



ASSURANT

## Assurant Finalizes Comprehensive Property Catastrophe Reinsurance Coverage

**NEW YORK, June 15, 2010** -- Assurant, Inc. ("Assurant") (NYSE: AIZ), a premier provider of specialized insurance and insurance-related products and services, today announced that it has finalized the structure of its 2010 property catastrophe reinsurance ("CAT") program.

"We successfully placed the CAT program this year and were able to further diversify our program and secure additional multi-year, collateralized reinsurance coverage through a new issue of catastrophe bonds," said Gene Mergelmeyer, president and CEO of Assurant Specialty Property. "Assurant's comprehensive CAT program maintains the same deductible as last year while strengthening coverage at an attractive rate."

A disciplined risk management approach is used to structure Assurant's CAT program. Multiple factors are considered in evaluating the estimated loss potential from various perils, including the cost efficiency of the reinsurance coverage purchased and the credit quality, financial strength and claims paying ability of the reinsurers in the program.

Assurant has placed its traditional CAT program with more than 40 reinsurers rated A- or better.

There are three elements of the 2010 CAT program: The first piece is the Florida Hurricane Catastrophe Fund ("FHCF"), which provides Florida-specific coverage for 90 percent of losses up to \$315 million in excess of a \$119 million retention.

The second piece is the per-occurrence catastrophe coverage that provides protection of up to \$1.13 billion in excess of a \$155 million retention. The coverage is structured in six layers. Assurant has a 20 percent co-participation in the fifth layer and a 67.9 percent co-participation in the sixth layer. In the event of Florida hurricanes, Assurant's CAT program for per-occurrence coverage is net of any reimbursements from the FHCF.

The per-occurrence reinsurance program includes \$300 million of multi-year, fully collateralized hurricane coverage, financed by catastrophe bonds issued in May 2009 and April 2010 by Ibis Re Ltd. ("Ibis Re"), a special purpose reinsurance company. With the exception of the coverage from Ibis Re, the per-occurrence coverage provides for an automatic reinstatement of coverage for a second occurrence under terms similar to the first occurrence.

The third piece of the program consists of second and third event coverage in the event of multiple storms. This second and third event coverage lowers the program retention to \$100 million subsequent to the first event and provides for a maximum recovery of \$55 million for the second and third event. As is the case with the per-occurrence CAT coverage, this coverage is net of any reimbursements from the FHCF.

To see an illustration of the CAT program's layered structure, please visit the Press Room at [www.assurant.com](http://www.assurant.com).

Base pre-tax reinsurance premiums for the entire CAT program, which reduce net earned premiums in Assurant's financial statements, are estimated to be \$188 million in 2010, compared with \$183 million in 2009. Reinsurance premiums could vary if exposure growth varies significantly from estimates and if reinstatement premiums are required due to reportable catastrophe events.

A comparison of the reinsurance retentions, limits and premiums for the prior and current programs is shown below<sup>2</sup>.

	<u>2010</u> (\$ in millions)	<u>2009</u> (\$ in millions)
<b>Florida Hurricane Catastrophe Fund (FHCF)</b>		
Gross limit	315	288
Less: co-participation	(31)	(29)
Net limit	284	259
Retention	119	108
 <b>Per-Occurrence CAT Reinsurance Program</b>		
Gross Traditional Reinsurance Limit	967	1,035
Catastrophe Bond Limit	300	150
Less: co-participation	(137)	(52)
Net limit <sup>1</sup>	1,130	1,133
Retention	155	155
 <b>Multiple Storm Protection</b>		
Second and Third Event Cover		
Retention	100	100
Limit	55	55
Otherwise Recoverable Limit	55	55
<b>Premiums</b>	(estimated)	(actual)
Reinsurance premium expense	188	183

#### **About Assurant**

Assurant is a premier provider of specialized insurance products and related services in North America and select worldwide markets selected. Its four key businesses-Assurant Employee Benefits, Assurant Health, Assurant Solutions and Assurant Specialty Property-have partnered with clients who are leaders in their industries and have built leadership positions in a number of specialty insurance market segments worldwide.

Assurant, a Fortune 500 company and a member of the S&P 500, is traded on the New York Stock Exchange under the symbol AIZ. Assurant has more than \$26 billion in assets and \$8 billion in annual revenue. [www.assurant.com](http://www.assurant.com)

Safe Harbor Statement: Some of the statements included in this press release, particularly those anticipating future financial performance, may constitute forward-looking statements that involve a number of risks and uncertainties. Our actual results may differ materially from those projected in any forward-looking statements. For a discussion of the factors that could affect our actual results please refer to the risk factors identified from time to time in our SEC reports, including but not limited to, our First Quarter 2010 Report on Form 10-Q and our 2009 Annual Report on Form 10-K, as filed with the SEC.

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<sup>1</sup>2010 Florida Hurricane Catastrophe Fund limits and retention are estimated based on Florida exposure projected to June 30, 2010.

<sup>2</sup>2010 retention, limits and reinsurance premiums are estimated and can change with growth of the business. Certain 2009 estimates have been updated to reflect actual amounts.

<sup>3</sup> 2010 Net limit includes \$17M from the 2009 catastrophe bond above our traditional program.