

Better together

2017 Annual Report



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Shared insight

In our evolving and globalized world, we're relying on one another in new ways. From watching YouTube videos on how to build a retaining wall to catching a ride with Uber or Lyft, our reliance on a sharing economy has brought us together.



One of the oldest and most successful ways people have come together for the better is to insure what they value through a mutual insurance company.

Needing others isn't a bad thing — we really can do more together than on our own. As we reflect on 2017, we're reminded of the joy we have in being a mutual company devoted to our customers, our associates and the world around us.

Letter from Tom

Dear Fellow Customers and Friends,

The ways we interact with the world have changed dramatically in recent years. A key part of this shift is the burgeoning growth of the sharing economy. People are coming together in new and different ways to make their lives easier – better. From using vehicles to transport strangers and generate income, to renting extra real estate to travelers from other cities, or even pitching in on pet boarding responsibilities.

Our company, for the last 128 years, has been an important part of the sharing economy. Our basic business is helping people come together to protect themselves against the financial devastation of premature death, disability or a debilitating disease. As a mutual insurer owned by our customers, we are one of the oldest forms of the sharing economy.

Fundamental to the effective operation of the sharing economy is trust. Trust that you will get what you pay for. That the provider of a service or product will do what they said they would. As the CEO of a mutual organization, I think this is my most important responsibility: to be sure we will be able to honor our promises to our customers. To that end, I'm pleased to report, due to good financial performance in 2017, the financial strength of your company again improved. Here are some highlights:

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- Our capital account grew by 3%. Risk-based capital is now 618%. One of the strongest positions in our industry.
 - Our investment portfolio remains at a very high quality.
 - Our high-performing culture was again confirmed when Gallup rated us in the 96th percentile for associate engagement.
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We know treating our customers right is key to our success, and all our home office associates are focused on delivering exceptional service to our customers and our distributors. Tangible evidence of this includes:

- No long wait times at Assurity. When customers call in, 90% of our calls are answered within 30 seconds. And, yes, you get to talk to a real person (in Lincoln, Neb.) who will give you real answers to your questions.
- We issue most policies within 3.5 days of receiving an application in the home office.
- We aim to pay claims swiftly; most are processed and paid within 10 business days.

In closing, I want to thank all of my colleagues at Assurity for serving our customers and distributors so well. I also want to express my appreciation to our Board of Directors, all of whom are also customers, for their wise counsel and advice.

In 2018, we look forward to adding many more customers to the Assurity family.

Sincerely,



Thomas E. Henning, CLU, ChFC, CFA
Chairman, President & CEO



A growing community

We're reaching more people than ever and value the uniqueness each brings – as our community grows, so does our knowledge of how to best serve it. Growth in our financial strength means our promises to our customers are fulfilled well into the future.



Paid over

\$131,000,000

**in policy benefits, helping people
through their difficult times.**

With worksite sales up

16^{0%}

and total sales up

4^{0%}

**year-over-year, we
protected even more
families from the
financial hardship of
an unexpected illness,
accident or death.**

At an impressive

14.1^{0%}

**of assets, we increased
our capital and
surplus position to
new record high
levels, continuing our
history as a company
of unquestioned
financial strength.**



Launched new customer website

MyAssurity.com

**to keep track of their policies and
perform basic service functions.**



**Expanded our professional
employment organization,**

REI, Inc.,

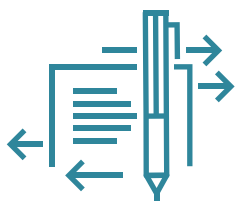
**helping ease the HR burden for more
business owners across the country.**



Continued focus on

maximizing

**our investment earnings amidst a
very low interest rate environment.**



Continued efforts to make the insurance-buying experience

faster and easier

with streamlined underwriting and no-nonsense coverage that provides real benefits people need and want.



Cultivated more relationships with **“insuretech” startups,** on the lookout for that next big (or little) thing.



We achieved the

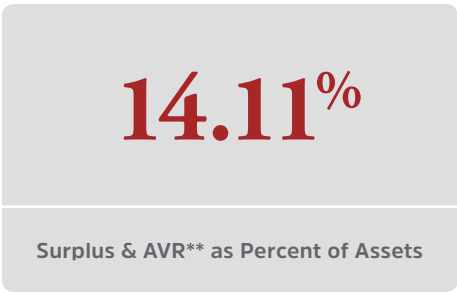
96th percentile

status worldwide in Gallup’s associate engagement rankings and continue to be named a top five Best Places to Work in our own backyard.

Securing our future together

Because mutual company management operates for the long term, our financial strength is steady and secure. You don't get to be 128 years old by accident. We aren't risking our future on flights of whimsy, but we're secure enough to explore innovative approaches to ensure we're always serving our customers best.





*Before taxes and dividends to customers.
**Asset Valuation Reserve (AVR)

For more complete financial information, visit assurity.com.

Your fierce advocates

Our board and corporate officers are dedicated to Assurity and our customers.



Board of Directors

Thomas E. Henning

Chairman, President & CEO —
Assurity Life Insurance Company

William R. Cintani

President, CEO — Mapes Industries

Marc E. LeBaron

Chairman, CEO — Lincoln Industries

Kathleen A. Farrell, Ph.D.

Dean — College of Business
University of Nebraska

Steven D. Erwin

President — Nebraska/Western Iowa
U.S. Bank National Association

Caren L. Hamilton

Auto Dealership Executive

Ryan D. Downs

CEO — Proxibid

Lyn Wallin Ziegenbein

Executive Director Emerita —
Peter Kiewit Foundation

Paul M. Schudel

Partner — Woods & Aitken LLP

Angela L. Muhleisen

President, CEO — Union Bank
& Trust Company

David Graff

CEO — Hudl

*Photo: Names listed in order from left to right

Chief Executive Officer

Thomas E. Henning

Chairman, President & CEO

Senior Vice Presidents

Susan L. Keisler-Munro

Senior Vice President,
Chief of Operations

Todd W. Reimers

Senior Vice President, Chief
Marketing and Sales Officer

Vice Presidents

Susan M. Becker

Chad M. Bodner

Marvin P. Ehly

David D. Lockwood

Eric L. Otterstein

John A. Sharp

Mark A. Stueven

Senior Directors

Kevin G. Faltin

Kevin W. Hammond

Steven H. Hill

Keith K. Spilker

Victor D. Weber

Brett D. West

Scott Zagurski

Directors

Tara D. Benson

Jared I. Carlson

Eunice J. Cramer

Amanda L. Crume

Jason L. Damme

Amanda A. Dutton

Heith L. Fulmer

Abhilesh Gandhi

Michael J. Harshman

Timothy S. Janousek

Mitch K. Lee

Mary L. Lenners

Susan M. Otterstein

Bruce K. Scheiber

Bridget E. Tupa

We're with you

One may be the loneliest number, but when this many passionate people come together, *one company* can make a difference. Whether we're finding causes we care about or setting goals aimed at improvement, together we are inspired to do more good.



115 hours spent on trail clean-up

198 miles completed at the CEO Challenge

250 pounds of holiday lights recycled

305 healthy meals prepped

1,040 meals delivered for Meals on Wheels

8,000⁺ gym visits

10,000⁺ pounds of waste diverted to recycling each month

\$166,000⁺ pledged to United Way



For the common good

One of the ways Assurity works toward the common good is by looking out for what's best for our planet and our people. Assurity is a Certified B-Corp, which means we've passed rigorous standards of sustainability and community responsibility.



Our Sustainability Taskforce educates every employee about our policies and best practices, promotes volunteer opportunities, and makes sure our company continues to be a leader in the sustainability movement.



We helped the City of Lincoln prepare for a cardboard ban in its landfill, implemented April 1, 2018. All corrugated cardboard is now recycle-only. As a Recycling Leadership Gold Level award winner, Assurity is among other organizations recycling or composting a significant percentage of commercial waste. We're happy to share our experiences, and the "Take It To the Bin" campaign featured us in this video: tiny.cc/AssurityRecycling.

Protecting the world we live in now ensures we'll have a place to do more good in the future.

assurity.com

