ASSURANT INC
Form 10-Q
August 01, 2012
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 June 30, 2012

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)

Delaware	**001-31978**	**39-1126612**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer 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 þ 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 þ 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 þ	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 þ

The number of shares of the registrant s Common Stock outstanding at July 26, 2012 was 81,084,645.

Table of Contents

ASSURANT, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012

TABLE OF CONTENTS

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.

1

Table of Contents

Assurant, Inc.

Consolidated Balance Sheets (unaudited)

At June 30, 2012 and December 31, 2011

	June 30, 2012	December 31, 2011
	(in thousands except number of shares and per share amounts)	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost $9,980,885 in 2012 and $10,123,429 in 2011)	$ 11,214,423	$ 11,192,599
Equity securities available for sale, at fair value (cost $369,640 in 2012 and $357,411 in 2011)	399,943	362,376
Commercial mortgage loans on real estate, at amortized cost	1,302,609	1,309,687
Policy loans	53,449	54,192
Short-term investments	504,924	441,383
Collateral held/pledged under securities agreements	94,608	95,221
Other investments	585,803	570,707
Total investments	14,155,759	14,026,165
Cash and cash equivalents	1,106,992	1,166,713
Premiums and accounts receivable, net	685,820	649,122
Reinsurance recoverables	5,428,106	5,411,064
Accrued investment income	153,733	153,783
Deferred acquisition costs	2,635,132	2,492,857
Property and equipment, at cost less accumulated depreciation	241,722	242,908
Deferred income taxes, net	0	44,280
Tax receivable	9,989	0
Goodwill	639,517	639,097
Value of business acquired	66,506	71,014
Other intangible assets, net	279,906	303,832
Other assets	118,929	124,298
Assets held in separate accounts	1,721,478	1,694,729
Total assets	$ 27,243,589	$ 27,019,862

See the accompanying notes to the consolidated financial statements

Table of Contents

Assurant, Inc.

Consolidated Balance Sheets (unaudited)

At June 30, 2012 and December 31, 2011

	June 30, 2012	December 31, 2011
	(in thousands except number of shares and per share amounts)	
Liabilities		
Future policy benefits and expenses	$ 8,412,128	$ 8,359,206
Unearned premiums	5,685,188	5,482,017
Claims and benefits payable	3,352,224	3,437,119
Commissions payable	216,341	260,022
Reinsurance balances payable	103,899	130,144
Funds held under reinsurance	60,890	64,413
Deferred gain on disposal of businesses	124,816	134,033
Obligation under securities agreements	94,615	95,494
Accounts payable and other liabilities	1,413,769	1,486,026
Deferred income taxes, net	52,336	0
Tax payable	0	30,431
Debt	972,337	972,278
Liabilities related to separate accounts	1,721,478	1,694,729
Total liabilities	22,210,021	22,145,912
Commitments and contingencies (Note 14)		
Stockholders equity		
Common stock, par value $0.01 per share, 800,000,000 shares authorized, 82,392,454 and 88,524,374 shares outstanding at June 30, 2012 and December 31, 2011, respectively	1,472	1,464
Additional paid-in capital	3,028,665	3,025,477
Retained earnings	3,883,865	3,586,784
Accumulated other comprehensive income	676,432	557,576
Treasury stock, at cost; 64,406,999 and 57,433,178 shares at June 30, 2012 and December 31, 2011, respectively	(2,556,866)	(2,297,351)
Total stockholders equity	5,033,568	4,873,950
Total liabilities and stockholders equity	$ 27,243,589	$ 27,019,862

See the accompanying notes to the consolidated financial statements

Table of Contents

Assurant, Inc.

Consolidated Statements of Operations (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(in thousands except number of shares and per share amounts)			
Revenues				
Net earned premiums and other considerations	$ 1,792,236	$ 1,768,308	$ 3,569,297	$ 3,530,320
Net investment income	199,314	173,844	371,609	345,717
Net realized gains on investments, excluding other-than-temporary impairment losses	18,175	17,502	27,558	22,858
Total other-than-temporary impairment losses	0	(1,191)	(1,936)	(3,145)
Portion of net gain recognized in other comprehensive income, before taxes	0	(265)	97	110
Net other-than-temporary impairment losses recognized in earnings	0	(1,456)	(1,839)	(3,035)
Amortization of deferred gain on disposal of businesses	4,596	5,105	9,217	10,239
Fees and other income	114,969	99,584	226,372	193,459
Total revenues	2,129,290	2,062,887	4,202,214	4,099,558
Benefits, losses and expenses				
Policyholder benefits	872,027	986,844	1,728,385	1,879,872
Amortization of deferred acquisition costs and value of business acquired	334,861	331,598	676,619	657,138
Underwriting, general and administrative expenses	642,667	598,728	1,252,751	1,187,274
Interest expense	15,074	15,075	30,150	30,206
Total benefits, losses and expenses	1,864,629	1,932,245	3,687,905	3,754,490
Income before provision (benefit) for income taxes	264,661	130,642	514,309	345,068
Provision (benefit) for income taxes	95,491	(34,374)	181,879	39,301
Net income	$ 169,170	$ 165,016	$ 332,430	$ 305,767
Earnings Per Share				
Basic	$ 1.96	$ 1.69	$ 3.80	$ 3.07
Diluted	$ 1.94	$ 1.67	$ 3.76	$ 3.05
Dividends per share	$ 0.21	$ 0.18	$ 0.39	$ 0.34
Share Data				
Weighted average shares outstanding used in basic per share calculations	86,279,670	97,713,045	87,526,257	99,444,311
Plus: Dilutive securities	764,911	977,069	956,600	954,821
Weighted average shares used in diluted per share calculations	87,044,581	98,690,114	88,482,857	100,399,132

See the accompanying notes to the consolidated financial statements

4

Table of Contents

Assurant, Inc.

Consolidated Statements of Comprehensive Income (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(in thousands)			
Net income	$ 169,170	$ 165,016	$ 332,430	$ 305,767
Other comprehensive income:				
Change in unrealized gains on securities, net of taxes of $(54,475), $(39,326), $(63,918) and $(35,757), respectively	101,922	79,084	120,118	66,385
Change in other-than-temporary impairment gains recognized in other comprehensive income, net of taxes of $(481), $(1,221), $(2,078) and $(3,452), respectively	894	2,268	3,859	6,410
Changes in foreign currency translation, net of taxes of $2,904, $824, $221 and $(3,068), respectively	(27,337)	129	(12,596)	16,670
Amortization of pension and postretirement unrecognized net periodic benefit cost and change in funded status, net of taxes of $(2,013), $(1,558), $(4,025) and $(3,122), respectively	3,737	2,893	7,475	5,778
Total other comprehensive income	79,216	84,374	118,856	95,243
Total comprehensive income	$ 248,386	$ 249,390	$ 451,286	$ 401,010

See the accompanying notes to the consolidated financial statements

Table of Contents

Assurant, Inc.

Consolidated Statement of Stockholders Equity (unaudited)

From December 31, 2011 through June 30, 2012

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
			(in thousands)			
Balance, December 31, 2011, as previously reported	$ 1,464	$ 3,025,477	$ 3,742,479	$ 554,867	$ (2,297,351)	$ 5,026,936
Cumulative effect of adjustment resulting from new accounting guidance	0	0	(155,695)	2,709	0	(152,986)
Adjusted balance, December 31, 2011	1,464	3,025,477	3,586,784	557,576	(2,297,351)	4,873,950
Stock plan exercises	8	(13,610)	0	0	0	(13,602)
Stock plan compensation expense	0	14,411	0	0	0	14,411
Change in tax benefit from share-based payment arrangements	0	2,387	0	0	0	2,387
Dividends	0	0	(35,349)	0	0	(35,349)
Acquisition of common stock	0	0	0	0	(259,515)	(259,515)
Net income	0	0	332,430	0	0	332,430
Other comprehensive income	0	0	0	118,856	0	118,856
Balance, June 30, 2012	$ 1,472	$ 3,028,665	$ 3,883,865	$ 676,432	$ (2,556,866)	$ 5,033,568

See the accompanying notes to the consolidated financial statements

Table of Contents

Assurant, Inc.

Consolidated Statements of Cash Flows (unaudited)

Six Months Ended June 30, 2012 and 2011

	Six Months Ended June 30,	
	2012	2011
	(in thousands)	
Net cash provided by operating activities	$ 184,511	$ 323,751
Investing activities		
Sales of:		
Fixed maturity securities available for sale	889,773	898,199
Equity securities available for sale	70,122	32,586
Other invested assets	48,774	11,557
Property and equipment and other	1,806	3,188
Maturities, prepayments, and scheduled redemption of:		
Fixed maturity securities available for sale	525,705	548,565
Commercial mortgage loans on real estate	63,116	52,037
Purchases of:		
Fixed maturity securities available for sale	(1,293,412)	(1,322,244)
Equity securities available for sale	(86,048)	(24,524)
Commercial mortgage loans on real estate	(58,024)	(43,772)
Other invested assets	(20,621)	(22,003)
Property and equipment and other	(22,363)	(17,041)
Subsidiary, net of cash transferred	(3,500)	(45,080)
Change in short-term investments	(65,520)	(85,115)
Change in policy loans	730	647
Change in collateral held/pledged under securities agreements	879	29,806
Net cash provided by investing activities	51,417	16,806
Financing activities		
Repayment of mandatorily redeemable preferred stock		(5,000)
Change in tax benefit from share-based payment arrangements	2,387	(3,458)
Acquisition of common stock	(258,695)	(286,791)
Dividends paid	(35,349)	(33,680)
Change in obligation under securities agreements	(879)	(29,806)
Change in receivables under securities loan agreements		14,370
Change in obligations to return borrowed securities		(14,281)
Net cash used in financing activities	(292,536)	(358,646)
Effect of exchange rate changes on cash and cash equivalents	(3,113)	2,672
Change in cash and cash equivalents	(59,721)	(15,417)
Cash and cash equivalents at beginning of period	1,166,713	1,150,516
Cash and cash equivalents at end of period	$ 1,106,992	$ 1,135,099

See the accompanying notes to the consolidated financial statements

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

1. Nature of Operations

Assurant, Inc. (the Company) is a holding company whose subsidiaries provide specialized insurance products and related services in North America and select worldwide markets.

The Company is traded on the New York Stock Exchange under the symbol AIZ.

Through its operating subsidiaries, the Company provides debt protection administration, credit-related insurance, warranties and service contracts, pre-funded funeral insurance, lender-placed homeowners insurance, manufactured housing homeowners insurance, individual health and small employer group health insurance, group dental insurance, group disability insurance, and group life insurance.

2. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information. Accordingly, these statements do not include all of the information and footnotes required by GAAP for complete financial statements.

On January 1, 2012, the Company adopted the amendments to existing guidance on accounting for costs associated with acquiring or renewing insurance contracts. This guidance was adopted retrospectively and has been applied to all prior period financial information contained in these consolidated financial statements.

The interim financial data as of June 30, 2012 and for the three and six months ended June 30, 2012 and 2011 is unaudited; in the opinion of management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary to a fair statement of the results for the interim periods. The unaudited interim consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All inter-company transactions and balances are eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the 2012 presentation.

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, and the rules and regulations thereunder (together, the Affordable Care Act) was signed into law in March 2010. One provision of the Affordable Care Act, effective January 1, 2011, established a minimum medical loss ratio (MLR) designed to ensure that a minimum level of benefits are paid to health insurance policyholders. The Affordable Care Act established an MLR of 80% for individual and small group business and 85% for large group business. If the actual loss ratios, calculated in a manner prescribed by the Department of Health and Human Services (HHS), are less than the required MLR, rebates are payable to the policyholders by August 1 of the subsequent year.

Operating results for the three and six months ended June 30, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company s Annual Report on Form 10-K for the year ended December 31, 2011.

3. Recent Accounting Pronouncements

Recent Accounting Pronouncements Adopted

On January 1, 2012, the Company adopted the guidance on fair value measurement. This amended guidance changes certain fair value measurement principles and expands required disclosures to include quantitative and qualitative information about unobservable inputs in Level 3 measurements to achieve common fair value measurement and disclosure requirements in GAAP and International Financial Reporting Standards (IFRS). The adoption of this guidance did not have an impact on the Company s financial position or results of operations.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

On January 1, 2012, the Company adopted the amendments to existing guidance on accounting for costs associated with acquiring or renewing insurance contracts. The amendments modified the definition of the types of costs incurred by insurance entities that can be capitalized in the acquisition of new and renewal contracts. Under this amended guidance, only direct incremental costs associated with successful insurance contract acquisitions or renewals are deferrable. This guidance was adopted retrospectively and has been applied to all prior period financial information contained in these consolidated financial statements. As of January 1, 2011, the beginning of the earliest period presented, the cumulative effect adjustment recorded to reflect this guidance resulted in a decrease of $148,811 in retained earnings, an increase of $1,411 in accumulated other comprehensive income and a decrease of $147,400 in total stockholders equity.

The effect of adoption of this new guidance on the December 31, 2011 consolidated balance sheet was as follows:

	As Previously Reported	Effect of Change	As Currently Reported
Deferred acquisition costs	$ 2,632,720	$ (139,863)	$ 2,492,857
Deferred income taxes, net	0	44,280	44,280
Total assets	27,115,445	(95,583)	27,019,862
Future policy benefits and expenses	8,269,343	89,863	8,359,206
Deferred income taxes, net	32,460	(32,460)	0
Total liabilities	22,088,509	57,403	22,145,912
Retained earnings	3,742,479	(155,695)	3,586,784
Accumulated other comprehensive income	554,867	2,709	557,576
Total stockholders equity	5,026,936	(152,986)	4,873,950
Total liabilities and stockholders equity	27,115,445	(95,583)	27,019,862

The effect of adoption of this new guidance on the consolidated statement of operations for the three months ended June 30, 2011 was as follows:

	As Previously Reported	Effect of Change	As Currently Reported
Policyholder benefits	$ 988,197	$ (1,353)	$ 986,844
Amortization of deferred acquisition costs and value of business acquired	362,013	(30,415)	331,598
Underwriting, general and administrative expenses	565,674	33,054	598,728
Total benefits, losses and expenses	1,930,959	1,286	1,932,245
Income before provision for income taxes	131,928	(1,286)	130,642
Provision for income taxes	(33,932)	(442)	(34,374)
Net income	165,860	(844)	165,016
Earnings per share			
Basic	1.70	(0.01)	1.69
Diluted	1.68	(0.01)	1.67

9

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

The effect of adoption of this new guidance on the consolidated statement of operations for the six months ended June 30, 2011 was as follows:

	As Previously Reported	Effect of Change	As Currently Reported
Policyholder benefits	$ 1,882,707	$ (2,835)	$ 1,879,872
Amortization of deferred acquisition costs and value of business acquired	716,613	(59,475)	657,138
Underwriting, general and administrative expenses	1,123,475	63,799	1,187,274
Total benefits, losses and expenses	3,753,001	1,489	3,754,490
Income before provision for income taxes	346,557	(1,489)	345,068
Provision for income taxes	38,956	345	39,301
Net income	307,601	(1,834)	305,767
Earnings per share			
Basic	3.09	(0.02)	3.07
Diluted	3.06	(0.01)	3.05

Recent Accounting Pronouncements Not Yet Adopted

In July 2011, the Financial Accounting Standards Board (FASB) issued amendments to the other expenses guidance to address how health insurers should recognize and classify in their income statements fees mandated by the Affordable Care Act. The Affordable Care Act imposes an annual fee on health insurers for each calendar year beginning on or after January 1, 2014. The amendments specify that the liability for the fee should be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable with a corresponding deferred cost that is amortized to expense ratably over the calendar year during which it is payable. The guidance is effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective. Therefore, the Company is required to adopt this guidance on January 1, 2014. The Company is currently evaluating the requirements of the amendments and the potential impact on the Company s financial position and results of operations.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

4. Investments

The following tables show the cost or amortized cost, gross unrealized gains and losses, fair value and other-than-temporary impairment (OTTI) of our fixed maturity and equity securities as of the dates indicated:

	June 30, 2012				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	OTTI in AOCI
Fixed maturity securities:					
United States Government and government agencies and authorities	$ 164,799	$ 9,264	$ (87)	$ 173,976	$ 0
States, municipalities and political subdivisions	806,246	103,516	(148)	909,614	0
Foreign governments	595,180	80,512	(1,125)	674,567	0
Asset-backed	29,797	1,790	(519)	31,068	1,149
Commercial mortgage-backed	75,965	5,750	0	81,715	0
Residential mortgage-backed	782,395	60,795	(189)	843,001	11,641
Corporate	7,526,503	999,479	(25,500)	8,500,482	16,817
Total fixed maturity securities	$ 9,980,885	$ 1,261,106	$ (27,568)	$ 11,214,423	$ 29,607
Equity securities:					
Common stocks	$ 14,037	$ 3,050	$ (71)	$ 17,016	$ 0
Non-redeemable preferred stocks	355,603	38,506	(11,182)	382,927	0
Total equity securities	$ 369,640	$ 41,556	$ (11,253)	$ 399,943	$ 0

	December 31, 2011				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	OTTI in AOCI
Fixed maturity securities:					
United States Government and government agencies and authorities	$ 148,379	$ 8,987	$ (26)	$ 157,340	$ 0
States, municipalities and political subdivisions	832,788	96,536	(301)	929,023	0
Foreign governments	647,133	78,148	(1,368)	723,913	0
Asset-backed	30,681	2,072	(320)	32,433	1,118
Commercial mortgage-backed	82,184	5,840	0	88,024	0
Residential mortgage-backed	841,488	56,364	(633)	897,219	8,240
Corporate	7,540,776	882,628	(58,757)	8,364,647	14,313

Total fixed maturity securities	$ 10,123,429	$ 1,130,575	$ (61,405)	$ 11,192,599	$ 23,671
Equity securities:					
Common stocks	$ 14,037	$ 2,018	$ (54)	$ 16,001	$ 0
Non-redeemable preferred stocks	343,374	28,141	(25,140)	346,375	0
Total equity securities	$ 357,411	$ 30,159	$ (25,194)	$ 362,376	$ 0

Our states, municipalities and political subdivisions holdings are highly diversified across the U.S. and Puerto Rico, with no individual state s exposure (including both general obligation and revenue securities) exceeding 0.5% of the overall investment

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

portfolio as of June 30, 2012 and December 31, 2011. At June 30, 2012 and December 31, 2011, the securities include general obligation and revenue bonds issued by states, cities, counties, school districts and similar issuers, including $165,115 and $164,347, respectively, of advance refunded or escrowed-to-maturity bonds (collectively referred to as pre-refunded bonds), which are bonds for which an irrevocable trust has been established to fund the remaining payments of principal and interest. As of June 30, 2012 and December 31, 2011, revenue bonds account for 52% and 51% of the holdings, respectively. Excluding pre-refunded bonds, sales tax, highway, water, fuel sales, transit and miscellaneous (which includes bond banks, finance authorities and appropriations) provide for 80% of the revenue sources, as of June 30, 2012 and December 31, 2011.

The Company s investments in foreign government fixed maturity securities are held mainly in countries and currencies where the Company has policyholder liabilities, which allow the assets and liabilities to be more appropriately matched. At June 30, 2012 and December 31, 2011, approximately 65%, 14%, 7% and 63%, 13%, 7% of the foreign government securities were held in the Canadian government/provincials and the governments of Brazil and Germany, respectively. No other country represented more than 4% and 5% of our foreign government securities as of June 30, 2012 and December 31, 2011, respectively.

The Company has European investment exposure in its corporate fixed maturity and equity securities of $914,889 with an unrealized gain of $78,859 at June 30, 2012 and $868,012 with an unrealized gain of $61,387 at December 31, 2011. Approximately 29% and 31% of the corporate European exposure is held in the financial industry at June 30, 2012 and December 31, 2011, respectively. No European country represented more than 5% of the fair value of our corporate securities as of June 30, 2012 and December 31, 2011. Approximately 5% of the fair value of the corporate European securities are pound and euro-denominated and are not hedged to U.S. dollars, but held to support those foreign-denominated liabilities. Our international investments are managed as part of our overall portfolio with the same approach to risk management and focus on diversification.

The cost or amortized cost and fair value of fixed maturity securities at June 30, 2012 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because issuers of the securities may have the right to call or prepay obligations with or without call or prepayment penalties.

	Cost or Amortized Cost	Fair Value
Due in one year or less	$ 399,311	$ 406,724
Due after one year through five years	2,020,383	2,158,032
Due after five years through ten years	2,443,293	2,669,972
Due after ten years	4,229,741	5,023,911
Total	9,092,728	10,258,639
Asset-backed	29,797	31,068
Commercial mortgage-backed	75,965	81,715
Residential mortgage-backed	782,395	843,001
Total	$ 9,980,885	$ 11,214,423

The following table summarizes the proceeds from sales of available-for-sale securities and the gross realized gains and gross realized losses that have been included in earnings as a result of those sales.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Proceeds from sales	$ 498,324	$ 625,903	$ 966,915	$ 948,492
Gross realized gains	19,264	20,192	34,796	28,435
Gross realized losses	1,677	5,455	8,246	9,307

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

The following table sets forth the net realized gains (losses), including OTTI, recognized in the statements of operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net realized gains (losses) related to sales and other:				
Fixed maturity securities	$ 17,000	$ 14,573	$ 29,205	$ 20,905
Equity securities	769	166	(2,309)	(89)
Mortgage loans	(256)	0	(256)	0
Other investments	662	2,763	918	2,042
Total net realized gains related to sales and other	18,175	17,502	27,558	22,858
Net realized losses related to other-than-temporary impairments:				
Fixed maturity securities	0	(1,454)	(1,283)	(3,014)
Equity securities	0	(2)	(226)	(21)
Other investments	0	0	(330)	0
Total net realized losses related to other-than-temporary impairments	0	(1,456)	(1,839)	(3,035)
Total net realized gains	$ 18,175	$ 16,046	$ 25,719	$ 19,823

Other-Than-Temporary Impairments

The Company follows the OTTI guidance which requires entities to separate an OTTI of a debt security into two components when there are credit related losses associated with the impaired debt security for which the Company asserts that it does not have the intent to sell, and it is more likely than not that it will not be required to sell before recovery of its cost basis. Under the OTTI guidance, the amount of the OTTI related to a credit loss is recognized in earnings, and the amount of the OTTI related to other, non-credit, factors (*e.g.*, interest rates, market conditions, etc.) is recorded as a component of other comprehensive income. In instances where no credit loss exists but the Company intends to sell the security or it is more likely than not that the Company will have to sell the debt security prior to the anticipated recovery, the decline in market value below amortized cost is recognized as an OTTI in earnings. In periods after the recognition of an OTTI on debt securities, the Company accounts for such securities as if they had been purchased on the measurement date of the OTTI at an amortized cost basis equal to the previous amortized cost basis less the OTTI recognized in earnings. For debt securities for which OTTI was recognized in earnings, the difference between the new amortized cost basis and the cash flows expected to be collected will be accreted or amortized into net investment income.

For the six months ended June 30, 2012, the Company recorded $1,936, of OTTI, of which $1,839 was related to credit losses and recorded as net OTTI losses recognized in earnings, with the remaining $97 related to all other factors and recorded as an unrealized loss component of AOCI. For the three months ended June 30, 2012 the Company did not incur any OTTI. For the three and six months ended June 30, 2011, the Company recorded $1,191 and $3,145, respectively, of OTTI, of which $1,456 and $3,035 was related to credit losses and recorded as net OTTI losses recognized in earnings, with the remaining $(265) and $110, respectively, related to all other factors and recorded as an unrealized (gain)

loss component of AOCI.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

The following tables set forth the amount of credit loss impairments recognized within the results of operations on fixed maturity securities held by the Company as of the dates indicated, for which a portion of the OTTI loss was recognized in AOCI, and the corresponding changes in such amounts.

	Three Months ended June 30, 2012	2011
Balance, March 31,	$ 102,353	$ 104,973
Additions for credit loss impairments recognized in the current period on securities previously impaired	0	1,454
Reductions for increases in cash flows expected to be collected that are recognized over the remaining life of the security	(599)	(134)
Reductions for credit loss impairments previously recognized on securities which matured, paid down, prepaid or were sold during the period	(3,166)	(659)
Balance, June 30,	$ 98,588	$ 105,634

	Six Months ended June 30, 2012	2011
Balance, January 1,	$ 103,090	$ 105,245
Additions for credit loss impairments recognized in the current period on securities not previously impaired	0	1,455
Additions for credit loss impairments recognized in the current period on securities previously impaired	56	1,558
Reductions for increases in cash flows expected to be collected that are recognized over the remaining life of the security	(814)	(268)
Reductions for credit loss impairments previously recognized on securities which matured, paid down, prepaid or were sold during the period	(3,744)	(2,356)
Balance, June 30,	$ 98,588	$ 105,634

We regularly monitor our investment portfolio to ensure investments that may be other-than-temporarily impaired are identified in a timely fashion, properly valued, and charged against earnings in the proper period. The determination that a security has incurred an other-than-temporary decline in value requires the judgment of management. Assessment factors include, but are not limited to, the length of time and the extent to which the market value has been less than cost, the financial condition and rating of the issuer, whether any collateral is held, the intent and ability of the Company to retain the investment for a period of time sufficient to allow for recovery for equity securities and the intent to sell or whether it is more likely than not that the Company will be required to sell for fixed maturity securities. Inherently, there are risks and uncertainties involved in making these judgments. Changes in circumstances and critical assumptions such as a continued weak economy, a more pronounced economic downturn or unforeseen events which affect one or more companies, industry sectors, or countries could

result in additional impairments in future periods for other-than-temporary declines in value. Any equity security whose price decline is deemed other-than-temporary is written down to its then current market value with the amount of the impairment reported as a realized loss in that period. The impairment of a fixed maturity security that the Company has the intent to sell or that it is more likely than not that the Company will be required to sell is deemed other-than-temporary and is written down to its market value at the balance sheet date with the amount of the impairment reported as a realized loss in that period. For all other-than-temporarily impaired fixed maturity securities that do not meet either of these two criteria, the Company is required to analyze its ability to recover the amortized cost of the security by calculating the net present value of projected future cash flows. For these other-than-temporarily impaired fixed maturity securities, the net amount recognized in earnings is equal to the difference between the amortized cost of the fixed maturity security and its net present value.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

The Company considers different factors to determine the amount of projected future cash flows and discounting methods for corporate debt and residential and commercial mortgage-backed or asset-backed securities. For corporate debt securities, the split between the credit and non-credit losses is driven principally by assumptions regarding the amount and timing of projected future cash flows. The net present value is calculated by discounting the Company s best estimate of projected future cash flows at the effective interest rate implicit in the security at the date of acquisition. For residential and commercial mortgage-backed and asset-backed securities, cash flow estimates, including prepayment assumptions, are based on data from widely accepted third-party data sources or internal estimates. In addition to prepayment assumptions, cash flow estimates vary based on assumptions regarding the underlying collateral including default rates, recoveries and changes in value. The net present value is calculated by discounting the Company s best estimate of projected future cash flows at the effective interest rate implicit in the fixed maturity security prior to impairment at the balance sheet date. The discounted cash flows become the new amortized cost basis of the fixed maturity security.

In periods subsequent to the recognition of an OTTI, the Company generally accretes the discount (or amortizes the reduced premium) into net investment income, up to the non-discounted amount of projected future cash flows, resulting from the reduction in cost basis, based upon the amount and timing of the expected future cash flows over the estimated period of cash flows.

The investment category and duration of the Company s gross unrealized losses on fixed maturity securities and equity securities at June 30, 2012 and December 31, 2011 were as follows:

	June 30, 2012					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities:						
United States Government and government agencies and authorities	$ 17,727	$ (87)	$ 0	$ 0	$ 17,727	$ (87)
States, municipalities and political subdivisions	0	0	4,516	(148)	4,516	(148)
Foreign governments	16,366	(6)	9,081	(1,119)	25,447	(1,125)
Asset-backed	2,474	(519)	0	0	2,474	(519)
Residential mortgage-backed	23,362	(90)	3,827	(99)	27,189	(189)
Corporate	343,311	(11,247)	167,277	(14,253)	510,588	(25,500)
Total fixed maturity securities	$ 403,240	$ (11,949)	$ 184,701	$ (15,619)	$ 587,941	$ (27,568)
Equity securities:						
Common stocks	$ 1,245	$ (71)	$ 0	$ 0	$ 1,245	$ (71)
Non-redeemable preferred stocks	27,032	(416)	65,560	(10,766)	92,592	(11,182)
Total equity securities	$ 28,277	$ (487)	$ 65,560	$ (10,766)	$ 93,837	$ (11,253)

15

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	December 31, 2011					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities:						
United States Government and government agencies and authorities	$ 8,852	$ (26)	$ 0	$ 0	$ 8,852	$ (26)
States, municipalities and political subdivisions	0	0	5,503	(301)	5,503	(301)
Foreign governments	31,125	(150)	9,443	(1,218)	40,568	(1,368)
Asset-backed	2,624	(320)	0	0	2,624	(320)
Residential mortgage-backed	43,141	(513)	2,368	(120)	45,509	(633)
Corporate	718,815	(32,899)	176,279	(25,858)	895,094	(58,757)
Total fixed maturity securities	$ 804,557	$ (33,908)	$ 193,593	$ (27,497)	$ 998,150	$ (61,405)
Equity securities:						
Common stocks	$ 1,174	$ (54)	$ 0	$ 0	$ 1,174	$ (54)
Non-redeemable preferred stocks	51,577	(4,499)	85,704	(20,641)	137,281	(25,140)
Total equity securities	$ 52,751	$ (4,553)	$ 85,704	$ (20,641)	$ 138,455	$ (25,194)

Total gross unrealized losses represent less than 6% and 8% of the aggregate fair value of the related securities at June 30, 2012 and December 31, 2011, respectively. Approximately 32% and 44% of these gross unrealized losses have been in a continuous loss position for less than twelve months at June 30, 2012 and December 31, 2011, respectively. The total gross unrealized losses are comprised of 217 and 389 individual securities at June 30, 2012 and December 31, 2011, respectively. In accordance with its policy described above, the Company concluded that for these securities an adjustment to its results of operations for other-than-temporary impairments of the gross unrealized losses was not warranted at June 30, 2012 and December 31, 2011. These conclusions are based on a detailed analysis of the underlying credit and expected cash flows of each security. As of June 30, 2012, the gross unrealized losses that have been in a continuous loss position for twelve months or more were concentrated in the Company s corporate fixed maturity securities and in non-redeemable preferred stocks. Within the Company s corporate fixed maturity securities, the majority of the loss position relates to securities in the financial industry sector. For these concentrations, gross unrealized losses of twelve months or more were $9,193, or 65%, of the total. The non-redeemable preferred stocks are perpetual preferred securities that have characteristics of both debt and equity securities. To evaluate these securities, we apply an impairment model similar to that used for our fixed maturity securities. As of June 30, 2012, the Company did not intend to sell these securities and it was not more likely than not that the Company would be required to sell them and no underlying cash flow issues were noted. Therefore, we did not recognize an OTTI on those perpetual preferred securities that had been in a continuous unrealized loss position for twelve months or more. As of June 30, 2012, the Company did not intend to sell the fixed maturity securities and it was not more likely than not that the Company would be required to sell the securities before the anticipated recovery of their amortized cost basis. The gross unrealized losses are primarily attributable to widening credit spreads associated with an underlying shift in overall credit risk premium.

The Company has made commercial mortgage loans, collateralized by the underlying real estate, on properties located throughout the U.S. and Canada. At June 30, 2012, approximately 39% of the outstanding principal balance of commercial mortgage loans was concentrated in the states of California, New York, and Utah. Although the Company has a diversified loan portfolio, an economic downturn could have an adverse impact on the ability of its debtors to repay their loans. The outstanding balance of commercial mortgage loans range in size from $45 to $16,114 at June 30, 2012 and from $36 to $16,285 at December 31, 2011.

Credit quality indicators for commercial mortgage loans are loan-to-value and debt-service coverage ratios. Loan-to-value and debt-service coverage ratios are measures commonly used to assess the credit quality of commercial mortgage loans. The loan-to-value ratio compares the principal amount of the loan to the fair value of the underlying property collateralizing the loan, and is commonly expressed as a percentage. The debt-service coverage ratio compares a property s net operating income to its debt-service payments and is commonly expressed as a ratio. The loan-to-value and debt-service coverage ratios are generally updated annually in the third quarter.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

The following summarizes our loan-to value and average debt-service coverage ratios as of the dates indicated:

Loan-to-Value	Carrying Value	June 30, 2012 % of Gross Mortgage Loans	Debt-Service Coverage ratio
70% and less	$ 1,056,652	80.5%	2.05
71 80%	165,201	12.6%	1.39
81 95%	55,422	4.2%	1.20
Greater than 95%	35,659	2.7%	0.78
Gross commercial mortgage loans	1,312,934	100.0%	1.89
Less valuation allowance	(10,325)		
Net commercial mortgage loans	$ 1,302,609		

Loan-to-Value	Carrying Value	December 31, 2011 % of Gross Mortgage Loans	Debt-Service Coverage ratio
70% and less	$ 1,018,927	77.1%	2.09
71 80%	188,816	14.3%	1.37
81 95%	74,657	5.7%	1.16
Greater than 95%	37,697	2.9%	0.76
Gross commercial mortgage loans	1,320,097	100.0%	1.90
Less valuation allowance	(10,410)		
Net commercial mortgage loans	$ 1,309,687		

All commercial mortgage loans that are individually impaired have an established mortgage loan valuation allowance for losses. Changing economic conditions affect our valuation of commercial mortgage loans. Changing vacancies and rents are incorporated into the discounted cash flow analysis that we perform for monitored loans and may contribute to the establishment of (or an increase or decrease in) a commercial mortgage loan valuation allowance for losses. In addition, we continue to monitor the entire commercial mortgage loan portfolio to identify risk. Areas of emphasis are properties that have exposure to earthquakes, have deteriorating credits or have experienced a reduction in debt-service coverage ratio. Where warranted, we have established or increased a valuation allowance based upon this analysis.

Collateralized Transactions

The Company engages in transactions in which fixed maturity securities, especially bonds issued by the U.S. government, government agencies and authorities, and U.S. corporations, are loaned to selected broker/dealers. Collateral, greater than or equal to 102% of the fair value of the securities lent, plus accrued interest, is received in the form of cash and cash equivalents held by a custodian bank for the benefit of the Company. The use of cash collateral received is unrestricted. The Company reinvests the cash collateral received, generally in investments of high credit quality that are designated as available-for-sale. The Company monitors the fair value of securities loaned and the collateral received, with additional collateral obtained, as necessary. The Company is subject to the risk of loss to the extent there is a loss on the re-investment of cash collateral.

As of June 30, 2012 and December 31, 2011, our collateral held under securities lending, of which its use is unrestricted, was $94,608 and $95,221, respectively, and is included in the consolidated balance sheets under the collateral held/pledged under securities agreements. Our liability to the borrower for collateral received was $94,615 and $95,494, respectively, and is included in the consolidated balance sheets under the obligation under securities agreements. The difference between the collateral held and obligations under securities lending is recorded as an unrealized loss and is included as part of AOCI. All securities with unrealized losses have been in a continuous loss position for twelve months or longer as of June 30, 2012 and December 31, 2011. The Company includes the available-for-sale investments purchased with the cash collateral in its evaluation of other-than-temporary impairments.

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Cash proceeds that the Company receives as collateral for the securities it lends and subsequent repayment of the cash are regarded by the Company as cash flows from financing activities, since the cash received is considered a borrowing. Since the Company reinvests the cash collateral generally in investments that are designated as available-for-sale, the reinvestment is presented as cash flows from investing activities.

5. Fair Value Disclosures

Fair Values, Inputs and Valuation Techniques for Financial Assets and Liabilities Disclosures

The fair value measurements and disclosures guidance defines fair value and establishes a framework for measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with this guidance, the Company has categorized its recurring basis financial assets and liabilities into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The levels of the fair value hierarchy are described below:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access.

Level 2 inputs utilize other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly, for substantially the full term of the asset. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active and inputs other than quoted prices that are observable in the marketplace for the asset. The observable inputs are used in valuation models to calculate the fair value for the asset.

Level 3 inputs are unobservable but are significant to the fair value measurement for the asset, and include situations where there is little, if any, market activity for the asset. These inputs reflect management s own assumptions about the assumptions a market participant would use in pricing the asset.

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The following tables present the Company s fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of June 30, 2012 and December 31, 2011. The amounts presented below for Collateral held/pledged under securities agreements, Other investments, Cash equivalents, Other assets, Assets and Liabilities held in separate accounts and Other liabilities differ from the amounts presented in the consolidated balance sheets because only certain investments or certain assets and liabilities within these line items are

measured at estimated fair value. Other investments are comprised of investments in the Assurant Investment Plan, American Security Insurance Company Investment Plan, Assurant Deferred Compensation Plan, a modified coinsurance arrangement and other derivatives. Other liabilities are comprised of investments in the Assurant Investment Plan and other derivatives. The fair value amount and the majority of the associated levels presented for Other investments and Assets held in separate accounts are received directly from third parties.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	June 30, 2012			
Financial Assets	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed maturity securities:				
United States Government and government agencies and authorities	$ 173,976	$ 0	$ 169,687	$ 4,289
State, municipalities and political subdivisions	909,614	0	909,614	0
Foreign governments	674,567	750	650,450	23,367
Asset-backed	31,068	0	31,068	0
Commercial mortgage-backed	81,715	0	80,892	823
Residential mortgage-backed	843,001	0	834,466	8,535
Corporate	8,500,482	0	8,358,605	141,877
Equity securities:				
Common stocks	17,016	16,333	683	0
Non-redeemable preferred stocks	382,927	0	382,926	1
Short-term investments	504,924	389,587 b	115,337 c	0
Collateral held/pledged under securities agreements	69,608	65,223 b	4,385 c	0
Other investments	249,613	52,621 a	185,993 c	10,999 d
Cash equivalents	772,724	748,353 b	24,371 c	0
Other assets	7,272	0	998 f	6,274 e
Assets held in separate accounts	1,662,404	1,448,673 a	213,731 c	0
Total financial assets	$ 14,880,911	$ 2,721,540	$ 11,963,206	$ 196,165
Financial Liabilities				
Other liabilities	$ 53,623	$ 51,557 a	$ 131 f	$ 1,935 f
Liabilities related to separate accounts	1,662,404	1,448,673 a	213,731 c	0
Total financial liabilities	$ 1,716,027	$ 1,500,230	$ 213,862	$ 1,935

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	December 31, 2011			
Financial Assets	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed maturity securities:				
United States Government and government agencies and authorities	$ 157,340	$ 0	$ 152,940	$ 4,400
State, municipalities and political subdivisions	929,023	0	929,023	0
Foreign governments	723,913	1,857	699,343	22,713
Asset-backed	32,433	0	31,980	453
Commercial mortgage-backed	88,024	0	87,120	904
Residential mortgage-backed	897,219	0	895,352	1,867
Corporate	8,364,647	0	8,227,018	137,629
Equity securities:				
Common stocks	16,001	15,318	683	0
Non-redeemable preferred stocks	346,375	0	346,362	13
Short-term investments	441,383	355,732 b	85,651 c	0
Collateral held/pledged under securities agreements	70,221	56,441 b	13,780 c	0
Other investments	245,280	47,931 a	179,092 c	18,257 d
Cash equivalents	915,339	887,135 b	28,204 c	0
Other assets	9,241	0	720 f	8,521 e
Assets held in separate accounts	1,632,781	1,417,864 a	214,917 c	0
Total financial assets	$ 14,869,220	$ 2,782,278	$ 11,892,185	$ 194,757
Financial Liabilities				
Other liabilities	$ 50,754	$ 47,931 a	$ 103 f	$ 2,720 f
Liabilities related to separate accounts	1,632,781	1,417,864 a	214,917 c	0
Total financial liabilities	$ 1,683,535	$ 1,465,795	$ 215,020	$ 2,720

a. Mainly includes mutual funds.
b. Mainly includes money market funds.
c. Mainly includes fixed maturity securities.
d. Mainly includes fixed maturity securities and other derivatives.
e. Mainly includes the Consumer Price Index Cap Derivatives (CPI Caps).
f. Mainly includes other derivatives.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

There were no transfers between Level 1 and Level 2 financial assets during the period. However, there were transfers between Level 2 and Level 3 financial assets during the period, which are reflected in the Transfers in and Transfers out columns below. Transfers between Level 2 and Level 3 most commonly occur when market observable inputs that were previously available become unavailable in the current period. The remaining unpriced securities are submitted to independent brokers who provide non-binding broker quotes or are priced by other qualified sources.

The following tables summarize the change in balance sheet carrying value associated with Level 3 financial assets and liabilities carried at fair value during the three and six months ended June 30, 2012 and 2011:

	Three Months Ended June 30, 2012						
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings	Net unrealized gains (losses) included in stockholders equity	Sales	Transfers in (1)	Transfers out (1)	Balance, end of period
Fixed Maturity Securities							
United States Government and government agencies and authorities	$ 4,293	$ (1)	$ (3)	$ 0	$ 0	$ 0	$ 4,289
Foreign governments	23,444	(1)	(76)	0	0	0	23,367
Commercial mortgage-backed	864	0	(2)	(39)	0	0	823
Residential mortgage-backed	1,844	(7)	25	(392)	7,065	0	8,535
Corporate	143,280	(87)	384	(1,700)	0	0	141,877
Equity Securities							
Non-redeemable preferred stocks	16	0	0	0	0	(15)	1
Other investments	11,624	(464)	1	(162)	0	0	10,999
Other assets	6,752	(478)	0	0	0	0	6,274
Financial Liabilities							
Other liabilities	(2,158)	223	0	0	0	0	(1,935)
Total level 3 assets and liabilities	$ 189,959	$ (815)	$ 329	$ (2,293)	$ 7,065	$ (15)	$ 194,230

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	Three Months Ended June 30, 2011							
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings	Net unrealized gains (losses) included in stockholders equity	Purchases	Sales	Transfers in (1)	Transfers out (1)	Balance, end of period
Fixed Maturity Securities								
United States Government and government agencies and authorities	$ 13,075	$ (114)	$ (25)	$ 0	$ (713)	$ 0	$ 0	$ 12,223
Foreign governments	21,401	(1)	547	0	0	0	0	21,947
Asset-backed	0	0	0	0	0	0	0	0
Commercial mortgage-backed	3,147	0	(6)	0	(36)	0	(2,110)	995
Corporate	131,637	(52)	273	6,130	(7,876)	0	(2,555)	127,557
Equity Securities								
Non-redeemable preferred stocks	22	(2)	15	0	0	0	0	35
Other investments	7,772	1,184	(22)	0	(235)	0	0	8,699
Other assets	8,211	412	0	0	0	0	0	8,623
Total level 3 assets	$ 185,265	$ 1,427	$ 782	$ 6,130	$ (8,860)	$ 0	$ (4,665)	$ 180,079

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2012							
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings	Net unrealized gains (losses) included in stockholders equity	Purchases	Sales	Transfers in (1)	Transfers out (1)	Balance, end of period
Fixed Maturity Securities								
United States Government and government agencies and authorities	$ 4,400	$ (2)	$ (5)	$ 0	$ (104)	$ 0	$ 0	$ 4,289
Foreign governments	22,713	(2)	656	0	0	0	0	23,367
Asset-backed	453	0	0	0	0		(453)	0
Commercial mortgage-backed	904	0	(4)	0	(77)	0	0	823
Residential mortgage-backed	1,867	(4)	50	1,930	(507)	7,065	(1,866)	8,535
Corporate	137,629	(186)	4,213	2,155	(9,467)	8,986	(1,453)	141,877
Equity Securities								
Non-redeemable preferred stocks	13	0	2	0	0	1	(15)	1
Other investments	18,257	(913)	419	0	(8,252)	1,488	0	10,999
Other assets	8,521	(2,247)	0	0	0	0	0	6,274
Financial Liabilities								
Other liabilities	(2,720)	785	0	0	0	0	0	(1,935)
Total level 3 assets and liabilities	$ 192,037	$ (2,569)	$ 5,331	$ 4,085	$ (18,407)	$ 17,540	$ (3,787)	$ 194,230

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2011							
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings	Net unrealized gains (losses) included in stockholders equity	Purchases	Sales	Transfers in (1)	Transfers out (1)	Balance, end of period
Fixed Maturity Securities								
United States Government and government agencies and authorities	$ 14,506	$ (247)	$ (37)	$ 0	$ (1,999)	$ 0	$ 0	$ 12,223
Foreign governments	25,621	(2)	448	0	0	0	(4,120)	21,947
Asset-backed	0	0	0	0	0	0	0	0
Commercial mortgage-backed	4,542	0	27	0	(72)	0	(3,502)	995
Corporate	125,685	(399)	4,466	13,626	(20,867)	7,601	(2,555)	127,557
Equity Securities								
Non-redeemable preferred stocks	558	(28)	80	0	(574)	6	(7)	35
Other investments	8,309	729	267	0	(606)	0	0	8,699
Other assets	9,825	(1,202)	0	0	0	0	0	8,623
Total level 3 assets	$ 189,046	$ (1,149)	$ 5,251	$ 13,626	$ (24,118)	$ 7,607	$ (10,184)	$ 180,079

(1) Transfers are primarily attributable to changes in the availability of observable market information and re-evaluation of the observability of pricing inputs.

Three different valuation techniques can be used in determining fair value for financial assets and liabilities: the market, income or cost approaches. The three valuation techniques described in the fair value measurements and disclosures guidance are consistent with generally accepted valuation methodologies. The market approach valuation techniques use prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. When possible, quoted prices (unadjusted) in active markets are used as of the period-end date (such as for mutual funds and money market funds). Otherwise, valuation techniques consistent with the market approach including matrix pricing and comparables are used. Matrix pricing is a mathematical technique employed principally to value debt securities without relying exclusively on quoted prices for those securities but rather by relying on the securities relationship to other benchmark quoted securities. Market approach valuation techniques often use market multiples derived from a set of comparables. Multiples might lie in ranges with a different multiple for each comparable. The selection of where within the range the appropriate multiple falls requires judgment, considering both qualitative and quantitative factors specific to the measurement.

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Income approach valuation techniques convert future amounts, such as cash flows or earnings, to a single present amount, or a discounted amount. These techniques rely on current market expectations of future amounts as of the period-end date. Examples of income approach valuation techniques include present value techniques, option-pricing models, binomial or lattice models that incorporate present value techniques and the multi-period excess earnings method.

Cost approach valuation techniques are based upon the amount that would be required to replace the service capacity of an asset at the period-end date, or the current replacement cost. That is, from the perspective of a market participant (seller), the price that would be received for the asset is determined based on the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

While not all three approaches are applicable to all financial assets or liabilities, where appropriate, one or more valuation techniques may be used. For all the classes of financial assets and liabilities included in the above hierarchy, excluding the CPI Caps and certain privately placed corporate bonds, the market valuation technique is generally used. For certain privately placed corporate bonds and the CPI Caps, the income valuation technique is generally used. For the periods ended June 30, 2012 and December 31, 2011, the application of the valuation technique applied to the Company s classes of financial assets and liabilities has been consistent.

Level 1 Securities

The Company s investments and liabilities classified as Level 1 as of June 30, 2012 and December 31, 2011, consisted of mutual funds and money market funds, foreign government fixed maturities and common stocks that are publicly listed and/or actively traded in an established market.

Level 2 Securities

The Company s Level 2 securities are valued using various observable market inputs obtained from a pricing service. The pricing service prepares estimates of fair value measurements for our Level 2 securities using proprietary valuation models based on techniques such as matrix pricing which include observable market inputs. The fair value measurements and disclosures guidance defines observable market inputs as the assumptions market participants would use in pricing the asset or liability developed on market data obtained from sources independent of the Company. The extent of the use of each observable market input for a security depends on the type of security and the market conditions at the balance sheet date. Depending on the security, the priority of the use of observable market inputs may change as some observable market inputs may not be relevant or additional inputs may be necessary. The following observable market inputs (standard inputs), listed in the approximate order of priority, are utilized in the pricing evaluation of Level 2 securities: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research data. Further details for level 2 investment types follow:

United States Government and government agencies and authorities: United States government and government agencies and authorities securities are priced by our pricing vendor utilizing standard inputs. Included in this category are U.S. Treasury securities which are priced using vendor trading platform data in addition to the standard inputs.

State, municipalities and political subdivisions: State, municipalities and political subdivisions securities are priced by our pricing service utilizing material event notices and new issue data inputs in addition to the standard inputs.

Foreign governments: Foreign government securities are primarily fixed maturity securities denominated in Canadian dollars which are priced by our pricing service utilizing standard inputs. The pricing service also evaluates each security based on relevant market information including relevant credit information, perceived market movements and sector news.

Commercial mortgage-backed, residential mortgage-backed and asset-backed: Commercial mortgage-backed, residential mortgage-backed and asset-backed securities are priced by our pricing vendor utilizing monthly payment information and collateral performance information in addition to standard inputs. Additionally, commercial mortgage-backed securities and asset-backed securities utilize new issue data while residential mortgage-backed securities utilize vendor trading platform data.

Corporate: Corporate securities are priced by our pricing vendor utilizing standard inputs. Non-investment grade securities within this category are priced by our pricing vendor utilizing observations of equity and credit default swap curves related to the issuer in addition to standard inputs. Certain privately placed corporate bonds are priced by a non-pricing service source using a model with observable inputs including, but not limited to, the credit rating, credit spreads, sector add-ons, and issuer specific add-ons.

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Non-redeemable preferred stocks: Non-redeemable preferred stocks are priced by our pricing vendor utilizing observations of equity and credit default swap curves related to the issuer in addition to standard inputs.

Short-term investments, collateral held/pledged under securities, other investments, cash equivalents, and assets/liabilities held in separate accounts: To price the fixed maturity securities in these categories, the pricing service utilizes the standard inputs.

Valuation models used by the pricing service can change period to period, depending on the appropriate observable inputs that are available at the balance sheet date to price a security. When market observable inputs are unavailable to the pricing service, the remaining unpriced securities are submitted to independent brokers who provide non-binding broker quotes or are priced by other qualified sources. If the Company cannot corroborate the non-binding broker quotes with Level 2 inputs, these securities are categorized as Level 3 securities.

Level 3 Securities

The Company s investments classified as Level 3 as of June 30, 2012 and December 31, 2011, consisted of fixed maturity securities and derivatives. All of the Level 3 fixed maturity and equity securities are priced using non-binding broker quotes which cannot be corroborated with Level 2 inputs. Of our total Level 3 fixed maturity and equity securities, $94,390 and $99,920 were priced by a pricing service using single broker quotes due to insufficient information to provide an evaluated price as of June 30, 2012 and December 31, 2011, respectively. The single broker quotes are provided by market makers or broker-dealers who are recognized as market participants in the markets in which they are providing the quotes. The remaining $92,622 and $82,522 were priced internally using independent and non-binding broker quotes as of June 30, 2012 and December 31, 2011, respectively. The inputs factoring into the broker quotes include trades in the actual bond being priced, trades of comparable bonds, quality of the issuer, optionality, structure and liquidity. Significant changes in interest rates, issuer credit, liquidity, and overall market conditions would result in a significantly lower or higher broker quote. The prices received from both the pricing service and internally are reviewed for reasonableness by management and if necessary, management works with the pricing service or broker to further understand how they developed their price. Further details on Level 3 derivative investment types follow:

Other investments and other liabilities: Swaptions are priced using a Black-Scholes pricing model incorporating third-party market data, including swap volatility data.

Other assets: Non-pricing service source prices the CPI Cap derivatives using a model with inputs including, but not limited to, the time to expiration, the notional amount, the strike price, the forward rate, implied volatility and the discount rate.

Management evaluates the following factors in order to determine whether the market for a financial asset is inactive. The factors include, but are not limited to:

- There are few recent transactions,
- Little information is released publicly,

The available prices vary significantly over time or among market participants,

The prices are stale (i.e., not current), and

The magnitude of the bid-ask spread.

Illiquidity did not have a material impact in the fair value determination of the Company s financial assets.

The Company generally obtains one price for each financial asset. The Company performs a monthly analysis to assess if the evaluated prices represent a reasonable estimate of their fair value. This process involves quantitative and qualitative analysis and is

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

overseen by investment and accounting professionals. Examples of procedures performed include, but are not limited to, initial and on-going review of pricing service methodologies, review of the prices received from the pricing service, review of pricing statistics and trends, and comparison of prices for certain securities with two different appropriate price sources for reasonableness. Following this analysis, the Company generally uses the best estimate of fair value based upon all available inputs. On infrequent occasions, a non-pricing service source may be more familiar with the market activity for a particular security than the pricing service. In these cases the price used is taken from the non-pricing service source. The pricing service provides information to indicate which securities were priced using market observable inputs so that the Company can properly categorize our financial assets in the fair value hierarchy.

Disclosures for Non-Financial Assets Measured at Fair Value on a Non-Recurring Basis

The Company also measures the fair value of certain assets on a non-recurring basis, generally on an annual basis, or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. These assets include commercial mortgage loans, goodwill and finite-lived intangible assets.

The Company utilizes both the income and market valuation approaches to measure the fair value of its reporting units when required. Under the income approach, the Company determined the fair value of the reporting units considering distributable earnings, which were estimated from operating plans. The resulting cash flows were then discounted using a market participant weighted average cost of capital estimated for the reporting units. After discounting the future discrete earnings to their present value, the Company estimated the terminal value attributable to the years beyond the discrete operating plan period. The discounted terminal value was then added to the aggregate discounted distributable earnings from the discrete operating plan period to estimate the fair value of the reporting units. Under the market approach, the Company derived the fair value of the reporting units based on various financial multiples, including but not limited to: price to tangible book value of equity, price to estimated 2012 earnings and price to estimated 2013 earnings, which were estimated based on publicly available data related to comparable guideline companies. In addition, financial multiples were also estimated from publicly available purchase price data for acquisitions of companies operating in the insurance industry. The estimated fair value of the reporting units was more heavily weighted towards the income approach because in the current economic environment the earnings capacity of a business is generally considered the most important factor in the valuation of a business enterprise. This fair value determination was categorized as Level 3 (unobservable) in the fair value hierarchy.

Fair Value of Financial Instruments Disclosures

The financial instruments guidance requires disclosure of fair value information about financial instruments, as defined therein, for which it is practicable to estimate such fair value. Therefore, it requires fair value disclosure for financial instruments that are not recognized or are not carried at fair value in the consolidated balance sheets. However, this guidance excludes certain financial instruments, including those related to insurance contracts and those accounted for under the equity method and joint ventures guidance (such as real estate joint ventures).

For the financial instruments included within the following financial assets and financial liabilities, the carrying value in the consolidated balance sheets equals or approximates fair value. Please refer to the *Fair Value Inputs and Valuation Techniques for Financial Assets and Liabilities Disclosures* section above for more information on the financial instruments included within the following financial assets and financial liabilities and the methods and assumptions used to estimate fair value:

Cash and cash equivalents

Fixed maturity securities

Equity securities

Short-term investments

Collateral held/pledged under securities agreements

Other investments

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Other assets

Assets held in separate accounts

Other liabilities

Liabilities related to separate accounts

In estimating the fair value of the financial instruments that are not recognized or are not carried at fair value in the consolidated balance sheets, the Company used the following methods and assumptions:

Commercial mortgage loans: the fair values of mortgage loans are estimated using discounted cash flow models. The model inputs include mortgage amortization schedules and loan provisions, an internally developed credit spread based on the credit risk associated with the borrower and the treasury spot curve. Mortgage loans with similar characteristics are aggregated for purposes of the calculations.

Policy loans: the carrying value of policy loans reported in the balance sheets approximates fair value.

Policy reserves under investment products: the fair values for the Company s policy reserves under investment products are determined using discounted cash flow analysis. Key inputs to the valuation include projections of policy cash flows, reserve run-off, market yields and risk margins.

Funds held under reinsurance: the carrying value reported approximates fair value due to the short maturity of the instruments.

Debt: the fair value of debt is based upon matrix pricing performed by the pricing service utilizing the standard inputs.

Obligations under securities agreements: obligation under securities agreements is reported at the amount of cash received from the selected broker/dealers.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

The following table discloses the carrying value, fair value amount and hierarchy level of the financial instruments that are not recognized or are not carried at fair value in the consolidated balance sheets:

	June 30, 2012				
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Financial Assets					
Commercial mortgage loans on real estate	$ 1,302,609	$ 1,474,349	$ 0	$ 0	$ 1,474,349
Policy loans	53,449	53,449	53,449	0	0
Total financial assets	$ 1,356,058	$ 1,527,798	$ 53,449	$ 0	$ 1,474,349
Financial Liabilities					
Policy reserves under investment products (Individual and group annuities, subject to discretionary withdrawal)	$ 862,036	$ 877,144	$ 0	$ 0	$ 877,144
Funds withheld under reinsurance	60,890	60,890	60,890	0	0
Debt	972,337	1,047,073	0	1,047,073	0
Obligation under securities agreements	94,615	94,615	94,615	0	0
Total financial liabilities	$ 1,989,878	$ 2,079,722	$ 155,505	$ 1,047,073	$ 877,144

	December 31, 2011				
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Financial Assets					
Commercial mortgage loans on real estate	$ 1,309,687	$ 1,439,753	$ 0	$ 0	$ 1,439,753
Policy loans	54,192	54,192	54,192	0	0
Total financial assets	$ 1,363,879	$ 1,493,945	$ 54,192	$ 0	$ 1,439,753
Financial Liabilities					
Policy reserves under investment products (Individual and group annuities, subject to discretionary withdrawal)	$ 791,341	$ 780,744	$ 0	$ 0	$ 780,744
Funds withheld under reinsurance	64,413	64,413	64,413	0	0
Debt	972,278	1,016,562	0	1,016,562	0
Obligation under securities agreements	95,494	95,494	95,494	0	0

Total financial liabilities	$ 1,923,526	$ 1,957,213	$ 159,907	$ 1,016,562	$ 780,744

29

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Only the fair value of the Company s policy reserves for investment-type contracts (those without significant mortality or morbidity risk) are reflected in the table above.

Reinsurance Recoverables Credit Disclosures

A key credit quality indicator for reinsurance is the A.M. Best financial strength ratings of the reinsurer. The A.M. Best ratings are an independent opinion of a reinsurer s ability to meet ongoing obligations to policyholders. The A.M. Best ratings for new reinsurance agreements where there is material credit exposure are reviewed at the time of execution. The A.M. Best ratings for existing reinsurance agreements are reviewed on a periodic basis, at least annually. The A.M. Best ratings have not changed significantly since December 31, 2011.

An allowance for doubtful accounts for reinsurance recoverables is recorded on the basis of periodic evaluations of balances due from reinsurers (net of collateral), reinsurer solvency, management s experience and current economic conditions. Information about the allowance for doubtful accounts for reinsurance recoverable as of June 30, 2012 is as follows:

Balance as of beginning-of-year	$ 10,633
Provision	0
Other additions	0
Direct write-downs charged against the allowance	0
Balance as of the end-of-period	$ 10,633

6. Income Tax

At December 31, 2011, the cumulative amount of undistributed earnings for which the Company had not provided deferred income taxes was $138,248. During the second quarter of 2012, the Company adopted a plan to undergo a legal entity reorganization of its foreign subsidiaries to better align the structure for international growth. Due to this reorganization, the cumulative amount of undistributed earnings for which the Company has not provided deferred income taxes will be reduced to $65,000.

During the three months ended June 30, 2011, the Company recognized a cumulative income tax benefit of $80,118 related to the release of a portion of the valuation allowance due to sufficient taxable income of the appropriate character during the period from new planning strategies. The $80,118 consists of $80,000 of capital losses and $118 of operating losses.

7. Debt

In February 2004, the Company issued two series of senior notes with an aggregate principal amount of $975,000 (the Senior Notes). The Company received net proceeds of $971,537 from this transaction, which represents the principal amount less the discount. The discount of $3,463 is being amortized over the life of the Senior Notes and is included as part of interest expense on the statement of operations. The first series is $500,000 in principal amount, bears interest at 5.63% per year and is payable in a single installment due February 15, 2014 and was issued at a 0.11% discount. The second series is $475,000 in principal amount, bears interest at 6.75% per year and is payable in a single installment due February 15, 2034 and was issued at a 0.61% discount.

The interest expense incurred related to the Senior Notes was $15,047 for the three months ended June 30, 2012 and 2011, respectively, and $30,094 for the six months ended June 30, 2012 and 2011, respectively. There was $22,570 of accrued interest at June 30, 2012 and 2011, respectively. The Company made interest payments of $30,094 on February 15, 2012 and 2011.

Credit Facility

The Company s commercial paper program requires the Company to maintain liquidity facilities either in an available amount equal to any outstanding notes from the commercial paper program or in an amount sufficient to maintain the ratings assigned to the notes issued from the commercial paper program. The Company s subsidiaries do not maintain commercial paper or other borrowing facilities at their level. This program is currently backed up by a $350,000 senior revolving credit facility, of which $330,240 was available at June 30, 2012, due to outstanding letters of credit.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

On September 21, 2011, the Company entered into a four-year unsecured $350,000 revolving credit agreement (2011 Credit Facility) with a syndicate of banks arranged by JP Morgan Chase Bank, N.A. and Bank of America, N.A. The 2011 Credit Facility replaced the Company s prior three-year $350,000 revolving credit facility (2009 Credit Facility), which was entered into on December 18, 2009 and was scheduled to expire in December 2012. The 2009 Credit Facility terminated upon the effective date of the 2011 Credit Facility. The 2011 Credit Facility provides for revolving loans and the issuance of multi-bank, syndicated letters of credit and/or letters of credit from a sole issuing bank in an aggregate amount of $350,000 and is available until September 2015, provided the Company is in compliance with all covenants. The 2011 Credit Facility has a sublimit for letters of credit issued thereunder of $50,000. The proceeds of these loans may be used for the Company s commercial paper program or for general corporate purposes. The Company may increase the total amount available under the 2011 Credit Facility to $525,000 subject to certain conditions. No bank is obligated to provide commitments above their share of the $350,000 facility.

The Company did not use the commercial paper program during the six months ended June 30, 2012 and 2011 and there were no amounts outstanding relating to the commercial paper program at June 30, 2012 and December 31, 2011. The Company made no borrowings using the 2011 Credit Facility and no loans are outstanding at June 30, 2012. The Company had $19,760 of letters of credit outstanding under the 2011 Credit Facility as of June 30, 2012.

The 2011 Credit Facility contains restrictive covenants and requires that the Company maintain certain specified minimum ratios and thresholds. Among others, these covenants include maintaining a maximum debt to capitalization ratio and a minimum consolidated adjusted net worth. At June 30, 2012, the Company was in compliance with all covenants, minimum ratios and thresholds.

8. Accumulated Other Comprehensive Income

Certain amounts included in the consolidated statements of comprehensive income are net of reclassification adjustments. The following table summarizes those reclassification adjustments as of the dates indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(in thousands)			
Reclassification of net realized gains on sales of securities included in net income, net of taxes	$ 9,582	$ 8,255	$ 13,975	$ 9,851
Reclassification of net realized losses on sales of securities previously written down included in net income, net of taxes	$ (56)	$ (946)	$ (92)	$ (978)
Reclassification of amortization of prior service cost included in net income, net of taxes	$ 3,737	$ 2,893	$ 7,475	$ 5,785

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

9. Stock Based Compensation

Long-Term Equity Incentive Plan

In May 2008, the Company s shareholders approved the Assurant, Inc. Long-Term Equity Incentive Plan (ALTEIP), which authorized the granting of up to 3,400,000 shares of the Company s common stock to employees, officers and non-employee directors. In May 2010, the Company s shareholders approved an amended and restated ALTEIP, increasing the number of shares of the Company s common stock authorized for issuance to 5,300,000. Under the ALTEIP, the Company may grant awards based on shares of its common stock, including stock options, stock appreciation rights (SARs), restricted stock (including performance shares), unrestricted stock, restricted stock units (RSUs), performance share units (PSUs) and dividend equivalents. All future share-based grants will be awarded under the ALTEIP.

The Compensation Committee of the Board of Directors (the Compensation Committee) awarded PSUs and RSUs in 2012 and 2011. RSUs and PSUs are promises to issue actual shares of common stock at the end of a vesting period or performance period. The RSUs granted to employees under the ALTEIP were based on salary grade and performance and will vest one-third each year over a three-year period. RSUs granted to non-employee directors also vest one-third each year over a three-year period. RSUs receive dividend equivalents in cash during the restricted period and do not have voting rights during the restricted period. PSUs accrue dividend equivalents during the performance period based on a target payout, and will be paid in cash at the end of the performance period based on the actual number of shares issued.

For the PSU portion of an award, the number of shares a participant will receive upon vesting is contingent upon the Company s performance with respect to selected metrics, identified below, compared against a broad index of insurance companies and assigned a percentile ranking. These rankings are then averaged to determine the composite percentile ranking for the performance period. The payout levels can vary between 0% and 150% (maximum) of the target (100%) ALTEIP award amount based on the Company s level of performance against the selected metrics.

PSU Performance Goals. For 2012 and 2011, the Compensation Committee established book value per share (BVPS) growth excluding AOCI, revenue growth and total stockholder return as the three performance measures for PSU awards. BVPS growth is defined as the year-over-year growth of the Company s stockholders equity excluding AOCI divided by the number of fully diluted total shares outstanding at the end of the period. Revenue growth is defined as the year-over-year change in GAAP total revenues as disclosed in the Company s annual statement of operations. Total stockholder return is defined as appreciation in Company stock plus dividend yield to stockholders. For the 2012-2014 and 2011-2013 performance cycles, payouts will be determined by measuring performance against the average performance of companies included in the A.M. Best Insurance Index, excluding those with revenues of less than $1,000,000 or that are not in the health or insurance Global Industry Classification Standard codes.

Under the ALTEIP, the Company s Chief Executive Officer (CEO) is authorized by the Board of Directors to grant common stock, restricted stock and RSUs to employees other than the executive officers of the Company (as defined in Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act)). The Board of Directors reviews and ratifies these grants quarterly. Restricted stock and RSUs granted under this program may have different vesting periods.

Restricted Stock Units

RSUs granted to employees and to non-employee directors were 43,610 and 33,380 for the three months ended June 30, 2012 and 2011, respectively, and 500,891 and 492,565 for the six months ended June 30, 2012 and 2011, respectively. The compensation expense recorded related to RSUs was $5,319 and $5,072 for the three months ended June 30, 2012 and 2011, respectively, and $10,400 and $9,765 for the six

months ended June 30, 2012 and 2011, respectively. The related total income tax benefit was $1,859 and $1,771 for the three months ended June 30, 2012 and 2010 respectively, and $3,639 and $3,409 for the six months ended June 30, 2012 and 2011, respectively. The weighted average grant date fair value for RSUs granted during the six months ended June 30, 2012 and 2011 was $41.47 and $38.22, respectively.

As of June 30, 2012, there was $27,389 of unrecognized compensation cost related to outstanding RSUs. That cost is expected to be recognized over a weighted-average period of 1.46 years. The total fair value of RSUs vested during the three months ended June 30, 2012 and 2011 was $1,763 and $1,861, respectively, and $20,301 and $14,443 for the six months ended June 30, 2012 and 2011, respectively.

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Performance Share Units

No PSUs were granted during the three months ended June 30, 2012 and 2011. PSUs granted to employees were 407,506 and 401,735 for the six months ended June 30, 2012 and 2011, respectively. The compensation expense recorded related to PSUs was $(267) and $4,178 for the three months ended June 30, 2012 and 2011, respectively, and $3,206 and $3,872 for the six months ended June 30, 2012 and 2011, respectively. Portions of the compensation expense recorded during 2012, 2011 and 2010 were reversed in 2012 and 2011, since the Company s level of actual performance as measured against pre-established performance goals had declined. The related total income tax benefit was $(88) and 1,459 for the three months ended June 30, 2012 and 2011, respectively. The related total income tax benefit was $1,130 and $1,350 for the six months ended June 30, 2012 and 2011, respectively. The weighted average grant date fair value for PSUs granted during the six months ended June 30, 2012 and 2011 was $41.68 and $37.83, respectively.

As of June 30, 2012, there was $17,969 of unrecognized compensation cost related to outstanding PSUs. That cost is expected to be recognized over a weighted-average period of 1.10 years.

The fair value of PSUs with market conditions was estimated on the date of grant using a Monte Carlo simulation model, which utilizes multiple variables that determine the probability of satisfying the market condition stipulated in the award. Expected volatilities for awards issued during the six months ended June 30, 2012 and 2011 were based on the historical stock prices of the Company s stock and peer insurance group. The expected term for grants issued during the six months ended June 30, 2012 and 2011 was assumed to equal the average of the vesting period of the PSUs. The risk-free rate was based on the U.S. Treasury yield curve in effect at the time of grant.

Long-Term Incentive Plan

Prior to the approval of the ALTEIP, share based awards were granted under the 2004 Assurant Long-Term Incentive Plan (ALTIP), which authorized the granting of up to 10,000,000 new shares of the Company s common stock to employees and officers under the ALTIP, Business Value Rights Program (BVR) and CEO Equity Grants Program. Under the ALTIP, the Company was authorized to grant restricted stock and SARs. Since May 2008, no new grants have been made under this plan and the impact of these grants on the consolidated financial statements is immaterial.

Employee Stock Purchase Plan

Under the Employee Stock Purchase Plan (ESPP), the Company is authorized to issue up to 5,000,000 new shares to employees who are participants in the ESPP. Eligible employees can purchase shares at a 10% discount applied to the lower of the closing price of the common stock on the first or last day of the offering period. The compensation expense recorded related to the ESPP was $379 and $332 for the three months ended June 30, 2012 and 2011, respectively, and $757 and $664 for the six months ended June 30, 2012 and 2011, respectively.

In January 2012, the Company issued 103,243 shares at a discounted price of $32.98 for the offering period of July 1, 2011 through December 31, 2011. In January 2011, the Company issued 111,414 shares at a discounted price of $31.06 for the offering period of July 1, 2010 through December 31, 2010.

In July 2012, the Company issued 110,699 shares to employees at a discounted price of $31.36 for the offering period of January 1, 2012 through June 30, 2012. In July 2011, the Company issued 106,373 shares to employees at a discounted price of $32.64 for the offering period of January 1, 2011 through June 30, 2011.

The fair value of each award under the ESPP was estimated at the beginning of each offering period using the Black-Scholes option-pricing model. Expected volatilities are based on implied volatilities from traded options on the Company s stock and the historical volatility of the Company s stock. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is based on the current annualized dividend and share price as of the grant date.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

10. Stock Repurchase

The following table shows the shares repurchased during the periods indicated:

Period in 2012	Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs
January	978,000	$ 39.50	978,000
February	528,000	43.37	528,000
March	912,000	41.47	912,000
April	912,800	39.58	912,800
May	1,062,000	34.58	1,062,000
June	2,581,021	33.83	2,581,021
Total	6,973,821	$ 37.21	6,973,821

On January 18, 2011, the Company s Board of Directors authorized the Company to repurchase up to $600,000 of its outstanding common stock. On May 14, 2012, the Company s Board of Directors authorized the Company to repurchase up to an additional $600,000 of its outstanding common stock, making the total remaining under the authorization $733,275 as of that date.

During the six months ended June 30, 2012, the Company repurchased 6,973,821 shares of the Company s outstanding common stock at a cost of $259,375, exclusive of commissions, leaving $646,017 remaining at June 30, 2012 under the total repurchase authorization.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

11. Earnings Per Common Share

The following table presents net income, the weighted average common shares used in calculating basic earnings per common share (EPS) and those used in calculating diluted EPS for each period presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Numerator				
Net income	$ 169,170	$ 165,016	$ 332,430	$ 305,767
Deduct dividends paid	(19,408)	(17,558)	(35,349)	(33,680)
Undistributed earnings	$ 149,762	$ 147,458	$ 297,081	$ 272,087
Denominator				
Weighted average shares outstanding used in basic earnings per share calculations	86,279,670	97,713,045	87,526,257	99,444,311
Incremental common shares from :				
SARs	127,300	194,678	142,637	205,192
PSUs	528,334	676,129	704,686	643,367
ESPP	109,277	106,262	109,277	106,262
Weighted average shares used in diluted earnings per share calculations	87,044,581	98,690,114	88,482,857	100,399,132
Earnings per common share - Basic				
Distributed earnings	$ 0.21	$ 0.18	$ 0.39	$ 0.34
Undistributed earnings	1.75	1.51	3.41	2.73
Net income	$ 1.96	$ 1.69	$ 3.80	$ 3.07
Earnings per common share - Diluted				
Distributed earnings	$ 0.21	$ 0.18	$ 0.39	$ 0.33
Undistributed earnings	1.73	1.49	3.37	2.72
Net income	$ 1.94	$ 1.67	$ 3.76	$ 3.05

Average SARs totaling 1,926,809 for the three months ended June 30, 2011 and 2,365,748 for the six months ended June 30, 2011 were outstanding but were anti-dilutive and thus not included in the computation of diluted EPS under the treasury stock method. There were no anti-dilutive SARs outstanding during the three and six months ended June 30, 2012. Average PSUs totaling 178,424 for the three months ended June 30, 2012 and 252 for the six months ended June 30, 2012 were outstanding but were anti-dilutive and thus not included in the computation of diluted EPS under the treasury stock method. There were no anti-dilutive PSUs outstanding during the three and six months ended June 30,

2011.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

12. Retirement and Other Employee Benefits

The components of net periodic benefit cost for the Company s qualified pension benefits plan, nonqualified pension benefits plan and retirement health benefits plan for the three and six months ended June 30, 2012 and 2011 were as follows:

	Qualified Pension Benefits For the Three Months Ended June 30,		Nonqualified Pension Benefits (1) For the Three Months Ended June 30,		Retirement Health Benefits For the Three Months Ended June 30,	
	2012	2011	2012	2011	2012	2011
Service cost	$ 8,125	$ 7,750	$ 925	$ 725	$ 700	$ 1,050
Interest cost	8,150	8,375	1,350	1,450	875	1,125
Expected return on plan assets	(10,100)	(10,275)	0	0	(775)	(725)
Amortization of prior service cost	25	25	175	150	(225)	375
Amortization of net loss	4,725	3,200	1,050	700	0	0
Curtailment credit / special termination benefits	0	0	0	125	0	0
Net periodic benefit cost	$ 10,925	$ 9,075	$ 3,500	$ 3,150	$ 575	$ 1,825

	Qualified Pension Benefits For the Six Months Ended June 30,		Nonqualified Pension Benefits (1) For the Six Months Ended June 30,		Retirement Health Benefits For the Six Months Ended June 30,	
	2012	2011	2012	2011	2012	2011
Service cost	$ 16,250	$ 15,500	$ 1,850	$ 1,450	$ 1,400	$ 2,100
Interest cost	16,300	16,750	2,700	2,900	1,750	2,250
Expected return on plan assets	(20,200)	(20,550)	0	0	(1,550)	(1,450)
Amortization of prior service cost	50	50	350	300	(450)	750
Amortization of net loss	9,450	6,400	2,100	1,400	0	0
Curtailment credit / special termination benefits	0	0	0	250	0	0
Net periodic benefit cost	$ 21,850	$ 18,150	$ 7,000	$ 6,300	$ 1,150	$ 3,650

(1) The Company s nonqualified plan is unfunded.

Our qualified pension benefits plan (the Plan) was under-funded by $156,527 and $125,517 (based on the fair value of Plan assets compared to the projected benefit obligation) at June 30, 2012 and December 31, 2011, respectively. This equates to an 81% and 83% funded status at June 30, 2012 and December 31, 2011, respectively. The change in under-funded status is mainly due to a decrease in the discount rate used to determine the projected benefit obligation partially offset by favorable investment returns. During the first six months of 2012, $25,000 in cash

was contributed to the Plan. Additional cash, up to $25,000, is expected to be contributed to the Plan over the remainder of 2012.

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

13. Segment Information

The Company has five reportable segments, which are defined based on the nature of the products and services offered: Assurant Solutions, Assurant Specialty Property, Assurant Health, Assurant Employee Benefits, and Corporate & Other. Assurant Solutions provides debt protection administration, credit-related insurance, warranties and service contracts, and pre-funded funeral insurance. Assurant Specialty Property provides lender-placed homeowners insurance and manufactured housing homeowners insurance. Assurant Health provides individual health and small employer group health insurance. Assurant Employee Benefits primarily provides group dental insurance, group disability insurance and group life insurance. Corporate & Other includes activities of the holding company, financing and interest expenses, net realized gains (losses) on investments, interest income earned from short-term investments held and additional costs associated with excess of loss reinsurance programs reinsured and ceded to certain subsidiaries in the London market between 1995 and 1997. Corporate & Other also includes the amortization of deferred gains associated with the sales of Fortis Financial Group and Long-Term Care through reinsurance agreements.

The Company evaluates performance of the operating segments based on segment income (loss) after-tax excluding realized gains (losses) on investments. The Company determines reportable segments in a manner consistent with the way the Company organizes for purposes of making operating decisions and assessing performance.

The following tables summarize selected financial information by segment:

	Three Months Ended June 30, 2012					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums and other considerations	$ 645,465	$ 491,989	$ 403,029	$ 251,753	$ 0	$ 1,792,236
Net investment income	100,332	27,686	32,278	34,094	4,924	199,314
Net realized gains on investments	0	0	0	0	18,175	18,175
Amortization of deferred gain on disposal of businesses	0	0	0	0	4,596	4,596
Fees and other income	76,219	23,489	7,612	7,571	78	114,969
Total revenues	822,016	543,164	442,919	293,418	27,773	2,129,290
Benefits, losses and expenses						
Policyholder benefits	210,188	199,887	294,033	167,919	0	872,027
Amortization of deferred acquisition costs and value of business acquired	250,566	78,051	61	6,183	0	334,861
Underwriting, general and administrative expenses	300,478	124,909	102,093	91,103	24,084	642,667
Interest expense	0	0	0	0	15,074	15,074
Total benefits, losses and expenses	761,232	402,847	396,187	265,205	39,158	1,864,629
Segment income (loss) before provision (benefit) for income tax	60,784	140,317	46,732	28,213	(11,385)	264,661

Provision (benefit) for income taxes	20,421	47,995	17,800	9,592	(317)	95,491
Segment income (loss) after tax	$ 40,363	$ 92,322	$ 28,932	$ 18,621	$ (11,068)	
Net income						$ 169,170

37

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	Three Months Ended June 30, 2011					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums and other considerations	$ 613,304	$ 465,095	$ 425,439	$ 264,470	$ 0	$ 1,768,308
Net investment income	99,330	26,209	11,405	32,572	4,328	173,844
Net realized gains on investments	0	0	0	0	16,046	16,046
Amortization of deferred gain on disposal of businesses	0	0	0	0	5,105	5,105
Fees and other income	66,164	18,250	8,891	6,170	109	99,584
Total revenues	778,798	509,554	445,735	303,212	25,588	2,062,887
Benefits, losses and expenses						
Policyholder benefits	213,029	254,575	323,832	195,408	0	986,844
Amortization of deferred acquisition costs and value of business acquired	250,477	74,999	0	6,122	0	331,598
Underwriting, general and administrative expenses	256,066	115,528	115,039	88,832	23,263	598,728
Interest expense	0	0	0	0	15,075	15,075
Total benefits, losses and expenses	719,572	445,102	438,871	290,362	38,338	1,932,245
Segment income (loss) before provision (benefit) for income tax	59,226	64,452	6,864	12,850	(12,750)	130,642
Provision (benefit) for income taxes	20,039	22,130	1,670	4,334	(82,547)	(34,374)
Segment income after tax	$ 39,187	$ 42,322	$ 5,194	$ 8,516	$ 69,797	
Net income						$ 165,016

38

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2012					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums and other considerations	$ 1,272,413	$ 976,189	$ 810,502	$ 510,193	$ 0	$ 3,569,297
Net investment income	199,643	52,387	43,406	66,027	10,146	371,609
Net realized gains on investments	0	0	0	0	25,719	25,719
Amortization of deferred gain on disposal of businesses	0	0	0	0	9,217	9,217
Fees and other income	148,659	47,628	15,367	14,579	139	226,372
Total revenues	1,620,715	1,076,204	869,275	590,799	45,221	4,202,214
Benefits, losses and expenses						
Policyholder benefits	419,996	355,597	596,517	356,275	0	1,728,385
Amortization of deferred acquisition costs and value of business acquired	504,344	159,780	138	12,357	0	676,619
Underwriting, general and administrative expenses	569,877	250,192	206,367	180,278	46,037	1,252,751
Interest expense	0	0	0	0	30,150	30,150
Total benefits, losses and expenses	1,494,217	765,569	803,022	548,910	76,187	3,687,905
Segment income (loss) before provision (benefit) for income tax	126,498	310,635	66,253	41,889	(30,966)	514,309
Provision (benefit) for income taxes	42,735	105,309	25,706	14,204	(6,075)	181,879
Segment income (loss) after tax	$ 83,763	$ 205,326	$ 40,547	$ 27,685	$ (24,891)	
Net income						$ 332,430
	As of June 30, 2012					
Segment Assets:						
Segment assets, excluding goodwill	$ 11,701,674	$ 3,406,529	$ 1,006,405	$ 2,410,324	$ 8,079,140	$ 26,604,072
Goodwill						639,517
Total assets						$ 27,243,589

Table of Contents

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2011					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums and other considerations	$ 1,214,626	$ 932,753	$ 851,601	$ 531,340	$ 0	$ 3,530,320
Net investment income	197,055	52,390	22,707	65,039	8,526	345,717
Net realized gains on investments	0	0	0	0	19,823	19,823
Amortization of deferred gain on disposal of businesses	0	0	0	0	10,239	10,239
Fees and other income	126,850	35,549	17,839	12,938	283	193,459
Total revenues	1,538,531	1,020,692	892,147	609,317	38,871	4,099,558
Benefits, losses and expenses						
Policyholder benefits	427,723	421,528	633,994	396,627	0	1,879,872
Amortization of deferred acquisition costs and value of business acquired	494,928	150,178	0	12,032	0	657,138
Underwriting, general and administrative expenses	501,216	228,629	236,764	177,990	42,675	1,187,274
Interest expense	0	0	0	0	30,206	30,206
Total benefits, losses and expenses	1,423,867	800,335	870,758	586,649	72,881	3,754,490
Segment income (loss) before provision (benefit) for income tax	114,664	220,357	21,389	22,668	(34,010)	345,068
Provision (benefit) for income taxes	38,529	75,291	9,005	7,712	(91,236)	39,301
Segment income after tax	$ 76,135	$ 145,066	$ 12,384	$ 14,956	$ 57,226	
Net income						$ 305,767
	As of December 31, 2011					
Segment Assets:						
Segment assets, excluding goodwill	$ 11,333,833	$ 3,387,027	$ 1,067,423	$ 2,477,192	$ 8,115,290	$ 26,380,765
Goodwill						639,097
Total assets						$ 27,019,862

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

14. Commitments and Contingencies

In the normal course of business, letters of credit are issued primarily to support reinsurance arrangements in which the Company is the reinsurer. These letters of credit are supported by commitments under which the Company is required to indemnify the financial institution issuing the letter of credit if the letter of credit is drawn. The Company had $19,760 and $24,296 of letters of credit outstanding as of June 30, 2012 and December 31, 2011, respectively.

The Company is involved in litigation in the ordinary course of business, both as a defendant and as a plaintiff. The Company may from time to time be subject to a variety of legal and regulatory actions relating to the Company s current and past business operations. While the Company cannot predict the outcome of any pending or future litigation, examination or investigation, the Company does not believe that any pending matter will have a material adverse effect individually or in the aggregate, on the Company s financial condition, results of operations, or cash flows.

In February 2012, the Company and two of its insurance company subsidiaries (American Security Insurance Company and American Bankers Insurance Company of Florida) received subpoenas from the New York Department of Financial Services (the NYDFS) regarding its lender-placed insurance business and related document retention practices. In response to the subpoenas, depositions were conducted in late February involving designated witnesses for the Company and the subsidiaries. In March 2012, the Company received an additional request from the NYDFS for further information relating to its lender-placed insurance program in New York and responded to these requests in April. Along with other companies in the industry, the Company participated in public hearings conducted by the NYDFS in mid-May. The Company was subsequently served with an order by the NYDFS requiring the Company to propose and justify amended rates for its lender-placed insurance products sold in the State of New York by July 6, 2012. The Company has submitted a response to the order and is engaged in discussions with the NYDFS to determine appropriate changes to the existing lender-placed insurance program in the State of New York. The Company is committed to cooperating fully and continuing to work with the NYDFS to resolve this matter.

For additional detail on the Company s discussions with the NYDFS and current and/or potential discussions with other states, please refer to Item 1A Risk Factors in our 2011 Annual Report on Form 10-K and in this Second Quarter 2012 Form 10-Q.

15. Catastrophe Bond Program

On May 5, 2009, certain of the Company s subsidiaries (the Subsidiaries) entered into two reinsurance agreements with Ibis Re Ltd., an independent special purpose reinsurance company domiciled in the Cayman Islands (Ibis Re). The Ibis Re agreements provide up to $150,000 of reinsurance coverage for protection against losses over a three-year period from individual hurricane events in Hawaii and along the Gulf and Eastern Coasts of the United States. Ibis Re financed the property catastrophe reinsurance coverage by issuing catastrophe bonds in an aggregate amount of $150,000 to unrelated investors (the Series 2009-1 Notes). The agreements expired in May 2012.

On April 27, 2010, the Subsidiaries entered into two additional reinsurance agreements with Ibis Re providing up to $150,000 of reinsurance coverage for protection against losses over a three-year period from individual hurricane events in Hawaii and along the Gulf and Eastern Coasts of the United States. The agreements expire in May 2013. Ibis Re financed the property catastrophe reinsurance coverage by issuing catastrophe bonds in an aggregate amount of $150,000 to unrelated investors (the Series 2010-1 Notes).

On January 30, 2012, the Subsidiaries entered into two reinsurance agreements with Ibis Re II Ltd. (Ibis Re II). Ibis Re II, incorporated on December 2, 2011, is an independent special purpose reinsurance company domiciled in the Cayman Islands. The Ibis Re II agreements provide up to $130,000 of reinsurance coverage for protection against losses over a three-year period from individual hurricane events in Hawaii, Puerto

Rico, and along the Gulf and Eastern Coasts of the United States. The agreements expire in February 2015. Ibis Re II financed the property catastrophe reinsurance coverage by issuing $130,000 in catastrophe bonds to unrelated investors (the Series 2012-1 Notes). The Series 2012-1 Notes replace the Series 2009-1 Notes.

Assurant, Inc.

Notes to Consolidated Financial Statements (unaudited)

Three and Six Months Ended June 30, 2012 and 2011

(In thousands, except number of shares and per share amounts)

Upon expiration of the Series 2009-1 Notes, the remaining $280,000 of coverage represents approximately 20% of the expected first event coverage (net of reimbursements of the Florida Hurricane Catastrophe Fund) purchased by the Company in excess of the Company s anticipated retention.

Under the terms of these reinsurance agreements, the Subsidiaries are obligated to pay annual reinsurance premiums to Ibis Re and Ibis Re II for the reinsurance coverage. The reinsurance agreements with Ibis Re and Ibis Re II utilize a dual trigger that is based upon an index that is created by applying predetermined percentages to insured industry losses in each state in the covered area as reported by an independent party and the Subsidiaries covered losses incurred. Reinsurance contracts that have a separate, pre-identified variable (e.g., a loss-based index) are accounted for as reinsurance if certain conditions are met. In the case of the reinsurance agreements with Ibis Re and Ibis Re II, these conditions were met, thus the Company accounted for them as reinsurance in accordance with the guidance for reinsurance contracts.

Amounts payable to the Subsidiaries under the reinsurance agreements will be determined by the index-based losses, which are designed to approximate the Subsidiaries actual losses from any covered event. The amount of actual losses and index losses from any covered event may differ. For each covered event, Ibis Re and Ibis Re II pay the Subsidiaries the lesser of the covered index-based losses or the Subsidiaries actual losses. The principal amount of the catastrophe bonds will be reduced by any amounts paid to the Subsidiaries under the reinsurance agreements. The Subsidiaries have not incurred any losses subject to the reinsurance agreements since their inception.

As of June 30, 2012, the Company had not ceded any losses to Ibis Re or Ibis Re II.

As with any reinsurance agreement, there is credit risk associated with collecting amounts due from reinsurers. With regard to the Series 2010-1 Notes and Series 2012-1 Notes, the credit risk is mitigated by two reinsurance trust accounts for each Series. Each reinsurance trust account has been funded by Ibis Re (Series 2010-1 Notes) or Ibis Re II (Series 2012-1 Notes) with money market funds that invest solely in direct government obligations backed by the U.S. government with maturities of no more than 13 months. The money market funds must have a principal stability rating of at least AAA by Standard & Poor s.

At the time the agreements were entered into with Ibis Re and Ibis Re II, the Company evaluated the applicability of the accounting guidance that addresses variable interest entities (VIEs). Entities which do not have sufficient equity at risk to allow the entity to finance its activities without additional financial support or in which the equity investors, as a group, do not have the characteristic of a controlling financial interest are referred to as VIEs. A VIE is consolidated by the variable interest holder that is determined to have the controlling financial interest (primary beneficiary) as a result of having both the power to direct the activities of a VIE that most significantly impact the VIE s economic performance and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. The Company determines whether it is the primary beneficiary of an entity subject to consolidation based on a qualitative assessment of the VIE s capital structure, contractual terms, nature of the VIE s operations and purpose and the Company s relative exposure to the related risks of the VIE on the date it becomes initially involved in the VIE. The Company reassesses its VIE determination with respect to an entity on an ongoing basis.

As a result of the evaluation of the reinsurance agreements with Ibis Re and Ibis Re II, the Company concluded that Ibis Re and Ibis Re II are VIEs. However, while Ibis Re and Ibis Re II are VIEs, the Company concluded that it does not have a significant variable interest in Ibis Re or Ibis Re II as the variability in results, caused by the reinsurance agreements, is expected to be absorbed entirely by the bondholders and the Company is not entitled to any residual amounts. Accordingly, the Company is not the primary beneficiary of Ibis Re or Ibis Re II and does not consolidate the entities in the Company s financial statements.

42

Table of Contents

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

(Dollar amounts in thousands)

This Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) addresses the financial condition of Assurant, Inc. and its subsidiaries (which we refer to collectively as Assurant or (the Company) as of June 30, 2012, compared with December 31, 2011, and our results of operations for the three and six months ended June 30, 2012 and 2011. This discussion should be read in conjunction with our MD&A and annual audited consolidated financial statements as of December 31, 2011 included in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the U.S. Securities and Exchange Commission (the SEC) and the June 30, 2012 unaudited consolidated financial statements and related notes included elsewhere in this Form 10-Q. The 2011 Annual Report on Form 10-K, Second Quarter 2012 Form 10-Q, and other documents related to the Company are available free of charge through the SEC website at www.sec.gov and through our website at www.assurant.com.

Some of the statements in this MD&A and elsewhere in this report, particularly those anticipating future financial performance, business prospects, growth and operating strategies and similar matters, are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they may use words such as will, may, anticipates, expects, estimates, projects, intends, plans, believes, targets, forecasts, potential, approximately, or the negative version of those words an and terms with a similar meaning. Any forward-looking statements contained in this report are based upon our historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Our actual results might differ materially from those projected in the forward-looking statements. The Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future events or other developments.

In addition to the factors described under Critical Factors Affecting Results, the following risk factors could cause our actual results to differ materially from those currently estimated by management:

(i) the effects of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, and the rules and regulations thereunder, on our health and employee benefits businesses;

(ii) actions by governmental agencies or government sponsored entities or other circumstances, including pending regulatory matters affecting our lender-placed insurance business, that could result in reductions of the premium rates we charge, increases in the claims we pay or other expenses;

(iii) loss of significant client relationships, distribution sources and contracts;

(iv) failure to attract and retain sales representatives;

(v) losses due to natural and man-made catastrophes;

(vi) a decline in our credit or financial strength ratings (including the risk of ratings downgrades in the insurance industry);

(vii) deterioration in the Company s market capitalization compared to its book value that could result in further impairment of goodwill;

(viii) unfavorable outcomes in litigation and/or regulatory investigations that could negatively affect our business and reputation;

(ix) current or new laws and regulations that could increase our costs and decrease our revenues;

(x) general global economic, financial market and political conditions (including difficult conditions in financial, capital and credit markets, the global economic slowdown, fluctuations in interest rates or a prolonged period of low interest rates, monetary policies, unemployment and inflationary pressure);

(xi) inadequacy of reserves established for future claims;

(xii) failure to predict or manage benefits, claims and other costs;

(xiii) uncertain tax positions;

(xiv) fluctuations in exchange rates and other risks related to our international operations;

(xv) unavailability, inadequacy and unaffordable pricing of reinsurance coverage;

(xvi) diminished value of invested assets in our investment portfolio (due to, among other things, volatility in financial markets, the global economic slowdown, credit and liquidity risk, other than temporary impairments and increases in interest rates);

(xvii) insolvency of third parties to whom we have sold or may sell businesses through reinsurance or modified co-insurance;

(xviii) inability of reinsurers to meet their obligations;

(xix) credit risk of some of our agents in Assurant Specialty Property and Assurant Solutions;

(xx) failure to effectively maintain and modernize our information systems and protect them from cybersecurity threats;

(xxi) failure to protect client information and privacy;

(xxii) failure to find and integrate suitable acquisitions and new ventures;

(xxiii) inability of our subsidiaries to pay sufficient dividends;

(xxiv) failure to provide for succession of senior management and key executives;

(xxv) significant competitive pressures in our businesses;

Table of Contents

(xxvi) risks related to outsourcing activities; and

(xxvii) cyclicality of the insurance industry.

For a more detailed discussion of the risk factors that could affect our actual results, please refer to Item 1A Risk Factors and Item 7 MD&A Critical Factors Affecting Results in our 2011 Annual Report on Form 10-K and in this Second Quarter 2012 Form 10-Q.

Executive Summary

Assurant has five reportable segments. Our four operating segments are Assurant Solutions, Assurant Specialty Property, Assurant Health, and Assurant Employee Benefits. These operating segments partner with clients who are leaders in their industries in the United States of America (the U.S.) and select worldwide markets. The operating segments provide lender-placed homeowners insurance, manufactured housing homeowners insurance, debt protection administration, credit-related insurance, warranties and service contracts, individual health and small employer group health insurance, group dental insurance, group disability insurance, group life insurance and pre-funded funeral insurance.

Our fifth segment, Corporate & Other, includes activities of the holding company, financing and interest expenses, net realized gains and losses on investments, interest income earned from short-term investments held and additional costs associated with excess of loss reinsurance programs reinsured and ceded to certain subsidiaries in the London market between 1995 and 1997. Corporate & Other also includes the amortization of deferred gains associated with the sales of Fortis Financial Group and Long-Term Care through reinsurance agreements.

The following discussion relates to the three and six months ended June 30, 2012 (Second Quarter 2012 and Six Months 2012) and the three and six months ended June 30, 2011 (Second Quarter 2011 and Six Months 2011).

Consolidated net income increased $4,154, or 3%, to $169,170 in Second Quarter 2012, compared with $165,016 for Second Quarter 2011, while net income was $332,430 for Six Months 2012, an increase of $26,663, or 9%, compared with $305,767 for Six Months 2011.

Assurant Solutions net income increased to $40,363 for Second Quarter 2012 from $39,187 for Second Quarter 2011. Despite a challenging global retail sales environment, our business continued to grow through the addition of new clients and our ability to find creative solutions for clients and consumers. Results from our international operations improved modestly; however, we continue to monitor the European economic uncertainty, which we expect will impact future results. During Second Quarter 2012, net earned premiums and fees increased when compared with Second Quarter 2011, primarily due to growth in service contract business both domestically and in Latin America. However, effective October 1, 2012, we will lose a domestic mobile client, which accounted for approximately $100,000 of annualized net earned premium. Increasing profitability in this segment will require business growth as well as rigorous expense control. We expect that the main drivers of this growth will be our ability to grow our mobile business and to improve results in Europe. In addition, we also expect to continue growing our preneed and domestic service contract products.

At Assurant Specialty Property, results improved for Second Quarter 2012 when compared with Second Quarter 2011, primarily due to decreased reportable catastrophe losses of $32,903 (after-tax) and a lower non-catastrophe loss ratio due to less severe Spring weather. During the quarter we began tracking 2.1 million new loans resulting from a previously disclosed portfolio acquisition. An additional 275,000 new loans will be added in the third quarter of 2012 through a loan portfolio acquisition by one of our Specialty Servicer clients. We expect these new loans to produce premiums beginning in the third quarter. Placement rates remained elevated, reflecting experience on seriously delinquent loans. As the backlog of delinquencies in the mortgage marketplace is resolved, we anticipate that placement rates will decline, which will reduce net earned premiums and related income from lender-placed products. Net earned premiums and fees from our multi-family housing products achieved double-digit growth period over period. Overall, we expect 2012 net earned premiums and fees to modestly increase for full year 2012 compared to 2011, reflecting growth in multi-family housing products and new loan portfolios added by our clients. We also expect our expense and non-catastrophe loss ratios to trend up as a result of a changing product mix.

The lender-placed insurance business has recently been an area of focus for various regulators, consumer advocates, government sponsored entities and others. As previously disclosed, the Company has been engaged in discussions and proceedings with certain state regulators regarding our lender-placed insurance business, including the New York Department of Financial Services (the NYDFS) and the California State Department of Insurance (the California DOI). As a result of these discussions and proceedings, the Company may be required to decrease rates for its annual lender-placed hazard and real estate owned policies in New York and California. Earlier this year, we initiated conversations with the Consumer Financial Protection Bureau staff, which

44

expects to issue proposed regulations in the next several months addressing lender-placed insurance disclosures as well as other servicing issues. In addition, we have been in discussions with the Federal Housing Finance Agency, Fannie Mae and Freddie Mac to understand their views on the lender-placed industry, and we have continued discussions with Fannie Mae regarding its request for proposal issued earlier this year on cost-reduction efforts in the lender-placed business. In August, we will participate in a public forum on lender-placed insurance being held by the National Association of Insurance Commissioners as part of its annual summer meeting. For additional detail on certain pending regulatory matters, and a discussion of risks related to regulatory matters, please see Item 1A Risk Factors in this Second Quarter 2012 Form 10-Q.

Assurant Health continued to make progress in the post-health care reform environment as net income increased to $28,932 for Second Quarter 2012 from $5,194 for Second Quarter 2011. Results benefited from $13,856 (after-tax) of increased real estate joint venture partnership investment income. The business continued to focus on reducing operating expenses and expanding distribution. Second Quarter 2012 expenses declined $12,885 compared with Second Quarter 2011 as we continued to streamline operations and improve our service to customers and agents. Loss ratios declined due to favorable loss experience and a change in product mix as affordable choice plans, an area of strategic focus, comprised a larger proportion of the business. Sales of supplemental products improved as more consumers expanded their health insurance coverage. As medical costs continue to increase, we anticipate sales of our affordable choice plans will increase. Individual market sales increased slightly as we continue to execute our network partnership with Aetna Signature Administrators. Small group sales continued to decline. We believe that small employers remain cautious about changing carriers while the market adapts to health care reforms. We continue to expect sales of affordable and supplemental products to increase, and major medical product sales to improve in the second half of 2012 as a result of our partnership with Aetna Signature Administrators.

At Assurant Employee Benefits, net income increased to $18,621 for Second Quarter 2012 from $8,516 for Second Quarter 2011 as all product lines had favorable loss experience. Although disability claim recoveries improved during the quarter, incidence and recovery rates can be volatile from quarter to quarter and the disability environment remains challenging. Our dental loss experience improved this quarter and a recently announced agreement with United Concordia will expand our dental network. Life loss experience also improved during Second Quarter 2012, driven by favorable mortality. Net earned premiums decreased due to the previously disclosed loss of two assumed disability clients. Our growth priority continues to be on voluntary products, which represented more than half of our sales for Second Quarter 2012. We continue to expect net earned premiums from our voluntary and supplemental products to grow this year, although overall premiums in 2012 will be lower than in 2011 primarily due to the loss of two previously disclosed disability clients.

Critical Factors Affecting Results and Liquidity

Our results depend on the adequacy of our product pricing, underwriting and the accuracy of our methodology for the establishment of reserves for future policyholder benefits and claims, returns on and values of invested assets and our ability to manage our expenses. Factors affecting these items, including unemployment, difficult conditions in financial markets and the global economy, may have a material adverse effect on our results of operations or financial condition. For more information on these factors, see Item 1A Risk Factors and Item 7 MD&A Critical Factors Affecting Results in our 2011 Annual Report on Form 10-K.

Assurant, Inc. regularly evaluates adjustments proposed by taxing authorities. Tax years 2005-2008 are under federal audit. It is reasonably possible that a change in the balance of unrecognized tax benefits may occur within the next 12 months. However, based on the information currently available, the Company does not expect any change to be material to the consolidated financial condition but could be material to net income in any given period.

Management believes the Company will have sufficient liquidity to satisfy its needs over the next twelve months including the ability to pay interest on our Senior Notes and dividends on our common stock.

For the six months ended June 30, 2012, net cash provided by operating activities, including the effect of exchange rate changes on cash and cash equivalents, totaled $181,398; net cash provided by investing activities totaled $51,417 and net cash used in financing activities totaled $292,536. We had $1,106,992 in cash and cash equivalents as of June 30, 2012. Please see Liquidity and Capital Resources, below for further details.

Table of Contents

Critical Accounting Policies and Estimates

Our 2011 Annual Report on Form 10-K described the accounting policies and estimates that are critical to the understanding of our results of operations, financial condition and liquidity. The accounting policies and estimation process described in the 2011 Annual Report on Form 10-K were consistently applied to the unaudited interim consolidated financial statements for Second Quarter 2012.

On January 1, 2012, the Company adopted the amendments to existing guidance on accounting for costs associated with acquiring or renewing insurance contracts. This guidance was adopted retrospectively and has been applied to all prior period financial information contained in these consolidated financial statements. See Note 3 to the Notes to Consolidated Financial Statements for more information.

The Affordable Care Act was signed into law in March 2010. One provision of the Affordable Care Act, effective January 1, 2011, established a minimum medical loss ratio (MLR) designed to ensure that a minimum percentage of premiums is paid for clinical services or health care quality improvement activities. The Affordable Care Act established an MLR of 80% for individual and small group business and 85% for large group business. If the actual loss ratios, calculated in a manner prescribed by the Department of Health and Human Services (HHS), are less than the required MLR, premium rebates are payable to the policyholders by August 1 of the subsequent year.

The Assurant Health loss ratio reported on page 54 (the GAAP loss ratio) differs from the loss ratio calculated under the MLR. The most significant differences include the fact that the MLR loss ratio is calculated separately by state and legal entity; the MLR calculation includes credibility adjustments for each entity, which are not applicable to the GAAP loss ratio; the MLR calculation applies only to some of our health insurance products, while the GAAP loss ratio applies to the entire portfolio, including products not governed by the Affordable Care Act; the MLR loss ratio includes quality improvement expenses, taxes and fees; changes in reserves are treated differently in the MLR loss ratio calculation; and the MLR premium rebate amounts are considered adjustments to premiums for GAAP reporting whereas they are reported as additions to incurred claims in the MLR rebate estimate calculations.

Assurant Health has estimated its Second Quarter 2012 impact of this regulation based on definitions and calculation methodologies outlined in the Interim Final Regulation from HHS released December 1, 2010 with Technical Corrections released December 29, 2010 and the HHS Final Regulation released December 7, 2011. An estimate was based on separate projection models for individual medical and small group business using projections of expected premiums, claims, and enrollment by state, legal entity and market for medical business subject to MLR requirements for the MLR reporting year. In addition, the projection models include quality improvement expenses, state assessments and taxes.

Table of Contents

Assurant Consolidated

Overview

The table below presents information regarding our consolidated results of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net earned premiums and other considerations	$ 1,792,236	$ 1,768,308	$ 3,569,297	$ 3,530,320
Net investment income	199,314	173,844	371,609	345,717
Net realized gains on investments	18,175	16,046	25,719	19,823
Amortization of deferred gain on disposal of businesses	4,596	5,105	9,217	10,239
Fees and other income	114,969	99,584	226,372	193,459
Total revenues	2,129,290	2,062,887	4,202,214	4,099,558
Benefits, losses and expenses:				
Policyholder benefits	872,027	986,844	1,728,385	1,879,872
Selling, underwriting and general expenses (1)	977,528	930,326	1,929,370	1,844,412
Interest expense	15,074	15,075	30,150	30,206
Total benefits, losses and expenses	1,864,629	1,932,245	3,687,905	3,754,490
Income before provision (benefit) for income taxes	264,661	130,642	514,309	345,068
Provision (benefit) for income taxes	95,491	(34,374)	181,879	39,301
Net income	$ 169,170	$ 165,016	$ 332,430	$ 305,767

(1) Includes amortization of deferred acquisition costs (DAC) and value of business acquired (VOBA).

The following discussion provides a general overall analysis of how the consolidated results were affected by our four operating segments and our Corporate and Other segment for Second Quarter 2012 and Six Months 2012, and Second Quarter 2011 and Six Months 2011. Please see the discussion that follows, for each of these segments, for a more detailed analysis of the fluctuations.

For The Three Months Ended June 30, 2012 Compared to The Three Months Ended June 30, 2011.

Net Income

The Company reported net income of $169,170 in Second Quarter 2012, an increase of $4,154, or 3%, compared with $165,016 of net income for Second Quarter 2011. The increase was primarily due to improved results in our Assurant Specialty Property, Assurant Health and Assurant Employee Benefits segments, partially offset by an $80,000 release of a capital loss valuation allowance related to deferred tax assets in Second Quarter 2011. Please see Note 6 to Consolidated Financial Statements for further information about the valuation allowance release.

For The Six Months Ended June 30, 2012 Compared to The Six Months Ended June 30, 2011.

Net Income

The Company reported net income of $332,430 for Six Months 2012, an increase of $26,663, or 9%, compared with $305,767 of net income for Six Months 2011. The improvement was primarily due to the items noted above.

Table of Contents

Assurant Solutions

Overview

The tables below present information regarding Assurant Solutions segment results of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net earned premiums and other considerations	$ 645,465	$ 613,304	$ 1,272,413	$ 1,214,626
Net investment income	100,332	99,330	199,643	197,055
Fees and other income	76,219	66,164	148,659	126,850
Total revenues	822,016	778,798	1,620,715	1,538,531
Benefits, losses and expenses:				
Policyholder benefits	210,188	213,029	419,996	427,723
Selling, underwriting and general expenses	551,044	506,543	1,074,221	996,144
Total benefits, losses and expenses	761,232	719,572	1,494,217	1,423,867
Segment income before provision for income taxes	60,784	59,226	126,498	114,664
Provision for income taxes	20,421	20,039	42,735	38,529
Segment net income	$ 40,363	$ 39,187	$ 83,763	$ 76,135
Net earned premiums and other considerations:				
Domestic:				
Credit	$ 41,283	$ 43,163	$ 84,115	$ 87,488
Service contracts	310,548	301,131	616,382	599,482
Other (1)	19,272	13,068	33,317	25,057
Total domestic	371,103	357,362	733,814	712,027
International:				
Credit	109,666	99,976	216,056	191,935
Service contracts	136,970	124,034	266,031	244,282
Other (1)	6,975	5,703	13,880	11,722
Total international	253,611	229,713	495,967	447,939
Preneed	20,751	26,229	42,632	54,660
Total	$ 645,465	$ 613,304	$ 1,272,413	$ 1,214,626
Fees and other income:				
Domestic:				
Debt protection	$ 7,086	$ 7,284	$ 14,051	$ 14,449
Service contracts	31,182	30,951	62,197	60,053
Other (1)	778	651	2,223	2,323

Total domestic	39,046	38,886	78,471	76,825
International	12,690	6,927	21,837	14,339
Preneed	24,483	20,351	48,351	35,686
Total	$ 76,219	$ 66,164	$ 148,659	$ 126,850
Gross written premiums (2):				
Domestic:				
Credit	$ 98,122	$ 97,205	$ 191,364	$ 191,686
Service contracts	472,156	379,433	863,850	714,833
Other (1)	32,056	20,915	55,329	39,403
Total domestic	602,334	497,553	1,110,543	945,922
International:				
Credit	249,001	254,046	496,330	501,255
Service contracts	153,838	137,473	315,361	262,233
Other (1)	11,414	10,968	22,464	23,023
Total international	414,253	402,487	834,155	786,511
Total	$ 1,016,587	$ 900,040	$ 1,944,698	$ 1,732,433
Preneed (face sales)	$ 233,987	$ 202,408	$ 446,150	$ 371,883
Combined ratios (3):				
Domestic	97.9%	96.6%	97.1%	96.2%
International	101.1%	104.3%	101.4%	104.9%

Table of Contents

(1) This includes emerging products and run-off product lines.
(2) Gross written premiums does not necessarily translate to an equal amount of subsequent net earned premiums since Assurant Solutions reinsures a portion of its premiums to insurance subsidiaries of its clients.
(3) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and other considerations and fees and other income excluding the preneed business.

For the Three Months Ended June 30, 2012 Compared to the Three Months Ended June 30, 2011.

Net Income

Segment net income increased $1,176, or 3%, to $40,363 for Second Quarter 2012 from $39,187 for Second Quarter 2011 primarily as a result of certain client-related settlements of $3,762 (after-tax) in Latin America as well as $1,512 (after-tax) of additional income from real estate joint venture partnerships. Partially offsetting these items were increased expenses associated with business growth.

Total Revenues

Total revenues increased $43,218, or 6%, to $822,016 for Second Quarter 2012 from $778,798 for Second Quarter 2011. The increase was mainly the result of higher net earned premiums and other considerations of $32,161. International net earned premiums increased in our Latin America region from growth in retail service contracts, mobile and credit insurance from new and existing clients. Domestic net earned premiums increased primarily due to service contract growth in the retail and automotive markets from both new and existing clients. These increases were partially offset by the unfavorable impact of foreign exchange rates. Fees and other income increased $10,055, mostly driven by Preneed sales, service contracts and client-related settlements.

Gross written premiums increased $116,547, or 13%, to $1,016,587 for Second Quarter 2012 from $900,040 for Second Quarter 2011. Gross written premiums from our domestic service contract business increased $92,723 from both new and existing automotive and retail clients, and from a one-time benefit of $33,200 resulting from the correction of a client reporting error. This correction has no impact on net income because an offsetting deferred commission amount was recorded. Our international service contract business increased $16,365, mainly due to growth in Europe from new clients and products. This increase was partially offset by the unfavorable impact of changes in foreign exchange rates.

Preneed face sales increased $31,579, or 16%, to $233,987 for Second Quarter 2012 from $202,408 for Second Quarter 2011. This increase was mostly attributable to growth from our exclusive distribution partnership with Service Corporation International (SCI), the largest funeral provider in North America. This exclusive distribution partnership is effective through September 29, 2014.

Table of Contents

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $41,660, or 6%, to $761,232 for Second Quarter 2012 from $719,572 for Second Quarter 2011. Policyholder benefits declined $2,841 primarily from improved loss experience in our international business partially offset by less favorable loss experience in our domestic mobile business. Selling, underwriting and general expenses increased $44,501. Commissions, taxes, licenses and fees, of which amortization of DAC is a component, increased $35,372 due to higher earnings in our international and domestic service contract businesses. General expenses increased $9,124 primarily due to higher costs associated with the growth of our international businesses.

For the Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011.

Net Income

Segment net income increased $7,628, or 10%, to $83,763 for Six Months 2012 from $76,135 for Six Months 2011 primarily driven by improvement in our international businesses due to growth and client settlements in Latin America and improved underwriting experience across most other regions. Our Preneed business benefited from improved sales in the U.S and Canada. Partially offsetting these increases was less favorable loss experience in our domestic mobile business as well as lower earnings from certain domestic blocks of business that are in run-off.

Total Revenues

Total revenues increased $82,184, or 5%, to $1,620,715 for Six Months 2012 from $1,538,531 for Six Months 2011. The increase was mainly the result of higher net earned premiums of $57,787, primarily attributable to increases in both our international service contract and credit businesses, primarily in our Latin America and European regions as well as our domestic service contract business. Domestic service contract net earned premiums increased primarily due to growth in the retail and automotive markets from new and existing clients. These increases were partially offset by the unfavorable impact of foreign exchange rates. Fees and other income increased $21,809, mostly driven by growth in our Preneed business and client settlements in Latin America.

Gross written premiums increased $212,265, or 12%, to $1,944,698 for Six Months 2012 from $1,732,433 for Six Months 2011. Gross written premiums from our domestic service contract business increased $149,017 from both new and existing clients and the one-time benefit of $33,200 resulting from the correction of a client reporting error mentioned earlier. Our international service contract business increased $53,128, due primarily to growth in Europe from new clients and products. This increase was partially offset by the unfavorable impact of changes in foreign exchange rates.

Preneed face sales increased $74,267, or 20%, to $446,150 for Six Months 2012 from $371,883 for Six Months 2011. This increase was mostly attributable to growth from our exclusive distribution partnership with SCI.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $70,350, or 5%, to $1,494,217 for Six Months 2012 from $1,423,867 for Six Months 2011. Policyholder benefits declined $7,728 primarily from improved loss experience in our international businesses and our run-off lines of business partially offset by less favorable loss experience in our domestic mobile business. Selling, underwriting and general expenses increased $78,077. Commissions, taxes, licenses and fees, of which amortization of DAC is a component, increased $61,224 due to higher earnings in our international and domestic service contract businesses. General expenses increased $16,850 primarily due to higher costs associated with the growth of our international businesses primarily in our Latin American region.

Table of Contents

Assurant Specialty Property

Overview

The tables below present information regarding Assurant Specialty Property s segment results of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net earned premiums and other considerations	$ 491,989	$ 465,095	$ 976,189	$ 932,753
Net investment income	27,686	26,209	52,387	52,390
Fees and other income	23,489	18,250	47,628	35,549
Total revenues	543,164	509,554	1,076,204	1,020,692
Benefits, losses and expenses:				
Policyholder benefits	199,887	254,575	355,597	421,528
Selling, underwriting and general expenses	202,960	190,527	409,972	378,807
Total benefits, losses and expenses	402,847	445,102	765,569	800,335
Segment income before provision for income taxes	140,317	64,452	310,635	220,357
Provision for income taxes	47,995	22,130	105,309	75,291
Segment net income	$ 92,322	$ 42,322	$ 205,326	$ 145,066
Net earned premiums and other considerations:				
By major product groupings:				
Homeowners (lender-placed and voluntary)	$ 336,837	$ 311,833	$ 665,967	$ 622,782
Manufactured housing (lender-placed and voluntary)	50,631	55,886	101,454	110,522
Other (1)	104,521	97,376	208,768	199,449
Total	$ 491,989	$ 465,095	$ 976,189	$ 932,753
Ratios:				
Loss ratio (2)	40.6%	54.7%	36.4%	45.2%
Expense ratio (3)	39.4%	39.4%	40.0%	39.1%
Combined ratio (4)	78.2%	92.1%	74.8%	82.7%

(1) This primarily includes lender-placed flood, miscellaneous specialty property and multi-family housing insurance products.
(2) The loss ratio is equal to policyholder benefits divided by net earned premiums and other considerations.
(3) The expense ratio is equal to selling, underwriting and general expenses divided by net earned premiums and other considerations and fees and other income.
(4) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and other considerations and fees and other income.

Table of Contents

Pending Regulatory Matters

The Company files rates with the state departments of insurance in the ordinary course of business. As previously disclosed, in addition to this routine correspondence the Company has recently been engaged in discussions and proceedings with certain state regulators regarding our lender-placed insurance business. For example, we participated in public hearings conducted by the NYDFS in May 2012 and were subsequently served with an order by the NYDFS requiring us to propose and justify amended rates for our lender-placed insurance products sold in the State of New York. We have submitted a response to this order and are currently engaged in discussions with the NYDFS. Proposed submitted changes to the program would affect annual lender-placed hazard and real estate owned policies issued in the State of New York, which accounted for approximately $64,000 and $36,000 of Assurant Specialty Property s net earned premiums for the full year 2011 and Six Months 2012, respectively.

In addition, the Company re-filed proposed rates for lender-placed insurance products with the California DOI. The Company submitted a proposed 18% rate decrease, which has not yet been approved. The new rates would affect annual lender-placed hazard and real estate owned policies issued in the State of California, which accounted for approximately $124,000 and $54,000 of Assurant Specialty Property s net earned premiums for the full year 2011 and Six Months 2012, respectively.

It is possible that other state departments of insurance and regulatory authorities may choose to initiate or continue to review the appropriateness of the Company s premium rates for its lender-placed insurance products. If in the aggregate such reviews lead to significant decreases in premium rates for the Company s lender-placed insurance products, our results of operations could be materially adversely affected. For additional detail on these pending matters, and a discussion of risks related to regulatory matters, please see Item 1A Risk Factors in this Second Quarter 2012 Form 10-Q.

For the Three Months Ended June 30, 2012 Compared to the Three Months Ended June 30, 2011.

Net Income

Segment net income increased $50,000, or 118%, to $92,322 for Second Quarter 2012 from $42,322 for Second Quarter 2011. The increase is primarily driven by a decrease in reportable catastrophe losses of $32,903 (after-tax) coupled with increased lender-placed homeowners net earned premiums due to expanded loan portfolios from new and existing clients and growth in our multi-family housing products.

Total Revenues

Total revenues increased $33,610, or 7%, to $543,164 for Second Quarter 2012 from $509,554 for Second Quarter 2011. Growth in lender-placed homeowners and renters insurance net earned premiums as well as fee income from our resident bond product are the main drivers of the revenue increase. Growth in lender-placed homeowners net earned premiums is primarily due to higher insurance placement rates and increased loans tracked attributable to client loan portfolio acquisitions.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased $42,255, or 9%, to $402,847 for Second Quarter 2012 from $445,102 for Second Quarter 2011. Policyholder benefits decreased $54,688 primarily due to reportable catastrophe losses in Second Quarter 2012 of $15,117 compared to $65,738 of reportable catastrophe losses in Second Quarter 2011. Reportable catastrophe losses includes only individual catastrophic events that generated losses to the Company in excess of $5,000, pre-tax and net of reinsurance. Selling, underwriting and general expenses increased $12,433, to $202,960 for Second Quarter 2012, from $190,527 for Second Quarter 2011, primarily due to higher operating costs to support business growth.

For the Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011.

Net Income

Segment net income increased $60,260, or 42%, to $205,326 for Six Months 2012 from $145,066 for Six Months 2011. The increase is primarily driven by a decrease in reportable catastrophe losses of $40,320 (after-tax) coupled with increased lender-placed homeowners net earned premiums due to expanded loan portfolios from new and existing clients and growth in our multi-family housing products.

52

Table of Contents

Total Revenues

Total revenues increased $55,512, or 5%, to $1,076,204 for Six Months 2012 from $1,020,692 for Six Months 2011. Growth in lender-placed homeowners and renters insurance net earned premiums as well as fee income from the resident bond product are the main drivers of the revenue increase. Growth in lender-placed homeowners net earned premiums is primarily due to client loan portfolio acquisitions.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased $34,766, or 4%, to $765,569 for Six Months 2012 from $800,335 for Six Months 2011. Policyholder benefits decreased $65,931 due to reportable catastrophe losses declining in Six Months 2012 to $15,117 compared with $77,148 of reportable catastrophe losses in Six Months 2011. Reportable catastrophe losses includes only individual catastrophic events that generated losses to the Company in excess of $5,000, pre-tax and net of reinsurance. Selling, underwriting and general expenses increased $31,165, to $409,972 for Six Months 2012, from $378,807 for Six Months 2011, primarily due to higher operating costs to support business growth, higher benefit costs, and non recurring assessment refunds in Six Months 2011.

Table of Contents

Assurant Health

Overview

The tables below present information regarding Assurant Health s segment results of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net earned premiums and other considerations	$ 403,029	$ 425,439	$ 810,502	$ 851,601
Net investment income	32,278	11,405	43,406	22,707
Fees and other income	7,612	8,891	15,367	17,839
Total revenues	442,919	445,735	869,275	892,147
Benefits, losses and expenses:				
Policyholder benefits	294,033	323,832	596,517	633,994
Selling, underwriting and general expenses	102,154	115,039	206,505	236,764
Total benefits, losses and expenses	396,187	438,871	803,022	870,758
Segment income before provision for income taxes	46,732	6,864	66,253	21,389
Provision for income taxes	17,800	1,670	25,706	9,005
Segment net income	$ 28,932	$ 5,194	$ 40,547	$ 12,384
Net earned premiums and other considerations:				
Individual markets:				
Individual markets	$ 298,317	$ 310,516	$ 599,470	$ 618,444
Small employer group	104,712	114,923	211,032	233,157
Total	$ 403,029	$ 425,439	$ 810,502	$ 851,601
Covered lives by product line:				
Individual markets			623	582
Small employer group			115	135
Total			738	717
Ratios:				
Loss ratio (1)	73.0%	76.1%	73.6%	74.4%
Expense ratio (2)	24.9%	26.5%	25.0%	27.2%
Combined ratio (3)	96.5%	101.0%	97.2%	100.2%

(1) The loss ratio is equal to policyholder benefits divided by net earned premiums and other considerations.
(2) The expense ratio is equal to selling, underwriting and general expenses divided by net earned premiums and other considerations and fees and other income.
(3) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and other considerations and fees and other income.

54

Table of Contents

The Affordable Care Act

Some provisions of the Affordable Care Act have taken effect already, and other provisions will become effective at various dates over the next several years. In December 2010, HHS issued a number of interim final regulations with respect to the Affordable Care Act. In December 2011, HHS issued their final regulation regarding the Minimum Loss Ratio (MLR). HHS also issued technical corrections and Q&As throughout 2010 and 2011. Given the sweeping nature of the changes represented by the Affordable Care Act, our results of operations and financial position could be materially adversely affected. For more information, see Item 1A, Risk Factors Risks related to our industry Reform of the health insurance industry could make our health insurance business unprofitable in our 2011 Annual Report on Form 10-K.

For the Three Months Ended June 30, 2012 Compared to the Three Months Ended June 30, 2011

Net Income

Segment net income increased $23,738 to $28,932 for Second Quarter 2012 from $5,194 for Second Quarter 2011. The increase was primarily attributable to income from a real estate joint venture partnership, which increased net investment income by $13,856 (after-tax), reduced expenses associated with organizational and operational expense reduction initiatives and favorable loss experience. These items were partially offset by policy lapses and lower sales of new policies.

Total Revenues

Total revenues decreased $2,816, or less than 1%, to $442,919 for Second Quarter 2012 from $445,735 for Second Quarter 2011. Net earned premiums and other considerations from our individual markets business decreased $12,199, or 4%, due to policy lapses and a decline in sales of traditional major medical policies, partially offset by increased sales of lower priced products and premium rate increases. Net earned premiums and other considerations from our small employer group business decreased $10,211, or 9%, due to lower sales and continued policy lapses, partially offset by premium rate increases. Partially offsetting these declines was increased net investment income of $21,317, due to income from a real estate joint venture partnership.

Total Expenses

Total benefits, losses and expenses decreased $42,684, or 10%, to $396,187 for Second Quarter 2012 from $438,871 for Second Quarter 2011. Policyholder benefits decreased $29,799, or 9%, and the loss ratio decreased to 73.0% from 76.1%. The decrease in policyholder benefits was primarily attributable to a decline in business volume. The decrease in the loss ratio reflects generally favorable loss experience on traditional medical policies and a growing proportion of business with lower loss ratios. Selling, underwriting and general expenses decreased $12,885, or 11%, primarily due to reduced employee-related expenses, technology costs, and service provider costs.

For the Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Net Income

Segment net income increased $28,163 to $40,547 for Six Months 2012 from $12,384 for Six Months 2011. The increase was primarily attributable to income from a real estate joint venture partnership, which increased net investment income by $13,856 (after-tax), reduced expenses associated with organizational and operational expense reduction initiatives and favorable loss experience. Partially offsetting these items were lower sales of new policies. Six Months 2011 results included a $4,780 (after-tax) reimbursement from a pharmacy services provider.

Total Revenues

Total revenues decreased $22,872, or 3%, to $869,275 for Six Months 2012 from $892,147 for Six Months 2011. Net earned premiums and other considerations from our individual markets business decreased $18,974, or 3%, due to policy lapses and a decline in sales of traditional major medical policies, partially offset by increased sales of lower priced products and premium rate increases. Net earned premiums and other considerations from our small employer group business decreased $22,125, or 9%, due to lower sales and continued policy lapses, partially offset by premium rate increases. Partially offsetting these declines was increased net investment income of $21,317, due to income from a real estate joint venture partnership.

55

Table of Contents

Total Expenses

Total benefits, losses and expenses decreased $67,736, or 8%, to $803,022 for Six Months 2012 from $870,758 for Six Months 2011. Policyholder benefits decreased $37,477, or 6%, and the benefit loss ratio decreased to 73.6% from 74.4%. The decrease in policyholder benefits was primarily attributable to a decline in business volume, partially offset by higher loss experience. The decrease in the benefit loss ratio reflects generally favorable loss experience on traditional major medical policies and a growing proportion of business with lower loss ratios, partially offset by higher loss experience. Selling, underwriting and general expenses decreased $30,259, or 13%, primarily due to reduced employee-related expenses, lower technology and service provider costs, and reduced commissions due to lower sales of new policies.

Table of Contents

Assurant Employee Benefits

Overview

The tables below present information regarding Assurant Employee Benefits segment results of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net earned premiums and other considerations	$ 251,753	$ 264,470	$ 510,193	$ 531,340
Net investment income	34,094	32,572	66,027	65,039
Fees and other income	7,571	6,170	14,579	12,938
Total revenues	293,418	303,212	590,799	609,317
Benefits, losses and expenses:				
Policyholder benefits	167,919	195,408	356,275	396,627
Selling, underwriting and general expenses	97,286	94,954	192,635	190,022
Total benefits, losses and expenses	265,205	290,362	548,910	586,649
Segment income before provision for income taxes	28,213	12,850	41,889	22,668
Provision for income taxes	9,592	4,334	14,204	7,712
Segment net income	$ 18,621	$ 8,516	$ 27,685	$ 14,956
Net earned premiums and other considerations:				
By major product grouping:				
Group dental	$ 101,816	$ 105,241	$ 203,558	$ 209,891
All other group disability	103,475	110,022	211,335	224,428
Group life	46,462	49,207	95,300	97,021
Total	$ 251,753	$ 264,470	$ 510,193	$ 531,340
Ratios:				
Loss ratio (1)	66.7%	73.9%	69.8%	74.6%
Expense ratio (2)	37.5%	35.1%	36.7%	34.9%

(1) The loss ratio is equal to policyholder benefits divided by net earned premiums and other considerations.
(2) The expense ratio is equal to selling, underwriting and general expenses divided by net earned premiums and other considerations and fees and other income.

For the Three Months Ended June 30, 2012 Compared to the Three Months Ended June 30, 2011.

Net Income

Segment net income increased 119% to $18,621 for Second Quarter 2012 from $8,516 for Second Quarter 2011 primarily due to favorable loss experience across all major product lines, particularly in disability insurance, and $1,826 (after-tax) of increased net investment income from a real estate joint venture partnership.

Total Revenues

Total revenues decreased 3% to $293,418 for Second Quarter 2012 from $303,212 for Second Quarter 2011. Second Quarter 2012 net earned premiums decreased $12,717, or 5%, primarily due to the loss of two previously disclosed assumed disability clients

as well as decreased sales. Voluntary insurance premiums, an area targeted for growth, increased when compared with Second Quarter 2011. Net investment income improved 5%, or $1,522, primarily driven by increased income of $2,810 from a real estate joint venture partnership, partially offset by lower average invested assets.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased 9% to $265,205 for Second Quarter 2012 from $290,362 for Second Quarter 2011. The loss ratio decreased to 66.7% from 73.9%, primarily driven by favorable disability experience due to improved claim recoveries. The expense ratio increased to 37.5% from 35.1% primarily attributable to the decrease in net earned premiums.

For the Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011.

Net Income

Segment net income increased 85% to $27,685 for Six Months 2012 from $14,956 for Six Months 2011. Similar to Second Quarter 2012, results for Six Months 2012 were driven by favorable loss experience across all major product lines.

Total Revenues

Total revenues decreased 3% to $590,799 for Six Months 2012 from $609,317 for Six Months 2011. Six Months 2012 net earned premiums decreased $21,147, or 4%, primarily due to the loss of two previously disclosed assumed disability clients. Net investment income increased 2%, or $988, driven by $2,916 of income from a real estate joint venture partnership partially offset by lower average invested assets.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased 6% to $548,910 for Six Months 2012 from $586,649 for Six Months 2011. The loss ratio decreased to 69.8% from 74.6%, primarily driven by favorable disability, life and dental loss experience. The expense ratio increased to 36.7% from 34.9% as a result of decreased net earned premiums.

Table of Contents

Assurant Corporate & Other

The table below presents information regarding the Corporate & Other segment s results of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net investment income	$ 4,924	$ 4,328	$ 10,146	$ 8,526
Net realized gains on investments	18,175	16,046	25,719	19,823
Amortization of deferred gain on disposal of businesses	4,596	5,105	9,217	10,239
Fees and other income	78	109	139	283
Total revenues	27,773	25,588	45,221	38,871
Benefits, losses and expenses:				
Policyholder benefits	0	0	0	0
Selling, underwriting and general expenses	24,084	23,263	46,037	42,675
Interest expense	15,074	15,075	30,150	30,206
Total benefits, losses and expenses	39,158	38,338	76,187	72,881
Segment loss before benefit for income taxes	(11,385)	(12,750)	(30,966)	(34,010)
Benefit for income taxes	(317)	(82,547)	(6,075)	(91,236)
Segment net (loss) income	$ (11,068)	$ 69,797	$ (24,891)	$ 57,226

For The Three Months Ended June 30, 2012 Compared to The Three Months Ended June 30, 2011.

Net (Loss) Income

Segment results declined $80,865 to a net loss of $(11,068) for Second Quarter 2012 compared with net income of $69,797 for Second Quarter 2011. The decline is primarily related to an $80,000 release of a capital loss valuation allowance related to deferred tax assets during Second Quarter 2011. Please see Note 6 in the Notes to Consolidated Financial Statements for further detail on the valuation allowance release.

Total Revenues

Total revenues increased $2,185 to $27,773 for Second Quarter 2012 compared with $25,588 for Second Quarter 2011. The increase in revenues is primarily due to a $2,129 increase in net realized gains on investments.

Total Benefits, Losses and Expenses

Total expenses increased $820 to $39,158 for Second Quarter 2012 compared with $38,338 for Second Quarter 2011. The increase in expenses is primarily due to increased employee related benefits and new business investments in areas targeted for growth.

Table of Contents

For The Six Months Ended June 30, 2012 Compared to The Six Months Ended June 30, 2011.

Net (Loss) Income

Segment results declined $82,117, to a net loss of $(24,891) for Six Months 2012 compared with net income of $57,226 for Six Months 2011. The decline is mainly due to an $80,000 release of a capital loss valuation allowance related to deferred tax assets.

Total Revenues

Total revenues increased $6,350, to $45,221 for Six Months 2012 compared with $38,871 for Six Months 2011. The increase in revenues is mainly due to a $5,896 increase in net realized gains on investments.

Total Benefits, Losses and Expenses

Total expenses increased $3,306, to $76,187 in Six Months 2012 compared with $72,881 in Six Months 2011. The increase in expenses is mainly due to increased employee related benefits and new business investments for areas targeted for growth.

Table of Contents

Investments

The Company had total investments of $14,155,759 and $14,026,165 as of June 30, 2012 and December 31, 2011, respectively. For more information on our investments see Note 4 to the Notes to Consolidated Financial Statements included elsewhere in this report.

The following table shows the credit quality of our fixed maturity securities portfolio as of the dates indicated:

	As of			
Fixed Maturity Securities by Credit Quality (Fair Value)	**June 30, 2012**		**December 31, 2011**	
Aaa / Aa / A	$ 6,598,815	58.8%	$ 6,620,808	59.1%
Baa	3,786,670	33.8%	3,692,709	33.0%
Ba	582,983	5.2%	648,817	5.8%
B and lower	245,955	2.2%	230,265	2.1%
Total	$ 11,214,423	100.0%	$ 11,192,599	100.0%

Major categories of net investment income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	**2011**	**2012**	**2011**
Fixed maturity securities	$ 139,396	$ 142,967	$ 280,578	$ 285,019
Equity securities	6,148	7,911	12,020	15,963
Commercial mortgage loans on real estate	19,567	20,325	39,230	40,558
Policy loans	677	741	1,475	1,476
Short-term investments	1,184	1,659	2,561	2,933
Other investments	34,499	4,946	39,573	8,677
Cash and cash equivalents	3,516	1,701	7,417	3,443
Total investment income	204,987	180,250	382,854	358,069
Investment expenses	(5,673)	(6,406)	(11,245)	(12,352)
Net investment income	$ 199,314	$ 173,844	$ 371,609	$ 345,717

Net investment income increased $25,470, or 15%, to $199,314 for Second Quarter 2012 compared with $173,844 for Second Quarter 2011. Net investment income increased $25,892, or 8%, to $371,609 for Six Months 2012 compared with $345,717 for Six Months 2011. The increase for both periods was primarily from income related to real estate joint venture partnerships, partially offset by lower investment yields.

As of June 30, 2012, the Company owned $235,067 of securities guaranteed by financial guarantee insurance companies. Included in this amount was $213,549 of municipal securities, with a credit rating of A both with and without the guarantee.

The Company has exposure to sub-prime and related mortgages within our fixed maturity securities portfolio. At June 30, 2012, approximately 2.9% of our residential mortgage-backed holdings had exposure to sub-prime mortgage collateral. This represented approximately 0.2% of the total fixed income portfolio and 0.9% of the total unrealized gain position. Of the securities with sub-prime exposure, approximately 15.9% are rated as investment grade. All residential mortgage-backed securities, including those with sub-prime exposure, are reviewed as part of the ongoing other-than-temporary impairment monitoring process.

Table of Contents

Collateralized Transactions

The Company engages in transactions in which fixed maturity securities, especially bonds issued by the U.S. government, government agencies and authorities, and U.S. corporations, are loaned to selected broker/dealers. Collateral, greater than or equal to 102% of the fair value of the securities lent, plus accrued interest, is received in the form of cash and cash equivalents held by a custodian bank for the benefit of the Company. The use of cash collateral received is unrestricted. The Company reinvests the cash collateral received, generally in investments of high credit quality that are designated as available-for-sale. The Company monitors the fair value of securities loaned and the collateral received, with additional collateral obtained, as necessary. The Company is subject to the risk of loss to the extent there is a loss on the re-investment of cash collateral.

As of June 30, 2012 and December 31, 2011, our collateral held under securities lending, of which its use is unrestricted, was $94,608 and $95,221, respectively, and is included in the consolidated balance sheets under the collateral held/pledged under securities agreements. Our liability to the borrower for collateral received was $94,615 and $95,494, respectively, and is included in the consolidated balance sheets under the obligation under securities agreements. The difference between the collateral held and obligations under securities lending is recorded as an unrealized loss and is included as part of AOCI. All securities with unrealized losses have been in a continuous loss position for twelve months or longer as of June 30, 2012 and December 31, 2011. The Company includes the available-for-sale investments purchased with the cash collateral in its evaluation of other-than-temporary impairments.

Cash proceeds that the Company receives as collateral for the securities it lends and subsequent repayment of the cash are regarded by the Company as cash flows from financing activities, since the cash received is considered a borrowing. Since the Company reinvests the cash collateral generally in investments that are designated as available-for-sale, the reinvestment is presented as cash flows from investing activities.

Liquidity and Capital Resources

Regulatory Requirements

Assurant, Inc. is a holding company and, as such, has limited direct operations of its own. Our holding company s assets consist primarily of the capital stock of our subsidiaries. Accordingly, our future cash flows depend upon the availability of dividends and other statutorily permissible payments from our subsidiaries, such as payments under our tax allocation agreement and under management agreements with our subsidiaries. The ability to pay such dividends and to make such other payments will be limited by applicable laws and regulations of the states in which our subsidiaries are domiciled, which subject our subsidiaries to significant regulatory restrictions. The dividend requirements and regulations vary from state to state and by type of insurance provided by the applicable subsidiary. These laws and regulations require, among other things, our insurance subsidiaries to maintain minimum solvency requirements and limit the amount of dividends these subsidiaries can pay to the holding company. Along with solvency regulations, the primary driver in determining the amount of capital used for dividends is the level of capital needed to maintain desired financial strength ratings from A.M. Best.

It is possible that regulators or rating agencies could become more conservative in their methodology and criteria, including increasing capital requirements for our insurance subsidiaries which, in turn, could negatively affect our capital resources. On October 27, 2011, Standard and Poor s (S&P) revised the outlook on Assurant, Inc s counterparty credit rating and the financial strength ratings of Assurant s primary property and casualty ratings to positive from stable. In addition, S&P downgraded the financial strength ratings of Assurant s primary health subsidiaries from BBB+ to BBB and revised the outlook on these entities to stable from negative. On February 24, 2012, Moody s Investor Services (Moody s) affirmed Assurant, Inc. s Senior Debt rating of Baa2, but changed the outlook on this rating to stable from negative. In addition, Moody s affirmed the financial strength ratings of Assurant s primary life and health insurance subsidiaries at A3 but changed the outlook on the ratings of two of our life and health insurance subsidiaries to stable from negative. A negative outlook remains on the ratings of Assurant s two other rated life and health subsidiaries due to concerns about the impact of the Affordable Care Act. For further information on our ratings and the risks of ratings downgrades, see Item 1 Business and Item 1A Risk Factors Risks Related to Our Company A.M. Best, Moody s and S&P rate the financial strength of our insurance company subsidiaries, and a decline in these ratings could affect our standing in the insurance industry and cause our sales and earnings to decrease in our 2011 Annual Report on Form 10-K. For 2012, the maximum amount of distributions our U.S. domiciled insurance subsidiaries could pay, under applicable laws and regulations without prior regulatory approval, is approximately $504,000. During Six Months 2012, we took dividends or returns of capital, net of infusions, of $238,300 from our subsidiaries. We anticipate that we will be able to take dividends in 2012 of at least equal to insurance subsidiary earnings.

Table of Contents

Liquidity

As of June 30, 2012, we had $632,297 in holding company capital. The Company uses the term holding company capital to represent cash and other liquid marketable securities held at Assurant, Inc., out of a total of $794,572, that we are not otherwise holding for a specific purpose as of the balance sheet date, but can be used for stock repurchases, stockholder dividends, acquisitions, and other corporate purposes. $250,000 of the $632,297 of holding company capital is intended to serve as a buffer against remote risks (such as large-scale hurricanes). Dividends or returns of capital, net of infusions, made to the holding company from its operating companies were $238,300 and $523,881 for Six Months 2012 and the year ended December 31, 2011, respectively. We use these cash inflows primarily to pay expenses, to make interest payments on indebtedness, to make dividend payments to our stockholders, to make subsidiary capital contributions, to fund acquisitions and to repurchase our outstanding shares.

In addition to paying expenses and making interest payments on indebtedness, our capital management strategy provides for several uses for the cash generated by our subsidiaries, including without limitation, returning capital to shareholders through share repurchases and dividends; investing in our businesses to support growth in targeted areas; and making prudent and opportunistic acquisitions. We made share repurchases and paid dividends to our stockholders of $294,863 and $600,314 during Six Months 2012 and the year ended December 31, 2011, respectively.

The primary sources of funds for our subsidiaries consist of premiums and fees collected, proceeds from the sales and maturity of investments and net investment income. Cash is primarily used to pay insurance claims, agent commissions, operating expenses and taxes. We generally invest our subsidiaries excess funds in order to generate investment income.

We conduct periodic asset liability studies to measure the duration of our insurance liabilities, to develop optimal asset portfolio maturity structures for our significant lines of business and ultimately to assess that cash flows are sufficient to meet the timing of cash needs. These studies are conducted in accordance with formal company-wide Asset Liability Management (ALM) guidelines.

To complete a study for a particular line of business, models are developed to project asset and liability cash flows and balance sheet items under a large, varied set of plausible economic scenarios. These models consider many factors including the current investment portfolio, the required capital for the related assets and liabilities, our tax position and projected cash flows from both existing and projected new business.

Alternative asset portfolio structures are analyzed for significant lines of business. An investment portfolio maturity structure is then selected from these profiles given our return hurdle and risk preference. Sensitivity testing of significant liability assumptions and new business projections is also performed.

Our liabilities generally have limited policyholder optionality, which means that the timing of payments is relatively insensitive to the interest rate environment. In addition, our investment portfolio is largely comprised of highly liquid fixed maturity securities with a sufficient component of such securities invested that are near maturity which may be sold with minimal risk of loss to meet cash needs. Therefore, we believe we have limited exposure to disintermediation risk.

Generally, our subsidiaries premiums, fees and investment income, along with planned asset sales and maturities, provide sufficient cash to pay claims and expenses. However, there are instances when unexpected cash needs arise in excess of that available from usual operating sources. In such instances, we have several options to raise needed funds, including selling assets from the subsidiaries investment portfolios, using holding company cash (if available), issuing commercial paper, or drawing funds from our revolving credit facility. In addition, we have filed an automatically effective shelf registration statement on Form S-3 with the SEC. This registration statement allows us to issue equity, debt or other types of securities through one or more methods of distribution. The terms of any offering would be established at the time of the offering, subject to market conditions. If we decide to make an offering of securities, we will consider the nature of the cash requirement as well as the cost of capital in determining what type of securities we may offer.

We paid dividends of $0.21 per common share on June 12, 2012 to stockholders of record as of May 29, 2012, and $0.18 per common share on March 12, 2012 to stockholders of record as of February 27, 2012. Any determination to pay future dividends will be at the discretion of our Board of Directors and will be dependent upon: our subsidiaries payment of dividends and/or other statutorily permissible payments to us; our results of operations and cash flows; our financial position and capital requirements; general business conditions; any legal, tax, regulatory and contractual restrictions on the payment of dividends; and any other factors our Board of Directors deems relevant.

On May 14, 2012, our Board of Directors authorized the Company to repurchase up to an additional $600,000 of its outstanding common stock, making its total authorization $733,275 at that date. During the six months ended June 30, 2012, we repurchased 6,973,821 shares of our outstanding common stock at a cost of $259,375, exclusive of commissions. As of June 30, 2012, $646,017 remained under the total repurchase authorization. The timing and the amount of future repurchases will depend on market conditions and other factors.

Table of Contents

Management believes the Company will have sufficient liquidity to satisfy its needs over the next twelve months, including the ability to pay interest on our Senior Notes and dividends on our common shares.

Retirement and Other Employee Benefits

Our qualified pension benefits plan (the Plan) was under-funded by $156,527 and $125,517 (based on the fair value of Plan assets compared to the projected benefit obligation) on a GAAP basis at June 30, 2012 and December 31, 2011, respectively. This equates to an 81% and 83% funded status at June 30, 2012 and December 31, 2011, respectively. The change in under-funded status is mainly due to a decrease in the discount rate used to determine the projected benefit obligation partially offset by favorable investment returns.

In prior years we established a funding policy in which service cost plus 15% of qualified plan deficit will be contributed annually. During Six Months 2012, we contributed $25,000 in cash to the Plan. Additional cash, up to $25,000, is expected to be contributed to the Plan over the remainder of 2012.

Commercial Paper Program

Our commercial paper program requires us to maintain liquidity facilities either in an available amount equal to any outstanding notes from the program or in an amount sufficient to maintain the ratings assigned to the notes issued from the program. Our commercial paper is rated AMB-2 by A.M. Best, P-2 by Moody s and A2 by S&P. Our subsidiaries do not maintain commercial paper or other borrowing facilities. This program is currently backed up by a $350,000 senior revolving credit facility, of which $330,240 was available at June 30, 2012, due to outstanding letters of credit.

On September 21, 2011, we entered into a four-year unsecured $350,000 revolving credit agreement (2011 Credit Facility) with a syndicate of banks arranged by JP Morgan Chase Bank, N.A. and Bank of America, N.A. The 2011 Credit Facility replaces the Company s prior three-year $350,000 revolving credit facility (2009 Credit Facility), which was entered into on December 18, 2009 and was scheduled to expire in December 2012. The 2009 Credit Facility terminated upon the effective date of the 2011 Credit Facility. Due to the termination, the Company wrote off $1,407 of unamortized upfront arrangement fees. The 2011 Credit Facility provides for revolving loans and the issuance of multi-bank, syndicated letters of credit and/or letters of credit from a sole issuing bank in an aggregate amount of $350,000 and is available until September 2015, provided we are in compliance with all covenants. The 2011 Credit Facility has a sublimit for letters of credit issued thereunder of $50,000. The proceeds of these loans may be used for our commercial paper program or for general corporate purposes. The Company may increase the total amount available under the 2011 Credit Facility to $525,000 subject to certain conditions. No bank is obligated to provide commitments above their current share of the $350,000 facility.

We did not use the commercial paper program during the six months ended June 30, 2012 or 2011, and there were no amounts outstanding relating to the commercial paper program at June 30, 2012 and December 31, 2011. We made no borrowings using either the 2009 or 2011 Credit Facility and no loans are outstanding at June 30, 2012. We had $19,760 of letters of credit outstanding under the 2011 Credit Facility as of June 30, 2012.

The 2011 Credit Facility contains restrictive covenants and requires that the Company maintain certain specified minimum ratios and thresholds. Among others, these covenants include maintaining a maximum debt to capitalization ratio and a minimum consolidated adjusted net worth. At June 30, 2012, we were in compliance with all covenants, minimum ratios, and thresholds.

Senior Notes

We have two series of senior notes outstanding in an aggregate principal amount of $975,000 (the Senior Notes). The first series is $500,000 in principal amount, bears interest at 5.63% per year and is due February 15, 2014. The second series is $475,000 in principal amount, bears interest at 6.75% per year and is due February 15, 2034.

Interest on our Senior Notes is payable semi-annually on February 15 and August 15 of each year. The interest expense incurred related to the Senior Notes was $15,047 for the three months ended June 30, 2012 and 2011, respectively, and $30,094 for the six months ended June 30, 2012 and 2011, respectively. There was $22,570 of accrued interest at June 30, 2012 and 2011, respectively. The Senior Notes are unsecured obligations and rank equally with all of our other senior unsecured indebtedness. The Senior Notes are not redeemable prior to maturity.

In management s opinion, dividends from our subsidiaries together with our income and gains from our investment portfolio will provide sufficient liquidity to meet our needs in the ordinary course of business.

Table of Contents

Cash Flows

We monitor cash flows at the consolidated, holding company and subsidiary levels. Cash flow forecasts at the consolidated and subsidiary levels are provided on a monthly basis, and we use trend and variance analyses to project future cash needs, making adjustments to the forecasts when needed.

The table below shows our recent net cash flows:

	For the Six Months Ended June 30,	
Net cash provided by (used in):	**2012**	**2011**
Operating activities (1)	$ 181,398	$ 326,423
Investing activities	51,417	16,806
Financing activities	(292,536)	(358,646)
Net change in cash	$ (59,721)	$ (15,417)

(1) Includes effect of exchange rate changes on cash and cash equivalents.

We typically generate operating cash inflows from premiums collected from our insurance products and income received from our investments while outflows consist of policy acquisition costs, benefits paid, and operating expenses. These net cash flows are then invested to support the obligations of our insurance products and required capital supporting these products. Our cash flows from operating activities are affected by the timing of premiums, fees, and investment income received and expenses paid.

Net cash provided by operating activities was $181,398 and $326,423 for Six Months 2012 and Six Months 2011, respectively. The decrease in cash provided by operating activities was primarily due to changes in the timing of payments, including commissions and the Company s defined contribution plan match. Cash inflows from premiums collected and income received from investments was consistent period-on-period.

Net cash provided by investing activities was $51,417 and $16,806 for Six Months 2012 and Six Months 2011, respectively. The increase in investing activities was mainly due to changes in short term investments and a decrease in purchase of subsidiaries.

Net cash used in financing activities was $292,536 and $358,646 for Six Months 2012 and Six Months 2011, respectively. The decrease in financing activities was primarily due to decreased purchases of our common stock and the change in obligation under securities agreements.

The table below shows our cash outflows for interest and dividends for the periods indicated:

	For the Six Months Ended June 30,	
	2012	**2011**
Interest paid on debt	$ 30,094	$ 30,150
Common stock dividends	35,349	33,680
Total	$ 65,443	$ 63,830

Letters of Credit

In the normal course of business, we issue letters of credit primarily to support reinsurance arrangements. These letters of credit are supported by commitments with financial institutions. We had $19,760 and $24,296 of letters of credit outstanding as of June 30, 2012 and December 31, 2011, respectively.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 3 to the Notes to Consolidated Financial Statements.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our 2011 Annual Report on Form 10-K described our Quantitative and Qualitative Disclosures About Market Risk. There were no material changes to the assumptions or risks during Second Quarter 2012.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company s Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company s disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act) as of June 30, 2012. Based on that review, the Company s Chief Executive Officer and Chief Financial Officer have concluded that the Company s disclosure controls and procedures are effective to provide reasonable assurance that information the Company is required to disclose in its reports under the Exchange Act is recorded, processed, summarized and reported accurately including, without limitation, ensuring that such information is accumulated and communicated to the Company s management as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

During the quarter ended June 30, 2012, we made no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II

OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is involved in litigation in the ordinary course of business, both as a defendant and as a plaintiff and may from time to time be subject to a variety of legal and regulatory actions relating to our current and past business operations. See Note 14 to the Notes to Consolidated Financial Statements for a description of certain matters. While the Company cannot predict the outcome of any pending or future litigation, examination or investigation, we do not believe that the outcome of pending matters will have a material adverse effect individually or in the aggregate, on the Company s financial position, results of operations, or cash flows.

Item 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition and results of operations and you should carefully consider them. It is not possible to predict or identify all such factors. For discussion of our potential risks or uncertainties, please refer to Item 1A Risk Factors included in our 2011 Annual Report on Form 10-K. Except as set forth in the following updated risk factor, there have been no material changes to the risk factors disclosed in our 2011 Annual Report on Form 10-K.

Our business is subject to risks related to litigation and regulatory actions.

From time to time, we may be subject to a variety of legal and regulatory actions relating to our current and past business operations, including, but not limited to:

- disputes over coverage or claims adjudication including, but not limited to, pre-existing conditions in individual medical contracts and rescissions of policies;
- disputes over our treatment of claims, in which states or insureds may allege that we failed to make required payments or to meet prescribed deadlines for adjudicating claims;
- disputes regarding sales practices, disclosures, premium refunds, licensing, regulatory compliance, underwriting and compensation arrangements;
- disputes with agents, brokers or network providers over compensation and termination of contracts and related claims;
- actions by regulatory authorities that may challenge our ability to increase or maintain our premium rates, require us to reduce premium rates and/or result in other fees;
- disputes alleging packaging of credit insurance products with other products provided by financial institutions;
- disputes with tax and insurance authorities regarding our tax liabilities;

disputes relating to customers claims that the customer was not aware of the full cost or existence of the insurance or limitations on insurance coverage; and

industry-wide investigations regarding business practices including, but not limited to, the use and the marketing of certain types of insurance policies or certificates of insurance.

In Fall 2011, Assurant, along with other insurers and with mortgage servicers, received a request for information from the NYDFS regarding its lender-placed insurance business. In February 2012, the Company and two of its wholly owned insurance subsidiaries, American Security Insurance Company and American Bankers Insurance Company of Florida, each received a subpoena from the NYDFS requesting information regarding the lender-placed business and related document retention practices. In response to the subpoenas, depositions were conducted in late February involving designated witnesses for the Company and the foregoing subsidiaries. In March 2012, the Company received an additional request from the NYDFS for further information relating to its lender-placed insurance program in New York and responded in April. Along with other companies in the industry, the Company participated in public hearings conducted by the NYDFS on May 17, 2012 and was subsequently served with an order by the NYDFS requiring the Company to propose and justify amended rates for its lender-placed insurance products sold in the State of New York by July 6, 2012. The Company has submitted a response to the order and is engaged in discussions with the NYDFS to determine appropriate changes to the existing lender-placed insurance program in the State of New York. Proposed submitted changes to the program would affect annual lender-placed hazard and real estate owned policies issued in the State of New York, which accounted for approximately $64,000 and $36,000 of Assurant Specialty Property s net earned premiums for the full year 2011 and six months ended June 30, 2012, respectively. The Company is committed to cooperating fully with the NYDFS on this matter.

Table of Contents

In addition, the Company is engaged in discussions with the California DOI regarding the Company s lender-placed insurance premium rates. In 2010, the Company submitted a proposed 10% rate decrease, which the California DOI did not approve. In May 2012, the Company re-filed proposed rates for lender-placed homeowners insurance products with the California DOI. The Company submitted a proposed 18% rate decrease, which has not yet been approved by the California DOI. The new rates would affect annual lender-placed hazard and real estate owned policies issued in the State of California, which accounted for approximately $124,000 and $54,000 of Assurant Specialty Property s net earned premiums for the full year 2011 and six months ended June 30, 2012, respectively.

As disclosed in our 2011 Annual Report on Form 10-K, Assurant Specialty Property s business strategy is to pursue long-term growth in lender-placed homeowners insurance and adjacent markets with similar characteristics, such as lender-placed flood insurance and lender-placed mobile home insurance. Lender-placed insurance products accounted for approximately 70% of Assurant Specialty Property s net earned premiums for both the full year 2011 and the six months ended June 30, 2012. The approximate corresponding contributions to segment net income in these periods were 100% and 89%, respectively. The portion of total segment net income attributable to lender-placed products may vary substantially over time depending on the frequency, severity and location of catastrophic losses, the cost of catastrophe reinsurance and reinstatement coverage, the variability of claim processing costs and client acquisition costs, and other factors.

The Company files rates with the state departments of insurance in the ordinary course of business. As previously disclosed, in addition to this routine correspondence, the Company has recently been engaged in discussions and proceedings with certain state regulators regarding our lender-placed insurance business. Because assumptions used in rate filings vary by state as a result of differing regulatory requirements, expected loss experience and catastrophe exposure, the results of such reviews may vary widely. It is possible that other state departments of insurance and regulatory authorities may choose to initiate or continue to review the appropriateness of the Company s premium rates for its lender-placed insurance products. If in the aggregate such reviews lead to significant decreases in premium rates for the Company s lender-placed insurance products, our results of operations could be materially adversely affected.

Unfavorable outcomes in litigation or regulatory proceedings, or significant problems in our relationships with regulators, could materially adversely affect our results of operations and financial condition, our reputation, our ratings, and our ability to continue to do business. They could also expose us to further investigations or litigations. In addition, certain of our clients in the mortgage industry are the subject of various regulatory investigations and/or litigation regarding mortgage lending practices, which could indirectly affect our business.

Table of Contents

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds
Repurchase of Equity Securities:

Period in 2012	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs(1)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs(1)
January 1-31	978,000	$ 39.50	978,000	$ 266,777,096
February 1-29	528,000	43.37	528,000	243,889,747
March 1-31	912,000	41.47	912,000	206,083,388
April 1-30	912,800	39.58	912,800	169,973,149
May 1-31	1,062,000	34.58	1,062,000	133,274,920
June 1-30	2,581,021	33.83	2,581,021	646,017,002
Total	6,973,821	$ 37.21	6,973,821	$ 646,017,002

(1) Shares purchased pursuant to the January 18, 2011 publicly announced share repurchase authorization of up to $600,000 of outstanding common stock, which was increased by an authorization on May 14, 2012 for the repurchase of up to an additional $600,000 of outstanding common stock.

Table of Contents

Item 6. Exhibits.

Pursuant to the rules and regulations of the SEC, the Company has filed or incorporated by reference certain agreements as exhibits to this quarterly report on Form 10-Q. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in the Company s public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe the Company s actual state of affairs at the date hereof and should not be relied upon.

The following exhibits either (a) are filed with this report or (b) have previously been filed with the SEC and are incorporated herein by reference to those prior filings. Exhibits are available upon request at the investor relations section of our website at www.assurant.com. Our website is not a part of this report and is not incorporated by reference in this report.

12.1	Computation of Ratio of Consolidated Earnings to Fixed Charges.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.
32.1	Certification of Chief Executive Officer of Assurant, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer of Assurant, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statement of Changes in Stockholders Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASSURANT, INC.

Date: August 1, 2012	By:	/s/ Robert B. Pollock
	Name:	**Robert B. Pollock**
	Title:	***President and Chief Executive Officer***
Date: August 1, 2012	By:	/s/ Michael J. Peninger
	Name:	**Michael J. Peninger**
	Title:	***Executive Vice President and Chief Financial Officer***