

ASSURANT INC
Form 10-Q
May 04, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☐ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2011

OR

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

Assurant, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction
of incorporation)

001-31978
(Commission

39-1126612
(I.R.S. Employer

File Number)
One Chase Manhattan Plaza, 41st Floor

Identification No.)

New York, New York 10005

(212) 859-7000

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

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

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

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

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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

The number of shares of the registrant's Common Stock outstanding at April 29, 2011 was 96,506,929.

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ASSURANT, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2011

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

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

	March 31, 2011	December 31, 2010
	(in thousands except number of shares and per share amounts)	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost \$10,167,126 in 2011 and \$10,009,320 in 2010)	\$ 10,745,590	\$ 10,612,552
Equity securities available for sale, at fair value (cost \$467,826 in 2011 and \$452,648 in 2010)	496,854	466,954
Commercial mortgage loans on real estate, at amortized cost	1,327,438	1,320,964
Policy loans	55,905	56,142
Short-term investments	435,612	358,702
Collateral held/pledged under securities agreements	273,282	136,589
Other investments	577,217	567,945
Total investments	13,911,898	13,519,848
Cash and cash equivalents	940,434	1,150,516
Premiums and accounts receivable, net	576,088	542,927
Reinsurance recoverables	5,049,186	4,997,316
Accrued investment income	161,073	147,069
Deferred acquisition costs	2,526,401	2,493,422
Property and equipment, net	259,460	267,169
Deferred income taxes, net	24,093	76,430
Goodwill	621,412	619,779
Value of business acquired	78,899	82,208
Other intangible assets, net	306,425	311,509
Other assets	201,524	188,454
Assets held in separate accounts	2,040,482	2,000,371
Total assets	\$ 26,697,375	\$ 26,397,018

See the accompanying notes to the consolidated financial statements

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

	March 31, 2011	December 31, 2010
	(in thousands except number of shares and per share amounts)	
Liabilities		
Future policy benefits and expenses	\$ 8,166,055	\$ 8,105,153
Unearned premiums	5,119,984	5,063,999
Claims and benefits payable	3,381,185	3,351,169
Commissions payable	264,450	275,409
Reinsurance balances payable	100,987	104,333
Funds withheld under reinsurance	64,081	65,894
Deferred gain on disposal of businesses	149,359	154,493
Obligation under securities agreements	272,358	137,212
Accounts payable and other liabilities	1,368,847	1,339,582
Tax payable	50,002	41,702
Debt	972,192	972,164
Mandatorily redeemable preferred stock		5,000
Liabilities related to separate accounts	2,040,482	2,000,371
Total liabilities	21,949,982	21,616,481
Commitments and contingencies (Note 13)		
Stockholders' equity		
Common stock, par value \$0.01 per share, 800,000,000 shares authorized, 97,931,049 and 102,000,371 shares outstanding at March 31, 2011 and December 31, 2010,		
respectively	1,456	1,453
Additional paid-in capital	2,997,130	2,993,957
Retained earnings	3,389,644	3,264,025
Accumulated other comprehensive income	297,022	285,524
Treasury stock, at cost; 47,766,678 and 43,344,638 shares at March 31, 2011 and December 31, 2010, respectively	(1,937,859)	(1,764,422)
Total stockholders' equity	4,747,393	4,780,537
Total liabilities and stockholders' equity	\$ 26,697,375	\$ 26,397,018

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Statement of Operations (unaudited)****Three Months Ended March 31, 2011 and 2010**

	Three Months Ended March 31,	
	2011	2010
	(in thousands except number of shares and per share amounts)	
Revenues		
Net earned premiums and other considerations	\$ 1,762,012	\$ 1,906,643
Net investment income	171,873	174,014
Net realized gains on investments, excluding other-than-temporary impairment losses	5,357	5,318
Total other-than-temporary impairment losses	(1,955)	(906)
Portion of net loss recognized in other comprehensive income, before taxes	375	61
Net other-than-temporary impairment losses recognized in earnings	(1,580)	(845)
Amortization of deferred gain on disposal of businesses	5,134	6,081
Fees and other income	93,875	76,645
Total revenues	2,036,671	2,167,856
Benefits, losses and expenses		
Policyholder benefits	894,510	927,996
Amortization of deferred acquisition costs and value of business acquired	354,600	405,184
Underwriting, general and administrative expenses	557,801	571,149
Interest expense	15,131	15,161
Total benefits, losses and expenses	1,822,042	1,919,490
Income before provision for income taxes	214,629	248,366
Provision for income taxes	72,888	91,143
Net income	\$ 141,741	\$ 157,223
Earnings Per Share		
Basic	\$ 1.40	\$ 1.35
Diluted	\$ 1.39	\$ 1.34
Dividends per share	\$ 0.16	\$ 0.15
Share Data		
Weighted average shares outstanding used in basic per share calculations	101,194,814	116,817,005
Plus: Dilutive securities	780,001	377,868
Weighted average shares used in diluted per share calculations	101,974,815	117,194,873

See the accompanying notes to the consolidated financial statements

Table of Contents**Assurant, Inc.****Consolidated Statement of Stockholders Equity (unaudited)****From December 31, 2010 through March 31, 2011**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
(in thousands except number of shares and per share amounts)						
Balance, December 31, 2010	\$ 1,453	\$ 2,993,957	\$ 3,264,025	\$ 285,524	\$ (1,764,422)	\$ 4,780,537
Stock plan exercises	3	(2,037)				(2,034)
Stock plan compensation expense		5,759				5,759
Change in tax benefit from share-based payment arrangements		(549)				(549)
Dividends			(16,122)			(16,122)
Acquisition of common stock					(173,437)	(173,437)
Comprehensive income:						
Net income			141,741			141,741
Other comprehensive income:						
Net change in unrealized gains on securities, net of taxes of \$3,569						