placed insurance products accounted for approximately 55 percent of Global Housing's net earned premiums, fees and other income for the twelve months ended December 2019. 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.

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 (e.g., New York) and the Gulf of Mexico (e.g., Florida 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

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,400,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

On Assurant's property portfolio, the probability of an $80 million Catastrophe Loss is ~1 in 4 years. Above this level, Assurant is protected by reinsurance up to a $1.4 billion event loss, which represents the potential financial impact and is the cumulative coverage of our property catastrophe reinsurance program. This includes the U.S. main tower of $1.16 billion, which has an occurrence probability of 1 in 174 years, as well as coverage provided by the Florida Hurricane Catastrophe Fund of $243 million. Renewals subject to changes in coverage amount, retention and cost. The 2019 program protects more than 3 million homeowners and renters.

Cost of response to risk

163,000,000

Description of response and explanation of cost calculation

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. The 2019 Catastrophe Reinsurance Program includes coverage in the Caribbean of up to $177.5 million in excess of $17.5 million, and the extension of our 2018 Latin America protection of up to $427.5 million in excess of $4.5 million. Additionally, in 2019, we placed coverage for a third event in the Caribbean, with protection of up to $27.5 million in excess of 17.5 million retention.

Assurant purchases forward-looking catastrophe and storm models from several modelling agencies. Our in-house meteorologist, hydrologist and catastrophe modellers also work with modelling 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. We tested the program against several of the most significant historical catastrophes dating back to the 1850s using industry-leading catastrophe models. The model showed 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.

The cost of the response to risk refers to Assurant's approximate property catastrophe reinsurance premiums in 2019. The premiums paid are for the US main tower ($114.5 million), the Florida Hurricane Cat Fund ($16.8 million), the Caribbean Cat treaty ($15 million), the Latin America Cat Treaty ($12.8 million) and the Multiline Property Per Risk ($3.6 million). Actual reinsurance premiums will vary if exposure changes significantly from estimates or if reinstatement premiums are required due to catastrophe events.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

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 NFIP is subject to a portion of this risk. Assurant is the second largest administrator for the U.S. government under NFIP.

In the U.S., FEMA's 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, as of December 2019, is reported to exceed $20 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 incentivizes 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 September 30, 2020, 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

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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. The potential financial impacts of this occurring would be significant to our business. Assurant calculated the potential financial impact during a bad flood season, which could result in a potential gross loss of $500 million. If FEMA pays only 80% ($400 million) of their obligations on a gross loss of $500 million, it could result in an estimated potential financial impact to Assurant of $100 million—the 20% that FEMA did not cover ($500 million x 20% = $100 million).

Cost of response to risk

3,500,000

Description of response and explanation of cost calculation

The cost of management estimates the total shared costs for various business functions that support Risk 2, Risk 3, 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.

Assurant works with state and national regulators, focusing especially on areas facing elevated risk from climate change, such as 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 carriers for the U.S. government under the voluntary NFIP, Assurant educates FEMA and national legislators on flood catastrophe models and the climate-related flood risk that may influence future policy. In regulator outreach, Assurant stresses the need to accelerate insurance policy and products that incentivize lower-risk behaviors, like adopting climate resilient construction practices, and thus address an underlying cause of climate-related risk.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Regulation and supervision of climate-related risk in the financial sector

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

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 materially 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 seek to maintain orderly markets, which can lead to moderation of indicated rate movements. One of the unintended consequences of this can be a potentially 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 submitted by companies such as Assurant, 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

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

10,000,000

Potential financial impact figure – maximum (currency)

30,000,000

Explanation of financial impact figure

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 near coastal regions or other catastrophe-prone areas have a much greater catastrophe risk. The potential financial impact is based on estimated differences between our proposed rates and the approved rates from state regulators. Currently, state regulators allow models calibrated to historical averages and do not consider forward-looking models when reviewing rates. The stated estimated impact range of $10 million to $30 million is for the potential impact of regulators not approving higher rates based on forward-looking climate models and approving lower rates based on historical averages, which may not properly reflect how climate change affects weather patterns.

Cost of response to risk

3,500,000

Description of response and explanation of cost calculation

The cost of management estimates the total shared costs for various business functions that support Risk 2, Risk 3, 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.

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 NFIP, Assurant helps to educate 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 incentivize lower-risk behaviour, 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 and locations 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.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

In Global Housing, our voluntary flood and property insurance is subject to a portion of this risk. 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.

Assurant assumes all risk and costs associated with primary (voluntary) flood insurance policies, unlike flood insurance issued under the NFIP. 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 2019, roughly 24 percent of Assurant's Global Housing segment revenue was from Specialty and Other products that included voluntary manufactured housing and other voluntary insurance like flood. As we continue expanding our flood insurance products, we face increasing exposure to properties with flood risk, which we try to limit with quota-share relationships where possible and overall, will continue to monitor to ensure appropriate protection as part of our annual catastrophe reinsurance program.

Assurant faces additional risk exposure to properties in regions of the Caribbean and Latin America that also are impacted by climate change-related catastrophes. Regions with high population growth are also catastrophe-prone regions, such as Mexico. These countries are more likely affected by tsunamis, earthquakes and hurricanes and rely on different catastrophe modelling than the U.S. regions where we mainly operate.

Time horizon

Medium-term

Likelihood

Very unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,400,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In 2019, Assurant absorbed $141 million in total gross losses and supported policyholders during numerous natural disasters. We finalized our 2019 catastrophe reinsurance program with $1.4 billion in coverage, protecting more than 3 million homeowners and renters. To help verify the strength of the 2019 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.

The potential financial impact is the cumulative coverage of our property catastrophe reinsurance program ($1.4 billion). This includes the US main tower of $1.16 billion and coverage provided by the Florida Hurricane Catastrophe Fund of $243 million. Actual reinsurance premiums will vary if exposure changes significantly from estimates or if reinstatement premiums are required due to catastrophe events.

Cost of response to risk

163,000,000

Description of response and explanation of cost calculation

Cost of management refers to Assurant's approximate catastrophe reinsurance premiums in 2019. The premiums paid are for the US main tower ($114.5 million), the Florida Hurricane Cat Fund ($16.8 million), the Caribbean Cat treaty ($15 million), the Latin America Cat Treaty ($12.8 million) and the Multiline Property Per Risk ($3.6 million).

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. During 2019, Hurricane Dorian produced gross losses to Assurant's Caribbean portfolio of $50 million, which was reduced to $17.5 million in net losses to Assurant due to the recoveries from the Caribbean Catastrophe treaty. Caribbean Cat coverage in place at the time of the loss was $177.5 million. $17.5 million, with coverage provided from over 30 global reinsurers. 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 modelling agencies. Our in-house meteorologist, hydrologist and catastrophe modellers also work with modelling 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.

Comment

C2.4

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

Yes

C2.4a

(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?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We see an opportunity for new regulations and building codes that mitigate climate risk. This segment of Assurant's business, Global Housing, accounts for about 22 percent of 2019 revenue. Currently, many state regulators and national legislators limit variance in property insurance rates and do not recognize risk mitigation efforts from homeowners and lenders. Assurant works with state regulators and legislators on regulation to decrease property insurance rates for those homeowners that mitigate climate risk by living/building away from coasts, following modern building standards, and avoiding low-

elevation areas. For example, state insurance regulatory departments could differentiate rates based on property locations and construction risk abatement. Also, individuals with flood insurance through FEMA's NFIP do not always receive credit for their climate risk mitigations. Currently, most of our international homeowners' policies offer discounts to customers who build with more resilient materials and install wind mitigation features. We have the opportunity in North America to provide differentiated prices where appropriate and become a leader in acknowledging and responding to these mitigation efforts. The differentiated pricing and incentive could lead to increased revenue for Assurant.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Supporting new state regulations that reward climate risk mitigations may reduce our costs for reinsuring climate related risks. 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 ($100 million x 0.05 = $5 million).

Cost to realize opportunity

3,500,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realize this opportunity estimates the total shared costs for various business functions that support Risk 2, Risk 3, 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.

Assurant works with state and national regulators, focusing especially on areas facing

elevated risk from climate change, such as 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.

We advocate for policies that help to mitigate climate-related risk. For example, insurance policies that incentivize lower-risk behavior, like adopting climate resilient construction practices. We also work 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 serve on committees of the IBHS, and we provide financial support through our company's membership to further research methods aimed at fortifying homes and improving flood resiliency.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

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

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In states or regions experiencing capacity restrictions on voluntary homeowner's insurance, it is possible that use of lender-placed insurance could increase. Areas with increased lender-placed insurance are typically also affected by consistent price increases from the NFIP. 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 NFIP.

Cost to realize opportunity

3,500,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realize opportunity estimates the total shared costs for various business functions that support Risk 2, Risk 3, 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.

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 to remaining in 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 to those who have fortified their homes to mitigate the impacts of floods, hurricanes or other severe weather. Many of our homeowners policies offer discounts to customers who build with more resilient materials and install wind mitigation features.

Comment

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

Primary potential financial impact

Reduced direct costs

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. We recycle devices through certified partners, reuse valuable materials and reduce the amount of e-waste we discard. In helping consumers protect their increasingly connected lives, Assurant processed 5.4 million mobile devices in 2019, repairing or reselling them while adhering to rigorous environmental practices. We also recycled 1.5 million mobile devices last year through certified partners, reusing valuable materials and reducing the amount of e-waste dumped in landfills. In 2019, Assurant U.S. facilities and recycled more than 86 percent of our total waste.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Our mobile repair facilities track 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 (reduced costs), clients (reduced costs and quick repair for their customers), and environment (decreased waste). 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.

During the past several years, we also have made significant investments in recycling compactors at our mobile device repair facilities to increase our landfill diversion rate. In 2019, the U.S. facilities recycled more than 86 percent of total waste.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

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

Yes, qualitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details

Other, please specify Assurant Specific Scenarios	As part of our CDP Response, we are including three scenarios to demonstrate how Assurant's property catastrophe reinsurance program would hypothetically work for a Florida-only event, Texas-only event and a multi-storm scenario. Assurant licenses both long- and short-term, forward-looking catastrophe and storm models from several modelling agencies that have additional settings that project a medium-term view (5-year projection). We chose 5-year projections because many of our lender-placed distribution agreements are multi-year with terms generally between three and five years, therefore analysis taking into account our medium-term agreements will allow us to integrate aspects of the results into our agreements. Our in-house meteorologist, hydrologist and catastrophe modellers also work with modelling 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. Scenario One: A hurricane strikes only Florida and causes gross losses for Assurant of $1.225 billion. We would expect this to result in a pre-tax net catastrophe loss of $80 million for Assurant before the impact of reinstatement premiums. Scenario Two: A hurricane strikes only Texas and causes gross losses for Assurant of $900 million. We would expect this to result in a pre-tax net catastrophe loss of $80 million for Assurant before the impact of reinstatement premiums. Scenario Three: Multiple hurricanes strike and cause gross losses for Assurant of $1.71 billion. We would expect this to result in a pre-tax net catastrophe loss of $240 million for Assurant before the impact of reinstatement premiums. Based on these scenarios, we annually update our Property Catastrophe Reinsurance Program, reducing financial exposure and protecting homeowner and renter policyholders against severe weather and climate-related events. The 2019 U.S. Program provides $1.16 billion of coverage in excess of a $80 million retention per-event. When combined with the Florida Hurricane Catastrophe Fund, the program is covered for gross Florida losses of up to $1.4 billion. The above scenarios do not include the impact of reinstatement premiums. Actual results may differ materially from these examples.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	High Risk Impact: 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. As part of our strategy in 2018 and our most substantial M&A to date, we continued to diversify our portfolio toward products and services with lower catastrophe exposure through the $2.5 billion acquisition of TWG. The acquisition is part of a multiyear strategy to position ourselves for longer-term profitable growth by growing business where we can maintain or reach leading positions and achieve attractive returns. TWG expands Assurant's size and scale within vehicle protection, extended service contracts and financial services; advancing our diversification and shift to capital-light and fee-based offerings that provide greater stability and predictability, and less climate-related risk. In 2019, Assurant continued to decrease its catastrophe-exposed businesses as a percentage of net operating income, down even further from 36% of Assurant's net operating income in 2018 and 54% in 2015.
Supply chain and/or value chain	Yes	Low Risk Impact: We rely on numerous vendors and other third parties, including independent contractors, to conduct business and provide services to our clients. For example, we use vendors and other third parties for business, information technology, call centers, facilities management and other services. Since we do not fully control the actions of vendors and other third parties, we are subject to the risk that their decisions or operations adversely impact us and replacing them could create significant delay and expense. If a climate-related business continuity event impacts a vendor, we could experience interruptions to our operations or delivery of products and services to our customers, which could have a material adverse effect on our business, financial condition and results of operations. Assurant addresses business continuity and disaster recovery plans and protocols in its contracts with critical vendors by

		including language regarding our access to their business continuity and disaster recovery plans and protocols. We review these plans regularly and as part of our annual due diligence practices and facilitate exercises with them on how they should respond to an event and notify Assurant.
Investment in R&D	Yes	Low Risk Impact. Investment in R&D helps us drive innovation throughout our lines of business and mitigate climate-related risks. Our Executive Vice President, Chief Strategy & Risk Officer oversees a team that works to foster innovative products and services throughout the enterprise. As a case study of these innovative products, Assurant has begun to offer new products through our Global Automotive business. Assurant provides administrative services for vehicle service contracts (VSCs) and ancillary products providing covering for vehicles. On January 1, 2019, car makers in China were required to sell a certain number of "New Energy Vehicles", defined as battery electrics, plug-in hybrids or fuel cell cars. The risks associated with this requirement were a reduced market for internal combustion vehicles that Assurant provides VSCs that may result in reduced revenue. Assurant also realized the opportunity capitalize on this sizable auto opportunity, including the growing electric vehicle market, to diversify our offerings and include VSCs for new energy vehicles. Assurant evaluated and quantified the risks of providing VSCs for new energy vehicles to price out new VSC products. This resulted in a partnership with a leading Chinese original equipment manufacturer to launch an extended warranty program catering to the electric-vehicle market. Our membership with the Insurance Institute for Business and Home Safety (IBHS) also provides financial support for research aimed at fortifying homes and improving flood resiliency.
Operations	Yes	Low Risk Impact: By decreasing our energy and emissions throughout our value chain, Assurant can reduce our operating costs, enhance stakeholder relationships, and reduce our impact on climate change. 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 ten 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. In the past decade, we've cut our energy consumption by approximately 57.6 million kilowatt hours (kWh). When we expand our operations we choose to do so in places that are less prone to physical climate risks. All new business deals go through a risk assessment process conducted by our Office of Risk Management. If a potential deal is impacted by climate-related issues, we evaluate it through climate models, conducting stress test scenarios. Our Office of Risk Management also evaluates the deal ensuring that reinsurance covers it commensurate with our risk appetite parameters. A recent M&A was the 2018, $2.5 billion acquisition of TWG, through which we were able to optimize our facilities portfolio and related energy use, while growing our business.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Acquisitions and divestments Access to capital Assets Liabilities	Revenues - Low Risk Impact: We incorporate the FEMA program to discount customer flood insurance rates in communities that are taking action to mitigate long-term risks into our financial planning process. This incorporation helps us mitigate potential revenue risks associated with the NFIP's increasing debt. Unless FEMA adopts higher premiums that reflect increased climate-related risk and incentivizes risk reducing behaviors, like relocation or flood resilient construction, the NFIP's 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. Direct Costs - We measure total energy consumption of most of our facility footprint and take steps to reduce our consumption. In the past decade, we've cut our energy consumption by approximately 57.6 million kilowatt hours (kWh) and in doing so saved more than $1.7 million dollars. Capital expenditures - Medium Risk Impact: Assurant initiated a leased site assessment (LSA) as the first step prior to signing or renewing any lease. As part of the LSA we assess site vulnerability to climate-related risks and extreme weather events to limit financial risk exposure associated with capital expenditures. Acquisitions and divestments - Low Risk Impact: Low Risk Impact: The diversified composition of Assurant's business portfolio and locations 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. Access to capital - As of December 31, 2019, we had approximately $533.9 million in holding company liquidity. We use the term “holding company liquidity” to represent the portion of cash and other liquid marketable securities held at Assurant, Inc., which we are not otherwise holding for a specific purpose as of the balance sheet date. We can use such liquidity for stock repurchases, stockholder dividends, acquisitions, and other corporate purposes. As part of Assurant’s financial planning process and our ongoing efforts to incorporate climate-related risks into this process, Assurant changed its targeted minimum level of holding company liquidity to $225 million in first quarter 2019. This new minimum liquidity is intended to protect against unforeseen capital needs at our subsidiaries or liquidity needs at the holding company, including from large-scale climate-related risks, such as hurricanes. Assets -Low Risk Impact: Along with our third-party portfolio advisors, Assurant 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 investment process. Similarly, 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. Liabilities - Low Risk Impact: We have obligations and commitments to third parties as a result of our operations. Our liquidity and capital resources, as of December 31, 2019, are detailed in our 2019 Annual Report on pages 56 to 63. 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, thus, it is critical that we stay abreast of any climate-related risk that may impact our liabilities.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

No, but we plan to consider climate-related issues in our policy framework in the next two years

C-FS3.2c

(C-FS3.2c) Why are climate-related issues not considered in the policy framework of your organization?

Assurant recognizes the importance of considering ESG factors in our investments.
Our portfolio management professionals and our third-party asset managers integrate ESG considerations into due diligence, monitoring and investment decision-making. Where relevant and appropriate, we aim to achieve a lower overall portfolio exposure to industries and companies with high-risk environmental issues and target higher allocations to companies and issuances that demonstrate enhanced environmental, social and sustainability attributes. In second quarter 2020, Assurant finalized the strategic decision to outsource the day-to-day management of our asset portfolio to two highly qualified global asset management firms: Goldman Sachs Asset Management and Voya.

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

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

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 2 (location-based)

Base year

2019

Covered emissions in base year (metric tons CO2e)

27,424

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2020

Targeted reduction from base year (%)

2

Covered emissions in target year (metric tons CO2e) [auto-calculated]

26,875.52

Covered emissions in reporting year (metric tons CO2e)

22,887

% of target achieved [auto-calculated]

827.1951575263

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

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 two percent annually for the past nine years. We are currently in the process of developing a new emissions goal.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(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

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	60.5
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

22.1

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

64,470

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Assurant replaced 150 85W T8 lighting fixtures with 54W LED lighting fixtures at the Duluth, Georgia facility and 130 120W fluorescent lighting fixtures with 23W LED lighting fixtures at the York, Pennsylvania facility.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Air Compressor

Estimated annual CO2e savings (metric tonnes CO2e)

38.4

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,000

Investment required (unit currency – as specified in C0.4)

26,130

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

Assurant replaced a 75 hp compressor with a 30 hp compressor at the York, Pennsylvania facility.

C4.3c

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

Method	Comment
Financial optimization calculations	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.
Compliance with regulatory requirements/standards	Maintaining efficient operations reduces the financial and operational risks posed by governments transitioning to low carbon economies, life a carbon tax or stricter environmental regulation.

C4.5

(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

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

Scope 1

Base year start
January 1, 2018

Base year end
December 31, 2018

Base year emissions (metric tons CO2e)
948

Comment

Scope 2 (location-based)

Base year start
January 1, 2018

Base year end
December 31, 2018

Base year emissions (metric tons CO2e)
27,424

Comment

Scope 2 (market-based)

Base year start
January 1, 2018

Base year end
December 31, 2018

Base year emissions (metric tons CO2e)
27,856

Comment

C5.2

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

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

1,019

Comment

C6.2

(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

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

Reporting year

Scope 2, location-based

22,913

Scope 2, market-based (if applicable)

23,288

Comment

C6.4

(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

(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

Natural gas emissions

Relevance of Scope 1 emissions from this source

No emissions excluded

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

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

Emissions are relevant but not yet calculated

Explain why this source is excluded

Natural gas emissions for owned and large leased facilities where data are available are included. For many of the leased facilities, it is unknown if the facility uses natural gas, and therefore emissions were not calculated/excluded due to insufficient data. We aim to strengthen collection of these data in future cycles. These emissions account for a maximum of 3.8% of Scope 2 emissions (assuming every leased facility uses natural gas).

C6.5

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

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

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

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

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

Relevant, not yet calculated

Please explain

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

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

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

Please explain

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

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

13,517

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

Please explain

The reported business travel emissions cover rental car, air travel and rail travel booked through our top travel partners in the US, Mexico, Puerto Rico, Canada and the UK, and excludes all hotel stays.

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

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

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

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

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

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

Processing of sold products

Evaluation status

Relevant, not yet calculated

Please explain

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

Use of sold products

Evaluation status

Relevant, not yet calculated

Please explain

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

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Please explain

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

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

Assurant does not own assets that we lease to other entities.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Assurant does not operate any franchises..

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.10

(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

0.0000035

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

28,372

Metric denominator

unit total revenue

Metric denominator: Unit total

8,057,600,000

Scope 2 figure used

Location-based

% change from previous year

37

Direction of change

Decreased

Reason for change

We reported about $2 billion more revenue and about 4,500 MT fewer emissions in 2019 than 2018. Decreased emissions were mainly due to the closure of the Kansas City data center. Our decreased numerator and increased denominator decreased our intensity figure reported in 2019.

Intensity figure

0.008797

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

23,933

Metric denominator

square foot

Metric denominator: Unit total

2,720,602

Scope 2 figure used

Location-based

% change from previous year

16

Direction of change

Decreased

Reason for change

Our Scope 2 emissions decreased by about 4,500 MT, largely due energy reductions stemming from the closure of our Kansas City data center, updated electricity emission factors from EPA and IEA, as well as increased use of reported data rather than estimated data. Our overall square footage remained relatively constant vs. 2018, showing our intensity reduction is due to energy management initiatives.

C7. Emissions breakdowns

C7.9

(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

(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	0	No change	0	
Other emissions reduction activities	60.5	Decreased	0.2	In 2019, upgrade of lighting to LEDs at York and Duluth facilities, and the replacement of an old compressor in York, led to a reduction in Scope 2 emissions of 60.5 MT CO2e. Assurant's 2018 Scope 1 and 2 emissions were 28,372 MT CO2e. Therefore, Assurant calculated a 0.2% reduction (-60.5/28,372 = -0.2%)
Divestment	2,230	Decreased	7.9	Assurant divested "Assurant Employee Benefits" in 2018, resulting in the sale of our Kansas City facility. That facility represented 2,230 MT CO2e emissions in our 2018 inventory. Assurant's 2018 Scope 1 and 2 emissions were 28,372 MT CO2e. Therefore, Assurant

				calculated a 7.9% reduction (-2,230/28,372 = -7.9%)
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	1,350	Decreased	4.7	In 2019, Assurant used updated emissions factors from EPA's eGrid 2020 and IEA emissions factors 2019 which resulted in a 1,345 MT CO2e reduction compared to using the emission factors from eGrid 2018 and IEA 2018. Assurant was also able to obtain actual electricity data for 2019 for its three facilities in France, compared to using estimated data in 2018, resulting in a reduction of 5 MT CO2e. Assurant's 2018 Scope 1 and 2 emissions were 28,372 MT CO2e. Therefore, Assurant calculated a 4.7% reduction ((-1,345 + -5)/28,372) = -4.7%)
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	799.5	Decreased	2.8	Assurant had a reduction of 799.5 MT CO2e that could not be specifically attributed. Assurant's 2018 Scope 1 and 2 emissions were 28,372 MT CO2e. Therefore, Assurant calculated a 2.8% reduction (-799.5/28,372 = -2.8%)
Other				

C7.9b

(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

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

More than 0% but less than or equal to 5%

C8.2

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
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	Yes

C8.2a

(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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	4,256	4,256
Consumption of purchased or acquired electricity		0	51,707	51,707

Consumption of purchased or acquired heat		0	1,905	1,905
Consumption of purchased or acquired steam		0	2,850	2,850
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption			60,718	60,718

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

(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 emissions, and attach the relevant statements.

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 2019 CDP Verification Statement .pdf

Page/ section reference
1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
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

Page/ section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach

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

Page/ section reference

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(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, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.2

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

No

C11.3

(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

(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

(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 education customers about your climate change performance and strategy

% of customers by number

12.5

% of customer - related Scope 3 emissions as reported in C6.5

10

Portfolio coverage (total or outstanding)

Minority of the portfolio

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 to those who have fortified their homes to mitigate the impacts of floods, hurricanes or other severe weather. Most of our international homeowners policies offer discounts to customers who build with more resilient materials and install wind mitigation features. For example, through FEMA'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 was damaged during 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 the property catastrophe reinsurance program. Adopting climate resilience improvements may reduce catastrophe claims, which may reduce business travel emissions related to servicing those claims. We 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.

C12.1d

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

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, we work with regulators to incentivize lower risk behaviors, such as adopting climate-resilient construction practices. Assurant has a meteorologist on our claims and operations team who visits communities after catastrophes, such as hurricanes and flooding, to learn about the disaster's impact on local communities. These learnings are communicated to regulators and other decision-makers, as well as the Institute for Business and Home Safety (IBHS), to influence future building codes, laws and regulations to support climate-resilient communities and avoid future losses. 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, we offer policies that have an impact on whether people build in high risk areas, such as a flood-plain or other catastrophe-prone areas. We believe that by pricing insurance policies to include the cost of climate-related impacts, we can reduce risk behavior, influencing the market and reducing our and our partners' risk. For example, we offer insurance policies that incentivize lower risk behaviors, like adopting climate resilient construction practices.

In December 2018 and 2019, we published and updated our Supplier Code of Conduct, which requires that our suppliers adhere to all environmental laws and regulations, including those related to air emissions. The Supplier Code of Conduct also outlines our expectations for suppliers to go beyond compliance in environmental management.

We also work with non-profits (trade and professional organizations) to bolster understanding of the climate change issues impacting our business. Several of our employees serve on committees of the IBHS and our company's membership provides financial support to advance research methods aimed at fortifying homes and improving flood resiliency.

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. Our diversified portfolio helps us mitigate impacts from climate-related risks associated with a single physical location or business line. As we continue

to grow our business in new regions and global markets, we are further spreading our physical and business risks.

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 2019, we finalized our property catastrophe reinsurance program with more than 45 reinsurers that are all rated A- or better by A.M. Best.

C12.3

(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

(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. Several Assurant employees also serve on committees of the IBHS and we provide financial support through our company's membership to further research methods aimed at fortifying homes and improving flood resiliency.	Our approach to regulator engagement advocates for policies that help to mitigate climate-related risk. For example, insurance policies that incentivize 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.

C12.3b

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

No

C12.3f

(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

(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

Complete

Attach the document

AIZ-07019-0120-Assurant-Social-Responsibility-Report-2020_v70720.pdf

Page/Section reference

18-24 and 43-47

Content elements

Governance
Strategy
Risks & opportunities
Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

ac13ff89-249a-4a76-8ddb-9361e3bed9c6.pdf

Page/Section reference

19

Content elements

Governance
Strategy
Risks & opportunities

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework		
Industry initiative		
Commitment		

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Comment
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	Category 15 “Investments” total absolute emissions
Other products and services, please specify	Not applicable	

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

Assurant recognizes the importance of considering ESG factors in our investments. Our portfolio management professionals and our third-party asset managers integrate ESG considerations into due diligence, monitoring and investment decision-making. Assurant Asset Management, as fiduciaries, incorporates relevant ESG factors into the analysis of the long-term performance outlook and value of our investments. Our assessment of investments considers information about a variety of factors, including ESG-related topics such as exposure to regulation or litigation, labor relations, human rights, product quality and safety, reputation, governance practices, executive compensation, reporting and disclosure, community relations, energy costs and climate impact.

Where relevant and appropriate, we aim to achieve a lower overall portfolio exposure to industries and companies with high-risk environmental issues and target higher allocations to companies and issuances that demonstrate enhanced environmental, social and sustainability attributes.

Additionally, Assurant Asset Management largely restricts investments in entities whose activities are fundamentally inconsistent with Assurant's values or are likely to result in reputational or other significant risks. These restrictions include investments in companies that predominantly conduct business in the civilian firearms and tobacco industries.

Though Assurant considers ESG factors, including climate, in its investments, Assurant has yet to conduct an analysis to understand how the full portfolio impacts the climate. Assurant has been focused on diversifying its portfolio following the acquisition of The Warranty Group (TWG) and reducing investments in its Global Housing division. Assurant plans to study and evaluate more rigorous and explicit ESG investment policies and processes to determine how best to establish and implement such policies and processes. Additionally, Assurant is planning to complete a full Scope 3 emissions assessment, including Category 15 "Investments" within the next two years.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain

Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	In the second quarter of 2020, Assurant finalized the strategic decision to outsource the day-to-day management of our asset portfolio to two global asset management firms: Goldman Sachs Asset Management and Voya. In July 2020, the Company also sold its collateralized loan obligations asset management platform. Assurant is working with these third-party asset managers on an Environmental, Social, Governance (ESG) implementation plan that includes climate-related actions aligned with our business strategy. This ESG investment model is part of a multi-step ESG strategic integration plans underway for 2020 and beyond.
Other products and services, please specify	Not applicable	

C15. 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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	President and Chief Executive Officer	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue

Row 1	10,086,800,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	04621X1081

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	In our Lifestyle business, Assurant operates two repair locations in the United States that track Scope 1 and 2 emissions, but do not yet track Scope 3 emissions or allocate emissions for each unit repaired. We cannot allocate Scope 1 and 2 emissions to specific device types because electricity and natural gas are metered as a facility, not a repair station. Instead, we allocate Scope 1 and 2 emissions by aggregating the total emissions from each repair facility by the percent of customer units serviced at that location. Assurant is exploring methods to track and allocate the Scope 3 emissions associated with our mobile repair facilities, but the diversity

	of product lines and customers complicates accurately accounting emissions for each product line and customer. 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. In 2019, Assurant processed 5.4 million mobile devices for repair or resale. We also recycled 1.5 million mobile devices, 600,000 more than 2018. We do not yet track avoided emissions from repairing and recycling phones, but these activities offer significant environmental benefits by extending the usable life of mobile devices and reducing the raw materials, chemicals and electricity used to manufacture mobile devices. In our Housing and Preneed business, Assurant tracks Scope 1 and 2 emissions within our operational control. We breakdown Scope 1 and 2 emissions by business division and country in Module C7, Emissions Breakdown, but we have not identified a reasonable method to accurately allocate emissions to specific Housing or Preneed customers.
Customer base is too large and diverse to accurately track emissions to the customer level	Assurant can work with customers to estimate emissions estimates based on volume or revenue.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

Although we welcome opportunities to collaborate with our customers to reduce GHG emissions or promote products and services that mitigate climate-related risks, our customer base is too large and range of services too diverse to reasonably track and allocate emissions to individual customers. Assurant will continue to track and disclose our relevant Scope 1, 2, and 3 emissions. We measure the percentage of units received from customers that are repaired and returned in good working condition. We use that information to look for opportunities to increase device repair rates while supporting our goals of increasing device

reuse rates and recycling of waste. Our mobile operations repaired more than 350,000 devices in 2019, increasing the annual reuse rate by approximately 5%. During the past several years, we also have made significant investments in recycling compactors at our mobile device repair facilities to increase our landfill diversion rate. In 2019, the U.S. facilities recycled more than 86% of total waste on-site. Where feasible, we will estimate emissions to individual customers, but we do not plan to develop new capabilities to allocate emissions to our customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?

I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms