

## **Melissa Balsan**

Thank you. Alright. Morning, everyone. I'm Melissa Balsan. I'm the chief marketing officer at Vericity and the president and chief operating officer of eFinancial, which is the direct-to-consumer distribution side of our US business.

I've spent over twenty-five years in direct response marketing and direct-to-consumer digital and call center sales. Much of my experience has been in transformation, and growth within insurance, plus verticals like online high education and even vehicle service contracts. So today, I'm excited to introduce you to Vericity's capabilities and share a bit about our history and excite you about our growth potential.

So the key takeaways from my presentation is that Vericity has best in class and scalable capabilities, which were built over many years of innovation. Those capabilities allow us to meet the current and emerging needs of all US consumers, which combined with favorable competitive dynamics and increasing consumer demand creates several pathways for Vericity to grow and achieve profitability.

Let me introduce you to Vericity. Our competitive advantage is our combined life insurance, manufacturing, and distribution. Vericity is comprised of two entities, which allow consumers to buy fully online with the help of an agent or a hybrid of both. The first side is Fidelity Life, a protection-oriented life insurance carrier founded nearly a hundred and thirty years ago. Fidelity Life is a leader in accelerated underwriting and specifically focuses on products not medically underwritten at point of sale.

The combination of Fidelity Life's innovative product portfolio with eFinancial's digitally focused direct-to-consumer distribution enables us to truly serve the US middle market, making it fast, easy, and affordable to obtain coverage. We use machine learning and real time decisioning data both online and in the call center that's staffed by licensed agents all across the US. Our technology powers real time approvals, enabling just under half of applicants who apply to Fidelity Life's flagship rapid decision life product to receive an instant underwriting decision. What's better is 90% of those applicants get a decision within twenty-four hours. For consumers who are not approved for Fidelity Life product at point of sale, we offer other options.

eFinancial is licensed to sell top US carriers and uses real-time data to offer a more suitable product if a Fidelity Life product is not a fit. This ensures that consumers are never left stranded during their shopping journey, and it delivers an experience that other carriers and direct-to-consumer brands with more restrictive underwriting simply cannot compete with. Let's move on to Vericity's long history of innovation, which I like to think of in three chapters. The first chapter being the innovative thinking that we brought to the industry in our early years. Fidelity Life was one of the first to deliver some of the industry's earliest technological advances, including using pharmacy data for underwriting and offering a paperless, dynamic application with eSignature capabilities.

As you move along the timeline to 2007 to 2015, we obtained several method patents for our product underwriting capabilities, and we're one of the first companies to use predictive analytics at point of sale. Our most recent history highlights our investments in data and technology, first with end-to-end software to manage all aspects of writing new business. And then from there, we launched our direct-to-consumer online sales platform and machine learning capabilities. With that, we implemented predictive analytics and models across marketing, sales, underwriting, and many aspects of our operations. Today, we continue to invest in accelerated underwriting with advanced databases and APIs that make it fast, easy, and affordable for everyday Americans to obtain coverage no matter where they shop.

Our unwavering focus on innovation has driven substantial business transformation over the past twenty years, and it's positioned Vericity as one of the few life insurance company truly serving the middle-market consumer. Before we move on, I must highlight, the latest milestone in our timeline, iA's acquisition of our business. This is quite an exciting time for us because prior to being acquired by iA, we've maintained a conservative posture regarding our investments, only growing as quickly as our past capital constraints could allow. Our ambition is now to leverage our capabilities and take our strengths offensively to take full advantage of the full market opportunities to grow, ultimately, achieving scale and profitability as soon as possible.

So what's compelling about Vericity's model is our ability to serve all consumer needs, combining the human and digital experience. What you see on the top line is research from LIMRA reporting on how consumers say they prefer to shop. When asked how they prefer to research and buy life insurance, consumers' preferences vary by generation, and they span digital and traditional methods. For example, 44% of Americans prefer to buy in person with an agent, while 48% prefer to buy life insurance fully online or do their research online and buy direct, over the phone, through the mail, or in chat. To address the first group, Fidelity Life distributes its products through third party brokers and agent assisted digital platforms, and our licensed eFinancial call center agents serve the 24% of consumers who prefer to buy over the phone. But what's interesting about the 24% who say they prefer to buy fully online is that our experience shows there's a big difference in how consumers actually buy.

We see consumers start their purchase online, and very few complete it online. Many get partway through the shopping journey and ultimately complete their application with the help of an agent. Now we do expect fully online sales to grow as more digitally savvy consumers, come into the market. So our digital purchase platform will appeal to that 24% who say they prefer to research and buy online. But what's powerful is the combination of our digital purchase experience and our knowledgeable licensed agents who are available in our call center to assist consumers if they have questions while shopping online.

This highly flexible sales model is Vericity's unique advantage in the US market because it allows us to meet the consumers' needs far better than our competition who may offer

only one way to buy. A final point on this slide is that our affinity partnerships and our new worksite business enables us to reach that 8% of US consumers who say they aren't actively searching the Internet for life insurance options. With our flexible business model and highly relevant capabilities, Vericity is well positioned to meet all consumer needs and move at the speed of the market to capture more life insurance sales. So now is a great time for Vericity to join the iA family as we have several competitive and market forces that are working in our favor. The first is that direct-to-consumer application volume at eFinancial has been outpacing the US life insurance market. We've delivered double-digit growth while the industry has remained flat.

Second, there's recent consolidation in the life insurance market, that has reduced competition, creating opportunities for Vericity to capture more of the available share. Third, more than a million US consumers say they need some or more life insurance coverage, and that includes nearly half of all millennial and Gen z consumers. And then fourth, the voluntary worksite benefits market is a large established market with nearly \$10 billion in annual sales. Top carriers that are competing in that market have identified term life as a table stakes offering, and so that creates an opportunity for Fidelity Life's lifetime benefit term product, which we first launched fifteen years ago, to serve this emerging opportunity for those top 20 US carriers who are competing, and it will be one of our strategic growth areas.

So now that you've learned, Vericity operates where US consumers are already shopping and has a wide range of flexible capabilities, it's easy to see that we have several pathways for growth. First, if we unpack the US life insurance market, Vericity has a long history of serving the US middle market through our direct-to-consumer brands and strategic partnerships. We'll grow here by selling accelerated underwritten products fully online with the help of an agent or a hybrid of both. Beyond that, Vericity can address the need of the entire US life insurance market by launching new products and distribution avenues for growth. One exciting opportunity is to deploy our APIs to power instant issue agent assisted digital sales for traditional brokers.

This model allows appointed brokers to retain ownership of their client relationship while accessing our underwriting processes to offer instant issue products face to face. Another opportunity is for Vericity to bring our unique products to the Voluntary Worksite Benefits platforms to reach even more of the US life insurance market. Now these are just the pathways that are underway, and we will have many more opportunities for growth as we continue through our path of innovation in product, technology, and distribution. As we go forward, we have a strong plan to double our business within five years and unlock scale and profitability. There are four steps to that journey.

First, we'll invest to activate all of Vericity's capabilities and diversify into new lines of business to meet the diverse needs of the US life insurance market. We'll invest to expand our proven and new sales channels and extend our positive operating leverage. Once we achieve scale, we'll achieve positive core profit. And then from there, continue that momentum to deliver double digit annual sales growth over the next five years. So

while Vericity is new to the iA family, our strategic growth initiatives tie perfectly to the proven iA way.

Our strategic investments are concentrated in two areas, expanding our direct-to-consumer business and launching new offerings to diversify our growth. For our core business shown in the top row of the slide, we'll follow the iA way of focusing on ripe target markets, leveraging technology, and pursuing distribution that offers long-term sustainable scale within our direct-to-consumer channels. Vericity will invest in new avenues to reach the wide range of generations that are shopping in the life insurance market to deepen our penetration within the US middle market. We'll also invest to evolve our technology to keep pace with emerging trends and retain our position as a leader in combining digital and human sales experiences. Finally, we'll lean into the proven partnership models to grow our new and existing strategic marketing alliances.

Doing all of this will unlock new consumers who are protection oriented or are experiencing life events that correlate to life insurance purchase or those who are simply open to a recommendation from a brand that they know and trust. These three investment areas will enable us to reach the 48% of consumers who will be shopping online or, you know, choose to shop online with the help of an agent or a hybrid of both. Plus, we'll be able to access those 8% of consumers who aren't actively searching for life insurance options today. The bottom row represents how we'll use the iA way to leverage product and technology to unlock new distribution channels and target markets that are available for scalable sales growth. One investment in area includes leveraging our technology to offer product and processes as a service within the broker channel, powering agent assisted digital sales of Fidelity Life's innovative instant issue product.

This unlocks access to those 44% of consumers who say they prefer to buy life insurance in person, but still value a fast, easy, and affordable option. Our second investment area involves leveraging Fidelity Life's fifteen years of proven experience administering our lifetime benefit term product. We'll use this product, which has a method patent, to launch an internally managed voluntary worksite benefits line of business, and we'll partner with established carriers to bring it to the market of working individuals and employer groups. This endeavor will unlock access to those 8% of consumers who may not be actively searching for life insurance but are willing to consider and buy a product when presented an option from a trustworthy brand during their open enrollment period. So as you see that while we're new to the iA family, all of our growth investments and our integration efforts map perfectly to the iA way.

This gives us an even greater confidence in our success and our ability to deliver double digit annual sales growth and substantially increase the size of our business within five years. Thank you. And now I'll introduce my colleague, John.