

ASSURANT INC
Form 10-Q
November 02, 2011
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

þ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended September 30, 2011

OR

¨ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from to

Assurant, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction
of incorporation)

001-31978
(Commission

39-1126612
(I.R.S. Employer

File Number)
One Chase Manhattan Plaza, 41st Floor

Identification No.)

New York, New York 10005

(212) 859-7000

(Address, including zip code, and telephone number, including
area code, of Registrant's Principal Executive Offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The number of shares of the registrant's Common Stock outstanding at October 28, 2011 was 92,108,357.

Table of Contents

ASSURANT, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2011
TABLE OF CONTENTS

Item Number	Page Number
PART I	
FINANCIAL INFORMATION	
1.	
	Financial Statements of Assurant, Inc.:
	<u>Consolidated Balance Sheets (unaudited) at September 30, 2011 and December 31, 2010</u> 2
	<u>Consolidated Statement of Operations (unaudited) for the three and nine months ended September 30, 2011 and 2010</u> 4
	<u>Consolidated Statement of Changes in Stockholders' Equity (unaudited) from December 31, 2010 through September 30, 2011</u> 5
	<u>Consolidated Statement of Cash Flows (unaudited) for the nine months ended September 30, 2011 and 2010</u> 6
	<u>Notes to Consolidated Financial Statements (unaudited) for the nine months ended September 30, 2011 and 2010</u> 7
2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 41
3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 63
4.	<u>Controls and Procedures</u> 63
PART II	
OTHER INFORMATION	
1.	<u>Legal Proceedings</u> 64
1A.	<u>Risk Factors</u> 64
2.	<u>Unregistered Sale of Equity Securities and Use of Proceeds</u> 65
6.	<u>Exhibits</u> 66
	<u>Signatures</u> 67

Amounts are presented in United States of America (U.S.) dollars and all amounts are in thousands, except number of shares and per share amounts.

Table of Contents**Assurant, Inc.****Consolidated Balance Sheets (unaudited)****At September 30, 2011 and December 31, 2010**

	September 30, 2011	December 31, 2010
	(in thousands except number of shares and per share amounts)	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost \$9,988,891 in 2011 and \$10,009,320 in 2010)	\$ 10,978,902	\$ 10,612,552
Equity securities available for sale, at fair value (cost \$401,225 in 2011 and \$452,648 in 2010)	403,098	466,954
Commercial mortgage loans on real estate, at amortized cost	1,307,569	1,320,964
Policy loans	54,565	56,142
Short-term investments	508,375	358,702
Collateral held/pledged under securities agreements	96,080	136,589
Other investments	587,704	567,945
 Total investments	 13,936,293	 13,519,848
Cash and cash equivalents	1,059,523	1,150,516
Premiums and accounts receivable, net	614,277	542,927
Reinsurance recoverables	5,295,502	4,997,316
Accrued investment income	159,470	147,069
Tax receivable	30,691	0
Deferred acquisition costs	2,563,885	2,493,422
Property and equipment, at cost less accumulated depreciation	247,497	267,169
Deferred income taxes, net	0	76,430
Goodwill	639,018	619,779
Value of business acquired	73,372	82,208
Other intangible assets, net	306,387	311,509
Other assets	186,039	188,454
Assets held in separate accounts	1,662,046	2,000,371
 Total assets	 \$ 26,774,000	 \$ 26,397,018

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Balance Sheets (unaudited)****At September 30, 2011 and December 31, 2010**

	September 30, 2011	December 31, 2010
	(in thousands except number of shares and per share amounts)	
Liabilities		
Future policy benefits and expenses	\$ 8,217,526	\$ 8,105,153
Unearned premiums	5,315,673	5,063,999
Claims and benefits payable	3,485,270	3,351,169
Commissions payable	259,104	275,409
Reinsurance balances payable	87,879	104,333
Funds held under reinsurance	67,696	65,894
Deferred gain on disposal of businesses	139,141	154,493
Obligation under securities agreements	96,449	137,212
Accounts payable and other liabilities	1,442,821	1,339,582
Deferred income taxes, net	13,674	0
Tax payable	0	41,702
Debt	972,249	972,164
Mandatorily redeemable preferred stock	0	5,000
Liabilities related to separate accounts	1,662,046	2,000,371
 Total liabilities	 21,759,528	 21,616,481
 Commitments and contingencies (Note 15)		
Stockholders equity		
Common stock, par value \$0.01 per share, 800,000,000 shares authorized, 92,926,138 and 102,000,371 shares outstanding at September 30, 2011 and December 31, 2010, respectively	1,458	1,453
Additional paid-in capital	3,016,300	2,993,957
Retained earnings	3,596,751	3,264,025
Accumulated other comprehensive income	524,412	285,524
Treasury stock, at cost; 52,959,178 and 43,344,638 shares at September 30, 2011 and December 31, 2010, respectively	(2,124,449)	(1,764,422)
 Total stockholders equity	 5,014,472	 4,780,537
 Total liabilities and stockholders equity	 \$ 26,774,000	 \$ 26,397,018

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Statement of Operations (unaudited)****Three and Nine Months Ended September 30, 2011 and 2010**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(in thousands except number of shares and per share amounts)			
Revenues				
Net earned premiums and other considerations	\$ 1,777,315	\$ 1,832,514	\$ 5,307,635	\$ 5,589,052
Net investment income	172,176	176,170	517,893	525,380
Net realized gains on investments, excluding other-than-temporary impairment losses	5,079	7,280	27,937	33,705
Total other-than-temporary impairment losses	(4,703)	(924)	(7,848)	(2,803)
Portion of net loss (gain) recognized in other comprehensive income, before taxes	156	(313)	266	(1,234)
Net other-than-temporary impairment losses recognized in earnings	(4,547)	(1,237)	(7,582)	(4,037)
Amortization of deferred gain on disposal of businesses	5,114	6,024	15,353	18,129
Fees and other income	106,578	93,220	300,037	259,892
Total revenues	2,061,715	2,113,971	6,161,273	6,422,121
Benefits, losses and expenses				
Policyholder benefits	998,875	913,253	2,881,582	2,746,565
Amortization of deferred acquisition costs and value of business acquired	370,107	376,850	1,086,720	1,144,151
Underwriting, general and administrative expenses	562,346	581,974	1,685,821	1,757,367
Interest expense	15,078	15,162	45,284	45,484
Total benefits, losses and expenses	1,946,406	1,887,239	5,699,407	5,693,567
Income before provision for income taxes	115,309	226,732	461,866	728,554
Provision for income taxes	39,326	85,062	78,282	264,986
Net income	\$ 75,983	\$ 141,670	\$ 383,584	\$ 463,568
Earnings Per Share				
Basic	\$ 0.80	\$ 1.31	\$ 3.91	\$ 4.13
Diluted	\$ 0.79	\$ 1.30	\$ 3.88	\$ 4.11
Dividends per share	\$ 0.18	\$ 0.16	\$ 0.52	\$ 0.47
Share Data				
Weighted average shares outstanding used in basic per share calculations	95,351,601	107,806,207	98,065,082	112,137,558
Plus: Dilutive securities	951,411	778,075	895,630	653,565
Weighted average shares used in diluted per share calculations	96,303,012	108,584,282	98,960,712	112,791,123

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See the accompanying notes to the consolidated financial statements

Table of Contents

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