

## Joe Dunlap

Thank you, Sean. Thank you very much. Good morning, everyone. I'm Joe Dunlap. I'm president of iA American and the American Amicable group of companies.

I've been with American Amicable my entire career, almost forty-seven years, and I've served in a variety that's right. Forty-seven, Éric. I've served in a variety of positions during that time, including thirteen years as chief operating officer and executive vice president. I've been the company president since, 2015. So as Sean indicated just now, American Amicable has had a great deal of success since the acquisition, by iA in 2010.

In fact, I like to say the company is a really good example of an organization that has a lot of positive attributes, strong potential, but that was lacking one or two key ingredients in order to really be successful. So in our case, the encouragement to grow and the capital necessary to support that growth were certainly provided by iA, and that allowed us to move forward in a very, very substantial way. We've heard about the iA way. We have grown the iA way for sure. I want to deliver three key messages or takeaways today.

One, we have had a very strong history of sales growth, and we at the same time, we have grown our profit. Everyone has talked about distribution so far on the stage. It's no different with us. It's all about distribution. And we have a long-standing, continuous reputation of establishing and maintaining relationships with independent distribution. All of our distribution is independent today. And then finally, we have a really clear picture of the initiatives and the opportunities that we have before us in order to continue that growth into the future. Speaking of growth, let's take a quick look, a snapshot of our growth on two different measures. The graph on the left is the number of policies issued since 2010, the year of acquisition by iA. And you can see we've had a 12% annual growth rate in policies issued since that time with just over a 191 thousand last year. In fact, that number exceeded the number of the year before by about 18%. The company will actually reach the milestone of 1 million policies in force sometime early in the first quarter of next year. Our sales history since 2010 are on the right-hand side of the page. You can see we've had a CAGR or compound annual growth rate of 16%. Our sales in 2010 were \$26 million, they were \$201 million last year. Prior to the acquisition by iA in 2010, our sales were relatively flat, primarily due to capital constraints. So the iA acquisition allowed us to move forward and grow ourselves, hopefully, you would agree, in a very substantial way. We're proud of our track record of growth, both on sales and our profit, and we look forward to continuing that as we look forward.

Today in the US, we operate in two different areas, primarily, final expense, as Sean mentioned, and the simplified issue life insurance space as well.

Final expense, as the name implies, is small whole life policies issued typically to seniors, average age 65 or so, with the intent of providing for final expenses, such as funerals, although there's no requirement to do that. The average annual premium might be in the \$1,000 range. The face amounts, again, as I mentioned, 10 to 15,000,

although we do issue larger cases from time to time. Simplified issue is more traditional life insurance, term insurance, maybe universal life. The face amounts are typically much higher, a \$150 thousand or so, and we actually issue those products up to half a million today.

The key for both of those areas in our business and dealing with independent distribution is underwriting at point of sale that's fast and convenient. It's very important. It's like table stakes in our market today. We have developed over the years internally, so they're very cost-effective, point-of-sale underwriting tools that allow us to issue some applications immediately at point of sale. And those that aren't issued at point of sale, we typically issue those between twenty-four and forty-eight hours after reaching the home office.

As Sean talked about, we're operating today in markets that are large and growing, and we're certainly positioned to take advantage of those markets as we move forward. We market today through IMOs or independent marketing organizations, And that's similar to a MGA or general agency setup. These organizations can vary widely in size from one that has 15 to 20 agents under contract to some of the larger ones that literally have thousands of agents under contract and issue hundreds of millions of dollars in annualized premiums. So some of these organizations are really big. This is where our reputation, our skills at building, establishing, maintaining these relationships with IMOs has been very important. And in essence, it's a firm part of our success up to this point. We're always recruiting, it's a day-to-day thing for us. Typically, we'll hire four to six or onboard four to six IMOs a year. That can vary from one year to the other, of course.

And I've mentioned our point-of-sale digital tools, particularly in terms of underwriting, and that's a key component in attracting these IMOs and their agents as well in order to serve both the client and the agent and make it easier for the purchase experience. The iA way, we have really benefited from, wasn't that case in the first two or three years because we had to we had to reestablish some things including product pricing. And we have benefited in a great way from the iA way in terms of product pricing, underwriting, and we've had a long history since then of staying in our lane and being very disciplined in our product pricing and approach. Been a lot of talk about the US, and the US is a very large market, as I think all of you know, some 340 million in population today. According to LIMRA, total sales in the US of annualized life insurance premium were over \$16 billion in 2024, \$16.2 billion to be exact.

So it's a really big, really big market. There's no publicly available information for final expense sales by company in the US, but our sales in that market grew 22% last year. They've been growing substantially year over year, and we are confident through just market intelligence and what we know about our competition that we're definitely in the top three. In terms of the full US market, all product lines, we rank number six in terms of whole life policies issued and number eight in terms of whole life annualized premium issue. Some of the statistics in the US, this really large market, suggest that it's right for opportunity for those companies that are well positioned.

Fully half of the people, much like in Canada, I think, half the people in the US have life insurance, half of the people do not. Of the 50% that have life insurance, a full one in four of those say they probably need more. Middle market in the US is huge and growing. Less than 60% of households or almost 60% of households in the US have an annual household income of \$100,000 or less. So, again, a huge middle market opportunity for the businesses that we're in.

Approximately 50% of the households in the US, again, expressing the need for more life insurance, would experience financial hardship if the primary wage earner were to pass away. This hardship would occur in the first six months. And Sean talked about the Hispanic market in the US. It's a huge and growing segment of the US population. In fact, it's some 65 million today. And it's important to note that in 2023, the Hispanic population growth in the US accounted for a full 70% of the total US population growth in that year. So it's a market segment that's truly booming. We have, the company has, certain strengths that will allow us to take advantage of those opportunities that we just talked about. We have an experienced home office team, home office management team, and our culture is, we focus on providing quality service to agents and our and our clients. It's just in our DNA. It's just what we do. We have a long-term approach to management, product developing, and pricing. We've certainly benefited from iA's expertise in that arena. IMO retention is something that we have established, a really good track record of. Most of our IMOs have been with us for a number of years. In fact, our number one IMO has been with us over twenty years. So we have a really good history of retaining those IMOs and agents. We have a reputation if you go to these sales meetings and talk to agents like I do quite a bit. They come up and say, you guys are so easy to do business with. And it sounds kind of simple, but from an agent standpoint, it's actually very, very important.

And we have a reputation as being able to be easy to do business with simple, cost-effective point-of-sale underwriting tools that allow us to deliver quality service to both the customer and the agent. Low cost, we've had a long reputation of an efficient organization. Low cost, our unit cost would compare very favorably with our competition. That's just been our history over the years. Again, iA has provided strong risk management, product development expertise, which has really catapulted us really to the next level. Truly the iA way.

So we are positioned to deliver on several key initiatives that will allow us to continue our growth going forward. Expanding distribution. We're all about expanding distribution. It's very important.

We're always recruiting new IMOs. But maybe more importantly, we have the opportunity to expand our share of our larger IMOs business. We have some situations today where we have some very large IMOs, and our percentage of their business is relatively small. So as we broaden our product portfolio, which I'll talk about in just a second, that would allow us to capture a much bigger share of their business. Sean and Denis both, I think, mentioned the Prosperity acquisition, scalability, the iA way.

We acquired that block of business a 15,000 policies, final expense in term, in the summer of last year, and fully integrated and converted that business to our system the first weekend in November for just a few months. We did it with home office staff and well under budget and in almost record time, if I can say that. So scalability is something that we are pretty good at. And we have a lot of experience in adding blocks of business to our system, and we have staff that are very good at that as well that allowed us to accomplish that in a really positive way. Strong pricing discipline, we talked about those two or three times. We have benefited from iA expertise in that situation. Now our core ROE today is well north of the target, including well north of the new target. Enhanced digital experience. We're always working on our point-of-sale tools, particularly as we broaden our product portfolio, issue higher face amounts, more middle market activity. Hispanic market, huge, growing. We actually have several members, bilingual members in our home office. We have bilingual members in our sales team, and we have product presentations, agent training, all in Spanish. And we actually have a really good reputation today of being able to execute in that market. I've mentioned broadening the product portfolio. We are in the process of introducing both the participating whole life and an index universal life.

In fact, we will have a soft pilot of the par product in two weeks. And the indexed universal life should be in a couple of months. Those products will allow us for sure to increase our sales in the middle market because we do business today with a number of large IMOs that are riding both of those products in a pretty high-volume way. So as we said at the beginning, we have a strong track record of financial performance, and I think we're poised to continue that growth.

You see that our sales target is 10% plus, and I think we've established this morning that that's a very reasonable objective for us to attain. So in the strong relationships with independent distribution, a disciplined approach to product development and pricing, and a clear picture of the initiatives and the opportunities that we have will allow us to move forward in a really big way. We're certainly ready for more. And thanks for your attention this morning. Starting the program over to Melissa.