

ASSURANT INC
Form 10-Q
May 05, 2010
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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 March 31, 2010

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

001-31978
(Commission

39-1126612
(I.R.S. Employer

of incorporation)

File Number)

Identification No.)

One Chase Manhattan Plaza, 41st Floor

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 May 3, 2010 was 111,826,599.

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ASSURANT, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2010

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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 March 31, 2010 and December 31, 2009**

	March 31, 2010	December 31, 2009
	(in thousands except number of shares and per share amounts)	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost - \$10,081,075 in 2010 and \$9,684,083 in 2009)	\$ 10,479,317	\$ 9,966,772
Equity securities available for sale, at fair value (cost - \$505,308 in 2010 and \$514,349 in 2009)	524,614	512,987
Commercial mortgage loans on real estate, at amortized cost	1,405,876	1,428,027
Policy loans	56,275	56,407
Short-term investments	436,398	453,469
Collateral held under securities lending	142,381	218,129
Other investments	563,727	522,041
 Total investments	 13,608,588	 13,157,832
Cash and cash equivalents	932,541	1,318,552
Premiums and accounts receivable, net	513,820	507,933
Reinsurance recoverables	4,594,661	4,212,863
Accrued investment income	169,258	155,757
Deferred acquisition costs	2,468,246	2,504,654
Property and equipment, at cost less accumulated depreciation	273,270	275,420
Deferred income taxes, net	124,515	167,240
Goodwill	924,834	926,398
Value of business acquired	91,517	94,632
Other assets	545,648	548,183
Assets held in separate accounts	1,991,916	1,972,332
 Total assets	 \$ 26,238,814	 \$ 25,841,796

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Balance Sheets (unaudited)****At March 31, 2010 and December 31, 2009**

	March 31, 2010	December 31, 2009
	(in thousands except number of shares and per share amounts)	
Liabilities		
Future policy benefits and expenses	\$ 7,756,402	\$ 7,349,633
Unearned premiums	5,045,536	5,153,564
Claims and benefits payable	3,369,541	3,366,327
Commissions payable	207,073	218,060
Reinsurance balances payable	129,545	95,413
Funds held under reinsurance	50,220	49,417
Deferred gain on disposal of businesses	158,819	164,899
Obligation under securities lending	143,439	220,279
Accounts payable and other liabilities	1,311,375	1,388,279
Tax payable	121,119	30,126
Debt	972,084	972,058
Mandatorily redeemable preferred stock	8,160	8,160
Liabilities related to separate accounts	1,991,916	1,972,332
Total liabilities	21,265,229	20,988,547
Commitments and contingencies (Note 14)		
Stockholders equity		
Common stock, par value \$0.01 per share, 800,000,000 shares authorized, 113,584,251 and 116,648,714 shares outstanding at March 31, 2010 and December 31, 2009, respectively	1,451	1,447
Additional paid-in capital	2,964,651	2,962,883
Retained earnings	3,194,101	3,054,466
Accumulated other comprehensive income	154,038	65,925
Treasury stock, at cost; 31,546,462 and 28,119,993 shares at March 31, 2010 and December 31, 2009, respectively	(1,340,656)	(1,231,472)
Total stockholders equity	4,973,585	4,853,249
Total liabilities and stockholders equity	\$ 26,238,814	\$ 25,841,796

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Statement of Operations (unaudited)****Three Months Ended March 31, 2010 and 2009**

	Three Months Ended March 31,	
	2010	2009
	(in thousands except number of shares and per share amounts)	
Revenues		
Net earned premiums and other considerations	\$ 1,906,643	\$ 1,874,579
Net investment income	174,014	178,479
Net realized gains (losses) on investments, excluding other-than-temporary impairment losses	5,318	(30,250)
Total other-than-temporary impairment losses	(906)	(25,439)
Portion of loss recognized in other comprehensive income, before taxes	61	
Net other-than-temporary impairment losses recognized in earnings	(845)	(25,439)
Amortization of deferred gain on disposal of businesses	6,081	6,802
Fees and other income	76,645	83,706
Total revenues	2,167,856	2,087,877
Benefits, losses and expenses		
Policyholder benefits	927,996	960,342
Amortization of deferred acquisition costs and value of business acquired	405,184	387,794
Underwriting, general and administrative expenses	571,149	566,685
Interest expense	15,161	15,189
Total benefits, losses and expenses	1,919,490	1,930,010
Income before provision for income taxes	248,366	157,867
Provision for income taxes	91,143	77,286
Net income	\$ 157,223	\$ 80,581
Earnings Per Share		
Basic	\$ 1.35	\$ 0.68
Diluted	\$ 1.34	\$ 0.68
Dividends per share	\$ 0.15	\$ 0.14
Share Data		
Weighted average shares outstanding used in basic per share calculations	116,817,005	117,891,543
Plus: Dilutive securities	377,868	76,204
Weighted average shares used in diluted per share calculations	117,194,873	117,967,747

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Statement of Stockholders Equity (unaudited)****From December 31, 2009 through March 31, 2010**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
(in thousands except number of shares and per share amounts)						
Balance, December 31, 2009	\$ 1,447	\$ 2,962,883	\$ 3,054,466	\$ 65,925	\$ (1,231,472)	\$ 4,853,249
Stock plan exercises	4	402				406
Stock plan compensation expense		5,294				5,294
Change in tax benefit from share-based payment arrangements		(3,928)				(3,928)
Dividends			(17,588)			(17,588)
Acquisition of common stock					(109,184)	(109,184)
Comprehensive income:						
Net income			157,223			157,223
Other comprehensive income:						
Net change in unrealized gains on securities, net of taxes of \$(44,749)				88,690		88,690
Net change in other-than- temporary impairment gains recognized in other comprehensive income, net of taxes of \$(1,356)				2,517		2,517
Net change in foreign currency translation, net of taxes of \$(3,822)				(5,369)		(5,369)
Amortization of pension and postretirement unrecognized net periodic benefit cost, net of taxes of \$(1,225)				2,275		2,275
Total other comprehensive income						