

Assurant and the Smartphone's Second Life

Internal ID: S&F-STR-069

Topic: Pricing Strategy, Mergers & Acquisitions, Customer Strategy

Industry: Property & Casualty Insurance

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Strategy case | Information cutoff: August 3, 2023

A mixed signal

On August 3, 2023, Assurant filed its second-quarter report. Global Lifestyle, the segment that includes Connected Living and Global Automotive, had generated more revenue than a year earlier, but its adjusted earnings were lower. Inside Connected Living, mobile subscribers and extended service contracts in North America were growing modestly. At the same time, previously announced mobile-program contract changes and runoff programs reduced revenue by about \$60 million. The pressure was not uniform: international Connected Living results were weaker, while elevated claims costs weighed on Global Automotive. [Assurant's Q2 2023 earnings release, pp. 2-3](#)

For this exercise, assume you are advising Assurant's executive committee immediately after that filing. The committee has asked for a recommendation on the company's next planning cycle: how much should Assurant commit to expanding its mobile-device lifecycle capabilities, and which activities should it own, partner for, or defer? This is a hypothetical assignment; Assurant had not disclosed this specific decision.

The question concerns the services a smartphone may need after its initial sale. A device may be protected against loss or damage, repaired or replaced after a claim, traded in during an upgrade, refurbished, and resold. Each handoff creates a potential service opportunity and a coordination problem. The economics depend on device condition, repair cost, residual value, customer experience, and the roles of carriers, retailers, original-equipment manufacturers (OEMs), repair providers and resale channels. Assurant's public filings do not disclose these unit economics by activity.

Assurant's position

Assurant is a global insurer and business-services provider. Its Global Lifestyle segment includes Connected Living-mobile-device solutions, extended service products and related services for consumer electronics and appliances-as well as Global Automotive. Global Housing includes homeowners, lender-placed and renters products. [Assurant's Q2 2023 Form 10-Q, Note 1](#)

Assurant had been extending its role beyond coverage and claims. In 2020, it announced the approximately \$325 million acquisition of HYL A Mobile, a provider of smartphone trade-in and upgrade software and services. Assurant said the deal would expand its lifecycle capabilities and add complementary clients and technology. That was the announced rationale, not evidence by itself that the acquisition produced incremental returns. [Assurant's October 28,](#)

2020 announcement

The company described an integrated service proposition spanning program design, risk management, analytics, customer support and claims, supply chain services, repair, logistics and device disposition. It said mobile services can include trade-in and upgrade programs, technical support, repair or refurbishment, and resale of repaired or refurbished devices. The 2022 report also describes relationships with carriers, retailers, MSOs, OEMs and financial institutions. The filing does not say that Assurant owns every activity in this chain. [Assurant's 2022 Form 10-K, Item 1, "Connected Living"](#)

The portfolio and the decision

In 2022, Global Lifestyle reported \$7.94 billion in net earned premiums, fees and other income, including \$4.23 billion from Connected Living and \$3.70 billion from Global Automotive. Global Lifestyle adjusted EBITDA was \$753.4 million. Within Connected Living, mobile products represented 46.2% of this revenue measure, extended service contracts 44.0%, and financial services and other products 9.8%. These are combined segment revenue categories; they do not isolate lifecycle-service fees or a mobile-only margin. [Assurant's 2022 Form 10-K, Item 7 and Note 6](#)

Exhibit 1. Global Lifestyle results

\$ millions, unless stated	Q2 2022	Q2 2023	Change	First half 2022	First half 2023	Change
Net earned premiums, fees and other income	2,012.6	2,108.9	+5%	4,001.2	4,149.2	+4%
Adjusted EBITDA	221.0	197.0	(11)%	447.7	395.9	(12)%

Source: Assurant Q2 2023 earnings release, p. 3. Adjusted EBITDA is a company-defined segment measure. Global Lifestyle includes both Connected Living and Global Automotive; revenue growth was driven primarily by prior-period Global Automotive sales. Percentages are company-reported and rounded.

The company attributed the Q2 Connected Living revenue increase to modest growth in extended service contracts and North American mobile subscribers, partly offset by the approximately \$60 million impact of mobile-program changes and runoffs. It attributed the lower Global Lifestyle adjusted EBITDA mainly to elevated Global Automotive claims and weaker Connected Living results in Asia-Pacific and Europe, partly offset by modest North American mobile-protection and service-contract growth. These are management explanations; the disclosures do not isolate the lifecycle activities' contribution. [Assurant's Q2 2023 earnings release, p. 3](#)

Global Housing moved in the opposite direction in the quarter. Its adjusted EBITDA was \$154.6 million versus \$61.0 million a year earlier; excluding reportable catastrophes, the company reported \$168.0 million versus \$81.3 million. Homeowners growth and lower non-catastrophe losses contributed, while the company cautioned that the outlook depended on current conditions. The contrast highlights a portfolio resource-allocation question, but quarterly segment measures alone do not determine where the next dollar will earn the best return. [Assurant's Q2 2023 earnings release, pp. 2-3](#)

Other ways to organize protection and repair

Assurant was not the only company combining protection services with partner distribution. Allstate's 2022 annual report describes Allstate Protection Plans for mobile phones, electronics, furniture and appliances, including technical support. Its stated strategy was to expand distribution and product breadth through retailers and mobile operators. The filing provides a public comparison of product and channel scope, but not a like-for-like profitability benchmark against Assurant. [Allstate's 2022 Form 10-K, Part I, Item 1, "Protection Services Segment"](#)

OEMs can also shape the repair experience. In June 2023, Apple expanded its Self Service Repair program to additional iPhone and Mac models, providing access to manuals, genuine parts and tools; its announcement also discussed post-repair system configuration. This illustrates one manufacturer-led approach to repair access. It does not establish that OEM repair replaces Assurant's services or changes the terms of any Assurant partner agreement. [Apple Newsroom, June 20, 2023](#)

The Federal Trade Commission's July 2023 consumer guidance distinguishes a separately purchased service contract from a product warranty that may be included with the product. For Assurant, clear roles and customer explanations matter across products that may combine insurance, service contracts, repair and device resale. The short guidance does not resolve state-specific legal or insurance requirements. [FTC Consumer Advice, "Warranties," section "Service Contracts Aren't Warranties"](#)

Your assignment

Prepare a recommendation for the executive committee. State what Assurant should do over the next planning cycle, which mobile-lifecycle activities it should build, buy, partner for or stage, and how it should test whether the strategy is working. Address:

1. Which parts of the smartphone lifecycle appear most strategically valuable for Assurant to coordinate? Which capabilities may be generic or available from multiple providers?
2. How should Assurant balance an integrated lifecycle proposition against partner flexibility, execution risk and competing demands across Global Lifestyle and Global Housing?
3. What evidence and milestones should determine whether Assurant scales, modifies or stops incremental investment?

Use the exhibits and cited public facts. Identify assumptions and missing information. Do not infer mobile profitability from Global Lifestyle's adjusted EBITDA, treat the approximately \$60 million revenue impact as a profit loss, or assume management had already selected an option. The recommendation is yours.