

## Risk Factors Comparison 2024-02-15 to 2023-02-17 Form: 10-K

**Legend:** New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Certain factors may have a material adverse effect on our business, financial condition, results of operations and cash flows. You should carefully consider them, along with the other information presented in this Report. It is not possible to predict or identify all such factors. Additional risks and uncertainties that are not yet identified or that we currently believe to be immaterial may also materially harm our business, financial condition, results of operations and cash flows. The following is a summary of the material risks that could adversely affect our business, financial condition, results of operations and cash flows.

**Business, Strategic and Operational Risks**

- Our revenues and profits may decline if we are unable to maintain relationships with significant clients, distributors and other parties, or renew contracts with them on favorable terms, or if those parties face financial, reputational or regulatory issues.
- Significant competitive pressures, changes in customer preferences and disruption could adversely affect our results of operations.
- The success of our business depends on the execution of our strategy, including through the continuing service of key executives, senior leaders, highly- skilled personnel and a high- performing workforce.
- We may be unable to find suitable acquisition candidates at attractive prices, integrate acquired businesses or divest of non- strategic businesses effectively or **achieve identify new areas for** organic growth, which could have a material adverse effect on our business, financial condition and results of operations.
- Our inability to successfully recover should we experience a business continuity event could have a material adverse effect on our business, financial condition and results of operations.
- Failure to successfully manage vendors and other third parties could adversely affect our business.
- We face risks associated with our international operations.
- Our mobile business is subject to the risk of declines in the value and availability of mobile devices ~~in our inventory~~, and to **export-regulatory** compliance and other risks.
- Sales of our products and services may decline if we are unable to develop and maintain distribution sources or attract and retain sales representatives and executives with key client relationships.
- We face risks associated with joint ventures, franchises and investments in which we share ownership or management with third parties.
- Catastrophe and non- catastrophe losses, including as a result of climate change and the current inflationary environment, could materially reduce our profitability and have a material adverse effect on our results of operations and financial condition.
- Negative publicity relating to our business, industry or clients may have a material adverse effect on our financial results.

**Macroeconomic, Political and Global Market Risks**

- General economic, financial market and political conditions and conditions in the markets in which we operate may materially adversely affect our results of operations and financial condition.

**Financial Risks**

- Our actual claims losses may exceed our reserves for claims, requiring us to establish additional reserves or to incur additional expense for settling unreserved liabilities, which could have a material adverse effect on our results of operations, profitability and capital.
- We may be unable to accurately predict and price for claims and other costs, which could reduce our profitability.
- A decline in the financial strength ratings of our insurance subsidiaries could adversely affect our results of operations and financial condition.
- A credit rating agency downgrade of our corporate senior debt rating could materially and adversely impact ~~on~~ our business.
- Fluctuations in the exchange rate of the U. S. Dollar and other foreign currencies may materially and adversely affect our results of operations.
- An impairment of our goodwill or other intangible assets could materially adversely affect our results of operations and book value.
- Failure to maintain effective internal control over financial reporting could have a material adverse effect on our business and stock price.
- Unfavorable conditions in the capital and credit markets may significantly and adversely affect our access to capital and our ability to pay our debts or expenses.
- Our investment portfolio is subject to market risk, including changes in interest rates, that may adversely affect our results of operations and financial condition.
- Our investment portfolio is subject to credit, liquidity and other risks that may adversely affect our results of operations and financial condition.
- The value of our deferred tax assets could become impaired, which could materially and adversely affect our results of operations and financial condition.
- Reinsurance may not be adequate or available to protect us against losses, and we are subject to the credit risk of reinsurers.
- Through reinsurance, we have sold or exited businesses that could again become our direct financial and administrative responsibility if the reinsurers become insolvent.
- **We** ~~Due to the structure of our commission program, we~~ are exposed to risks related to the creditworthiness and reporting systems of some of our agents, third- party administrators and clients.
- Our subsidiaries' inability to pay us sufficient dividends could prevent us from meeting our obligations and paying future stockholder dividends.
- Our ability to declare and pay dividends on our capital stock may be limited.
- Actual results may differ materially from the analytical models we use to assist in our decision- making in key areas such as pricing, catastrophe risks, reserving and capital management.

**Technology, Cybersecurity and Privacy Risks**

- The failure to effectively maintain and modernize our ~~information~~ technology systems and infrastructure and integrate those of acquired businesses could adversely affect our business.
- We could incur significant liability if our ~~information~~ technology systems or those of third parties are breached or we or third parties otherwise fail to protect the security of data residing on our respective systems, which could adversely affect our business and results of operations.
- ~~The costs of complying with, or our failure to comply with, U. S. and foreign laws related to privacy, data security and data protection could adversely affect our financial condition, operating results and reputation.~~

**Legal and Regulatory Risks**

- We are subject to extensive laws and regulations, which increase our costs and could restrict the conduct of our business, and violations or alleged violations of such laws and regulations could have a material adverse effect on our reputation, business and results of operations.
- Changes in tax laws and regulations could have a material adverse impact on our results of operations and financial condition.
- Our business is subject to risks related to litigation and regulatory actions.
- **The costs of complying with, or our failure to comply with, U. S. and foreign laws related to privacy, data security and data protection could adversely affect our financial condition, operating results and reputation.**
- Our business is 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. General Risk Factors • Our common stock may be subject to stock price and trading volume volatility. • Employee misconduct could harm us by subjecting us to significant legal liability, regulatory scrutiny and reputational harm. • Applicable laws and our certificate of incorporation and by-laws may discourage takeovers and business combinations that some stockholders might consider to be in their best interests. For a more complete discussion of these risks, please see below. The success of our business depends largely on our relationships and contractual arrangements with significant clients, distributors and other parties, including vendors. Many of these arrangements are exclusive and some rely on preferred provider or similar relationships. If our key clients, distributors or other parties terminate important business arrangements with us, **reduce their business with us** or renew contracts on terms less favorable to us, **which occurs from time to time**, we may fail to meet our business objectives and targets, and our cash flows, results of operations and financial condition could be materially adversely affected. Each of our Global Lifestyle and Global Housing segments receives a substantial portion of its revenue from a few clients. A reduction in business with or the loss of one or more of our significant clients could have a material adverse effect on the results of operations and cash flows of individual segments or the Company. Reliance on a few significant clients may weaken our bargaining power, and we may be unable to renew contracts with them without concessions (including up-front payments) or on favorable terms or at all. Examples of important business arrangements include, at Global Lifestyle, exclusive and non-exclusive relationships with mobile ~~device~~ **service providers (including carriers, retailers, OEMs and cable operators)**, dealerships and agents, ~~MSOs, OEMs~~, consumer electronics retailers, appliance retailers (including e-commerce retailers), and financial, insurance and other institutions through which we distribute our products and services. At Global Housing, we have exclusive and non-exclusive relationships with mortgage lenders and servicers, manufactured housing lenders, property managers, and financial, insurance and other institutions. We are subject to the risk that clients, distributors and other parties may face financial difficulties (including as a result of macroeconomic challenges), reputational issues, problems with respect to their own products and services, or regulatory restrictions or compliance issues that may lead to lower than expected or cessation of sales of our products and services and have other adverse impacts on our results of operations or financial condition. In addition, our clients and other parties with whom we do business may change their strategic priorities or initiatives, including exiting or deprioritizing products, services, programs, distribution channels or lines of business that we service or support, or they may disintermediate us by developing **internal capabilities, products or services that would allow them to service their clients without our involvement, which could** **has occurred from time to time and may** materially reduce our revenues and profits. Furthermore, if one or more of our clients or distributors, for example in the wireless, automotive or mortgage servicing markets, consolidate or align themselves with other companies with whom we do not do business, they may choose to utilize or distribute the products and services of our competitors, which could materially reduce our revenues and profits. We compete for business, **clients**, customers, agents and other distribution relationships with many insurance companies, **warranty and protection companies**, financial services companies, mobile device repair and logistics companies, technology and software companies and specialized competitors that focus on one market, product or service. Some of our competitors may offer a broader array of products and services than we do or be better able to tailor those products and services to customer needs, including through better technology systems or infrastructure, or may have greater diversity of distribution resources, better brand recognition, more competitive pricing, lower costs, greater financial strength, more resources or higher ratings. There is a risk that purchasers may be able to obtain more favorable terms and offerings from competitors, vendors or other third parties, including pricing and technology. Additionally, customers may turn to our competitors as a result of our or our client's failure, or perceived failure, to deliver on customer expectations, product or service flaws, technology issues, gaps in operational support or other issues affecting customer experience. As a result, competition may adversely affect the persistency of our policies, our ability to sell products and provide services, maintain client relationships, and our revenues and results of operations, **which has occurred from time to time**. To remain competitive in many of our businesses, we must anticipate and respond effectively to changes in customer preferences, new industry standards, evolving distribution models, and disruptive technology developments and alternate business models. The evolving nature of consumer needs and preferences and improvements in technology could result in a reduction in consumer demand and in the prices of the products and services we offer. **Our competitive position may be impacted if we are unable to deploy, in a cost effective and competitive manner, technology such as artificial intelligence and machine learning, or if our competitors collect and use data which we do not have the ability to access or use**. In addition, across many of our businesses, we must respond to the threat of disruption by traditional players, such as insurers, as well as from new entrants, such as "Insurtech" start-up companies and others. These players are focused on using technology and innovation to simplify and improve the customer experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the markets in which we operate. In order to maintain a competitive position, we must continue to invest in new technologies and new ways to deliver our products and services. If we do not anticipate and respond **effectively to changes in customer preferences and, new industry standards, evolving distribution models,** disruptive ~~changes~~ **technology developments and alternative business models**, our business and results of operations could be adversely impacted. Our strategy is focused on delivering long-term profitable growth. As part of our strategy, we are developing new and innovative products and services, and enhancing existing offerings. We are investing in technology, **including artificial intelligence**, and other capabilities to continuously improve the customer **and employee** experience, while seeking to increase efficiencies. We will continue to incur expenses related to, among other things: investments in digital capabilities and large-scale, critical programs, such as ~~information~~ **technology and, including** global financial systems and infrastructure; research and development of new products and capabilities; scaling our global operations, including accessing the global ~~labor market~~ **talent hubs such as through our Global Capabilities Centers**; and costs associated with the implementation of new contracts and businesses in runoff **or which we have exited or which we expect to fully exit**, including sharing economy, ~~and small commercial~~, and improvements in operational efficiency. In ~~December~~ 2022

**and 2023**, we announced restructuring initiatives that include realigning our organizational structure and talent to support our business strategy, which has resulted in severance and employee benefits charges, and accelerating ongoing real estate consolidation efforts to support work- from- home arrangements. Actual costs to implement these initiatives may exceed our estimates and we may not be able to fully realize our expected run rate savings and operational efficiency improvements. Our long- term strategy depends on successful operational execution and our ability to execute on our transformational initiatives, including acquisitions, combined with our ability to innovate and develop new products, achieve operating efficiencies, and attract and retain a global and diverse workforce. See “ – We may be unable to find suitable acquisition candidates at attractive prices, integrate acquired businesses or divest of non- strategic businesses effectively or **achieve identify new areas for** organic growth, which could have a material adverse effect on our business, financial condition and results of operations. ” We rely on the continued service of key executives, senior leaders, highly- skilled personnel and a high- performing workforce to achieve our long- term strategy. We believe that our future success depends in substantial part on our ability to attract, recruit, motivate, develop and retain a high- performing workforce, particularly those with specialized industry knowledge or within critical or in-demand areas such as sales, digital, customer experience, data and analytics, and supply chain, across our lines of businesses. Doing so may be difficult due to many factors, including fluctuations in economic and industry conditions; employee expectations; the effectiveness of our talent strategies and total rewards and wellbeing programs, ~~including compensation~~; and fluctuations in the labor market, including rising wages and competition for talent, which has **generally** increased due to persistent labor shortages and wage inflation. In addition, the global talent market and shift to remote or hybrid work arrangements at many companies, including us, have significantly increased competition for highly- skilled personnel, who are no longer limited to opportunities within a particular geographic area. ~~A lack of, and may decrease~~ employee engagement, ~~including as a result of working remotely, may reduce efficiency and productivity; increase turnover, burnout and absenteeism; cause product development delays and hamper new product innovation; and otherwise adversely affect our business and impede the achievement of our strategy.~~ We rely on attracting **and**, retaining **and developing** talent, including at the executive level, with diverse backgrounds and experiences to effectively ~~oversee~~ **manage** our businesses and **drive** our long- term strategy. If we do not succeed in attracting, retaining and ~~motivating~~ **developing** key **talent** personnel, ~~including diverse personnel~~, our revenue growth and profitability may be materially adversely affected. Furthermore, our business and results of operations could be adversely affected if we fail to adequately plan for and successfully carry out the succession of our key executives and senior leaders. There can be no assurance that we will continue to be able to identify suitable acquisition candidates or new venture opportunities, or to finance or complete transactions on acceptable terms **or in a timely manner**. Additionally, the integration of acquired businesses and divestiture of non- strategic businesses ~~or assets~~ may result in significant challenges and additional costs, and we may be unable to accomplish such transactions ~~smoothly-efficiently~~ or ~~successfully-effectively~~. Acquisitions **of businesses** and divestitures of non- strategic businesses may not provide us with the benefits that we anticipate, require significant effort and expenditures, and entail numerous risks, difficulties and uncertainties. These include, among others, diversion of management’ s attention and resources to the integration of operations and infrastructure, which could otherwise have been devoted to other strategic opportunities; inaccurate assessment of risks and liabilities; difficulties in realizing projected **revenues, earnings, cash flows, business opportunities, growth prospects,** efficiencies, synergies and cost savings, including the incurrence of unexpected integration, **compliance** or divestiture costs; difficulties in keeping existing customers and obtaining new customers; exposure to jurisdictions or businesses with heightened legal and regulatory risks, including corruption, which may increase compliance costs; difficulties in integrating operations and systems, including cybersecurity and other technology systems, and internal control over financial reporting; difficulties in assimilating employees and corporate cultures; ~~failure to achieve anticipated revenues, earnings, cash flows, business opportunities and growth prospects~~; an increase in our indebtedness or future borrowing costs; and limitations on our ability to access additional capital when needed. Our failure to adequately address these and other transaction risks, difficulties and uncertainties could materially adversely affect our results of operations and financial condition. The market price of our stock may decline if we are unable to integrate acquired businesses or divest of non- strategic businesses successfully, if the integration or divestiture takes longer than expected or fails to achieve financial benefits to the extent anticipated by financial analysts or investors, or if the effect of the business combination on the financial results of the combined company or the divestiture on the financial results of the standalone company is otherwise not consistent with the expectations of financial analysts or investors. Our ability to effectively identify and capitalize on opportunities for organic growth depends on, among other things, our ability to: deliver on customer expectations and provide a positive customer experience; successfully execute large- scale, critical programs and projects in a timely and cost- effective manner; identify and successfully enter and market our services in new geographic markets and market segments; recruit and retain qualified personnel; coordinate our efforts across various geographic markets and market segments; maintain and grow relationships with our existing customers and expand our customer base; offer new products and services; form strategic alliances and partnerships; secure key vendor and distributor relationships; and access sufficient capital. There can be no assurance that we will be successful in executing on our organic growth initiatives or that those initiatives will provide us with the expected benefits. Our failure to effectively identify and capitalize on opportunities for organic growth could have a material adverse effect on our results of operations and financial condition. See “ – The success of our business depends on the execution of our strategy, including through the continuing service of key executives, senior leaders, highly- skilled personnel and a high- performing workforce. ” If we experience a business continuity event, such as an earthquake, hurricane, flood, terrorist ~~attack~~ **incident**, pandemic, security breach, ~~cyber attack~~ **cybersecurity incident**, power loss, telecommunications outage or other systems failure, or other disaster, our ability to continue operations will depend on an effective business continuity and disaster recovery plan, including the safety and continued availability of our personnel, vendors and other third parties ~~and facilities~~, and the proper functioning of our telecommunications and other systems and operations, **including our device care centers and other facilities**. An extended period of such conditions may strain our

business continuity and disaster recovery plan, introduce additional operational risk, including cybersecurity and fraud risks, and negatively impact employee morale, **result in negative publicity, reputational harm** and **our the loss of profitability and clients. Our** inability to successfully recover from a business continuity event could have a material adverse effect on our business, financial condition and results of operations. ~~We have from time to time experienced business continuity events, including events that impacted the availability of our systems and the COVID-19 pandemic that impacted various aspects of our operations such as the safety and continued availability of our personnel.~~ See “ – Technology, Cybersecurity and Privacy Risks – The failure to effectively maintain and modernize our ~~information~~ technology systems and infrastructure and integrate those of acquired businesses could adversely affect our business.” Our operations depend upon our ability to protect our technology infrastructure against damage and interruption. If a business continuity event occurs, we could lose Company, customer, vendor and other third- party data, lose significant processing capability, **or experience interruptions to our operations, the availability of our systems** or delivery of products and services to our clients and their customers, which has occurred from time to time and which could have a material adverse effect on our business, financial condition and results of operations. **We rely on certain third- party technology systems that have in the past experienced a business continuity event, which impacted our operations.** A ~~cyber-attack~~ **cybersecurity incident** or other business continuity event affecting us or key third parties with whom we work could result in a significant and extended disruption in the functioning of our ~~information~~ technology systems or operations, requiring us to incur significant expense to address and remediate or otherwise resolve such issues. ~~An extended outage could result in the loss of income and clients, negative publicity and divert management’s attention~~ **reputational damage, substantial volatility in our financial results and a decline in our revenues.** See “ – Technology, Cybersecurity and Privacy Risks – We could incur significant liability if our ~~information~~ technology systems or those of third parties are breached or we or third parties otherwise fail to protect the security of data residing on our respective systems, which could adversely affect our business and results of operations.” The risk of business disruption is more pronounced in certain geographic areas across the world, including the cities in which our device care centers, data centers and operations personnel are located; major metropolitan centers, such as Atlanta, where our headquarters is located; and certain catastrophe- prone areas, such as Miami, Florida, where we have significant operations. This risk is heightened in certain countries and regions in which we operate that are subject to higher potential threat of terrorist ~~attacks~~ **incidents**, military conflicts, political instability and data breaches. A disaster or other business continuity event on a significant scale or affecting our key businesses or our data centers, or our inability to successfully and quickly recover from such an event and any legislative and regulatory responses thereto, could materially interrupt our business operations and result in material financial loss, loss of human capital, regulatory actions, reputational harm, loss of **clients and their** customers or damaged ~~customer~~ relationships, legal liability and other adverse consequences. Our liability insurance policies may not fully cover, in type or amount, the cost of a successful recovery in the event of such a disruption. As we continue to improve operating efficiencies, we rely on vendors and other third parties, including independent contractors, to conduct business and provide services to our clients. **We** For example, we use vendors and other third parties for business, investment management, ~~information~~ technology, operations, facilities management and other services. We take steps to monitor and regulate the performance of vendors and other third parties, including in our agreements with such parties, but our oversight controls could prove inadequate. 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 these vendors or other third parties fail to satisfy their obligations to us or if they fail to comply with legal or regulatory requirements in a high- quality and timely manner, our operations and reputation could be compromised, we may not realize the anticipated economic and other benefits from these arrangements, and we could suffer adverse legal, regulatory and financial consequences. In addition, these third parties face their own technology, operating, business and economic risks, and any significant failures by them, including the improper use or disclosure of our confidential client, employee or Company information or failure to comply with applicable law, could cause harm to our reputation or otherwise expose us to liability. An interruption in or the cessation of service by any service provider as a result of systems failures, capacity constraints, financial difficulties or for any other reason **has occurred from time to time and** could **materially** disrupt our operations, impact our ability to offer certain products and services and result in contractual or regulatory penalties, liability claims from clients or employees, damage to our reputation and harm to our business. If we are unable to attract and retain relationships with qualified vendors, independent contractors and other third- party service providers, or if changes in law or judicial decisions require independent contractors to be classified as employees, our business could be significantly adversely affected. To the extent we engage international vendors or third parties to provide services or carry out business functions, we are exposed to the risks that accompany operations in a foreign jurisdiction, including international economic and political conditions, foreign laws and regulations, fluctuations in currency values and ~~potentially~~, increased risk of data breaches. For more information on the risks associated with the use of international vendors and third parties, see “ – We face risks associated with our international operations.” Our international operations face economic, political, legal, compliance, regulatory, operational, supply chain and other risks. For example, we face the risk of restrictions on currency conversion and the repatriation of non- U. S. investments and earnings; burdens and costs of compliance with a variety of foreign laws and regulations and the associated risk and costs of non- compliance, **including reputational harm**; exposure to undeveloped or evolving legal systems, which may result in unpredictable or inconsistent application of laws and regulations **;** **including export controls and** exposure to commercial, political, legal or regulatory **risks such as** corruption; political, economic or other instability in countries in which we conduct business, including possible terrorist acts; the imposition of sanctions, tariffs, trade barriers or other protectionist laws or business practices that favor local competition, increase costs and may otherwise adversely affect our business; inflation and foreign exchange rate fluctuations; diminished ability to enforce our contractual rights; ~~potential~~ increased risk of data breaches; differences in cultural environments; changes in regulatory requirements, including changes in regulatory treatment of certain products or services; exposure to local economic conditions

and its impact on our clients' performance and creditworthiness; and a competitive global labor market. If our business model is not successful in a particular country or region, or a country or region in which we do business experiences economic, political or other instability, we may lose all or part of our investment in that country or region. As we continue to scale our global operations **and grow our international labor force within Global Capabilities Centers**, our business becomes increasingly exposed to these and other risks, **including in particular** where certain countries or regions have recently experienced economic or political instability, such as in Argentina and Brazil. As we engage with international clients, we may make certain up- front commission payments or similar cash outlays, which we may not recover if the business does not develop as we expect. These up- front payments are typically supported by various protections, such as letters of credit, letters of guarantee and real estate, but we may not fully or timely recover amounts owed to us as a result of difficulties in enforcing contracts or judgments in undeveloped or evolving legal systems and other factors. In addition, we rely on fronting carriers in certain countries to maintain their licenses and product approvals, satisfy local regulatory requirements and continue in business. If they fail to do so, our business, reputation, and relationships with our clients and their customers could be adversely affected. For additional information on the significant international regulations that apply to us, ~~including data protection regulations,~~ and the risks relating thereto, see " Item 1 – Business – Regulation – International Regulation " in this Report, " – **Business, Strategic and Operational Risks – Our mobile business is subject to the risk of declines in the value and availability of mobile devices, and to regulatory compliance and other risks,** " " – Legal and Regulatory Risks – We are subject to extensive laws and regulations, which increase our costs and could restrict the conduct of our business, and violations or alleged violations of such laws and regulations could have a material adverse effect on our reputation, business and results of operations, " " – Legal and Regulatory Risks – Our business is subject to risks related to litigation and regulatory actions " and " – **Legal Technology, Cybersecurity and Privacy Regulatory** Risks – The costs of complying with, or our failure to comply with, U. S. and foreign laws related to privacy, data security and data protection could adversely affect our financial condition, operating results and reputation. " " The value of the mobile devices that we collect and refurbish for our clients may fall below the prices we have paid or guaranteed, which could adversely affect our profitability. ~~In our mobile business, we carry inventory to meet the delivery requirements of certain clients. These devices are ultimately disposed of through sales to third parties. In addition, our inventory includes devices and parts on consignment with our nationwide network of nearly 500 Cell Phone Repair locations for in-store repairs.~~ Our mobile business is subject to the risk that the value, including selling price, or availability of devices and parts will be adversely affected by: technological changes affecting the usefulness or desirability of the devices and parts; physical problems resulting from faulty design or manufacturing; increased competition; decreased customer demand, including due to changes in customer preferences, changes in client promotions and seasonality; supply chain constraints; and growing industry emphasis on cost containment. The value and availability of devices may also be impacted by adverse foreign trade relationships and an escalation of U. S.- China and China- Taiwan trade tensions, including with respect to trade policies, treaties, government relations, tariffs and other trade restrictions. If the value or availability of devices or parts is significantly reduced, it could have a material adverse effect on our profitability. Our sales of mobile devices to third parties **subject us to regulatory compliance risk, which may subject us to fines or other sanctions, and increase the costs of operating the business, including compliance expenses. While we conduct diligence and screening for buyers of mobile devices that we sell, and change buyers in our program based on diligence reviews, our mobile device buyers may not comply with applicable laws and regulations, including anti- money laundering laws. In addition, our sales of mobile devices to third parties** domiciled outside of the U. S. subject us to compliance risks relating to **corruption, sanctions and** export control laws and regulations, which may adversely impact our ability to find buyers. Furthermore, certain businesses we acquire may violate, and from time to time have violated, such laws and regulations, which could subject us to liability. Non- compliance with such laws could adversely affect our business, reputation, relationships with our clients and their customers, financial condition and results of operations. See " – We face risks associated with our international operations " and " – Significant competitive pressures, changes in customer preferences and disruption could adversely affect our results of operations. " We distribute many of our insurance products and services through a variety of ~~distribution~~ channels, including **mobile service providers (including device carriers and cable operators)**, financial institutions, mortgage lenders and servicers, retailers, association groups, other third- party marketing organizations and, to a limited extent, our own captives and affiliated agents. Our relationships with these distributors are significant for our revenues and profits. There is intense competition for distribution outlets. Agents who distribute our products are typically not exclusively dedicated to us, but also market the products of our competitors. In some cases, such agents may be affiliated with other insurers who may choose to write the product that such agents are now selling on our behalf. We have our own sales representatives. We depend in large part on our sales representatives and ~~segment business~~ executives to develop and maintain client relationships. Our inability to attract and retain effective sales representatives and executives with key client relationships could materially adversely affect our results of operations and financial condition. From time to time, we have **entered into** and may continue to enter into joint ventures and franchises and invest in entities in which we share ownership or management with third parties. In certain circumstances, we may not have complete control over governance, financial reporting, operations, legal and regulatory compliance, or other matters relating to such joint ventures, franchises or entities. As a result, we may face certain ~~operating operational~~, financial, legal and regulatory compliance and other risks relating to these joint ventures, franchises and entities, including risks related to the financial strength of joint venture partners, franchisees and other investors; the willingness of joint venture partners, franchisees and other investors to provide adequate funding for the joint venture, franchise or entity; differing goals, strategies, priorities or objectives between us and joint venture partners, franchisees or other investors; our inability to unilaterally implement actions, policies or procedures with respect to the joint venture, franchise or entity that we believe are favorable; legal and regulatory compliance risks relating to actions of the joint venture, franchise, entity, joint venture partners, franchisees or other investors; the risk that the actions of joint venture partners, franchisees and other investors could damage our brand image and reputation; and the risk that we will be

unable to resolve disputes with joint venture partners, franchisees or other investors. As a result, joint ventures, franchises and investments in which we share ownership or management subject us to risk and may contribute significantly less than anticipated to our earnings and cash flows. Our insurance operations expose us to claims arising from catastrophes and **other events non-catastrophes**, particularly in our homeowners insurance, renters insurance and flood offerings, as well as in certain businesses the Company ~~is exiting~~ **has fully exited or expects to fully exit**, including ~~the sharing economy and commercial liability businesses~~. Catastrophes include hurricanes, windstorms, tornados, earthquakes, hailstorms, floods, severe winter weather, wildfires, ~~epidemics and pandemics~~, terrorist ~~attacks~~ **incidents** and accidents, and may result in reportable catastrophe losses, which are individual catastrophe events that generate losses in excess of \$ 5. 0 million, pre- tax ~~and~~, **net of reinsurance and client profit sharing adjustments, and including reinstatement and other premiums**. Non- catastrophe losses include losses from isolated fire, water and wind damage, theft and vandalism, as well as general liability in renters and homeowners policies, and losses from ~~the sharing economy and small commercial businesses~~. Losses are impacted by increases in inflation and supply chain disruptions that increase the cost of materials and labor required to settle claims, **including in our Global Housing business**. In addition, non- catastrophe losses related to the sharing economy ~~and small commercial businesses~~ **business** in particular have been, and may continue to be, impacted by increased claim settlement and loss adjustment expenses. We have experienced, and expect to continue to experience, catastrophe and non- catastrophe losses that materially reduce our profitability and impact our available capital, which may have a material adverse effect on our results of operations and financial condition. Changing weather patterns and climate change have increased the unpredictability, frequency and severity of weather- related events, such as wildfires, hurricanes, floods and tornadoes, particularly in coastal areas **such as Florida, California and Texas**, and may result in increased claims and higher catastrophe losses, which could have a material adverse effect on our results of operations and financial condition. Regulation in the area of climate change is increasing and we cannot predict how legal, regulatory, political and social responses to concerns around climate change may impact our business. While the frequency and severity of catastrophes are inherently unpredictable, increases in the value and geographic concentration of insured property and the effects of inflation have and may continue to increase the frequency and severity of claims from catastrophes. In addition, legislative and regulatory initiatives and court decisions may have the effect of limiting the ability of insurers to manage catastrophe losses, including by forcing expansion of certain insurance coverages for catastrophe claims, which may adversely impact our business. See “ – Macroeconomic, Political and Global Market Risks – General economic, financial market and political conditions and conditions in the markets in which we operate may materially adversely affect our results of operations and financial condition. ” Catastrophe and non- catastrophe losses can vary widely and could significantly exceed our expectations. We use modeling tools that help estimate our probable losses, but these projections are based on historical data and other assumptions that may differ materially from actual events, and their reliability and predictive value may decrease as a result of climate change. These modeling tools may not be able to anticipate emerging trends or changing marketplace conditions. See “ – Financial Risks – Actual results may differ materially from the analytical models we use to assist in our decision- making in key areas such as pricing, catastrophe risks, reserving and capital management. ” We purchase reinsurance for certain risks, but if the severity of an event were sufficiently high, our losses could exceed our reinsurance coverage limits and could have a material adverse effect on our results of operations and financial condition. In addition, ~~recent the~~ **the** availability and cost of reinsurance ~~have been~~ **can be** adversely impacted by market conditions. See “ – Financial Risks – Reinsurance may not be adequate or available to protect us against losses, and we are subject to the credit risk of reinsurers. ” In addition, claims from catastrophe and non- catastrophe events could result in substantial volatility in our results of operations and financial condition for any particular fiscal quarter or year. Accounting rules do not permit insurers to reserve for catastrophe or non- catastrophe events before they occur. Once such an event occurs, the establishment of appropriate reserves is an inherently uncertain and complex process. The ultimate cost of losses may vary materially from recorded reserves and such variance may have a material adverse effect on our results of operations, financial condition and capital. See “ – Financial Risks – Our actual claims losses may exceed our reserves for claims, requiring us to establish additional reserves or to incur additional expense for settling unreserved liabilities, which could have a material adverse effect on our results of operations, profitability and capital. ” Because Global Housing’ s lender- placed homeowners and lender- placed manufactured housing insurance products are designed to automatically provide property coverage for client portfolios, our exposure to certain catastrophe- prone locations, such as Florida, California, ~~and Texas, North Carolina and South Carolina~~, may increase. The withdrawal of other insurers from these or other states may lead to adverse selection and increased use of our products in these areas, and may negatively affect our loss experience and increase our costs. We communicate with and distribute our products and services ultimately to individual ~~consumers~~ **customers**. From time to time, regulators, consumer advocacy groups ~~and~~, the media ~~and~~ **individual customers** may focus their attention on our products and services, which may subject us to negative publicity. We may be negatively affected if another company in one of our industries or in a related industry, or if one of our clients, engages in practices that subject our industry or businesses to negative publicity. Negative publicity may result from judicial inquiries, unfavorable outcomes in lawsuits, social media, regulatory or governmental actions with respect to our products or services and industry commercial practices. For example, ~~we may be subject to regulatory~~ **regulators may submit** queries to assess practices in the insurance sector that potentially disadvantage people of color or historically underrepresented groups in certain insurance lines of business, or whether ~~consumers~~ **customers** have received fair value from our products and services. In addition, there is increased investor and regulatory focus on sustainability matters, including diversity, equity and inclusion, and commitment to long- term sustainability and efforts related to climate. A failure or perceived failure in our achievement of various sustainability initiatives and goals we ~~may announce~~ **may announce**, or an actual or perceived increase in related risks as a result of our or our industry’ s business activities, may subject us to negative publicity. Negative publicity may cause increased regulation and legislative scrutiny of industry practices as well as increased litigation or enforcement action by civil and criminal authorities. Additionally, negative publicity may increase our costs of doing business and adversely affect our profitability by

impeding our ability to market our products and services, constraining our ability to price our products appropriately for the risks we are assuming, requiring us to change the products and services we offer or increasing the regulatory burdens under which we operate. Limited availability of credit, deteriorations of the global mortgage and real estate markets, declines in consumer confidence and consumer spending, including in Europe, increases in prices or in the rate of inflation, periods of high unemployment or labor shortages, persistently low or rapidly increasing interest rates, disruptive geopolitical events, including the **ongoing conflict in Ukraine-Israel- Hamas war**, China- Taiwan relations and supply chain disruptions, and other events outside of our control, such as a major epidemic or a pandemic, **including the COVID- 19 pandemic**, political or civil unrest, or the possibility of a U. S. government **shutdown or** default on its debt obligations, could contribute, and in some cases have contributed, to increased volatility and diminished expectations for the economy and the financial markets, including the market for our stock, and may materially adversely affect our business, results of operations and financial condition. Specifically, during periods of economic downturn: • individuals and businesses may (i) choose not to purchase our insurance products, **warranties extended service contracts** and other products and services, (ii) terminate existing policies or contracts or permit them to lapse and (iii) choose to reduce the amount of coverage they purchase; • conditions in the markets in which we operate may deteriorate, impacting, among other things, consumer demand for the mobile devices, electronics, appliances, automobiles, housing and other products we insure, including the rate of introduction and success of new products, technologies and promotional programs that provide opportunities for growth; • clients are more likely to underperform expectations, experience financial distress and declare bankruptcy, which could have an adverse impact on the remittance of premiums from such clients and the collection of receivables from such clients for items such as unearned premiums and could otherwise expose us to credit risk; • claims on certain specialized insurance products tend to rise; • there is a risk of fraudulent insurance claims; • there may be an impairment in the value of our tangible and intangible assets and our investment portfolio may be adversely affected; • there may be fluctuations in the labor market and a negative impact on employee retention; **and** • our ability to access the capital markets on favorable terms or at all may be negatively impacted **; and • there may be substantial decreases in loan availability and origination, which may reduce the demand for credit insurance that we write or debt cancellation or debt deferment products that we administer.** General inflationary pressures and supply chain disruptions, including within the current environment, has and may continue to increase the costs of paying claims, including for materials and labor, particularly in our Global Housing **segment and Global Automotive businesses**. In addition, inflationary pressures and shortages in the labor market have increased, and may continue to increase, our labor costs, including employee wages, and **rising changes in** interest rates **in response to rising inflation** has impacted, and may continue to impact, our investment portfolio and capital. See “ – Financial Risks – Our investment portfolio is subject to market risk, including changes in interest rates, that may adversely affect our results of operations and financial condition. ” Conversely, deflationary pressures may affect the pricing of our products and services. We maintain reserves to cover our estimated ultimate exposure for claims and claim adjustment expenses with respect to reported claims and incurred but not reported (“ IBNR ”) claims as of the end of each accounting period. Whether calculated under accounting principles generally accepted in the United States of America (“ GAAP ”), Statutory Accounting Principles or accounting principles applicable in foreign jurisdictions, reserves are estimates. Reserving is inherently a matter of judgment and our ultimate liabilities could exceed reserves for a variety of reasons, including changes in macroeconomic factors (such as inflation, unemployment and interest rates), case development and other factors. From time to time, we adjust our reserves, and may adjust our reserving methodology, as these factors, our claims experience and estimates of future trends in claims frequency and severity change. **In Reserve adjustments may cause volatility in our reported results, such as the reserve reductions in 2023 compared to reserve increases in 2022** **; we have had \$ 77. 4 million of unfavorable loss development from our sharing economy and small commercial products, two lines of business that we expect to fully exit.** Reserve development, changes in our reserving methodology and paid losses exceeding corresponding reserves could have a material adverse effect on our results of operations, profitability and capital. See “ Item 7 – Management’ s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Reserves ” in this Report for additional detail on our reserves. Our profitability could be reduced if we are unable to accurately predict and price for claims and other costs, including the frequency and severity of property and other claims. This ability could be affected by various factors, including macroeconomic conditions **;** inflation **;** changes in the regulatory environment **;** changes in industry practices **;** changes in legal, social or environmental conditions **;** **impacts from operational changes;** new technologies **;** or domestic **and-or** global supply chain **and-or** labor issues. In addition, **our** modeling tools that support business decisions involve historical data and numerous assumptions that may differ materially from actual events. Climate change may make it more difficult to predict and model catastrophes, reducing our ability to accurately price our exposure to such events and mitigate risks. The inability to accurately predict and price for claims and other costs, including costs related to climate change and macroeconomic conditions, could materially adversely affect our results of operations and financial condition. See “ – Financial Risks – Actual results may differ materially from the analytical models we use to assist in our decision- making in key areas such as pricing, catastrophe risks, reserving and capital management. ” Ratings are important considerations in establishing the competitive position of insurance companies. A. M. Best rates most of our domestic and **significant certain** international operating insurance subsidiaries. Moody’ s and S & P rate three of our domestic operating insurance subsidiaries. These ratings are subject to periodic review by A. M. Best, Moody’ s and S & P, and we cannot assure that we will be able to retain them. Rating agencies may change their methodology or requirements for determining ratings, or they may become more conservative in assigning ratings. **S & P is expected to announce proposed changes to its rating methodologies for comment in first quarter 2023, the impact of which is uncertain at this time.** Rating agencies could increase capital requirements for our subsidiaries or the enterprise, thereby reducing deployable capital at such subsidiary or at the holding company. Any reduction in these ratings could materially adversely affect our standing in the insurance industry and the demand for our products from intermediaries and consumers, which could materially adversely affect our results of operations. As of December 31, **2022-2023**, our operations had a

significant number of contracts that contain provisions that require the applicable subsidiaries to maintain minimum financial strength ratings, typically from A. M. Best, ranging from “ A ” or better to “ B ” or better, depending on the contract. Our clients may terminate these contracts or fail to renew them if the subsidiaries’ ratings fall below these minimums. Termination of or failure to renew these agreements could materially and adversely affect our results of operations and financial condition. Currently, Assurant, Inc.’ s senior debt is rated BBB by S & P and Baa2 by Moody’ s, and both ratings carry a stable outlook. If our senior debt credit ratings were downgraded, particularly if downgraded below investment grade, our business, financial condition and results of operations, and perceptions of our financial strength, could be materially and adversely affected. A downgrade could adversely affect our liquidity and ability to access liquidity quickly **or at all**, increase our borrowing costs, decrease demand for our debt securities, and increase the expense and difficulty of financing our operations, including temporary financing for subsidiaries necessary to address any immediate liquidity concerns, or refinancing our existing indebtedness on similar or more favorable terms. For example, the interest rate payable on certain series of our senior notes is subject to increase if either of S & P or Moody’ s downgrades the credit rating assigned to such series of senior notes to BB or below or to Ba1 or below, respectively. Additionally, we could be subject to more restrictive financial and operational covenants in any indebtedness we issue in the future, which could reduce our operational flexibility. There can be no assurance that our credit ratings will not be downgraded. See Note 19 to the Consolidated Financial Statements included elsewhere in this Report for additional information on our senior notes and the impact of rating changes. While most of our costs and revenues are in U. S. Dollars, some are in other currencies, **including labor costs in our international locations and Global Capabilities Centers**. Because our financial results in certain countries are translated from local currency into U. S. Dollars upon consolidation, our results of operations, including period- over- period comparisons, have been and may continue to be affected by foreign exchange rate fluctuations. To a large extent, we do not currently hedge foreign currency risk. If the U. S. Dollar weakens against a local currency, the translation of our foreign- currency- denominated balances will result in increased net assets, net revenue, operating expenses and net income. Similarly, our net assets, net revenue, operating expenses and net income will decrease if the U. S. Dollar strengthens against a local currency. In **2022-2023**, we reported a \$ **13-31.43** million unfavorable impact to net income due to foreign exchange- related losses. These fluctuations in currency exchange rates may result in losses that materially and adversely affect our results of operations. Additionally, we may incur foreign exchange losses in connection with the designation of the U. S. Dollar as the functional currency of our international subsidiaries. For example, ~~management has classified~~ Argentina’ s economy **is classified** as highly inflationary in accordance with GAAP accounting requirements and, as a result, the functional currency of our Argentina subsidiaries was changed from the local currency to U. S. Dollars and their non- U. S. Dollar denominated monetary assets and liabilities were subject to remeasurement resulting in losses. We could incur additional losses, which would adversely affect our results of operations. For additional information on the change in functional currency for our Argentina subsidiaries and the effect thereof, see Note 2 to the Consolidated Financial Statements included elsewhere in this Report. As a result of acquisitions, we have added a considerable amount of goodwill and other intangible assets to our balance sheet. Goodwill represented **62-54** % of our total equity as of December 31, **2022-2023**. We review our goodwill annually in the fourth quarter for impairment or more frequently if indicators of impairment exist. Such circumstances include a significant adverse change in legal factors, an adverse action or assessment by a regulator, unanticipated competition, loss of key personnel or a significant decline in our expected future cash flows due to changes in company- specific factors or the broader business climate. In addition, other intangible assets collectively represented **15-12** % of our total equity as of December 31, **2022-2023**. Estimated useful lives of finite intangible assets are reassessed on an annual basis. Generally, other intangible assets with finite lives are only tested for impairment if there are indicators of impairment identified, including a significant adverse change in the extent, manner or length of time in which the other intangible asset is being used or a significant adverse change in legal factors or in the business climate that could affect the value of the other intangible asset. An impairment of goodwill or other intangible assets, or significant reduction in the useful lives of intangible assets, could have a material adverse effect on our profitability and book value. For more information on our annual goodwill impairment testing, the goodwill of our segments and related reporting units and intangible asset impairment testing, see “ Item 7 – Management’ s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates – Valuation and Recoverability of Goodwill ” and Notes 2 and 15 to the Consolidated Financial Statements included elsewhere in this Report. As a public company, we are required to maintain effective internal control over financial reporting. While management has certified that our internal control over financial reporting was effective as of December 31, **2022-2023**, because internal control over financial reporting is complex, there can be no assurance that our internal control over financial reporting will be effective in the future. We rely on manual processes and procedures that subject us to increased risk of error and internal control failure compared to automated processes. In ~~second quarter~~ 2022, we identified and disclosed certain accounting errors. Although we are in the process of implementing an integrated global financial system to, among other things, minimize our reliance on and use of manual processes, there can be no assurance that the implementation will be completed in a timely manner or on budget, or that it will achieve all of its intended goals. Any failure to implement required controls, or difficulties or errors encountered in their operation, including as a result of remote work arrangements, could adversely affect our results of operations or cause us to fail to meet our reporting obligations, ~~which could deteriorate investor confidence~~. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm would be unable to certify the effectiveness of our internal control over financial reporting or opine that our financial statements fairly present, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP. Significant deficiencies or material weaknesses in internal control over financial reporting may prevent us from reporting our financial information on a timely basis or cause us to restate previously issued financial information, and thereby subject us to litigation and adverse regulatory consequences, including fines and other sanctions, **and would require us to claw back certain executive compensation, which would be costly and time- consuming**. If any of the foregoing were to occur, investor confidence in us



and the reliability of our financial statements could erode, resulting in a decline in our stock price, impairing our ability to raise capital, negatively affecting our reputation and subjecting us to legal and regulatory risk. The global capital and credit markets have experienced periods of uncertainty, volatility and disruption, including the possibility of a U. S. government **shutdown or default** on its debt obligations, changes to U. S. and foreign tax and trade policies, imposition of new or increased tariffs, other trade restrictions, other government actions, foreign currency fluctuations and other factors. Our ability to raise money during such periods could be severely or entirely restricted. Our ability to borrow or raise money is important if our operating cash flow is insufficient to pay our expenses, meet capital requirements, repay debt, pay dividends on our common stock or make investments. As a holding company, we have limited direct operations of our own. The principal sources of our liquidity are dividends and other statutorily permissible payments from our subsidiaries, cash flow from our investment portfolio, the Credit Facility (as defined below) and liquid assets, consisting mainly of cash or assets that are readily convertible into cash. Sources of liquidity in normal markets include a variety of short- and long- term instruments. If our access to the capital and credit markets is restricted, our cost of capital could increase, thus decreasing our profitability and reducing our financial flexibility, including our ability to refinance maturities of existing indebtedness on similar or more favorable terms. Our results of operations, financial condition, cash flows and statutory capital position could be materially and adversely affected by periods of uncertainty, volatility and disruption in the capital or credit markets. Investment returns are an important part of our profitability. Our investments are subject to market- wide risks and fluctuations, including in the fixed maturity **and**, equity securities **and real estate** markets, which could impair our profitability, financial condition and cash flows. Further, in pricing our products and services, we incorporate assumptions regarding returns on our investments. Market conditions may not allow us to invest in assets with sufficiently high returns to meet our pricing assumptions and profit targets over the long term. We are subject to interest rate risk in our investment portfolio. Changes in interest rates have, and may continue to, materially adversely affect the performance of some of our investments, including by materially reducing the fair value of and investment income from fixed maturity securities and increasing unrealized losses in our investment portfolio, which can adversely impact our capital. As of December 31, **2022-2023**, fixed maturity securities represented approximately 84 % of our total investments and full year **2022-2023** gross investment income from fixed maturity securities totaled \$ **270-335.0-3** million. The fair market value of fixed maturity securities generally increases or decreases in an inverse relationship with fluctuations in interest rates, while net investment income realized by us from future investments in fixed maturity securities generally increases or decreases directly with fluctuations in interest rates. In addition, actual investment income and cash flows from investments that carry prepayment risk, such as mortgage- backed and other asset- backed securities, may differ from those anticipated at the time of investment as a result of interest rate fluctuations. Recent periods have been characterized by **an overall increasing-increase in** interest rates. A prolonged period during which interest rates remain at high levels may result in greater unrealized losses in our investment portfolio. Conversely, a prolonged period during which interest rates are at lower levels may result in lower- than- expected investment income. **. We attempt to mitigate certain interest rate risk with hedging activities but such activities may not be effective**. Though we employ asset / liability management strategies to manage the adverse effects of interest rate changes, significant fluctuations may require us to liquidate investments prior to maturity at a significant loss to pay claims, which could have a material adverse effect on our results of operations and financial condition. See “ Item 7A – Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk ” in this Report. We are subject to credit risk in our investment portfolio, primarily from our investments in corporate bonds, preferred stocks, leveraged loans, municipal bonds and commercial mortgages. Defaults by third parties in the payment or performance of their obligations could reduce our investment income and result in realized investment losses. The value of our investments may be materially adversely affected by downgrades in the corporate bonds included in our portfolio, increases in treasury rates or credit spreads and by other factors that may result in realized and unrealized investment losses and other- than- temporary impairments. The determination that a security has incurred an other- than- temporary impairment requires the judgment of management and there are inherent risks and uncertainties involved in making these judgments. Changes in facts, circumstances or critical assumptions could cause management to conclude that further impairments have occurred, which could lead to additional losses on investments. Each of these events may cause us to reduce the carrying value of our investment portfolio. For further details on net investment losses, see Note 8 to the Consolidated Financial Statements included elsewhere in this Report. The value of any particular fixed maturity security is subject to impairment based on the creditworthiness of its issuer. As of December 31, **2022-2023**, fixed maturity securities represented approximately 84 % and below investment grade securities (rated “ BB ” or lower by nationally recognized statistical rating organizations) represented approximately 5 % of our total investments. Below investment grade securities generally are expected to provide higher returns but present greater risk and can be less liquid than investment grade securities. A significant increase in defaults and impairments on our fixed maturity securities portfolio could materially adversely affect our results of operations and financial condition. See “ Item 7A – Quantitative and Qualitative Disclosures About Market Risk – Credit Risk ” in this Report for additional information on the composition of our fixed maturity securities portfolio. Equity securities represented approximately **4-3** % of our total investments as of December 31, **2022-2023**. However, we have had higher percentages of equity securities in the past and may make more equity investments in the future. Investments in equity securities generally are expected to provide higher total returns but present greater risk to preservation of capital than our fixed maturity securities. All changes in the fair value of equity securities are reported in our statements of operations, which has increased the volatility of our financial results. See Note 2 to the Consolidated Financial Statements included elsewhere in this Report for more information. Our investments in commercial mortgage loans on real estate (which represented approximately 4 % of our total investments as of December 31, **2022-2023** ) are relatively illiquid. If we require extremely large amounts of cash on short notice, we may have difficulty selling these investments at attractive prices and in a timely manner. **. In addition, default rates and losses on commercial mortgage loans are affected by a number of factors, including many U. S. regional lenders that are reducing their exposure to such loans**. The manner in which we allocate our

resources across the portfolio or the types of assets in which we seek to invest may increase credit, liquidity and other risks that may adversely affect our results of operations and financial condition. In accordance with applicable income tax guidance, we must determine whether our ability to realize the value of our deferred tax asset or to recognize certain tax liabilities related to uncertain tax positions is “ more likely than not ”. Under current income tax guidance, a deferred tax asset should be reduced by a valuation allowance, or a liability related to uncertain tax positions should be accrued, if, based on the weight of all available evidence, it is more likely than not that some portion of the deferred tax asset will not be realized. The realization of deferred tax assets depends upon the existence of sufficient taxable income of the same character during the carryback or carry- forward periods. In determining the appropriate valuation allowance, management made certain judgments relating to recoverability of deferred tax assets, use of tax loss and tax credit carry- forwards, levels of expected future taxable income and available tax planning strategies. The assumptions in making these judgments are updated periodically on the basis of current business conditions affecting us and overall economic conditions. These management judgments are therefore subject to change due to factors that include changes in our ability to realize sufficient taxable income of the same character in the same jurisdiction or in our ability to execute other tax planning strategies. Furthermore, any future changes in tax laws could impact the value of our deferred tax assets. Management will continue to assess and determine the need for, and the amount of, the valuation allowance in subsequent periods. Any change in the valuation allowance could have a material adverse impact on our results of operations and financial condition. As part of our overall risk and capacity management strategy, we purchase reinsurance for certain risks underwritten by our various operating segments. We also access the Florida Hurricane Catastrophe Fund (“ FHCF ”) **and the Reinsurance to Assist Policyholders (“ RAP ”) program** to reinsure eligible Florida risks, **with the FHCF providing coverage each year and the RAP program providing coverage for the 2023 wind season**. Although reinsurers are liable to us for claims properly ceded under our reinsurance arrangements, we remain liable to the insured as the direct insurer on all risks reinsured. Ceded reinsurance arrangements therefore do not eliminate our obligation to pay claims. We are subject to credit **and other risk risks** with respect to our ability to recover amounts due from reinsurers, **the FHCF and the RAP program**. The inability to collect amounts due from reinsurers and any changes in the FHCF **and the RAP program** could materially adversely affect our results of operations and financial condition. The availability and cost of reinsurance are subject to prevailing reinsurance market conditions, which have been, and in the future may continue to be, adversely impacted by: the occurrence of significant reinsured events, including catastrophes, or expectations regarding increased occurrences of such events due to climate change; and other impacts on reinsurers’ capital, such as increased demand for coverage driven by inflation, a volatile investment market or unforeseen litigation costs. ~~Recently, premiums~~ **Premiums** charged for reinsurance coverage increased significantly ~~in and we expect elevated pricing to continue through 2023~~ **but have moderated slightly in 2024**. In the future, we may not be able to obtain reinsurance coverage for some of our businesses at commercially reasonable rates or at all. In such a situation, we might be adversely affected by state and other regulations that prohibit us from excluding catastrophe exposures or from withdrawing from or increasing premium rates in catastrophe- prone areas. In addition, we may not be able to renew our current reinsurance facilities or obtain other reinsurance facilities in adequate amounts, at favorable rates and with favorable terms. The inability to obtain reinsurance at favorable rates or at all could cause us to reduce the level of our underwriting commitments, take more risk, hold more capital or incur higher costs. Any of these developments could materially adversely affect our results of operations and financial condition. In the past, we have sold, and in the future we may sell, businesses through reinsurance ceded to third parties. We have exited, **expect to fully exit and in the future may exit** certain businesses, **including small commercial**, through reinsurance. We have a reinsurance recoverable balance with John Hancock Life Insurance Company (“ John Hancock ”) of \$ ~~436.416~~ **5.0** million as of December 31, ~~2022~~ **2023**, related to the sale of our Long- Term Care division through reinsurance. The A. M. Best rating of John Hancock is currently A . Certain assets backing reserves reinsured under this sale and other sales are held in trusts or separate accounts. However, if the reinsurers became insolvent, the assets in the trusts or separate accounts could prove insufficient to support the liabilities that would revert to us and we may again become responsible for administering these businesses. We do not currently have the administrative systems and capabilities to process these businesses. We might be forced to obtain such capabilities on unfavorable terms with a resulting material adverse effect on our results of operations and financial condition. In addition, other third parties to whom we have sold businesses in the past may in turn sell these businesses to other third parties, through reinsurance or otherwise, and we could face credit risks and risks related to the new administrative systems and capabilities of these third parties in administering these businesses. For more information on these arrangements, including the reinsurance recoverables and risk mitigation mechanisms used, see **Note 18 to the Consolidated Financial Statements included elsewhere** ~~“ Item 7A — Quantitative and Qualitative Disclosures About Market Risks — Credit Risk ”~~ in this Report. We are subject to the credit risk of some of the agents, third- party administrators **and**, clients **and client- owned reinsurance companies** with which we contract in our businesses. We may incur losses related to accounts receivables, write- downs of upfront fees, write- downs of deferred acquisition costs, insurance reserves held by third parties **with or** without collateral **(including the impairment of any collateral)**, reimbursement of claims or commissions prepaid by us and loans granted to such counterparties. In addition, some of our agents, third- party administrators and clients collect and report premiums or pay claims on our behalf. **Also, under certain contractual arrangements, we pay claims on behalf of third parties and subsequently seek reimbursement**. These parties’ failure to remit all premiums collected or to pay claims on our behalf **or to reimburse us for paid claims** on a timely and accurate basis could have an adverse effect on our results of operations. As a holding company whose principal assets are the capital stock of our subsidiaries, we rely primarily on dividends and other statutorily permissible payments from our subsidiaries to meet our obligations for payment of interest and principal on outstanding debt obligations, to repurchase shares or debt, to pay for certain expenses, to acquire new businesses, and to pay dividends to common stockholders. Our subsidiaries’ ability to pay dividends and to make such other payments depends on their GAAP equity or statutory surplus, future earnings, cash position, rating agency requirements and regulatory restrictions, as applicable. Regulators could increase capital

requirements for our subsidiaries, thereby reducing deployable capital at such subsidiary. Except to the extent that we are a creditor with recognized claims against our subsidiaries, claims of our subsidiaries' creditors, including policyholders, have priority over our claims with respect to our subsidiaries' assets and earnings. If any of our subsidiaries ~~should become~~ **becomes** insolvent, ~~liquidate~~ **liquidates** or otherwise ~~reorganize~~ **reorganizes**, our creditors and stockholders will have no right to proceed against our ~~subsidiaries~~ **subsidiary**'s assets or to cause the liquidation, bankruptcy or winding-up of our ~~subsidiaries~~ **subsidiary** under applicable liquidation, bankruptcy or winding-up laws. The applicable insurance laws of the jurisdiction where each of our insurance subsidiaries is domiciled would govern any proceedings relating to that subsidiary and the insurance authority of that jurisdiction would act as a liquidator or rehabilitator for the subsidiary. The payment of dividends by any of our regulated domestic insurance company subsidiaries in excess of specified amounts (i. e., extraordinary dividends) must be approved by the subsidiary's domiciliary jurisdiction department of insurance. Ordinary dividends, for which no regulatory approval is generally required, are limited to amounts determined by a formula, which varies by jurisdiction. ~~The formula for the majority of the jurisdictions in which our subsidiaries are domiciled is based on the prior year's statutory net income or 10% of the statutory surplus as of the end of the prior year.~~ Some jurisdictions have an additional stipulation that dividends may only be paid out of earned surplus. If insurance regulators determine that payment of an ordinary dividend or any other payments by our insurance subsidiaries to us (such as payments under a tax sharing agreement or payments for employee or other services) would be adverse to policyholders or creditors, they may block such payments that would otherwise be permitted without prior approval. Future regulatory actions could further restrict our insurance subsidiaries' ability to pay us dividends. For more information on the maximum amount of dividends our regulated U. S. domiciled insurance subsidiaries could pay us in **2022** **2023** under applicable laws and regulations, without prior regulatory approval, see "Item 5 – Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Dividend Policy." Any additional material restrictions on our insurance subsidiaries' ability to pay us dividends could adversely affect our ability to pay any dividends on our common stock, service our debt and pay other expenses. Our declaration and payment of dividends on our common stock in the future will be determined by the Board in its sole discretion and will depend on various factors, including: our subsidiaries' payment of dividends and other statutorily permissible payments to us; our results of operations and cash flows; our financial condition and capital requirements; general business conditions and growth prospects; any legal, tax, regulatory and contractual restrictions on the payment of dividends; and any other factor the Board deems relevant. The payment of dividends on our common stock ~~is may be~~ subject to the preferential rights of preferred stock that the Board may create from time to time. The Credit Facility contains limitations on our ability to pay dividends to our stockholders if we are in default, or such dividend payments would cause us to be in default, of our obligations thereunder. In addition, if we defer the payment of interest on our Subordinated Notes (as defined hereafter), we generally may not make payments on our capital stock. Furthermore, the agreements governing any of our or our subsidiaries' future indebtedness may limit our ability to declare and pay dividends on our common stock. In the event that any agreements governing any such indebtedness restrict our ability to declare and pay dividends in cash on our common stock, we may be unable to declare and pay dividends in cash on our common stock unless we can repay or refinance the amounts outstanding under such agreements. ~~At any time when we have given notice of our election to defer interest payments on the Subordinated Notes, we generally may not make payments on our capital stock, subject to certain limited exceptions.~~ We use various modeling techniques and data analytics throughout the organization to analyze and estimate exposures, loss trends, and other risks associated with our assets, liabilities, profitability and cash flows. This includes both proprietary and third-party modeled outputs and related analysis to assist us in decision-making related to pricing and rate filings, catastrophe and non-catastrophe modeling, loss reserving, asset management, corporate tax, financial reporting, and risk and capital management, among other things. The modeled outputs and related analyses are subject to uncertainties and the inherent limitations of any statistical analysis, including model design errors; rely on numerous assumptions and the use of historical internal and industry data; and may lead to unintentional bias. In addition, climate change may make it more difficult to predict and model catastrophes, reducing our ability to accurately price our exposure to such events and mitigate risks. As a result, actual results may differ materially from our modeled results. If, based upon these models, we misprice our products, underestimate the frequency or severity of catastrophes and non-catastrophe losses, or fail to appropriately estimate the risks we are exposed to, **which has occurred from time to time**, our business, results of operations and financial condition may be materially adversely affected. The success of our business depends on our ability to maintain effective, secure and reliable ~~information~~ **information** technology systems and infrastructure and to modernize them to support current and new clients and grow in an efficient and cost-effective manner. Some of the Company's ~~information~~ **information** technology systems and software are legacy-type systems that are less efficient and require an ongoing commitment of significant resources to maintain or upgrade to current standards, including business continuity procedures. We are undergoing a multiyear transformation of our information technology systems and infrastructure involving several enterprise-wide technology initiatives to support our strategy and keep pace with continuing changes in information processing technology and evolving industry and regulatory requirements. This includes implementing an integrated global financial system; enhancing existing systems, procedures and controls; developing new systems and products; and retiring certain legacy systems. We have also migrated many of our systems and applications to the cloud, which is key to our technology strategy. We currently rely on significant manual processes and procedures that subject us to increased risk of error and internal control failure compared to automated processes, ~~such as the accounting errors that were identified and disclosed in second quarter 2022.~~ We must integrate the systems of acquired businesses effectively so that technology gained through acquisitions meets the required level of security and performance capabilities to avoid additional risk to existing operations. Our ability to modernize our ~~information~~ **information** technology systems and infrastructure requires us to execute large-scale, complex programs and projects, which rely on the commitment of significant financial and managerial resources and effective planning and management processes. We may be unable to implement these programs and projects effectively, efficiently or in a timely manner, which could result in operational resiliency issues, poor customer experience, cost

overruns, additional expenses, reputational harm, legal and regulatory actions, and other adverse consequences. If we are unable to maintain information-technology systems, infrastructure, procedures (including technology continuity planning and recovery testing) and controls that function effectively without interruption and securely (including through a failure to replace or update redundant or obsolete hardware, applications or software systems), or to update or integrate our systems, we may not be able to service our clients and their customers, successfully offer our products, grow our business and account for transactions in an appropriate and timely manner, and our relationships with clients could be adversely affected. We are dependent on vendors and other third parties to maintain reliable **and secure** network systems that provide adequate speed and data capacity. For example, we utilize third- party cloud service providers in connection with certain key aspects of our business and operations, including in the Global Automotive businesses and in implementing an integrated global financial system, and any disruption of, or interference with, our use of such cloud services could have a material adverse impact on our business and operations. We have from time to time experienced operational resiliency issues, including the unavailability of information-technology systems upon which our clients rely. Such failures could result in loss of business and adversely affect our financial condition and results of operations. For risks relating to the security of our information-technology systems and **cyber attacks cybersecurity incidents**, see “ – We could incur significant liability if our information-technology systems or those of third parties are breached or we or third parties otherwise fail to protect the security of data residing on our respective systems, which could adversely affect our business and results of operations.” We rely on the uninterrupted and secure operation of our **technology systems, including information technology systems and operational technology systems**, to operate our business and securely process, transmit and store electronic information. This electronic information includes confidential and other sensitive information, including personal data, that we receive from our customers, vendors and other third parties. Our information-technology systems and safety control systems and those of our vendors and other third parties with whom we share sensitive information are vulnerable to, and in some cases have been subject to, damage or interruption from a variety of external threats, including **cyber attacks cybersecurity incidents**, computer viruses, malware and ransomware, as well as targeted attacks against our employees, which **recently** have been increasing in frequency. **Cyber attacks Cybersecurity incidents** are rapidly evolving and becoming increasingly sophisticated, **partly due to the growing use of artificial intelligence by malicious actors**. We are at risk of attack, **and from time to time have been the subject of an attack**, by a growing list of adversaries, including state- sponsored organizations, organized crime, hackers and “hacktivists” (activist hackers), through **the** use of increasingly sophisticated methods of attack, including long- term, persistent attacks referred to as advanced persistent threats, attacks via yet unknown vulnerabilities referred to as zero- day threats and credential harvesting attacks against our employees. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures, resulting in potential data loss or other damage to information-technology systems. As the breadth and complexity of the technologies we use continue to grow, and as a result of the remote and hybrid work arrangements for a **significant** portion of our employees, the risk of security breaches and **cyber attacks cybersecurity incidents** has increased. Our systems **are have** also **been** subject to compromise from internal threats such as improper action by employees and third parties who may have otherwise legitimate access to our systems. Our call centers subject us to additional risk from internal threats due to access to personal data. Moreover, we face the ongoing challenge of managing access controls in a complex environment. Remote and hybrid work arrangements, including the use of personal devices and home networks that are not managed by the organization’s security control framework, bypass certain physical security controls for our employees and the employees of our vendors who have access to sensitive information. While additional **technical** controls have been put in place, they may not be sufficient to discover compromises that occur due to the loss of physical controls. The latency of a compromise is often measured in months **but could be years**, and we may not be able to detect a compromise in a timely manner. We could experience significant financial and reputational harm as a result of operational resiliency issues, including if our information-technology systems are breached, sensitive client or Company data are compromised, **surreptitiously** modified, rendered inaccessible for any period of time or **maliciously** made public, or if we fail to make adequate disclosures to the public or law enforcement agencies following any such event. Our data protection measures may not be effective to protect our network and systems from external and internal threats. Should an attacker gain access to our network using compromised credentials of an authorized user or otherwise, **or gain entry as a result of a zero- day exploit or other vulnerabilities that may exist in our systems environment, which has occurred from time to time**, we are at risk that the attacker might successfully leverage that access to compromise additional systems and data. Certain measures that could increase the security of our systems take significant time and resources to deploy broadly and may not be effective against an attack. Additionally, our policies, procedures and technical safeguards may be insufficient to prevent or detect improper access to confidential, personal or proprietary information and other cybersecurity incidents, assess the severity or impact of any such incidents or appropriately respond in a timely manner. The inability to implement, maintain and upgrade effective protective measures and other safeguards or adequately respond to a breach could have a material adverse effect on our business. Although we continue to invest in security and engage in best practices for software development, code vulnerabilities may still be introduced into production environments. Our information-technology systems must be continually patched and upgraded to protect against vulnerabilities, including zero- day threats, and we are at risk that cyber attackers exploit these vulnerabilities before they have been addressed. Due to the large number and age of the systems and platforms that we operate and the increased frequency with which vendors issue security patches to their products, the need to test patches and, in some cases coordinate with clients and vendors, before they can be deployed, we are at risk that we cannot deploy these patches **to remediate these vulnerabilities** in a timely and effective manner. We are dependent on vendors and other third parties, such as cloud service providers, to keep their systems patched in order to protect our data. We have vendors and other third parties who receive data from us in connection with the services we offer our customers. In addition, we have migrated certain data, and may increasingly migrate data, to the cloud hosted by third- party providers. We

are at risk of a ~~cyber attack~~ **cybersecurity incident** involving a vendor or other third party, which could result in a breakdown of such third party's data protection measures or access to our infrastructure through the third party. To the extent that a vendor or third party suffers a ~~cyber attack~~ **cybersecurity incident** that compromises their operations, our data and our customers' data could be compromised or we may experience service interruption. Any failure related to these activities and operational resiliency could have a material adverse effect on our business. The process of integrating the ~~information~~ technology systems of the businesses we acquire is complex and exposes us to additional risk. For instance, we may not adequately identify weaknesses in an acquired entity's ~~information~~ technology systems, either before or after the acquisition, which could affect the value we are able to derive from the acquisition, expose us to unexpected liabilities or make our own systems more vulnerable to a ~~cyber attack~~ **cybersecurity incident**. We may be unable to integrate the systems of the businesses we acquire into our environment in a timely manner, which could further increase these risks until such integration takes place. We have from time to time experienced cybersecurity incidents, such as malware incursions, distributed denial of service attacks, hardware misconfigurations, zero-day exploits, **credential harvesting, social engineering attacks**, employee misconduct and incidents resulting from human error, such as loss of portable and other data storage devices. Like many companies, we are subject to regular phishing email and social media engineering campaigns directed at our employees that **have become more sophisticated and successful, partly through the use of artificial intelligence, and** can result in malware infections and financial and data losses. Although some of these incidents have resulted in data loss and other damages, to date, they have not had a material adverse effect on our business or operations. In the future, these types of incidents could result in confidential, restricted personal or proprietary information being lost or stolen, ~~surreptitiously~~ modified, rendered inaccessible for any period of time, or ~~maliciously~~ made public, including client, employee or Company data, which could have a material adverse effect on our business. Improper access to or disclosure of sensitive client or Company information, **which has occurred from time to time**, could harm our reputation and subject us to significant liability under our contracts, as well as under existing or future laws, rules and regulations. In the event of a ~~cyber attack~~ **cybersecurity incident**, we might have to take our systems offline, which could interfere with services to our clients or damage our reputation. ~~We may be unable to detect an incident, assess its severity or impact, or appropriately respond and recover any financial and data loss in a timely manner. We may be required to expend significant additional resources to mitigate the damage and to protect against future damage.~~ In addition, our liability insurance **policy**, which includes cyber insurance, may not be sufficient in type or amount to **fully** cover us against claims **and costs** related to security breaches, ~~cyber attacks~~ **cybersecurity incidents**, and other related data and system incidents. ~~In providing services and solutions to.....~~ **adverse effect on our results of operations**. We are subject to extensive regulation under the laws of the U. S. and its various states and territories, the E. U. and its member states, the U. K. and the other jurisdictions in which we operate. We are subject to anti-bribery and anti-corruption laws, such as the FCPA and the U. K. Anti-Bribery Act, trade sanctions, export control regulations and restrictions and anti-money laundering laws. We are subject to other laws and regulations on matters as diverse as antitrust, internal control over financial reporting and disclosure controls and procedures, accounting standards implemented by the Financial Accounting Standards Board and accounting-related rules and interpretations of the Securities and Exchange Commission, environmental protection, wage- and- hour standards, and employment and labor relations. In addition, new or proposed environmental, social and governance laws and regulations, including those related to climate change, may result in expanded mandatory and voluntary reporting, diligence and disclosure. ~~Furthermore~~ **There is also significant uncertainty in the evolving regulatory regime relating to artificial intelligence, and our current use and continued exploration of the use of this technology in our business may subject us to regulatory scrutiny, litigation, and social and ethical concerns. Our** domestic and international insurance subsidiaries are subject to extensive regulatory oversight, including: restrictions and requirements related to licensing; capital, surplus and dividends; underwriting limitations; the ability to enter, exit and continue to operate in markets; statutory accounting and other disclosure requirements; the ability to provide, terminate or cancel certain coverages; premium rates, including regulatory ability to disapprove or reduce the premium rates companies may charge; trade and claims practices; product forms, including regulatory ability to disapprove new product filings; content of disclosures to consumers; type, amount and valuation of investments; assessments or other surcharges for guaranty funds and companies' ability to recover assessments through premium increases; and market conduct and sales practices. The U. S. and foreign laws and regulations that apply to our operations are complex and may change rapidly, and our efforts to comply ~~and keep up~~ with them require significant resources and increase the costs and risks of doing business ~~in these jurisdictions~~. The regulations we are subject to have become more stringent over time, may decrease the need for our services, impose significant operational limits on our business and may be inconsistent across jurisdictions. Further, the laws and regulations affecting our business are subject to change as a result of, among other things, new interpretations and judicial decisions, and any such changes may increase the regulatory requirements imposed on us, impact the way we are able to do business, impact efforts to protect intellectual and other property, and significantly harm our business and results of operations. While we attempt to comply with applicable laws and regulations, there can be no assurance that we or our employees, consultants, contractors and other agents are in full compliance with such laws and regulations at all times or that we will be able to comply with any future laws or regulations. If we fail to comply with applicable laws and regulations, **which occurs from time to time**, we may be subject to investigations, criminal penalties, civil remedies or other adverse consequences, including fines, injunctions, loss of an operating license or approval, increased scrutiny or oversight by regulatory authorities, the suspension of individual employees, limitations on engaging in a particular business, redress to clients, exposure to negative publicity or reputational damage and harm to client, employee and other relationships. Moreover, our failure to comply with laws or regulations in one jurisdiction may result in increased regulatory scrutiny by other regulatory agencies in that jurisdiction or regulatory agencies in other jurisdictions. The ~~cost~~ **costs** of compliance and the consequences of non-compliance could have a material adverse effect on our business, results of operations and financial condition. For additional discussion of the various laws and regulations affecting our business, see "Item 1 – Business – Regulation" in this

Report. Federal, state or foreign tax laws and regulations, or their interpretation and application, are subject to significant change and may have a material adverse impact on our results of operations and financial condition. For example, in 2017, the TCJA, which significantly amended the Internal Revenue Code of 1986, was enacted; and in 2022, the Inflation Reduction Act (the “IRA”), which introduced a 15 % corporate alternative minimum tax applicable to corporations in certain situations and a 1 % excise tax on corporate share repurchases, among other things, was enacted. Compliance with the TCJA and the IRA may require the collection of information not regularly produced within the Company, the use of estimates in our Consolidated Financial Statements, the exercise of significant judgment in accounting for its provisions and increase costs. **In addition, the Organization for Economic Co-operation and Development’s (the “OECD”) efforts around Global Pillars I and II dealing with possible new digital taxes and global minimum taxes could increase the Company’s overall tax burden, adversely impacting the Company’s business, results of operations and financial condition. As part of the OECD’s Global Pillar II rules, the OECD recommended a 15 % global minimum tax on adjusted financial reported income. Many jurisdictions, including Japan, the European Union and the United Kingdom, have adopted or plan to adopt Global Pillar II for tax years beginning in 2024.** The overall impact of the TCJA and the IRA and the OECD’s Global Pillar I and II rules is uncertain due to the ambiguities in the application of certain provisions, the impact of future guidance, interpretations or rules issued by government agencies and potential court decisions interpreting the legislation. Future changes in tax laws, including changes in the application or interpretation of the TCJA or the IRA, the OECD’s Global Pillar I and II rules, or increases to the corporate tax rate, could have a material adverse impact on our results of operations and financial condition. In addition, the Organization for Economic Co-operation and Development’s efforts around Global Pillars I and II dealing with possible new digital taxes and global minimum taxes, if implemented, could increase the Company’s overall tax burden, adversely impacting the Company’s business, results of operations and financial condition. From time to time, we may be, and in certain cases have been, subject to a variety of legal and regulatory actions relating to our current and past business operations, including: • industry-wide investigations regarding business practices, including the use and marketing of certain types of insurance policies or certificates of insurance, and compliance with guidance issued by regulators; • actions by regulatory authorities that may restrict our ability to increase or maintain our premium rates, require us to reduce premium rates, require us to allow customers to defer premium payments on certain of our products, make offering our products more expensive or unattractive to our clients, impose fines or penalties, and result in other expenses; • market conduct examinations, for which we are required to pay the expenses of the regulator as well as our own expenses, and which may result in fines, penalties, and other adverse consequences; • disputes regarding our Lender-lender - placed Insurance-insurance products, including those relating to rates, agent compensation, consumer disclosure, continuous coverage requirements, loan tracking services and other services that we provide to mortgage servicers; • disputes over coverage or claims adjudication, including in our sharing economy business; • disputes over our treatment of claims, in which states or insureds may allege that we failed to make required payments or meet prescribed deadlines for adjudicating claims; • disputes regarding regulatory compliance, sales practices, disclosures, premium refunds, licensing, underwriting and compensation arrangements, including if our climate change mitigation plans and targets are not met; • disputes over liability claims under comprehensive general liability policies involving property damage or personal injury at insured properties or relating to insured vehicles; • disputes alleging bundling of credit insurance and warranty-extended service contracts and related products with other products provided by financial institutions; • disputes with tax and insurance authorities regarding our tax liabilities; • investigations alleging violations of fraud, sanctions, money laundering and / or export control laws; • disputes relating to customers’ claims that they were not aware of the full cost or existence of the insurance or limitations on insurance coverage; • disputes relating to protecting our intellectual property portfolio and by third parties alleging intellectual property infringement; and • employment litigation claims brought by current or former employees. Further, actions by certain regulators may cause additional changes to the structure of the Lender-lender - placed Insurance-insurance industry, including the arrangements under which we track coverage on mortgaged properties. These changes could materially adversely affect the results of operations of Global Housing and the results of operations and financial condition of the Company. For additional information, see “Item 1 – Business – Regulation” in this Report. We are involved in a variety of litigation and legal and regulatory proceedings relating to our current and past business operations and may, from time to time, become involved in other such actions. We continue to defend ourselves vigorously in these proceedings. We participate in settlements on terms that we consider reasonable; however, the results of any pending or future litigation and regulatory proceedings are inherently unpredictable and involve significant uncertainty. Unfavorable outcomes in litigation or regulatory proceedings or significant problems in our relationships with regulators could materially adversely affect our results of operations, financial condition, reputation, ratings and ability to continue to do business. They could expose us to further investigations or litigation. In addition, certain of our clients in the mortgage, auto financing, credit card and banking industries are the subject of various regulatory investigations and litigation matters regarding mortgage lending practices, credit insurance, debt-deferment and debt cancellation products, and the sale of protection products, which could indirectly negatively affect our businesses. For additional information, see “Item 3 – Legal Proceedings” and Note 28 to the Consolidated Financial Statements included elsewhere in this Report. **In providing services and solutions to our customers and operating our business, we process, store and transfer sensitive customer, end-consumer and Company data, including personal data, in and across multiple jurisdictions. As a result, we are or may become subject to a variety of laws and regulations in the U. S. and abroad regarding privacy, data protection and data security. For discussion of the various laws and regulations affecting our business, see “Item 1 – Business – Regulation” in this Report.** The various laws and regulations affecting our business, see “Item 1 – Business – Regulation” in this Report. The scope and interpretation of these laws and additional laws that are or may be applicable to us are continuously evolving, often uncertain and may be conflicting, particularly with respect to foreign laws. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time and may restrict the way

services involving data are offered, all of which may adversely affect our results of operations. Complying with these and similar laws and regulations requires us to make significant changes to our operations, which rely on the commitment of significant financial and managerial resources and effective planning and management processes. We may be unable to implement required operational changes effectively, efficiently or in a timely manner, which could result in cost overruns, additional expenses, reputational harm, legal and regulatory actions and other adverse consequences. Unauthorized disclosure or transfer of personal or otherwise sensitive data, whether through systems failure, employee negligence, fraud, misappropriation or other means, by us, our vendors or other parties with whom we do business could subject us to significant litigation, monetary damages, regulatory enforcement actions, fines, criminal prosecution and other adverse consequences in one or more jurisdictions. Such events could result in negative publicity and damage to our reputation and cause us to lose clients, which could have a material adverse effect on our results of operations. We file rates with the state departments of insurance in the ordinary course of business. The rates associated with the premiums we charge are subject to review by regulators. If the results of such reviews vary, and regulators could require us to reduce our rates based on various factors, including if they consider our loss ratios to be too low, they could require us to reduce our rates. Significant rate reductions could materially reduce our profitability. We file rates with the state departments of insurance in the ordinary course of business. In addition to this routine correspondence, from time to time we have engaged in discussions and proceedings with certain state regulators regarding our lender-placed insurance business. The results of such reviews may vary. As previously disclosed, we have reached agreements with state insurance regulators in certain states, including New York, Florida, California, Indiana, Texas and Minnesota, regarding our lender-placed insurance business in those states. In addition, we completed a regulatory settlement agreement (the "RSA") in 2017 to resolve a targeted multistate market conduct examination sponsored by the NAIC and focused on lender-placed insurance, which includes a number of requirements and restrictions that are applicable in all participating states and U. S. territories. Among other things, the terms of the RSA require more frequent rate filings for lender-placed insurance. This could result in downward pressure on premium rates for these products. If such filings result in significant decreases in premium rates for our lender-placed insurance products, our cash flows and results of operations could be materially adversely affected. Legislation or other regulatory reform related to the insurance industry that increases the regulatory requirements imposed on us or that changes the way we are able to do business may significantly harm our business or results of operations. Various state and federal regulatory authorities have taken actions with respect to our lender-placed insurance business, including the multistate market conduct examination and related RSA in 2017. If we were unable for any reason to comply with any new or revised requirements, including the RSA, it could result in substantial costs to us and ongoing reporting and monitoring obligations, and may materially adversely affect our results of operations and financial condition. In addition, new interpretations of existing laws or new judicial decisions affecting the insurance industry could adversely affect our business. Insurance industry-related legislative or regulatory changes that could significantly harm our subsidiaries and us include: • imposed reductions in premium rates, limitations on the ability to raise premiums on existing policies, limitations on the ability to provide evergreen contracts or new minimum loss ratios; • increases in minimum capital, reserves, liquidity, solvency and other financial viability requirements, such as RBC standards established by the NAIC (each as defined hereafter); • enhanced or new regulatory requirements intended to prevent future financial crises or to otherwise ensure the stability of institutions; • new licensing requirements; • restrictions on the ability to offer certain types of insurance products, service contracts or other protection products; • prohibitions or limitations on provider financial incentives and provider risk-sharing arrangements; • more stringent standards of review for claims denials or coverage determinations; • increased regulation relating to lender-placed insurance; and • new or enhanced regulatory requirements that require insurers to pay claims on terms other than those mandated by underlying policy contracts. In addition, regulators in certain states have hired third-party auditors to audit the unclaimed property records of insurance companies operating in those states. Among other companies, we are currently subject to these audits in a number of states and have been responding to information requests from these auditors. Our common stock price and trading volume has from time to time and could in the future materially fluctuate in response to a number of events and factors, including: variations in our quarterly operating results, including against expectations; client or business losses; catastrophe and non-catastrophe losses; the operating and stock price performance of comparable companies; changes in our insurance subsidiaries' financial strength ratings; changes in our corporate debt ratings; changes to our registered securities; limitations on premium levels or the ability to maintain or raise premiums on existing policies; regulatory developments affecting our products or services; and negative publicity relating to us or our competitors. In addition, macroeconomic, geopolitical conflicts and industry fluctuations, including the current inflationary environment, may materially and adversely affect the trading price or volume of our common stock, regardless of our actual operating performance. Our ability to attract, recruit, hire, motivate, develop and retain employees and clients depends upon our corporate culture. Our employees are the cornerstone of our culture and acts of misconduct by any employee, and particularly by senior management, could erode trust and confidence and damage our reputation. Our employees could engage or be accused of engaging in misconduct that subjects us to litigation, regulatory sanctions, financial costs and serious harm to our reputation or financial position. Employee misconduct could prompt regulators to allege or determine, on the basis of such misconduct, that we have not established an adequate program to inform employees of applicable rules or to detect and deter violations of such rules. It is not always possible to deter employee misconduct and the precautions we take to detect and prevent misconduct may not be effective. Misconduct by employees, or even unsubstantiated allegations, could have a material adverse effect on our financial position, reputation and business. Applicable laws and our certificate of incorporation and by-laws may delay, defer, prevent or render more difficult a takeover attempt that our stockholders might consider to be in their best interests. For example, Section 203 of the General Corporation Law of the State of Delaware may limit the ability of an "interested stockholder" to engage in business combinations with us. An interested stockholder is defined to include persons owning 15%

or more of our outstanding voting stock. These provisions may make it difficult for stockholders to replace or remove our directors, which could delay, defer or prevent a change in control. Such provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts. Additionally, applicable state and foreign insurance laws may require prior approval of an application to acquire control of a domestic insurer. State statutes generally provide, and certain foreign statutes provide, that control over a domestic insurer is presumed to exist when any person directly or indirectly owns, controls, has voting power over, or holds proxies representing, 10 % or more of the domestic insurer's voting securities. The application process can be extensive, thereby discouraging the acquisition of a control position. Our certificate of incorporation or by-laws contain provisions that permit the Board to issue one or more series of preferred stock, prohibit stockholders from filling vacancies on the Board, prohibit stockholders from calling special meetings of stockholders and from taking action by written consent and impose advance notice requirements for stockholder proposals and nominations of directors to be considered at stockholder meetings.