

ASSURANT INC
Form 10-Q
August 03, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☐ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 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 July 29, 2011 was 94,467,970.

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ASSURANT, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2011

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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.

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	June 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 \$9,942,019 in 2011 and \$10,009,320 in 2010)	\$ 10,637,406	\$ 10,612,552
Equity securities available for sale, at fair value (cost \$447,752 in 2011 and \$452,648 in 2010)	481,688	466,954
Commercial mortgage loans on real estate, at amortized cost	1,313,326	1,320,964
Policy loans	55,563	56,142
Short-term investments	447,013	358,702
Collateral held/pledged under securities agreements	92,633	136,589
Other investments	566,026	567,945
Total investments	13,593,655	13,519,848
Cash and cash equivalents	1,135,099	1,150,516
Premiums and accounts receivable, net	612,522	542,927
Reinsurance recoverables	5,151,407	4,997,316
Accrued investment income	148,310	147,069
Deferred acquisition costs	2,565,013	2,493,422
Property and equipment, at cost less accumulated depreciation	254,257	267,169
Deferred income taxes, net	88,592	76,430
Goodwill	640,638	619,779
Value of business acquired	75,864	82,208
Other intangible assets, net	348,683	311,509
Other assets	189,868	188,454
Assets held in separate accounts	1,975,847	2,000,371
Total assets	\$ 26,779,755	\$ 26,397,018

See the accompanying notes to the consolidated financial statements

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

	June 30, 2011	December 31, 2010
	(in thousands except number of shares and per share amounts)	
Liabilities		
Future policy benefits and expenses	\$ 8,212,705	\$ 8,105,153
Unearned premiums	5,245,001	5,063,999
Claims and benefits payable	3,438,474	3,351,169
Commissions payable	260,235	275,409
Reinsurance balances payable	102,848	104,333
Funds held under reinsurance	61,768	65,894
Deferred gain on disposal of businesses	144,254	154,493
Obligation under securities agreements	93,125	137,212
Accounts payable and other liabilities	1,397,302	1,339,582
Tax payable		41,702
Debt	972,220	972,164
Mandatorily redeemable preferred stock		5,000
Liabilities related to separate accounts	1,975,847	2,000,371
Total liabilities	21,903,779	21,616,481
Commitments and contingencies (Note 15)		
Stockholders equity		
Common stock, par value \$0.01 per share, 800,000,000 shares authorized, 94,994,982 and 102,000,371 shares outstanding at June 30, 2011 and December 31, 2010, respectively	1,457	1,453
Additional paid-in capital	3,003,524	2,993,957
Retained earnings	3,537,946	3,264,025
Accumulated other comprehensive income	381,273	285,524
Treasury stock, at cost; 50,750,678 and 43,344,638 shares at June 30, 2011 and December 31, 2010, respectively	(2,048,224)	(1,764,422)
Total stockholders equity	4,875,976	4,780,537
Total liabilities and stockholders equity	\$ 26,779,755	\$ 26,397,018

See the accompanying notes to the consolidated financial statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
(in thousands except number of shares and per share amounts)				
Revenues				
Net earned premiums and other considerations	\$ 1,768,308	\$ 1,849,895	\$ 3,530,320	\$ 3,756,538
Net investment income	173,844	175,196	345,717	349,210
Net realized gains on investments, excluding other-than-temporary impairment losses	17,502	21,107	22,858	26,425
Total other-than-temporary impairment losses	(1,191)	(973)	(3,145)	(1,879)
Portion of net gain recognized in other comprehensive income, before taxes	(265)	(982)	110	(921)
Net other-than-temporary impairment losses recognized in earnings	(1,456)	(1,955)	(3,035)	(2,800)
Amortization of deferred gain on disposal of businesses	5,105	6,024	10,239	12,105
Fees and other income	99,584	90,027	193,459	166,672
Total revenues	2,062,887	2,140,294	4,099,558	4,308,150
Benefits, losses and expenses				
Policyholder benefits	988,197	905,316	1,882,707	1,833,312
Amortization of deferred acquisition costs and value of business acquired	362,013	362,117	716,613	767,301
Underwriting, general and administrative expenses	565,674	604,244	1,123,475	1,175,393
Interest expense	15,075	15,161	30,206	30,322
Total benefits, losses and expenses	1,930,959	1,886,838	3,753,001	3,806,328
Income before (benefit) provision for income taxes	131,928	253,456	346,557	501,822
(Benefit) provision for income taxes	(33,932)	88,781	38,956	179,924
Net income	\$ 165,860	\$ 164,675	\$ 307,601	\$ 321,898
Earnings Per Share				
Basic	\$ 1.70	\$ 1.47	\$ 3.09	\$ 2.82
Diluted	\$ 1.68	\$ 1.46	\$ 3.06	\$ 2.80
Dividends per share	\$ 0.18	\$ 0.16	\$ 0.34	\$ 0.31
Share Data				
Weighted average shares outstanding used in basic per share calculations	97,713,045	111,893,858	99,444,311	114,341,824
Plus: Dilutive securities	977,069	821,259	954,821	749,408
Weighted average shares used in diluted per share calculations	98,690,114	112,715,117	100,399,132	115,091,232

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See the accompanying notes to the consolidated financial statements

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Assurant, Inc.

Consolidated Statement of Stockholders Equity (unaudited)

From December 31, 2010 through June 30, 2011