

## Sean O'Brien

Alright. Second session. So I'm going to kick off the, US section, but just a little bit about me. My name is Sean O'Brien. I joined iA ten years ago, with the purchase of CTL, which is now known as iA Auto Finance. Since then, I've had the opportunity to lead, a number of businesses in iA. I started in the US Dealer services business and then through COVID, I led the wealth business where Stephan has now taken over. After that, I ran our group business a couple years, which LP is now running. Where's LP? Right at the back. Anyway. And I've been in my current role for about eight months as Chief Growth Officer. I'm super happy and excited to share our story and to introduce my great team here.

So kick it off, there's kind of four key points, takeaways that you're going to come away with. The growth potential in the US is strong. We're focused on some very high potential markets. We have a robust strategy, and we're using the iA way. And in the US, it's the same iA way as we use in Canada. We have a strong experienced team, and, again, you're going to get to meet them. And lastly, as, Éric mentioned, the US business is going to be a big contributor to ROE growth in iA. So next, I'm going to give you a background on how we got into this business and to serve where we got there. So today, we're in two businesses. We're in individual insurance and dealer services. And why are we there? It's because of the deep expertise we have in Canada. Both of these businesses were leaders in our space, and we've been there for many, many years. So once we establish that we can export that expertise south, the US was a natural choice. And Denis talked about the scale of the US business. I mean, today in, in the US, we're, you know, we're kind of a smaller player. We're a leader in final expense, but as far as individual insurance, we're not huge. We're about number seven in the dealer services business. But in Canada, we're number one or two in both of those businesses, but we're doing this more volume than that in the US. So it just shows you so small here, big in Canada, big opportunity to grow. So to me, that's part of the exciting platform about the US.

Next slide. So now that we've established where we want to be, Denis sort of mentioned this three-phase approach, and I quite like this approach. In phase one, which is our guiding principle, we look for businesses that can leverage iA strengths. Once we find that business, then we really focus on strengthening the foundations of that business. And what we found so far is pricing, actuarial technology, but most importantly, deploying the iA way is how we sort of build out that business in phase two. Once we're comfortable that the foundation is strong, then we move into phase three. I love phase three. This is growth mode. This is where we start to expand distribution, we start adding products, we focus on efficiency, and as we have a platform that we're able to build on, then we can look at acquisition opportunities as well. In phase three, this is where we also start to build out steady ROE growth.

So with this framework in mind, let's just do a little bit of history. So how do we get in this business? And I think this will show you that the iA way of doing things kind of how it's

played out over some time. About fifteen years ago, my predecessor, Mike Stickney, was sent down to the US in kind of a phase one build out. We didn't have a business. Mike sort of was in Vancouver. They said go down to the US, find something for us. So after a couple years of poking around, he found a fantastic high potential business in Waco, Texas, American Amicable, which have been there for many, many years, but really kind of needed a bit of expertise in pricing, actuarial, most importantly some capital, and also the system on how to start to grow that business organically. So after about four years, Mike and the team and Joe, really built this thing out and it became a very steady growth platform.

And you saw the numbers, that we've had from that business. You'll see a bit more on it. But from 2015 on, American Amicable has delivered steady growth. And then once we got into that steady phase three growth this past year, we added Vericity to the platform. So now we're into that acquisition synergy, we're comfortable with the platform, and we're building on that book.

So fun stage. Then you look at the bottom side, dealer services. This business in 2018, we made our first little entry with the purchase of DAC. And DAC gave us some insight into the industry. It gave us some talent to the business and sort of got us comfortable with sort of what's happened in the US and sort of spent some time comparing it to Canada, got comfortable with it. And in 2020, we made a purchase of IAS. And IAS is very much like we've done in what we've done in Canada for many, many years, full spectrum program. We'll talk about that much more. That business is now, so we've been we purchased it, and we've been in sort of phase two. And to be honest, this phase two has been a lot of work.

It's a business that we'll talk about, but it had some, you know, some work that we needed to do that. We'll get but we'll get through that more. So let's take a look at these businesses. So we'll take a look at US life insurance business. You could see our humble beginnings of \$26 million in sales in 2010 when we bought the business. To today, \$227 million in sales with over 20% ROE. We are leaders in the final expense business in Canada. And this so now as we started to build out this platform, as I mentioned, you know, we've been actively looking for other opportunities and niches in the US where we can build on it. And we came across this fantastic business, Vericity. And Vericity are experts in digital distribution.

So they have eFinancial, which is kind of the distribution arm of its blending sort of technology and people and Melissa's going to talk a lot about that. With that, we brought in a fantastic team as well. Lots of talent. It was a quick fit and you're going to hear more from Melissa on that. The other one that we did later last year, which was kind of an opportunistic acquisition, this block of final expense business came to a market from Prosperity. We picked it up. Joe's team sort of said, hey. We can onboard this and administer it quite quickly. And under six months, fully integrated the book, accretive on day one, and we've been off for running. It was under budget.

So, again, showing the power of where we can go and what we've done in the last year. Let's flip over and look at the US Dealer business. And John's going to go into some good detail. We gave him longer than everybody else today because I think there's some real interest in this business, so he's going to go quite deep and get a little bit more so we can get some understanding of the F&I business. But I must say, like I said, it's been tough years.

We purchased the business at the start of COVID. In the US, through COVID, US vehicle sales went down substantially. Inflation started going up. Cost of claims was building. Interest rates went up.

Consumers' ability to buy products in the business office was squeezed. So they're focusing on buying the car, but they didn't have as much money to buy, you know, tire and rim and other products. So that was a bit of a tough time. And while that was going on, the business we purchased was operating with a number of different administration systems. So we took it on. We said, okay. We need to amalgamate these administration systems, which we started to do big work. And through that period, once we got through them in, then we needed to redo the operations and get so they're all operating as one business. We've done that work. While we've been doing that, we've also been actively repricing the book, and we've heard about that on some of the calls. This is a book that, you know, cost price of claims been going up, so we need to reprice it. So we've been fixing the ops, building up the technology, and repricing it. Good thing is, I'm happy to say, looking at 2025, we are now in phase three for this business. That's why we're talking about confidently rebuilding the profitability and the ROE of this business in 2025 and beyond. So looking ahead, and this is you can see the iA way and the wheel looking at the life insurance business.

Having a targeted market is key, and in the US life, we think it's very important that we know where we want to play and the massive mid market is clearly where there's an opportunity. It's underserved in the US and we have experience in it. You'll also hear Joe talk about the Hispanic market. We have some great capabilities in our team in Waco. It's a growing market. It's an underserved market in the US and we see some opportunity to grow in that area as well. Distribution. Distribution. Distribution is key. We're going to continue to expand on our existing distribution that we deal with. We have a very strong relationship with IMOs in the US, but there are opportunities to bring in more IMOs, and we're also going to look at new innovative, distribution methodologies like we did with eFinancial. You'll also hear from both Melissa and John about new products. 2025 in particular, we have a number of new product launches planned and that will be launched through our existing distribution market. So it's not a how you're going to get to market. We know darn well how we're going to get to market. These, they're asking for it, so we're building the products and we're going to put them out there. Lastly, we're going to leverage and invest in technology. This is the technology that we across our US life platform, we have strong data, but more than that, we have we're a long way ahead of it in the Canadian space. We're going to leverage

what we've done in Canada, to grow this platform in the US. US Dealer, the future is pretty bright, I must say.

Our target market is broad. We're looking at all new and used car buyers in the US, not unlike what we do in Canada. On the distribution side, there's significant opportunity to add dealers to this platform. So organic growth is going to be the real fuel and this is what John's going to talk about. Adding dealers both on the direct side and on the agent side is going to be key.

We're also going to start to explore other channels. We'll take a look at in Canada, we're very successful on the OEM side. There could be some opportunities to look at the OEM channel in US as well. Our integrated administration platform that we've really worked hard at will be key now for us building this business and will open up opportunities to look at acquisitions as we could find a platform that we could integrate on top of our platform, then it would create some nice synergy. So we're getting to the point now where we should be able to start looking at those types of opportunities.

And the US Dealer business is fragmented, not like Canada. Canada's pretty consolidated. In the US, there's a number of players, and John will talk about this, non-insured players, PE-owned players as well that we could eventually consolidate when we're ready. So last slide, so why am I so excited about this? Because we're deploying the, the iA way. It's working. We're going to have some strong ROE growth. It's largely going to be driven by the dealer business. Both businesses are now targeting greater than 10% annual growth, which will be, you know, is I think is pretty exciting given the platforms we're in. So as I mentioned, your key takeaways will be, we have a strong ROE contribution, we have a robust strategy, we have solid growth potential, and we have a fantastic leadership team that's in place to run with it.

So next, I'm going to introduce that team. Start with Joe Dunlop. He's going to kick it off. He runs American Amicable, works out of beautiful Waco, Texas, and is one of the most experienced leaders in individual insurance in this business that we have. Melissa Balsam will be next. She joined us with the Vericity acquisitions. She leads the eFinancial business, has deep expertise in digital distribution and marketing. She's quickly found herself at home in iA to the point where she's wearing the iA blue, which is nice. And then lastly, John Laudenslager. John's the most recent addition of team. He's leading our dealer services division. He brings forty years of experience specifically in the dealer business. Loves the space. He's passionate about it, and I'm super excited for him, to talk about that more. But with that, I'll turn it over to Joe to talk about its business.