ASSURANT®

2013 ANNUAL REPORT AND FORM 10-K

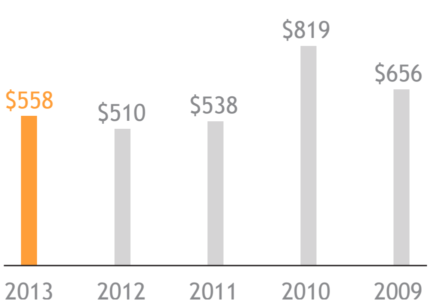
Financial Highlights	2013	2012	2011	2010	2009
Total Revenue	$9,048	$8,508	$8,273	$8,528	$8,701
Net Earned Premiums, Fees & Other	8,347	7,712	7,530	7,766	8,033
Net Investment Income	650	713	690	703	699
Net Operating Income[1]	467	449	438	560	468
Shareholders' Equity[2]	4,407	4,355	4,316	4,346	4,639

(U.S. dollars in millions)

1 Please see footnote 1 on page 7 of this report for more information of this non-GAAP financial measure and a reconciliation of net operating income to its most comparable GAAP measure.

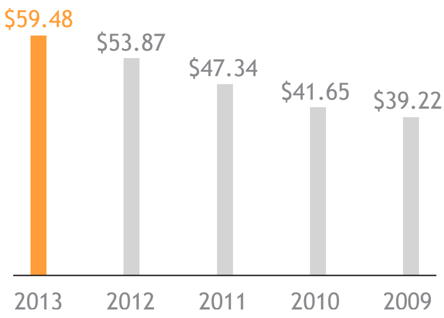
2 Excluding accumulated other comprehensive income (AOCI). Please see footnote 4 on page 8 of this report for a reconciliation of this non-GAAP measure to its most comparable GAAP measure.

Cash Flow Generation
2009–2013 (in millions)



Note: Primarily represents gross dividends from subsidiaries, net of interest and other corporate expenses paid.

Book Value Per Diluted Share
2009–2013



Note: Excluding AOCI. Please see footnote 3 on page 8 for a reconciliation of this non-GAAP financial measure to its most comparable GAAP measure.

A Message to Our Shareholders

Assurant's net earned premiums, fees and other income were $8.3 billion in 2013, an 8.2 percent increase from the previous year. Net operating income[1] was $466.5 million, also a year-over-year improvement. Operating return on equity, excluding accumulated other comprehensive income (AOCI)[2] was 10.6 percent. Our book value per diluted share, excluding AOCI[3], was up 10.4 percent – marking our third consecutive year of double-digit growth.

*In 2013, our Assurant team strengthened our core businesses and adapted our specialty offerings to meet changing consumer needs. During the year, we completed several strategic acquisitions and prudently managed shareholders' capital. Consistently, we focused our actions on long-term, profitable growth and upheld our commitment **to help customers protect what matters most to them.***

Robert B. Pollock
President and CEO
Assurant

We returned approximately $470 million to shareholders through stock repurchases and dividends. We again increased our dividend, just as we have each year since our initial public offering in 2004. We did so while also committing $360 million to strategic transactions that broaden our footprint and expand our array of specialty services.

Our investments to support profitable growth continue to focus on areas that are aligned with five broad marketplace trends:

- Greater reliance on mobile devices in every aspect of life;
- Shifting consumer interest in rental versus ownership of property, especially in the United States;
- Desire for affordable and accessible health care coverage that can be customized to meet individual needs;
- Need for choice in the benefits that employees can elect from their small-to-midsize employer; and
- More middle-class consumers in Latin American countries.

Our actions in 2013 reinforced the strategic importance of these macro-trends for Assurant. Looking ahead, we will allocate more of our resources to the targeted areas with the greatest potential for ongoing profitable growth.

Our legacy of adapting to meet emerging opportunities inspires us to encourage innovation and try fresh approaches in the global marketplace. By doing so, we are able to support consumers and clients affected by significant changes in the housing, financial services and health insurance sectors. In 2013, for example, the first open enrollment period of the Affordable Care Act had a dramatic impact for consumers as well as on the healthcare industry. Similarly, as the U.S. housing market continued to rebound, new guidelines and processes reshaped many aspects of the mortgage servicing industry. The agility of our business model to adapt to change is an enduring strength of Assurant.

2013 RESULTS FROM OPERATIONS

Assurant Solutions

Throughout 2013, Assurant Solutions focused on improving efficiency while meeting the evolving needs of consumers. Net operating income was up slightly from the previous year. Resources were shifted from non-growth areas to support growth opportunities in mobile, as well as expand our footprint in Latin America.

The acquisition of Lifestyle Services Group in 2013 is expected to transform Assurant Solutions' European business to a mobile platform we can build upon. A strategic investment in Iké Asistencia launched a partnership to cross-sell complementary products and assistance services in several Latin American countries and will expand revenue streams in the future.

Net earned premiums, fees and other income improved year-over-year, primarily driven by increases in service and vehicle contracts business in the U.S. as well as Latin America. Fee income increased 27.5 percent, largely due to mobile programs launched in 2013. At year-end 2013, Assurant Solutions' global protection programs supported more than 15 million mobile devices. New and expanded relationships launched last year – including a partnership with T-Mobile – will generate higher revenue going forward as we administer protection programs to help customers.

Expense management actions already taken, along with ongoing plans, are expected to produce up to $25 million in annual pre-tax savings by year-end 2014. Combined with growth, especially in mobile and Latin America, we expect Assurant Solutions' earnings to improve during the second half of 2014 and longer term.

Assurant Specialty Property

In 2013, net operating income increased at Assurant Specialty Property, largely reflecting the absence of hurricane activity during the year. Lender-placed insurance net earned premiums benefited from an increase in loans serviced by our clients.

During the year, we continued the rollout of a new lender-placed insurance product that is now available in 44 states. The product helps our clients adapt to the changing market and provides the flexibility to support new industry regulations enacted last year. As the mortgage industry continues to evolve, we believe lender-placed insurance will remain a strong specialty business. We expect premiums and returns to decline, however, as the housing market continues to stabilize.

To diversify revenue and produce attractive returns in Assurant Specialty Property, we also focused on growth in both multi-family housing and property preservation services. During the past five years, we have increased multi-family housing revenues by an average of 31 percent per year, reaching $190 million in 2013. By adding new clients and further expanding our service offerings, we believe we can continue to grow this business at a double-digit pace. Our acquisition of Field Asset Services broadened our role in the mortgage value chain as we expanded our property preservation offering. By providing inspections and repairs we are able to help our clients maintain the value of homes in their portfolios.

Along with ongoing multi-year actions to maintain operational excellence, we will continue to diversify our product mix and revenue streams to deliver attractive long-term returns at Assurant Specialty Property.

Assurant Health

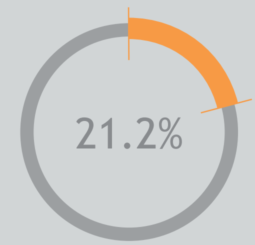
During 2013, Assurant Health demonstrated agility and responded quickly to meet consumer needs. By deferring participation on the public exchanges in the first year of the Affordable Care Act, we were able to focus our resources on helping customers and agents understand how the changes could affect them. We believe this was the right decision. Through our broad distribution channels, we offered customers a diverse set of major medical, supplemental and affordable access products. The first open enrollment period under the Affordable Care Act prompted significant activity. By demonstrating agility, we achieved the highest sales in the company's history during the fourth quarter.

During a year of landmark change, revenues were down slightly as consumers transitioned their coverage to meet new standards under healthcare reform. Additional expense actions during the year and an elevated tax rate decreased net operating income in 2013. Disciplined attention to expense management continues at Assurant Health.

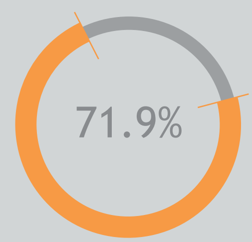
Adapting our individual medical coverage model to meet emerging needs and opportunities is a hallmark of Assurant Health. We believe consumers will continue to look for more affordable alternatives to major medical coverage longer term and we are prepared to respond with a broad set of products.

While profits are expected to be modest for Assurant Health in the year ahead, we believe shareholders will realize more attractive returns after health care reform changes are fully implemented in 2015 and beyond.

$589 million of 2013 Net Operating Income by Segment

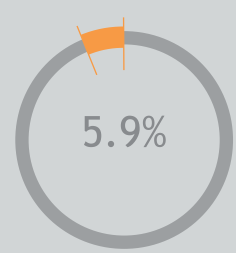


Assurant Solutions



Assurant Specialty Property

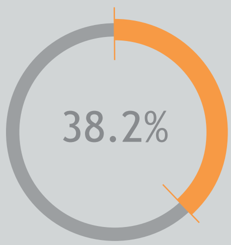
Assurant Health



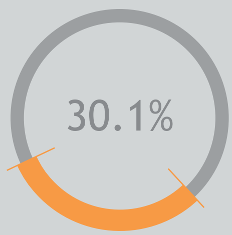
Assurant Employee Benefits

Note: Excludes Corporate and other, net realized gains on investments, amortization of deferred gains on disposal of businesses and interest expense.

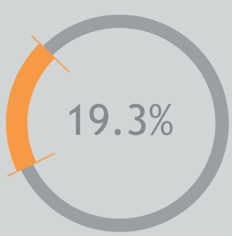
$8.3 billion of 2013 Net Earned Premiums,Fees and Other by Segment



Assurant Solutions



Assurant Specialty Property



Assurant Health

Assurant Employee Benefits

Note: Includes net earned premiums and fees and other income of operating segments; excludes net investment income.

Assurant Employee Benefits

In 2013, Assurant Employee Benefits remained focused on growing a suite of voluntary products and services for small-to-midsize employers. Net operating income was down for the year due to less favorable disability results, including a lower discount rate on new long-term disability claims. Additional restructuring charges and technology investments also contributed to lower results for the year. While net earned premiums and fees decreased slightly due to declines in employer-funded programs, voluntary premiums grew seven percent and voluntary sales accounted for almost half of annual sales.

Critical steps were taken during the year to realign resources, enhance customer service and sharpen the focus on voluntary sales opportunities. Key differentiators in our business that we believe will support growth include a broad voluntary product suite, an extensive dental network, easy enrollment for consumers and simpler administration for employers.

Assurant Employee Benefits also elected not to participate on the public exchanges in 2014. Going forward, we will participate in a growing number of private exchanges, leading with our suite of voluntary products. We also will adapt Assurant Dental to fit consumer needs under the Affordable Care Act.

Job growth and capital market conditions in the U.S. continue to affect Assurant Employee Benefits. Improving results requires ongoing expense management and focus on the voluntary market for small-to-midsize businesses. These efforts will help Assurant Employee Benefits provide attractive returns longer term.

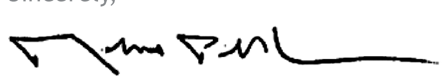
OUR PURPOSE, OUR VALUES

Within each of our businesses and for the Assurant enterprise as a whole, we are pleased with our progress in 2013. As consumer needs evolve and market forces change, we are committed to adapt, strengthen and grow Assurant for the long-term.

Each day we strive to help protect what matters most for our customers, serve the diverse needs of our clients and deliver value for our shareholders. As we do so, we are proud of the dedication of our 16,600 employees in 13 countries around the globe. In so many ways, they uphold the values that make Assurant a special place to work: *Common Sense; Common Decency; Uncommon Thinking;* and *Uncommon Results*.

I am proud of our collective progress and energized by what is ahead. Thanks for sharing in our journey and for your investment in Assurant.

Sincerely,



Robert B. Pollock
President and Chief Executive Officer

Global Reach

Assurant operates in the United States as well as select worldwide markets, including: Argentina, Brazil, Canada, Chile, China, Germany, Ireland, Italy, Mexico, Puerto Rico, Spain and the United Kingdom.

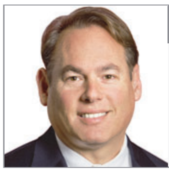
Assurant Management Committee

Robert B. Pollock
President and Chief Executive Officer, Assurant

Christopher J. Pagano
Executive Vice President, Treasurer and Chief Investment Officer, Assurant; President, Assurant Asset Management

Alan B. Colberg
Executive Vice President, Marketing and Business Development, Assurant

Michael J. Peninger
Executive Vice President and Chief Financial Officer, Assurant



Adam D. Lamnin
President and Chief Executive Officer, Assurant Health

John S. Roberts
President and Chief Executive Officer, Assurant Employee Benefits

S. Craig Lemasters
President and Chief Executive Officer, Assurant Solutions

Bart R. Schwartz
Executive Vice President, Chief Legal Officer and Secretary, Assurant

Gene E. Mergelmeyer
President and Chief Executive Officer, Assurant Specialty Property

Sylvia R. Wagner
Executive Vice President, Human Resources and Development, Assurant

Board of Directors *(Date following name = Year joined Board)*

Elaine D. Rosen (2009)
Chair of the Board, Assurant; Chair of the Board of Trustees, The Kresge Foundation; former President, UNUM Life Insurance Company of America

Howard L. Carver (2002)
Former Office Managing Partner, Ernst & Young LLP

Juan N. Cento (2006)
President, FedEx Express - Latin America & Caribbean Division

Elyse Douglas (2011)
Former Executive Vice President and Chief Financial Officer, Hertz Global Holdings, Inc. and The Hertz Corporation

Lawrence V. Jackson (2009)
Senior Advisor, New Mountain Capital, LLC; Chair, SourceMark, LLC; former President and Chief Executive Officer, Global Procurement Division, Wal-Mart Stores, Inc.

David B. Kelso (2007)
Financial Advisor, Kelso Advisory Services; former Executive Vice President, Strategy and Finance, Aetna, Inc.

Charles J. Koch (2005)
Former Chair, President and Chief Executive Officer, Charter One Financial, Inc.

Jean-Paul L. Montupet (2012)
Former Chair, Emerson Industrial Automation and former President, Emerson Europe

Robert B. Pollock (2006)
President and Chief Executive Officer, Assurant

Paul J. Reilly (2011)
Executive Vice President and Chief Financial Officer, Arrow Electronics, Inc.

Robert W. Stein (2011)
Former Global Managing Partner, Actuarial Services, Ernst & Young LLP

For more information on our executive officers and directors, please see our 2014 Proxy Statement, which accompanies this report and also is available online in the Investor Relations section of www.assurant.com

Non-GAAP Financial Measures

Assurant uses the following non-GAAP financial measures to analyze the Company's operating performance for the years presented in this report. Because Assurant's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing Assurant's non-GAAP financial measures to those of other companies.

1 Assurant uses net operating income as an important measure of the Company's operating performance. As shown in the following reconciliation table, net operating income equals net income, excluding net realized gains (losses) on investments and other unusual and/or infrequent items. The Company believes net operating income provides investors a valuable measure of the performance of the Company's ongoing business, because it excludes both the effect of net realized gains (losses) on investments that tend to be highly variable from period to period, and those events that are unusual and/or unlikely to recur.

	2013	2012	2011	2010	2009
Assurant Solutions	$125.2	$123.8	$136.1	$101.5	$122.1
Assurant Specialty Property	423.6	305.0	303.7	424.5	405.5
Assurant Health	5.9	52.0	40.9	54.9	(29.1)
Assurant Employee Benefits	34.6	58.1	43.1	63.6	42.3
Corporate and other	(82.9)	(62.4)	(60.0)	(52.4)	(48.3)
Amortization of deferred gain on disposal of businesses	10.6	12.0	13.3	6.8	14.6
Interest expense	(50.5)	(39.2)	(39.2)	(39.4)	(39.4)
Net operating income	**466.5**	**449.3**	**437.9**	**559.5**	**467.7**
Adjustments:					
Net realized gains (losses) on investments	22.4	41.8	21.1	31.5	(34.8)
Change in tax valuation allowance	-	-	80.0	(6.0)	-
Change in tax liabilities	-	(7.4)	-	-	-
Legal settlement, net of related expenses	-	-	-	-	83.5
Goodwill impairment	-	-	-	(306.4)	(83.0)
Net income	**$488.9**	**$483.7**	**$539.0**	**$278.6**	**$433.4**

(dollars in millions, net of tax)

2 Assurant uses operating return on equity (ROE), excluding accumulated other comprehensive income (AOCI), as an important measure of the Company's operating performance. Operating ROE equals net operating income for the year presented divided by average stockholders' equity for the year, excluding AOCI. The Company believes operating ROE, excluding AOCI, provides investors a valuable measure of the performance of the Company's ongoing business, because it excludes the effect of net realized gains (losses) on investments that tend to be highly variable from period-to-period, AOCI items and those events that are unusual and/or unlikely to recur. The comparable GAAP measure would be GAAP ROE, defined as net income, for the year presented, divided by average stockholders' equity for the year. Consolidated GAAP ROE for the twelve months ended Dec. 31, 2013 was 9.8 percent, as shown in the following reconciliation table.

	2013
Operating return on average equity (excluding AOCI)	**10.6%**
Net realized gains on investments	0.5%
Change due to effect of including AOCI	(1.3)%
GAAP return on average equity	**9.8%**

3 Assurant uses book value per diluted share excluding AOCI, as an important measure of the Company's stockholders' value. Book value per diluted share excluding AOCI equals total stockholders' equity excluding AOCI divided by diluted shares outstanding. The Company believes book value per diluted share excluding AOCI provides investors a valuable measure of stockholders' value because it excludes the effect of unrealized gains (losses) on investments, which tend to be highly variable from period to period and other AOCI items. The comparable GAAP measure would be book value per diluted share, defined as total stockholders' equity divided by diluted shares outstanding. Book value per diluted share was $65.24 as of Dec. 31, 2013 and, for prior years, as shown in the following reconciliation table.

	2013	2012	2011	2010	2009
Book value per diluted share (excluding AOCI)	**$59.48**	**$53.87**	**$47.34**	**$41.65**	**$39.22**
Changes due to effect of including AOCI	**5.76**	10.27	6.12	2.75	0.57
Book value per diluted share	**$65.24**	**$64.14**	**$53.46**	**$44.40**	**$39.79**

4 A reconciliation of stockholders' equity, excluding AOCI, to GAAP equity is as shown below:

	2013	2012	2011	2010	2009
Stockholders' equity (excluding AOCI)	**$4,407**	**$4,355**	**$4,316**	**$4,346**	**$4,639**
AOCI	**426**	830	558	287	68
GAAP equity	**$4,833**	**$5,185**	**$4,874**	**$4,633**	**$4,707**

(dollars in millions)

FORM 10-K

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission file number 001-31978

ASSURANT, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**39-1126612**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
One Chase Manhattan Plaza, 41st Floor, New York, New York	**10005**
(Address of Principal Executive Offices)	*(Zip Code)*

(212) 859-7000

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:	
Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 Par Value	**New York Stock Exchange**

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark	YES	NO
• if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	☑	☐
• if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	☐	☑
• **Note**—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.		
• 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.	☑	☐
• 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).	☑	☐
• if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.	☑	
• 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. (Check one):		

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

	YES	NO
• whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).	☐	☑

The aggregate market value of the Common Stock held by non-affiliates of the registrant was $3,776 million at June 30, 2013 based on the closing sale price of $50.91 per share for the common stock on such date as traded on the New York Stock Exchange.

The number of shares of the registrant's Common Stock outstanding at February 14, 2014 was 71,642,824.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the definitive proxy statement for the annual meeting of stockholders to be held on May 8, 2014 (2014 Proxy Statement) is incorporated by reference into Part III hereof.

Amounts are presented in United States of America ("U.S.") dollars and all amounts are in thousands, except for number of shares, per share amounts, registered holders, number of employees, beneficial owners, number of securities in an unrealized loss position and number of loans.

Forward-Looking Statements

Some of the statements under "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 and other words 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. 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, fines or penalties, or other expenses;

ii. loss of significant client relationships, distribution sources and contracts;

iii. unfavorable outcomes in litigation and/or regulatory investigations that could negatively affect our business and reputation;

iv. current or new laws and regulations that could increase our costs and decrease our revenues;

v. 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;

vi. significant competitive pressures in our businesses;

vii. failure to attract and retain sales representatives or key managers;

viii. losses due to natural or man-made catastrophes;

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

x. deterioration in the Company's market capitalization compared to its book value that could result in an impairment of goodwill;

xi. risks related to our international operations, including fluctuations in exchange rates;

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

xiii. failure to find and integrate suitable acquisitions and new ventures;

xiv. cyber security threats and cyber attacks;

xv. failure to effectively maintain and modernize our information systems;

xvi. data breaches compromising client information and privacy;

xvii. failure to predict or manage benefits, claims and other costs;

xviii. uncertain tax positions and unexpected tax liabilities;

xix. inadequacy of reserves established for future claims;

xx. risks related to outsourcing activities;

xxi. unavailability, inadequacy and unaffordable pricing of reinsurance coverage;

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

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

xxiv. inability of reinsurers to meet their obligations;

xxv. credit risk of some of our agents in Assurant Specialty Property and Assurant Solutions;

xxvi. inability of our subsidiaries to pay sufficient dividends;

xxvii. failure to provide for succession of senior management and key executives; and

xxviii. cyclicality of the insurance industry.

For a more detailed discussion of the risk factors that could affect our actual results, please refer to "Critical Factors Affecting Results" in Item 7 and "Risk Factors" in Item 1A of this Form 10-K.

PART I

Unless the context otherwise requires, references to the terms "Assurant," the "Company," "we," "us" and "our" refer to our consolidated operations.

ITEM 1 Business

Assurant, Inc. is a Delaware corporation formed in connection with the initial public offering ("IPO") of its common stock, which began trading on the New York Stock Exchange on February 5, 2004. Prior to the IPO, Fortis, Inc., a Nevada corporation, formed Assurant and merged into it on February 4, 2004.

Assurant is a provider of specialized insurance products and related services in North America, Latin America, Europe and other select worldwide markets. Our four operating segments—Assurant Solutions, Assurant Specialty Property, Assurant Health, and Assurant Employee Benefits—partner with clients who are leaders in their industries and build leadership positions in a number of specialty insurance market segments. These segments provide mobile device protection; debt protection administration; credit-related insurance; warranties and service contracts; pre-funded funeral insurance; lender-placed homeowners insurance; property preservation services; renters insurance and related products; manufactured housing homeowners insurance; individual health and small employer group health insurance; group dental insurance; group disability insurance; and group life insurance.

Assurant's mission is to be the premier provider of specialized insurance products and related services in North America, Latin America, Europe and other select worldwide markets. To achieve this mission, we focus on the following areas:

Building and managing a portfolio of specialty insurance businesses

Our four operating segments are focused on serving specific sectors of the insurance market. We continue to develop and add specialty market leadership positions where we can meet unserved consumers' needs, achieve superior returns, and leverage enterprise resources. We believe that the diversity of our businesses helps us to maintain financial stability because our businesses will generally not be affected in the same way by the same economic and operating trends.

Leveraging a set of core capabilities for competitive advantage

We pursue a strategy of building leading positions in specialized market segments for insurance products and related services by applying our core capabilities to create competitive advantages—*managing risk; managing relationships with large distribution partners; and integrating complex administrative systems.* These core capabilities represent areas of expertise that are advantages within each of our businesses. We seek to generate attractive returns by building on specialized market knowledge, well-established distribution relationships and, in some businesses, economies of scale.

Identifying and adapting to evolving market needs

Assurant's businesses strive to adapt to changing market conditions by tailoring product and service offerings to specific client and customer needs. By understanding consumer dynamics in our core markets, we seek to design innovative products and services that will enable us to sustain long-term profitable growth and market leading positions.

Strategic capital deployment

We deploy capital through a combination of investments in our businesses, share repurchases and dividends. Our approach to mergers, acquisitions and other growth opportunities reflects our prudent and disciplined approach to managing our capital. Our mergers, acquisitions and business development process targets new business that complements or supports our existing business model.

Competition

Assurant's businesses focus on niche products and related services within broader insurance markets. Although we face competition in each of our businesses, we believe that no single competitor competes against us in all of our business lines. The business lines in which we operate are generally characterized by a limited number of competitors. Competition in each business is based on a number of factors, including quality of service, product features, price, scope of distribution, financial strength ratings and name recognition. The relative importance of these factors varies by product and market. We compete for customers and distributors with insurance companies and other financial services companies in our businesses.

Competitors of Assurant Solutions and Assurant Specialty Property include insurance companies and financial institutions. Assurant Health's main competitors are other health insurance companies, Health Maintenance Organizations ("HMOs") and the Blue Cross/Blue Shield plans in states where we write business. Assurant Employee Benefits' competitors include other benefit and life insurance companies, dental managed care entities and not-for-profit dental plans.

Segments

For additional information on our segments, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" and Note 21 to the Consolidated Financial Statements included elsewhere in this report.

Assurant Solutions

	For the Years Ended	
	December 31, 2013	December 31, 2012
Net earned premiums for selected product groupings:		
Domestic extended service contracts and warranties[1]	$ 1,372,314	$ 1,260,578
International extended service contracts and warranties[1]	685,039	556,207
Preneed life insurance	66,523	80,978
Domestic credit insurance	166,417	165,765
International credit insurance	380,683	425,078
Other	112,782	90,614
TOTAL	**$ 2,783,758**	**$ 2,579,220**
Fees and other income	$ 400,370	$ 314,072
Segment net income	$ 125,152	$ 123,753
Combined ratio[2]:		
Domestic	97.9%	98.9%
International	102.8%	104.8%
Equity[3]	$ 1,447,306	$ 1,335,819

(1) Extended service contracts include warranty contracts for products such as mobile devices, personal computers, consumer electronics, appliances, automobiles and recreational vehicles.

(2) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and fees and other income excluding the preneed business.

(3) Equity excludes accumulated other comprehensive income.

Products and Services

Assurant Solutions targets profitable growth in three key product areas: domestic and international extended service contracts ("ESCs") and warranties, including mobile device protection; preneed life insurance; and international credit insurance.

ESC and Warranties

Through partnerships with leading retailers, mobile carriers and original equipment manufacturers ("OEMs"), we underwrite and provide administrative services for ESCs and warranties. These contracts provide consumers with coverage on mobile devices, personal computers, consumer electronics, appliances, automobiles and recreational vehicles, protecting them from certain covered losses. We pay the cost of repairing or replacing customers' property in the event of mechanical breakdown, accidental damage, and casualty losses such as theft, fire, and water damage. Our strategy is to provide service to our clients that addresses all aspects of the ESC or warranty, including program design and marketing strategy. We provide administration, claims handling, logistics, and customer service. We believe that we maintain a differentiated position in this marketplace as a provider of both the required administrative infrastructure and insurance underwriting capabilities.

Preneed Life Insurance

Preneed life insurance allows individuals to prepay for a funeral in a single payment or in multiple payments over a fixed number of years. The insurance policy proceeds are used to address funeral costs at death. These products are only sold in the U.S. and Canada and are generally structured as whole life insurance policies in the U.S. and annuity products in Canada.

Credit Insurance

Our credit insurance products offer protection from life events and uncertainties that arise in purchasing and borrowing transactions. Credit insurance programs generally offer consumers the option to protect a credit card or installment loan balance or payments in the event of death, involuntary unemployment or disability, and are generally available to all consumers without the underwriting restrictions that apply to term life insurance.

Regulatory changes have reduced the demand for credit insurance sold through banks in the U.S. Consequently, we continue to experience a reduction in credit insurance domestic gross written premiums, a trend we expect to continue.

Marketing and Distribution

Assurant Solutions focuses on establishing strong, long-term relationships with leading distributors of its products and services. We partner with some of the largest consumer electronics and appliance retailers and OEMs to market our ESC and warranty products. In our mobile business, we partner with leading mobile service providers and market our mobile protection services through them. In our preneed life insurance business, we have an exclusive relationship with Services Corporation International ("SCI"), the largest funeral provider in North America.

Several of our distribution agreements are exclusive. Typically these agreements have terms of one to five years and allow us to integrate our administrative systems with those of our clients.

In addition to the domestic market, we operate in Canada, the United Kingdom ("U.K."), Ireland, Argentina, Brazil, Puerto Rico, Chile, Germany, Spain, Italy, Mexico, China, Colombia, Peru and Ecuador. In these markets, we primarily sell consumer service contracts, including mobile device protection, and credit insurance products through agreements with financial institutions, retailers and mobile service providers. Systems, training, computer hardware and our overall market development approach are customized to fit the particular needs of each targeted international market.

In October 2013, we acquired Lifestyle Services Group ("LSG"), a mobile phone insurance provider based in the U.K. We believe that this acquisition will allow us to develop our European business into a mobile platform. In addition, we recently announced an investment in Ike Asistencia ("Iké"), a services assistance business with significant business in Mexico and other countries in Latin America. Iké primarily provides roadside assistance, home assistance, travel, mobile and other protection products. We expect this investment to allow us to expand our customer base and strengthen our presence in Latin America.

Underwriting and Risk Management

We write a significant portion of our contracts on a retrospective commission basis. This allows us to adjust commissions based on claims experience. Under these commission arrangements, the compensation of our clients is based upon the actual losses incurred compared to premiums earned after a specified net allowance to us. We believe that these arrangements better align our clients' interests with ours and help us to better manage risk exposure.

Profits from our preneed life insurance programs are generally earned from interest rate spreads—the difference between the death benefit growth rates on underlying policies and the investment returns generated on the assets we hold related to those policies. To manage these spreads, we regularly adjust pricing to reflect changes in new money yields.

Assurant Specialty Property

	For the Years Ended	
	December 31, 2013	December 31, 2012
Net earned premiums by major product grouping:		
Homeowners (lender-placed and voluntary)	$ 1,678,172	$ 1,418,061
Manufactured housing (lender-placed and voluntary)	226,058	207,675
Other[(1)]	475,814	428,305
TOTAL	**$ 2,380,044**	**$ 2,054,041**
Fees and other income	$ 133,135	$ 98,621
Segment net income	$ 423,586	$ 304,951
Loss ratio[(2)]	37.4%	46.2%
Expense ratio[(3)]	42.5%	39.2%
Combined ratio[(4)]	77.9%	83.3%
Equity[(5)]	$ 1,303,579	$ 1,202,576

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

Products and Services

Assurant Specialty Property targets profitable growth in lender-placed homeowners insurance, and adjacent niches with similar characteristics, such as multi-family housing insurance, lender-placed flood insurance and property preservation services. Our property preservation service provides inspections and repairs that help preserve the value of homes in the portfolios of our mortgage lender and servicer clients.

Lender-placed and voluntary homeowners insurance

The largest product line within Assurant Specialty Property is homeowners insurance, consisting principally of fire and dwelling hazard insurance offered through our lender-placed program. The lender-placed program provides collateral protection to lenders, mortgage servicers and investors in mortgaged properties in the event that a homeowner does not maintain insurance on a mortgaged dwelling. Lender-placed insurance coverage is not limited to the outstanding loan balance; it provides structural coverage, similar to that of a standard homeowners policy. The amount of coverage is based on the last known insurance coverage under the prior policy for the property, and provides replacement cost coverage on the property and thus ensures that a home can be repaired or rebuilt in the event of damage. It protects both the lender's interest and the borrower's interest and equity. We also provide insurance on foreclosed properties managed by our clients. This type of insurance is Real Estate Owned ("REO") insurance. This market experienced significant growth in prior years as a result of the housing crisis, but has stabilized.

In the majority of cases, we use a proprietary insurance-tracking administration system linked with the administrative systems of our clients to monitor the clients' mortgage portfolios to verify the existence of insurance on each mortgaged property and identify those that are uninsured. If there is a potential lapse in insurance coverage, we begin a process of notification and outreach to both the homeowner and the last-known insurance carrier or agent through phone calls and written correspondence. This process takes up to 90 days to complete. If coverage cannot be verified at the end of this process, the lender procures a lender-placed policy for which the homeowner is responsible for paying the related premiums. The percentage of insurance policies placed to loans tracked represents our placement rates. The homeowner is still encouraged, and always maintains the option, to obtain or renew the insurance of his or her choice.

To meet the changing needs of the lending and housing industries, Assurant Specialty Property has worked with regulators to introduce a next generation lender-placed homeowners product to address some of the unanticipated issues that developed during the housing crisis. This product combines flexibility and best practices to address the concerns of various parties. The product contains expanded geographic ratings within each state to further differentiate rates for properties more exposed to catastrophes from those where the risk is lower, added premium rating flexibility from deductible options that can be modified based on factors such as coverage amount and delinquency status, and continued enhancements to our already extensive customer notification process to make it more clear to borrowers when they have lender-placed insurance.

Lender-placed and voluntary manufactured housing insurance

Manufactured housing insurance is offered on a lender-placed and voluntary basis. Lender-placed insurance is issued after an insurance tracking process similar to that described above. The tracking is performed by Assurant Specialty Property using a proprietary insurance tracking administration system, or by the lenders themselves. A number of manufactured housing retailers in the U.S. use our proprietary premium rating technology to assist them in selling property coverage at the point of sale.

Other insurance

We believe there are opportunities to apply our specialty insurance expertise to other products and services. We have developed products and services in adjacent and emerging markets, such as lender-placed flood insurance, multi-family housing insurance and property preservation services. In September 2013, we acquired Field Asset Services ("FAS"), a company that provides property preservation, restoration and inspection services. We believe this acquisition will allow us to strengthen and diversify our property business. We also act as an administrator for the U.S. Government under the voluntary National Flood Insurance Program, for which we earn a fee for collecting premiums and processing claims. This business is 100% reinsured to the U.S. Government.

Marketing and Distribution

Assurant Specialty Property establishes long-term relationships with leading mortgage lenders and servicers. The majority of our lender-placed agreements are exclusive. Typically, these agreements have terms of three to five years and allow us to integrate our systems with those of our clients.

We offer our manufactured housing insurance programs primarily through manufactured housing lenders and retailers, along with independent specialty agents. The independent specialty agents distribute flood products and miscellaneous specialty property products. Multi-family housing products are distributed primarily through property management companies and affinity marketing partners.

Underwriting and Risk Management

Our lender-placed homeowners insurance program and certain of our manufactured housing products are not underwritten on an individual policy basis. Contracts with our clients require us to issue these policies automatically when a borrower's insurance coverage is not maintained. These products are priced to factor in the additional underwriting risk from ensuring all client properties are provided continuous insurance coverage. We monitor pricing adequacy based on a variety of factors and adjust pricing as required, subject to regulatory constraints.

Because several of our product lines (such as homeowners, manufactured housing, and other property policies) are exposed to catastrophe risks, we purchase reinsurance coverage to protect the capital of Assurant Specialty Property and to mitigate earnings volatility. Our reinsurance program generally incorporates a provision to allow the reinstatement of coverage, which provides protection against the risk of multiple catastrophes in a single year.

Assurant Health

	For the Years Ended	
	December 31, 2013	December 31, 2012
Net earned premiums:		
Individual	$ 1,174,141	$ 1,178,878
Small employer group	407,266	410,581
TOTAL	**$ 1,581,407**	**$ 1,589,459**
Fees and other income	$ 29,132	$ 30,518
Segment net income	$ 5,857	$ 52,000
Loss ratio(1)	73.9%	73.9%
Expense ratio(2)	27.0%	26.0%
Combined ratio(3)	99.6%	98.5%
Equity(4)	$ 295,206	$ 304,166

(1) The loss ratio is equal to policyholder benefits divided by net earned premiums.

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

(3) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and fees and other income.

(4) Equity excludes accumulated other comprehensive income.

Products and Services

Assurant Health competes in the individual medical insurance market by offering major medical insurance, short-term medical insurance, and limited benefit coverages to individuals and families. Our products are offered with different plan options to meet a broad range of customer needs, levels of affordability and to meet the requirements of 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"). Assurant Health also offers medical insurance to small employer groups.

The Affordable Care Act was signed into law in March 2010 and has caused sweeping and fundamental changes to the U.S. health care system and the health insurance industry. The legislation requires that most individuals obtain health insurance coverage. It authorizes the establishment of federal and state exchanges for the purchase of individual insurance policies and sets minimum standards for the benefits provided by insurance policies. It also imposes significant requirements on insurance companies, including the elimination of underwriting and preexisting condition exclusions for individual policies, the establishment of minimum loss ratio thresholds, limitations on the tax deductibility of certain expenses, and a number of new fees, some of which are not tax deductible.

Although the dynamics and characteristics of the health insurance market have changed under the Affordable Care Act, we believe there are still significant opportunities for growth in the individual insurance market and that Assurant Health will be able to earn attractive returns over the long-term. To achieve this goal, we have reduced general operating costs significantly and expanded our product portfolio to include certain supplemental and affordable choice products. The reduced general operating costs were offset by higher expenses associated with increased first year sales of individual and small employer group major medical policies in 2013. Our new 2014 individual and small employer group medical products, which include all of the essential health benefits required under the Affordable Care Act, are approved and ready for sale in 41 states. We elected not to participate on public health exchanges in 2013. Instead, we focused on helping customers and agents understand how the changes would affect them and provided options to meet their individual needs. We may elect to participate on the public health exchanges in future years.

Individual Medical

Our medical insurance products are sold to individuals, primarily between the ages of 18 and 64, and their families, who do not have employer-sponsored coverage. We offer a wide variety of benefit plans at different price points, which allow customers to tailor their coverage to fit their unique needs. These plans include those with the essential health benefits required under the Affordable Care Act, as well as supplemental and affordable choice products.

Small Employer Group Medical

Our group medical insurance is primarily sold to small companies with two to fifty employees, although larger employer coverage is available. We offer fully insured products with the essential health benefits required by the Affordable Care Act, as well as self-funded employer options and individual products sold through the workplace.

In March 2012, we entered into a new provider network arrangement with Aetna Signature Administrators ® ("Aetna"). This multi-year agreement provides our major medical customers with access to more than one million health care providers and 7,500 hospitals nationwide. Access to this network has enhanced the competitiveness of Assurant Health for individuals, families, and small groups.

Marketing and Distribution

Our health insurance products are principally marketed through a network of independent agents. We also market through a variety of exclusive and non-exclusive national account relationships and direct distribution channels. Since 2000, we have had an exclusive national marketing agreement with a major mutual insurance company whose captive agents market our individual health products. This agreement expires in September 2018 and allows either company to exit the agreement with six months' notice. We provide many of our products through a well-known association's administrator under an agreement that automatically renews annually.

Underwriting and Risk Management

Following the passage of the Affordable Care Act, many of the traditional risk management techniques used to manage the risks of providing health insurance have become less relevant. Assurant Health has taken steps to adjust its products, pricing and business practices to comply with the new requirements.

Please see "Management's Discussion and Analysis—Assurant Health" and "Risk Factors—Risks Related to our Industry—Reform of the health insurance industry could materially reduce the profitability of certain of our businesses or render them unprofitable" for further details.

Assurant Employee Benefits

	For the Years Ended	
	December 31, 2013	December 31, 2012
Net Earned Premiums:		
Group disability	$ 403,286	$ 409,757
Group dental	383,223	394,413
Group life	192,392	188,246
Group supplemental and vision products	35,686	21,848
TOTAL	**$ 1,014,587**	**$ 1,014,264**
Voluntary	393,969	368,576
Employer-paid and other	620,618	645,688
TOTAL	**$ 1,014,587**	**$ 1,014,264**
Fees and other Income	$ 23,434	$ 28,468
Segment net income	$ 34,553	$ 58,059
Loss ratio(1)	70.5%	68.3%
Expense ratio(2)	37.4%	37.4%
Equity(3)	$ 545,049	$ 578,757

(1) The loss ratio is equal to policyholder benefits divided by net earned premiums.

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

(3) Equity excludes accumulated other comprehensive income.

Products and Services

Assurant Employee Benefits offers group disability, dental, life, vision and supplemental products as well as individual dental products. The group products are offered with funding options ranging from fully employer-paid to fully employee-paid (voluntary). In addition, we reinsure disability and life products through our wholly owned subsidiary, Disability Reinsurance Management Services, Inc. (“DRMS”).

We focus on the needs of the small to mid-size employer. We believe that our group risk selection expertise, ease of enrollment and administration, our broad product suite, expansive dental network and strong relationships with brokers who work primarily with small to mid-size businesses give us a competitive advantage versus other carriers in this market.

Group Disability

Group disability insurance provides partial replacement of lost earnings for insured employees who become disabled, as defined by their plan provisions. Our products include both short- and long-term disability coverage options. We also reinsure disability policies written by other carriers through our DRMS subsidiary.

Group Dental

Dental benefit plans provide funding for necessary or elective dental care. Customers may select a traditional indemnity arrangement, a PPO arrangement, or a prepaid or managed care arrangement. Coverage is subject to deductibles, coinsurance and annual or lifetime maximums. In a prepaid plan, members must use participating dentists in order to receive benefits.

Success in the group dental business is heavily dependent on a strong provider network. Assurant Employee Benefits owns and operates Dental Health Alliance, L.L.C. (“DHA”), a leading dental Preferred Provider Organization (“PPO”) network. Agreements with Aetna and United Concordia Dental allow us to use Aetna’s Dental Access® network and United Concordia’s Advantage Plus network, respectively. We believe these network agreements, in conjunction with our DHA network, increases the attractiveness of our products in the marketplace and the overall size and strength of the Assurant Employee Benefits dental offering.

Group Life

Group term life insurance provided through the workplace provides benefits in the event of death. We also provide accidental death and dismemberment insurance. Insurance consists primarily of renewable term life insurance with the amount of coverage provided being either a flat amount, a multiple of the employee’s earnings, or a combination of the two. We also reinsure life policies written by other carriers through DRMS.

Group Supplemental and Vision Products

Fully-insured vision coverage is offered through our agreement with Vision Service Plan, Inc., a leading national supplier of vision insurance. Our plans cover eye exams, glasses, and contact lenses and are usually sold in combination with one or more of our other products. In addition to the traditional voluntary products, we provide group critical illness, cancer, accident, and gap insurance. These products are generally paid for by the employee through payroll deductions, and the employee is enrolled in the coverage(s) at the worksite.

Marketing and Distribution

Our products and services are distributed through a group sales force located in 32 offices near major metropolitan areas. Our sales representatives distribute our products and services through independent brokers and employee-benefits advisors. Daily account management is provided through local sales offices, further supported by regional sales support centers and a home office customer service department. Broker compensation in some cases includes an annual performance incentive, based on volume and retention of business.

DRMS provides turnkey group disability and life insurance solutions to insurance carriers that want to supplement their core product offerings. Our services include product development, state insurance regulatory filings, underwriting, claims management, and other functions typically performed by an insurer's back office. Assurant Employee Benefits reinsures the risks written by DRMS' clients, with the clients generally retaining shares that vary by contract.

Underwriting and Risk Management

The pricing of our products is based on the expected cost of benefits, calculated using assumptions for mortality, morbidity, interest, expenses and persistency, and other underwriting factors. Our block of business is diversified by industry and geographic location, which serves to limit some of the risks associated with changing economic conditions.

Disability claims management focuses on helping claimants return to work through a supportive network of services that may include physical therapy, vocational rehabilitation, and workplace accommodation. We employ or contract with a staff of doctors, nurses and vocational rehabilitation specialists, and use a broad range of additional outside medical and vocational experts to assist our claim specialists.

Ratings

Independent rating organizations periodically review the financial strength of insurers, including our insurance subsidiaries. Financial strength ratings represent the opinions of rating agencies regarding the ability of an insurance company to meet its financial obligations to policyholders and contractholders. These ratings are not applicable to our common stock or debt securities. Ratings are an important factor in establishing the competitive position of insurance companies.

Rating agencies also use an "outlook statement" of "positive," "stable," "negative" or "developing" to indicate a medium- or long-term trend in credit fundamentals which, if continued, may lead to a rating change. A rating may have a stable outlook to indicate that the rating is not expected to change; however, a stable rating does not preclude a rating agency from changing a rating at any time, without notice.

Most of our active domestic operating insurance subsidiaries are rated by the A.M. Best Company ("A.M. Best"). In addition, six of our domestic operating insurance subsidiaries are also rated by Moody's Investor Services ("Moody's") and seven are rated by Standard & Poor's Inc., a division of McGraw Hill Companies, Inc. ("S&P").

For further information on the risks of ratings downgrades, see "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."

The following table summarizes our financial strength ratings and outlook of our domestic operating insurance subsidiaries as of December 31, 2013:

	A.M. Best[(1)]	Moody's[(2)]	Standard & Poor's
Outlook	**Stable**	[(4)]	**Stable**
COMPANY			
American Bankers Insurance Company	A	A2	A
American Bankers Life Assurance Company	A-	A3	A
American Memorial Life Insurance Company	A-	N/A	A
American Reliable Insurance Company	A	N/A	N/A
American Security Insurance Company	A	A2	A
Assurant Life of Canada	A-	N/A	N/A
Caribbean American Life Assurance Company	A-	N/A	N/A
Caribbean American Property Insurance Company	A	N/A	N/A
John Alden Life Insurance Company	A-	Baa1	BBB
Reliable Lloyds	A	N/A	N/A
Standard Guaranty Insurance Company	A	N/A	N/A
Time Insurance Company	A-	Baa1	BBB
UDC Dental California	A-	N/A	N/A
Union Security Dental Care New Jersey	A-	N/A	N/A

Outlook	A.M. Best[1] Stable	Moody's[2] [4]	Standard & Poor's Stable
Union Security Insurance Company	A-	A3	A-
Union Security Life Insurance Company of New York	A-	N/A	N/A
United Dental Care of Arizona	A-	N/A	N/A
United Dental Care of Colorado	A-	N/A	N/A
United Dental Care of Michigan	NR	N/A	N/A
United Dental Care of Missouri	A-	N/A	N/A
United Dental Care of New Mexico	A-	N/A	N/A
United Dental Care of Ohio	NR	N/A	N/A
United Dental Care of Texas	A-	N/A	N/A
United Dental Care of Utah	NR	N/A	N/A
Voyager Indemnity Insurance Company	A	N/A	N/A

(1) *A.M. Best financial strength ratings range from "A++" (superior) to "S" (suspended). Ratings of A and A- fall under the "excellent" category, which is the second highest of ten ratings categories.*

(2) *Moody's insurance financial strength ratings range from "Aaa" (exceptional) to "C" (extremely poor). A numeric modifier may be appended to ratings from "Aa" to "Caa" to indicate relative position within a category, with 1 being the highest and 3 being the lowest. Ratings of A2 and A3 are considered "good" and fall within the third highest of the nine ratings categories.*

(3) *S&P's insurer financial strength ratings range from "AAA" (extremely strong) to "R" (under regulatory supervision). A "+" or "-" may be appended to ratings from categories AA to CCC to indicate relative position within a category. Ratings of A- (strong) and BBB+ (adequate) are within the third and fourth highest of the nine ratings categories, respectively.*

(4) *Moody's has a stable outlook on all of the ratings of the above entities, except for John Alden Life Insurance Company and Time Insurance Company, which have a negative outlook.*

Enterprise Risk Management

As an insurer, we are exposed to a wide variety of financial, operational and other risks, as described in Item 1A, "Risk Factors." Enterprise risk management ("ERM") is, therefore, a key component of our business strategies, policies, and procedures. Our ERM process is an iterative approach with the following key phases:

1. Risk identification;
2. High-level estimation of risk likelihood and severity;
3. Risk prioritization at the business and enterprise levels;
4. Scenario analysis and detailed modeling of likelihood and severity for key enterprise risks;
5. Utilization of quantitative results and subject matter expert opinion to help guide business strategy and decision making.

Through our ERM process and our enterprise risk quantification model we monitor a variety of risk metrics on an ongoing basis, with a particular focus on impact to net income (both GAAP and Statutory), company value and the potential need for capital infusions to subsidiaries under severe stress scenarios.

The Company's ERM activities are coordinated by an Enterprise Risk Management Committee ("ERMC"), which includes managers from across the Company with knowledge of the Company's business activities, including representation from the Legal, Compliance, Actuarial, Audit, Finance, and Asset Management Departments. The ERMC develops risk assessment and risk management policies and procedures. It facilitates the identification, reporting and prioritizing of risks faced by the Company, and is responsible for promoting a risk-aware culture throughout the organization. The ERMC also coordinates with each of the Company's four Business Unit Risk Committees ("BURCs"), which meet regularly and are responsible for the identification of significant risks affecting their respective business units. Those risks which meet our internally-defined escalation criteria, including emerging risks, are then reported to the ERMC.

Our Board of Directors and senior management are responsible for overseeing significant enterprise risks. The ERMC reports regularly to the Chief Executive Officer and presents its work periodically to both the Board of Directors and the Finance and Investment Committee.

Through the use of regular committee meetings, business unit and enterprise risk inventory templates, business unit monthly risk reports, an enterprise risk dashboard, hypothetical scenario analysis, and quantitative modeling, the Company strives to identify, track, quantify, communicate and manage our key risks within prescribed tolerances.

Our ERM process continues to evolve, and, when appropriate, we incorporate methodology changes, policy modifications and emerging best practices on an ongoing basis.

Regulation

The Company is subject to extensive federal, state and international regulation and supervision in the jurisdictions where it does business. Regulations vary from jurisdiction to jurisdiction. The following is a summary of significant regulations that apply to our businesses and is not intended to be a comprehensive review of every regulation to which the Company is subject. For information on the risks associated with regulations applicable to the Company, please see Item 1A, "Risk Factors."

U.S. Insurance Regulation

We are subject to the insurance holding company laws in the states where our insurance companies are domiciled. These laws generally require insurance companies within the insurance holding company system to register with the insurance departments of their respective states of domicile and to furnish reports to such insurance departments regarding capital structure, ownership, financial condition, general business operations and intercompany transactions. These laws also require that transactions between affiliated companies be fair and equitable. In addition, certain intercompany transactions, changes of control, certain dividend payments and transfers of assets between the companies within the holding company system are subject to prior notice to, or approval by, state regulatory authorities.

Like all U.S. insurance companies, our insurance subsidiaries are subject to regulation and supervision in the jurisdictions in which they do business. In general, this regulation is designed to protect the interests of policyholders, and not necessarily the interests of shareholders and other investors. To that end, the laws of the various states and other jurisdictions establish insurance departments with broad powers with respect to such things as:

- licensing and authorizing companies and intermediaries (including agents and brokers) to transact business;
- regulating capital, surplus and dividend requirements;
- regulating underwriting limitations including imposing minimum loss ratio requirements;
- regulating companies' ability to enter and exit markets or to provide, terminate or cancel certain coverages;
- imposing statutory accounting and annual statement disclosure requirements;
- regulating product types and approving policy forms and mandating certain insurance benefits;
- regulating premium rates, including the ability to disapprove or reduce the premium rates companies may charge;
- imposing fines, penalties or other expenses;
- regulating claims practices, including the ability to require companies to pay claims on terms other than those mandated by underlying policy contracts;
- regulating certain transactions between affiliates;
- regulating the form and content of disclosures to consumers;
- regulating the type, amounts and valuation of investments;
- mandating annual tests to analyze adequacy of reserves;
- mandating assessments or other surcharges for guaranty funds and the ability to recover such assessments in the future through premium increases; and
- regulating market conduct and sales practices of insurers and agents.

Dividend Payment Limitations

Our holding company's assets consist primarily of the capital stock of our subsidiaries. Accordingly, our holding company's future cash flows depend upon the availability of dividends and other statutorily permissible payments from our subsidiaries. The ability to pay such dividends and to make such other payments is regulated by the states in which our subsidiaries are domiciled. These dividend regulations vary from state to state and by type of insurance provided by the applicable subsidiary, but generally require our insurance subsidiaries to maintain minimum solvency requirements and limit the amount of dividends these subsidiaries can pay to the holding company. For more information, please see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements."

Risk Based Capital Requirements

In order to enhance the regulation of insurer solvency, the National Association of Insurance Commissioners ("NAIC") has established certain risk-based capital standards applicable to life, health and property and casualty insurers. Risk-based capital, which regulators use to assess the sufficiency of an insurer's statutory capital, is calculated by applying factors to various asset, premium, expense, liability and reserve items. Factors are higher for items which in the NAIC's view have greater underlying risk. The NAIC periodically reviews the risk-based capital formula and changes to the formula could occur in the future.

Investment Regulation

Insurance company investments must comply with applicable laws and regulations that prescribe the kind, quality and concentration of investments. These regulations require diversification of insurance company investment portfolios and limit the amount of investments in certain asset categories.

Financial Reporting

Regulators closely monitor the financial condition of licensed insurance companies and our insurance subsidiaries are required to file periodic financial reports with insurance regulators. Moreover, states regulate the form and content of these statutory financial statements.

Products and Coverage

Insurance regulators have broad authority to regulate many aspects of our products and services. For example, some jurisdictions require insurers to provide coverage to persons who would not be considered eligible insurance risks under standard underwriting criteria, dictating the types of insurance and the level of coverage that must be provided to such applicants. Additionally, certain non-insurance products and services, such as service contracts, may be regulated by regulatory bodies other than departments of insurance.

Pricing and Premium Rates

Nearly all states have insurance laws requiring insurers to file price schedules and policy forms with the state's regulatory authority. In many cases, these price schedules and/or policy forms must be approved prior to use, and state insurance departments have the power to disapprove increases or require decreases in the premium rates we charge.

Market Conduct Regulation

Activities of insurers are highly regulated by state insurance laws and regulations, which govern the form and content of disclosure to consumers, advertising, sales practices and complaint handling. State regulatory authorities enforce compliance through periodic market conduct examinations.

Guaranty Associations and Indemnity Funds

Most states require insurance companies to support guaranty associations or indemnity funds, which are established to pay claims on behalf of insolvent insurance companies. These associations may levy assessments on member insurers. In some states member insurers can recover a portion of these assessments through premium tax offsets and/or policyholder surcharges.

Insurance Regulatory Initiatives

The NAIC, state regulators and professional organizations have considered and are considering various proposals that may alter or increase state authority to regulate insurance companies and insurance holding companies. Please see Item 1A, "Risk Factors—Risks Related to Our Industry—Changes in regulation may reduce our profitability and limit our growth" for a discussion of the risks related to such initiatives.

Federal Regulation

Patient Protection and Affordable Care Act

Although health insurance is generally regulated at the state level, recent legislative actions were taken at the federal level that impose added restrictions on our business, in particular Assurant Health and Assurant Employee Benefits. In March 2010, President Obama signed the Affordable Care Act into law. Provisions of the Affordable Care Act and related reforms have and will continue to become effective at various dates over the next several years. These provisions and related impacts include a requirement that we pay premium rebates to customers if the loss ratios for some of our product lines are less than specified percentages; the reduction of agent commissions, and the consequent risk that insurance producers may sell less of our products than they have in the past; changes in the benefits provided under some of our products; elimination of limits on lifetime and annual benefit maximums; a prohibition from imposing any pre-existing condition exclusion as it applies to enrollees under the age of 19 who apply for coverage; limits on our ability to rescind coverage for persons who have misrepresented or omitted material information when they applied for coverage and, after January 1, 2014, elimination of our ability to underwrite health insurance products with certain narrow exceptions; a requirement to offer coverage to any person who applies for such coverage; requirements to include the package of essential health benefits; increased costs to modify and/or sell our products; intensified competitive pressures that limit our ability to increase rates due to state insurance exchanges; significant risk of customer loss; new and higher taxes and fees and limitations on the deductibility of compensation and certain other payments; and the need to operate with a lower expense structure at both the business segment and enterprise level.

Employee Retirement Income Security Act

Because we provide products and services for certain U.S. employee benefit plans, we are subject to regulation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA places certain requirements on how the Company may do business with employers that maintain employee benefit plans covered by ERISA. Among other things, regulations under ERISA set standards for certain notice and disclosure requirements and for claim processing and appeals. In addition, some of our administrative services and other activities may also be subject to regulation under ERISA.

HIPAA, HITECH Act and Gramm-Leach-Bliley Act

The Health Insurance Portability and Accountability Act of 1996, along with its implementing regulations ("HIPAA"), impose various requirements on health insurers, HMOs, health plans and health care providers. Among other things, Assurant Health and Assurant Employee Benefits are subject to HIPAA regulations requiring certain guaranteed issuance and renewability of health insurance coverage for individuals and small groups (generally groups with 50 or fewer employees) and limitations on exclusions based on pre-existing conditions. HIPAA also imposes administrative simplification requirements for electronic transactions.

HIPAA also imposes requirements on health insurers, health plans and health care providers to ensure the privacy and security of protected health information. These privacy and security provisions were further expanded by the privacy provisions contained in the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act") and its accompanying Omnibus Rule enacted in January 2013, which enhances penalties for violations of HIPAA and requires regulated entities to provide notice of security breaches of protected health information to individuals and HHS. In addition, certain of our activities are subject to the privacy regulations of the Gramm-Leach-Bliley Act, which, along with regulations adopted thereunder, generally requires insurers to provide customers with notice regarding how their non-public personal health and financial information is used, and to provide them with the opportunity to "opt out" of certain disclosures, if applicable.

Dodd-Frank Wall Street Reform and Consumer Protection Act

In July 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which implements comprehensive changes to the regulation of financial services in the U.S. Among other things, Congress created the Consumer Financial Protection Bureau (the "CFPB"). While the CFPB does not have direct jurisdiction over insurance products, it is possible that regulations promulgated by the CFPB may extend its authority more broadly to cover these products and thereby affect the Company or our clients.

In addition, the Dodd-Frank Act establishes a Federal Insurance Office within the Department of the Treasury, headed by a director appointed by the Secretary of the Treasury. While not having a general supervisory or regulatory authority over the business of insurance, the director of this office performs various functions with respect to insurance. As required by the Dodd-Frank Act, this director has recently completed a study on how to modernize and improve the system of insurance regulation in the U.S. Among other things, the study explores the possibility of increased federal regulation to achieve national uniformity, and the prospect of increased cooperation of the states to achieve this objective.

International Regulation

We are subject to regulation and supervision of our international operations in various jurisdictions. These regulations, which vary depending on the jurisdiction, include anti-corruption laws; solvency and market conduct regulations; various privacy, insurance, tax, tariff and trade laws and regulations; and corporate, employment, intellectual property and investment laws and regulations.

In addition to the U.S., the Company operates in Canada, the U.K., Ireland, Argentina, Brazil, Puerto Rico, Chile, Germany, Spain, Italy, Mexico and China and our businesses are supervised by local regulatory authorities of these jurisdictions. We also have business activities in Peru, Ecuador and Colombia where we have gained access to these markets by registering certain entities to act as reinsurers.

Our operations in the U.K., for example, are currently subject to regulation by the Financial Conduct Authority and Prudential Regulation Authority. Authorized insurers are generally permitted to operate throughout the rest of the European Union, subject to satisfying certain requirements of these regulatory bodies and meeting additional local regulatory requirements.

We are also subject to certain U.S. and foreign laws applicable to businesses generally, including anti-corruption laws. The Foreign Corrupt Practices Act of 1977 (the "FCPA") regulates U.S. companies in their dealings with foreign officials, prohibiting bribes and similar practices. In addition, the U.K. Anti-Bribery Act, which became effective during 2011, has wide jurisdiction over certain activities that affect the U.K.

Securities and Corporate Governance Regulation

As a company with publicly-traded securities, Assurant is subject to certain legal and regulatory requirements applicable generally to public companies, including the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE") relating to public reporting and disclosure, accounting and financial reporting, and corporate governance matters. Additionally, Assurant, Inc. is subject to the corporate governance laws of Delaware, its state of incorporation.

Environmental Regulation

Because we own and operate real property, we are subject to federal, state and local environmental laws. Potential environmental liabilities and costs in connection with any required remediation of such properties is an inherent risk in property ownership and operation. Under the laws of several states, contamination of a property may give rise to a lien on the property to secure recovery of the costs of the cleanup, which could have priority over the lien of an existing mortgage against the property and thereby impair our ability to foreclose on that property should the related loan be in default. In addition, under certain circumstances, we may be liable for the costs of addressing releases or threatened releases of hazardous substances at properties securing mortgage loans held by us.

Other Information

Customer Concentration

No one customer or group of affiliated customers accounts for 10% or more of the Company's consolidated revenues.

Employees

We had approximately 16,600 employees as of February 14, 2014. Assurant Solutions has employees in Argentina, Brazil, Italy, Spain and Mexico that are represented by labor unions and trade organizations. We believe that employee relations are satisfactory.

Sources of Liquidity

For a discussion of the Company's sources and uses of funds, see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," and Note 14 to the Consolidated Financial Statements contained elsewhere in this report.

Taxation

For a discussion of tax matters affecting the Company and its operations, see Note 7 to the Consolidated Financial Statements contained elsewhere in this report.

Financial Information about Reportable Business Segments

For financial information regarding reportable business segments of the Company, see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 21 to the Consolidated Financial Statements contained elsewhere in this report.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, the Statements of Beneficial Ownership of Securities on Forms 3, 4 and 5 for our Directors and Officers and all amendments to such reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge through the SEC website at *www.sec.gov*. These documents are also available free of charge through the Investor Relations page of our website (*www.assurant.com*) as soon as reasonably practicable after filing. Other information found on our website is not part of this or any other report filed with or furnished to the SEC.

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.

Risks Related to Our Company

Our revenues and profits may decline if we were unable to maintain relationships with significant clients, distributors and other parties important to the success of our business.

The success of our business depends largely on our relationships and contractual arrangements with significant clients—including mortgage servicers, lenders, mobile device carriers, retailers, OEMs and others—and with brokers, agents and other parties. Many of these arrangements are exclusive and some rely on preferred provider or similar relationships. For example, in Assurant Solutions, we have important relationships with mobile device carriers, retailers and financial and other institutions through which we distribute our products, including an exclusive distribution relationship with SCI relating to the distribution of our preneed insurance policies. In Assurant Specialty Property, we have exclusive relationships with certain mortgage lenders and manufactured housing lenders and property managers, and we are eligible to insure properties securing loans guaranteed by or sold to government-sponsored entities ("GSEs") and serviced by the mortgage loan servicers with whom we do business. In Assurant Health, we have exclusive distribution relationships for our individual health insurance products with a major mutual insurance company as well as a relationship with a well-known association through which we provide many of our individual health insurance products. We also have a new provider network arrangement with a national PPO network. We also maintain contractual relationships with several separate networks of health and dental care providers through which we obtain discounts. In Assurant Employee Benefits, we have relationships through DRMS with group insurance carriers to reinsure their disability and life insurance product offerings. Typically, these relationships and contractual arrangements have terms ranging from one to five years.

We have generally been successful in maintaining our clients, distribution and associated relationships. Nevertheless, if our key clients, intermediaries or others terminate these arrangements, or renew these contracts on terms less favorable to us, our cash flows, results of operations and financial condition could be materially adversely affected. For example, in our lender-placed insurance business, the change in requirements for eligibility to insure properties securing loans of GSEs—and restrictions imposed by state regulators—could affect our ability to do business with certain mortgage loan servicers or the volume or profitability of such business. In addition, the transfer by mortgage servicer clients of loan portfolios to other carriers could materially reduce our revenues and profits from this business. In our Assurant Health and Assurant Employee Benefits segments, a loss of one or more of the discount arrangements with PPOs could lead to higher medical or dental costs and/or a loss of members to other medical or dental plans.

We are also subject to the risk that these parties may face financial difficulties, reputational issues or problems with respect to their own products and services or regulatory restrictions that may lead to decreased sales of our products and services. Moreover, if one or more of our clients or distributors consolidate or align themselves with other companies, we may lose significant business, resulting in material decreases in revenues and profits.

We face significant competitive pressures in our businesses, which could affect our results of operations.

We compete for customers and distributors with many insurance companies and other financial services companies for business and individual customers, employer and other group customers, agents, brokers and other distribution relationships. Some of our competitors may offer a broader array of products than our subsidiaries or have a greater diversity of distribution resources, better brand recognition, more competitive pricing, lower costs, greater financial strength, more resources, or higher ratings.

Many of our insurance products, particularly our group benefits and group health insurance policies, are underwritten annually. There is a risk that group purchasers may be able to obtain more favorable terms from competitors, rather than renewing coverage with us. As a result, competition may adversely affect the persistency of our policies, as well as our ability to sell products. In addition, some of our competitors may price their products below ours, putting us at a competitive disadvantage and potentially adversely affecting our revenues and results of operations.

New competition could also cause the supply of insurance to change, which could affect our ability to price our products at attractive rates and thereby adversely affect our underwriting results. Although there are some impediments facing potential competitors who wish to enter the markets we serve, the entry of new competitors into our markets can occur, affording our customers significant flexibility in moving to other insurance providers.

In our lender-placed insurance business, we use a proprietary insurance-tracking administration system linked with the administrative systems of our clients to monitor the clients' mortgage portfolios to verify the existence of insurance on each mortgaged property and identify those that are uninsured. If, in addition to our current competitors, others in this industry develop a competing system or equivalent administering capabilities, this could reduce the revenues and results of operations in this business.

Sales of our products and services may be reduced if we are unable to attract and retain sales representatives or to develop and maintain distribution sources.

We distribute many of our insurance products and services through a variety of distribution channels, including independent employee benefits specialists, brokers, managing general agents, life agents, financial institutions, mortgage lenders and servicers, retailers, funeral homes, association groups and other third-party marketing organizations.

Our relationships with these distributors are significant both for our revenues and profits. We do not distribute our insurance products and services through captive or affiliated agents. In Assurant Health, we depend in large part on the services of independent agents and brokers and on associations in the marketing of our products. In Assurant Employee Benefits, independent agents and brokers who act as advisors to our customers market and distribute our products. There is intense competition between insurers to form relationships with agents and brokers of demonstrated ability. We compete with other insurers for relationships with agents, brokers, and other intermediaries primarily on the basis of our financial position, support services, product features and, more generally, through our ability to meet the needs of their clients, our customers. Independent agents and brokers are typically not exclusively dedicated to us, but instead usually also market the products of our competitors and therefore we face continued competition from our competitors' products. Moreover, our ability to market our products and services depends on our ability to tailor our channels of distribution to comply with changes in the regulatory environment in which we and such agents and brokers operate.

We have our own sales representatives whose distribution process varies by segment. We depend in large part on our sales representatives to develop and maintain client relationships. Our inability to attract and retain effective sales representatives could materially adversely affect our results of operations and financial condition.

The minimum loss ratios imposed by the Affordable Care Act compelled health insurers, including Assurant Health, to decrease broker commission levels beginning in 2011. Although the Company believes that its revised commission schedules are competitive with those of other health insurers, modifications to these commission arrangements could pressure Assurant Health's distribution relationships and ability to attract new brokers and agents, a circumstance that could materially adversely affect Assurant Health's results of operations. In addition, many of the agents and brokers who distribute Assurant Employee Benefits products depend largely on sales of health insurance. To the extent that some of them decide to pursue other occupations, the resulting loss of distribution could have a material adverse impact on the sales of Assurant Employee Benefits' products.

General economic, financial market and political conditions may materially adversely affect our results of operations and financial condition. Particularly, difficult conditions in financial markets and the global economy may negatively affect the results of all of our business segments.

General economic, financial market and political disruptions could have a material adverse effect on our results of operations and financial condition. Limited availability of credit, deteriorations of the global mortgage and real estate markets, declines in consumer confidence and consumer spending, increases in prices or in the rate of inflation, continuing high unemployment, or disruptive geopolitical events could contribute to increased volatility and diminished expectations for the economy and the financial markets, including the market for our stock. These conditions could also affect all of our business segments. Specifically, during periods of economic downturn:

- individuals and businesses may (i) choose not to purchase our insurance products, warranties and other related products and services, (ii) terminate existing policies or contracts or permit them to lapse, (iii) choose to reduce the amount of coverage they purchase, and (iv) in the case of business customers of Assurant Health or Assurant Employee Benefits, have fewer employees requiring insurance coverage due to reductions in their staffing levels;
- clients are more likely to experience financial distress or declare bankruptcy or liquidation which could have an adverse impact on the remittance of premiums from such clients as well as the collection of receivables from such clients for items such as unearned premiums;
- disability insurance claims and claims on other specialized insurance products tend to rise;
- there is a higher loss ratio on credit card and installment loan insurance due to rising unemployment and disability levels;
- there is an increased risk of fraudulent insurance claims;
- insureds tend to increase their utilization of health and dental benefits if they anticipate becoming unemployed or losing benefits; and
- substantial decreases in loan availability and origination could reduce the demand for credit insurance that we write or debt cancellation or debt deferment products that we administer, and on the placement of hazard insurance under our lender-placed insurance programs.

General inflationary pressures may affect the costs of medical and dental care, as well as repair and replacement costs on our real and personal property lines, increasing the costs of paying claims. Inflationary pressures may also affect the costs associated with our preneed insurance policies, particularly those that are guaranteed to grow with the Consumer Price Index (or "CPI"). Conversely, deflationary pressures may affect the pricing of our products.

Additionally, continued uncertainty surrounding the U.S. Federal Reserve's monetary policy could adversely affect the U.S. and global economy.

Catastrophe losses, including man-made catastrophe losses, could materially reduce our profitability and have a material adverse effect on our results of operations and financial condition.

Our insurance operations expose us to claims arising out of catastrophes, particularly in our homeowners, life and other health insurance businesses. We have experienced, and expect to experience, catastrophe losses that materially reduce our profitability or have a material adverse effect on our results of operations and financial condition. Catastrophes can be caused by various natural events, including, but not limited to, hurricanes, windstorms, earthquakes, hailstorms, floods, severe winter weather, fires, epidemics and the long-term effects of climate change, or can be man-made catastrophes, including terrorist attacks or accidents such as airplane crashes. While the frequency and severity of catastrophes are inherently unpredictable, increases in the value and geographic concentration of insured property, the geographic concentration of insured lives, and the effects of inflation could increase the severity of claims from future catastrophes.

Catastrophe losses can vary widely and could significantly exceed our expectations. They may cause substantial volatility in our financial results for any fiscal quarter or year and could materially reduce our profitability or materially adversely affect our financial condition. Our ability to write new business also could be affected.

Accounting rules do not permit insurers to reserve for such catastrophic events before they occur. In addition, the establishment of appropriate reserves, including reserves for catastrophes, is an inherently uncertain and complex process. The ultimate cost of losses may vary materially from recorded reserves and such variance may have a material adverse effect on our results of operations and financial condition.

If the severity of an event were sufficiently high (for example, in the event of an extremely large catastrophe), it could exceed our reinsurance coverage limits and could have a material adverse effect on our results of operations and financial condition. We may also lose premium income due to a large-scale business interruption caused by a catastrophe combined with legislative or regulatory reactions to the event.

We use catastrophe modeling tools that help estimate our exposure to such events, but these tools are based on historical data and other assumptions that may provide projections that are materially different from the actual events.

Because Assurant Specialty Property's lender-placed homeowners and lender-placed manufactured housing insurance products are designed to automatically provide property coverage for client portfolios, our concentration in certain catastrophe-prone states like Florida, California, Texas and New York may increase. Furthermore, the withdrawal of other insurers from these or other states may lead to adverse selection and increased use of our products in these areas and may negatively affect our loss experience.

The exact impact of the physical effects of climate change is uncertain. It is possible that changes in the global climate may cause long-term increases in the frequency and severity of storms, resulting in higher catastrophe losses, which could materially affect our results of operations and financial condition.

Our group life and health insurance operations could be materially impacted by catastrophes such as a terrorist attack, a natural disaster, a pandemic or an epidemic that causes a widespread increase in mortality or disability rates or that causes an increase in the need for medical care. In addition, with respect to our preneed insurance policies, the average age of policyholders is approximately 73 years. This group is more susceptible to certain epidemics than the overall population, and an epidemic resulting in a higher incidence of mortality could have a material adverse effect on our results of operations and financial condition.

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.

Ratings are important considerations in establishing the competitive position of insurance companies. A.M. Best rates most of our domestic operating insurance subsidiaries. Moody's rates six of our domestic operating insurance subsidiaries and S&P rates seven of our domestic operating insurance subsidiaries. These ratings are subject to periodic review by A.M. Best, Moody's, and S&P, and we cannot assure that we will be able to retain them. Moody's currently has a negative outlook on two of our life and health insurance subsidiaries primarily citing the adverse revenue and earnings pressures of the Affordable Care Act on these subsidiaries.

Rating agencies may change their methodology or requirements for determining ratings, or they may become more conservative in assigning ratings. Rating agencies or regulators could also increase capital requirements for the Company or its subsidiaries. Any reduction in our ratings could materially adversely affect the demand for our products from intermediaries and consumers and materially adversely affect our results. In addition, any reduction in our financial strength ratings could materially adversely affect our cost of borrowing.

As of December 31, 2013, contracts representing approximately 20% of Assurant Solutions' and 27% of Assurant Specialty Property's net earned premiums and fee income contain provisions requiring the applicable subsidiaries to maintain minimum A.M. Best financial strength ratings ranging from "A" or better to "B" or better, depending on the contract. Our clients may terminate these contracts or fail to renew them if the subsidiaries' ratings fall below these minimums.

Additionally, certain contracts in the DRMS business, representing approximately 5% of Assurant Employee Benefits' net earned premiums for the year ended December 31, 2013 contain provisions requiring the applicable subsidiaries to maintain minimum A.M. Best financial strength ratings of "A-" or better. DRMS clients may terminate the agreements and, in some instances, recapture in-force business if the ratings of applicable subsidiaries fall below "A-". Similarly, distribution and service agreements representing approximately 19% of Assurant Health's earned premiums gross of rebates for the year ended December 31, 2013 contain provisions requiring the applicable subsidiaries to maintain minimum A.M. Best financial strength ratings of "A-" or better, for the distribution agreements, or "B+" or better, for the service agreement. If the ratings of applicable Assurant Health subsidiaries fall below these threshold ratings levels, distribution and service partners could terminate their agreements. Termination or failure to renew these agreements could materially and adversely affect our results of operations and financial condition.

We face risks associated with our international operations.

Our international operations face political, legal, operational and other risks that we may not face in our domestic operations. For example, we may face the risk of restrictions on currency conversion or the transfer of funds; burdens and costs of compliance with a variety of foreign laws; political or economic instability in countries in which we conduct business, including possible terrorist acts; inflation and foreign exchange rate fluctuations; diminished ability to enforce our contractual rights; differences in cultural environments and unexpected changes in regulatory requirements, including changes in regulatory treatment of certain products; exposure to local economic conditions and restrictions on the withdrawal of non-U.S. investment and earnings; and potentially substantial tax liabilities if we repatriate the cash generated by our international operations back to the U.S.

If our business model is not successful in a particular country, we may lose all or most of our investment in that country. As we continue to expand in select worldwide markets, our business becomes increasingly exposed to these risks identified above, particularly in Latin America, where certain countries have recently experienced economic instability.

In addition, as we engage with international clients, we have made certain up-front commission payments and similar cash outlays, which we may not recover if the business does not materialize as we expect. These up-front payments are typically supported by various protections, such as letters of guarantee, but we may not recover our initial outlays and other amounts owed to us fully or timely. As our international business grows, we rely increasingly on fronting carriers or intermediaries in certain other countries to maintain their licenses and product approvals, satisfy local regulatory requirements and continue in business.

For information on the significant international regulations that apply to our Company, please see Item 1, "Business—Regulation—International Regulation."

Fluctuations in the exchange rate of the U.S. dollar and other foreign currencies may materially and adversely affect our results of operations.

While most of our costs and revenues are in U.S. dollars, some are in other currencies. Because our financial results in certain countries are translated from local currency into U.S. dollars upon consolidation, the results of our operations may be affected by foreign exchange rate fluctuations. We do not currently hedge foreign currency risk. If the U.S. dollar weakens against the local currency, the translation of these foreign-currency-denominated balances will result in increased net assets, net revenue, operating expenses, and net income or loss. Similarly, our net assets, net revenue, operating expenses, and net income or loss will decrease if the U.S. dollar strengthens against local currency. For example, Argentina, a country in which Assurant Solutions operates, is currently undergoing a currency crisis. These fluctuations in currency exchange rates may result in gains or losses that materially and adversely affect our results of operations.

An impairment of goodwill or other intangible assets could materially affect our results of operations and book value.

Goodwill represented $784,561 of our $29,714,689 in total assets as of December 31, 2013. We review our goodwill annually in the fourth quarter for impairment or more frequently if circumstances indicating that the asset may be impaired exist. Such circumstances could include a sustained significant decline in our share price, a decline in our actual or expected future cash flows or income, a significant adverse change in the business climate, or slower growth rates, among others. Circumstances such as those mentioned above could trigger an impairment of some or all of the remaining goodwill on our balance sheet, which could have a material adverse effect on our profitability and book value per share. For more information on our annual goodwill impairment testing and the goodwill of our segments, please see "Item 7—MD&A—Critical Factors Affecting Results—Value and Recoverability of Goodwill." In addition, other intangible assets collectively represented $354,636 of our total assets as of December 31, 2013, and an impairment of these other intangible assets could have a material adverse effect on our profitability and book value per share.

Our actual claims losses may exceed our reserves for claims, and this may require us to establish additional reserves that may materially affect our results of operations, profitability and capital.

We maintain reserves to cover our estimated ultimate exposure for claims and claim adjustment expenses with respect to reported claims and incurred but not reported claims ("IBNR") as of the end of each accounting period. Whether calculated under GAAP, Statutory Accounting Principles ("SAP") or accounting principles applicable in foreign jurisdictions, reserves are estimates. Reserving is inherently a matter of judgment; our ultimate liabilities could exceed reserves for a variety of reasons, including changes in macroeconomic factors (such as unemployment and interest rates), case development and other factors. From time to time, we also adjust our reserves, and may adjust our reserving methodology, as these factors and our claims experience changes. Reserve development, changes in our reserving methodology and paid losses exceeding corresponding reserves could have a material adverse effect on our results of operations. Please see "Item 7—Management's Discussion & Analysis—Critical Accounting Policies & Estimates—Reserves" for additional detail on our reserves.

Unfavorable conditions in the capital and credit markets may significantly and adversely affect our access to capital and our ability to pay our debts or expenses.

In previous years, the global capital and credit markets experienced extreme volatility and disruption. In many cases, companies' ability to raise money was severely restricted. Although conditions in the capital and credit markets have improved significantly, they could again deteriorate. Our ability to borrow or raise money is important if our operating cash flow is insufficient to pay our expenses, meet capital requirements, repay debt, pay dividends on our common stock or make investments. The principal sources of our liquidity are insurance premiums, fee income, cash flow from our investment portfolio and liquid assets, consisting mainly of cash or assets that are readily convertible into cash. Sources of liquidity in normal markets also include a variety of short-and long-term instruments.

If our access to capital markets is restricted, our cost of capital could increase, thus decreasing our profitability and reducing our financial flexibility. Our results of operations, financial condition, cash flows and statutory capital position could be materially and adversely affected by disruptions in the capital markets.

The value of our investments could decline, affecting our profitability and financial strength.

Investment returns are an important part of our profitability. Significant fluctuations in the fixed maturity market could impair our profitability, financial condition and cash flows. Our investments are subject to market-wide risks and fluctuations, as well as to risks inherent in particular securities. In addition, certain factors affecting our business, such as volatility of claims experience, could force us to liquidate securities prior to maturity, causing us to incur capital losses. See "Item 7A—Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk."

Market conditions, changes in interest rates, and prolonged periods of low interest rates may materially affect our results.

Recent periods have been characterized by low interest rates. A prolonged period during which interest rates remain at historically low levels may result in lower-than-expected net investment income and larger required reserves. In addition, certain statutory capital requirements are based on formulas or models that consider interest rates and a prolonged period of low interest rates may increase the statutory capital we are required to hold.

Changes in interest rates may materially adversely affect the performance of some of our investments. Interest rate volatility may increase or reduce unrealized gains or unrealized losses in our portfolios. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. Fixed maturity and short-term investments represented 82% of the fair value of our total investments as of December 31, 2013.

The fair market value of the fixed maturity securities in our portfolio and the investment income from these securities fluctuate depending on general economic and market conditions. Because all of our fixed maturity securities are classified as available for sale, changes in the market value of these securities are reflected in our consolidated balance sheets. Their fair market value generally increases or decreases in an inverse relationship with fluctuations in interest rates, while net investment income from fixed-maturity investments increases or decreases directly with interest rates. In addition, actual net investment income and cash flows from investments that carry prepayment risk, such as mortgage-backed and other asset-backed securities may differ from those anticipated at the time of investment as a result of interest rate fluctuations. An increase in interest rates will also decrease the net unrealized gains in our current investment portfolio.

We employ asset/liability management strategies to reduce the adverse effects of interest rate volatility and to increase the likelihood that cash flows are available to pay claims as they become due. Our asset/liability management strategies may fail to eliminate or reduce the adverse effects of interest rate volatility and significant fluctuations in the level of interest rates may have a material adverse effect on our results of operations and financial condition. If our investment portfolio is not appropriately matched with our insurance liabilities, we could also be forced to liquidate investments prior to maturity at a significant loss to pay claims and policyholder benefits.

Our preneed insurance policies are generally whole life insurance policies with increasing death benefits. In extended periods of declining interest rates or rising inflation, there may be compression in the spread between the death benefit growth rates on these policies and the investment income that we can earn, resulting in a negative spread. As a result, declining interest rates or high inflation rates may have a material adverse effect on our results of operations and our overall financial condition. See "Item 7A—Quantitative and Qualitative Disclosures About Market Risk—Inflation Risk" for additional information.

Assurant Employee Benefits calculates reserves for long-term disability and life waiver of premium claims using net present value calculations based on interest rates at the time reserves are established and expectations regarding future interest rates. Waiver of premium refers to a provision in a life insurance policy pursuant to which an insured with a disability that lasts for a specified period no longer has to pay premiums for the duration of the disability or for a stated period, during which time the life insurance coverage continues. If interest rates decline, reserves for open and new claims in Assurant Employee Benefits may need to be calculated using lower discount rates, thereby increasing the net present value of those claims and the required reserves. Depending on the magnitude of the decline, such changes could have a material adverse effect on our results of operations and financial condition. In addition, investment income may be lower than that assumed in setting premium rates.

We may be unable to grow our business as we would like if we cannot find suitable acquisition candidates at attractive prices or integrate them effectively.

We expect acquisitions and new ventures to play a significant role in the growth of some of our businesses. We may not, however, be able to identify suitable acquisition candidates or new venture opportunities or to finance or complete such transactions on acceptable terms. Additionally, the integration of acquired businesses may result in significant challenges, and we may be unable to accomplish such integration smoothly or successfully.

Acquired businesses and new ventures may not provide us with the benefits that we anticipate. Acquisitions entail a number of risks including, among other things, inaccurate assessment of liabilities; difficulties in realizing projected efficiencies, synergies and cost savings; difficulties in integrating systems and personnel; failure to achieve anticipated revenues, earnings or cash flow; an increase in our indebtedness; and a limitation in our ability to access additional capital when needed. Our failure to adequately address these acquisition risks could materially adversely affect our results of operations and financial condition.

Our investment portfolio is subject to various risks that may result in realized investment losses.

We are subject to credit risk in our investment portfolio, primarily from our investments in corporate bonds, preferred stocks, leveraged loans, municipal bonds, and commercial mortgages. Defaults by third parties in the payment or performance of their obligations could reduce our investment income and realized investment gains or result in the continued recognition of investment losses. The value of our investments may be materially adversely affected by increases in interest rates, downgrades in the corporate bonds included in the portfolio and by other factors that may result in the continued recognition of other-than-temporary impairments. Each of these events may cause us to reduce the carrying value of our investment portfolio.

Further, the value of any particular fixed maturity security is subject to impairment based on the creditworthiness of a given issuer. As of December 31, 2013, fixed maturity securities represented 78% of the fair value of our total invested assets. Our fixed maturity portfolio also includes below investment grade securities (rated "BB" or lower by nationally recognized statistical rating organizations). These investments comprise approximately 5% of the fair value of our total investments as of December 31, 2013 and generally provide higher expected returns but present greater risk and can be less liquid than investment grade securities. A significant increase in defaults and impairments on our fixed maturity investment portfolio could materially adversely affect our results of operations and financial condition. See "Item 7A—Quantitative and Qualitative Disclosures About Market Risk—Credit Risk" for additional information on the composition of our fixed maturity investment portfolio.

We currently invest in a small amount of equity securities (approximately 3% of the fair value of our total investments as of December 31, 2013). However, we have had higher percentages in the past and may make more such investments in the future. Investments in equity securities generally provide higher expected total returns but present greater risk to preservation of capital than our fixed maturity investments.

If treasury rates or credit spreads were to increase, the Company may have additional realized and unrealized investment losses and increases in other-than-temporary impairments.

The determination that a security has incurred an other-than-temporary decline in value requires the judgment of management. Inherently, there are risks and uncertainties involved in making these judgments. Changes in facts, circumstances, or critical assumptions could cause management to conclude that further impairments have occurred. This could lead to additional losses on investments. For further details on net investment losses and other-than-temporary-impairments, please see Note 4 to the Consolidated Financial Statements included elsewhere in this report.

Derivative instruments generally present greater risk than fixed maturity investments or equity investments because of their greater sensitivity to market fluctuations. Since August 1, 2003, we have been using derivative instruments to manage the exposure to inflation risk created by our preneed insurance policies that are tied to the CPI. The protection provided by these derivative instruments begins at higher levels of inflation. However, exposure can still exist due to potential differences in the amount of business and the notional amount of the protection. This could have a material adverse effect on our results of operations and financial condition.

Our commercial mortgage loans and real estate investments subject us to liquidity risk.

Our commercial mortgage loans on real estate investments (which represented approximately 10% of the fair value of our total investments as of December 31, 2013) are relatively illiquid. If we require extremely large amounts of cash on short notice, we may have difficulty selling these investments at attractive prices and in a timely manner.

The risk parameters of our investment portfolio may not assume an appropriate level of risk, thereby reducing our profitability and diminishing our ability to compete and grow.

In pricing our products and services, we incorporate assumptions regarding returns on our investments. Accordingly, our investment decisions and objectives are a function of the underlying risks and product profiles of each of our operating segments. Market conditions may not allow us to invest in assets with sufficiently high returns to meet our pricing assumptions and profit targets over the long term. If, in response, we choose to increase our product prices, our ability to compete and grow may be diminished.

Environmental liability exposure may result from our commercial mortgage loan portfolio and real estate investments.

Liability under environmental protection laws resulting from our commercial mortgage loan portfolio and real estate investments may weaken our financial strength and reduce our profitability. For more information, please see Item 1, "Business—Regulation—Environmental Regulation."

Unanticipated changes in tax provisions, changes in tax laws or exposure to additional income tax liabilities could materially and adversely affect our results.

In accordance with applicable income tax guidance, the Company must determine whether its ability to realize the value of its deferred tax asset is "more likely than not." Under the income tax guidance, a deferred tax asset should be reduced by a valuation allowance if, based on the weight of all available evidence, it is more likely than not that some portion of the deferred tax asset will not be realized. The realization of deferred tax assets depends upon the existence of sufficient taxable income of the same character during the carryback or carryforward periods.

In determining the appropriate valuation allowance, management made certain judgments relating to recoverability of deferred tax assets, use of tax loss and tax credit carryforwards, levels of expected future taxable income and available tax planning strategies. The assumptions in making these judgments are updated periodically on the basis of current business conditions affecting the Company and overall economic conditions. These management judgments are therefore subject to change due to factors that include, but are not limited to, changes in our ability to realize sufficient taxable income of the same character in the same jurisdiction or in our ability to execute other tax planning strategies. Management will continue to assess and determine the need for, and the amount of, the valuation allowance in subsequent periods. Any change in the valuation allowance could have a material impact on our results of operations and financial condition.

Changes in tax laws could increase our corporate taxes or reduce our deferred tax assets. Certain proposed changes could have the effect of increasing our effective tax rate by reducing deductions or increasing income inclusions. Conversely, other changes, such as lowering the corporate tax rate, could reduce the value of our deferred tax assets.

Failure to protect our clients' confidential information and privacy could harm our reputation, cause us to lose customers, reduce our profitability and subject us to fines, litigation and penalties, and the costs of compliance with privacy and security laws could adversely affect our business.

Our businesses are subject to a variety of privacy regulations and confidentiality obligations. If we do not comply with state and federal privacy and security laws and regulations, or contractual provisions, requiring us to protect confidential information and provide notice to individuals whose information is improperly disclosed, we could experience adverse consequences, including loss of customers and related revenue, regulatory problems (including fines and penalties), harm to our reputation and civil litigation, which could adversely affect our business and results of operations. As have other entities in the insurance industry, we have incurred and will continue to incur substantial costs in complying with the requirements of applicable privacy and security laws. For more information on the privacy and security laws that apply to us, please see Item 1, "Business—Regulation."

The failure to effectively maintain and modernize our information systems could adversely affect our business.

Our business is dependent upon our ability to maintain the effectiveness of existing technology systems, enhance technology to support the Company's business in an efficient and cost-effective manner, and keep current with technological advances, evolving industry and regulatory standards and customer needs. In addition, our ability to keep our systems integrated with those of our clients is critical to the success of our business. If we do not effectively maintain our systems and update them to address technological advancements, our relationships and ability to do business with our clients may be adversely affected. We could also experience other adverse consequences, including unfavorable underwriting and reserving decisions, internal control deficiencies and security breaches resulting in loss of data. System development projects may be more costly or time-consuming than anticipated and may not deliver the expected benefits upon completion.

Failure to successfully manage outsourcing activities could adversely affect our business.

As we continue to improve operating efficiencies across the business, we have outsourced and may outsource selected functions to third parties. We take steps to monitor and regulate the performance of these independent third parties to whom the Company has outsourced these functions. If these third parties fail to satisfy their obligations to the Company as a result of their performance, changes in their operations, financial condition or other matters beyond our control, the Company's operations, information, service standards and data could be compromised. In addition, to the extent the Company outsources selected services or functions to third parties outside the U.S., the Company is exposed to the risks that accompany operations in a foreign jurisdiction, including international economic and political conditions, foreign laws and fluctuations in currency values and, potentially, increased risk of data breaches. For more information on the risks associated with outsourcing to international third parties, please see Item 1A, "Risk Factors—Risks Related to Our Company—*We face risks associated with our international operations.*" If third party providers do not perform as anticipated, we may not fully realize the anticipated economic and other benefits of this outsourcing, which could adversely affect our results of operations and financial condition.

System security risks, data protection breaches and cyber-attacks could adversely affect our business and results of operations.

Our information technology systems are vulnerable to threats from computer viruses, natural disasters, unauthorized access, cyber attack and other similar disruptions. Although we have network security measures in place, experienced computer programmers and hackers may be able to penetrate our network and misappropriate or compromise confidential information, create system disruptions or cause shutdowns.

As an insurer, we receive and are required to protect confidential information from customers, vendors and other third parties that may include personal health or financial information. If any disruption or security breach results in a loss or damage to our data, or inappropriate disclosure of our confidential information or that of others, it could damage to our reputation, affect our relationships with our customers and clients, lead to claims against the Company, result in regulatory action and harm our business. In addition, we may be required to incur significant costs to mitigate the damage caused by any security breach or to protect against future damage.

We may be unable to accurately predict and price for benefits, claims and other costs, which could reduce our profitability.

Our profitability could vary depending on our ability to predict and price for benefits, claims and other costs including, but not limited to, medical and dental costs, disability claims and the frequency and severity of property claims. This ability could be affected by factors such as inflation, changes in the regulatory environment, changes in industry practices, changes in legal, social or environmental conditions, new treatments or technologies. Political or economic conditions can also affect the availability of programs on which our business may rely to accurately predict benefits and claims. The inability to accurately predict and price for benefits, claims and other costs could materially adversely affect our results of operations and financial condition.

Reinsurance may not be available or adequate to protect us against losses, and we are subject to the credit risk of reinsurers.

As part of our overall risk and capacity management strategy, we purchase reinsurance for certain risks underwritten by our various operating segments. Although the reinsurer is liable to us for claims properly ceded under the reinsurance arrangements, we remain liable to the insured as the direct insurer on all risks reinsured. Ceded reinsurance arrangements therefore do not eliminate our obligation to pay claims. We are subject to credit risk with respect to our ability to recover amounts due from reinsurers. The inability to collect amounts due from reinsurers could materially adversely affect our results of operations and our financial condition.

Reinsurance for certain types of catastrophes could become unavailable or prohibitively expensive for some of our businesses. In such a situation, we might also be adversely affected by state regulations that prohibit us from excluding catastrophe exposures or from withdrawing from or increasing premium rates in catastrophe-prone areas.

Our reinsurance facilities are generally subject to annual renewal. We may not be able to maintain our current reinsurance facilities and, even where highly desirable or necessary, we may not be able to obtain other reinsurance facilities in adequate amounts and at favorable rates. Inability to obtain reinsurance at favorable rates or at all could cause us to reduce the level of our underwriting commitments, to take more risk, or to incur higher costs. These developments could materially adversely affect our results of operations and financial condition.

We have sold businesses through reinsurance that could again become our direct financial and administrative responsibility if the purchasing companies were to become insolvent.

In the past, we have sold, and in the future we may sell, businesses through reinsurance ceded to third parties. For example, in 2001 we sold the insurance operations of our Fortis Financial Group ("FFG") division to The Hartford Financial Services Group, Inc. ("The Hartford") and in 2000 we sold our Long Term Care ("LTC") division to John Hancock Life Insurance Company ("John Hancock"), now a subsidiary of Manulife Financial Corporation. Most of the assets backing reserves coinsured under these sales are held in trusts or separate accounts. However, if the reinsurers became insolvent, we would be exposed to the risk that the assets in the trusts and/or the separate accounts would be insufficient to support the liabilities that would revert to us.

In January 2013, The Hartford sold its Individual Life Operations to Prudential Financial, Inc. ("Prudential"). Included in this transaction are the individual life policies remaining in force that were originally transferred to The Hartford as part of the sale of FFG. The assets backing the reserves coinsured from The Hartford to Prudential continue to be held in trusts or separate accounts, and we are subject to the risk that the trust and/or separate account assets are insufficient to support the liabilities that would revert to us. Although The Hartford remains responsible for the sufficiency of the assets backing the reserves, we face risks related to any administrative system changes Prudential implements in administering the business.

The A.M. Best ratings of The Hartford and John Hancock are currently A– and A+, respectively. A.M. Best currently maintains a stable outlook on both The Hartford's and John Hancock's financial strength ratings.

We also face the risk of again becoming responsible for administering these businesses in the event of reinsurer insolvency. We do not currently have the administrative systems and capabilities to process these businesses. Accordingly, we would need to obtain those capabilities in the event of an insolvency of one or more of the reinsurers. We might be forced to obtain such capabilities on unfavorable terms with a resulting material adverse effect on our results of operations and financial condition. In addition, third parties to whom we have sold businesses in the past may in turn sell these businesses to other third parties, and we could face risks related to the new administrative systems and capabilities of these third parties in administering these businesses.

For more information on these arrangements, including the reinsurance recoverables and risk mitigation mechanisms used, please see “Item 7A—Quantitative and Qualitative Disclosures About Market Risks—Credit Risk.”

Due to the structure of our commission program, we are exposed to risks related to the creditworthiness and reporting systems of some of our agents, third party administrators and clients in Assurant Solutions and Assurant Specialty Property.

We are subject to the credit risk of some of the clients and agents with which we contract in Assurant Solutions and Assurant Specialty Property. For example, we advance agents’ commissions as part of our preneed insurance product offerings. These advances are a percentage of the total face amount of coverage. There is a one-year payback provision against the agency if death or lapse occurs within the first policy year. If SCI, which receives the largest shares of such agent commissions, were unable to fulfill its payback obligations, this could have an adverse effect on our operations and financial condition.

In addition, some of our clients, third party administrators and agents collect and report premiums or pay claims on our behalf. These parties’ failure to remit all premiums collected or to pay claims on our behalf on a timely and accurate basis could have an adverse effect on our results of operations.

The inability of our subsidiaries to pay sufficient dividends to the holding company could prevent us from meeting our obligations and paying future stockholder dividends.

As a holding company whose principal assets are the capital stock of our subsidiaries, Assurant, Inc. relies primarily on dividends and other statutorily permissible payments from our subsidiaries to meet our obligations for payment of interest and principal on outstanding debt obligations, to repurchase shares, to acquire new businesses and to pay dividends to stockholders and corporate expenses. The ability of our subsidiaries to pay dividends and to make such other payments depends on their statutory surplus, future statutory earnings, rating agency requirements and regulatory restrictions. Except to the extent that Assurant, Inc. is a creditor with recognized claims against our subsidiaries, claims of the subsidiaries’ creditors, including policyholders, have priority over creditors’ claims with respect to the assets and earnings of the subsidiaries. If any of our subsidiaries should become insolvent, liquidate or otherwise reorganize, our creditors and stockholders will have no right to proceed against their assets or to cause the liquidation, bankruptcy or winding-up of the subsidiary under applicable liquidation, bankruptcy or winding-up laws. The applicable insurance laws of the jurisdiction where each of our insurance subsidiaries is domiciled would govern any proceedings relating to that subsidiary, and the insurance authority of that jurisdiction would act as a liquidator or rehabilitator for the subsidiary. Both creditors and policyholders of the subsidiary would be entitled to payment in full from the subsidiary’s assets before Assurant, Inc., as a stockholder, would be entitled to receive any distribution from the subsidiary.

The payment of dividends by any of our regulated domestic insurance company subsidiaries in excess of specified amounts (i.e., extraordinary dividends) must be approved by the subsidiary’s domiciliary state department of insurance. Ordinary dividends, for which no regulatory approval is generally required, are limited to amounts determined by a formula, which varies by state. The formula for the majority of the states in which our subsidiaries are domiciled is based on the prior year’s statutory net income or 10% of the statutory surplus as of the end of the prior year. Some states limit ordinary dividends to the greater of these two amounts, others limit them to the lesser of these two amounts and some states exclude prior year realized capital gains from prior year net income in determining ordinary dividend capacity. Some states have an additional stipulation that dividends may only be paid out of earned surplus. If insurance regulators determine that payment of an ordinary dividend or any other payments by our insurance subsidiaries to us (such as payments under a tax sharing agreement or payments for employee or other services) would be adverse to policyholders or creditors, they may block such payments that would otherwise be permitted without prior approval. Future regulatory actions could further restrict the ability of our insurance subsidiaries to pay dividends. For more information on the maximum amount our subsidiaries could pay us in 2013 without regulatory approval, see “Item 5—Market For Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Dividend Policy.”

Assurant, Inc.’s credit facilities also contain limitations on our ability to pay dividends to our stockholders if we are in default or such dividend payments would cause us to be in default of our obligations under the credit facilities.

Any additional material restrictions on the ability of insurance subsidiaries to pay dividends could adversely affect Assurant, Inc.’s ability to pay any dividends on our common stock and/or service our debt and pay our other corporate expenses.

The success of our business strategy depends on the continuing service of key executives and the members of our senior management team, and any failure to adequately provide for the succession of senior management and other key executives could have an adverse effect on our results of operations.

Our business and results of operations could be adversely affected if we fail to adequately plan for and successfully carry out the succession of our senior management and other key executives.

Risks Related to Our Industry

We are subject to extensive laws and regulations, which increase our costs and could restrict the conduct of our business.

Our insurance and other subsidiaries are subject to extensive regulation and supervision in the jurisdictions in which they do business. Such regulation is generally designed to protect the interests of policyholders or other customers. To that end, the laws of the various states and other jurisdictions establish insurance departments and other regulatory bodies with broad powers over, among other things: licensing and authorizing the transaction of business; capital, surplus and dividends; underwriting limitations; companies' ability to enter and exit markets; statutory accounting and other disclosure requirements; policy forms; coverage; companies' ability to provide, terminate or cancel certain coverages; premium rates, including regulatory ability to disapprove or reduce the premium rates companies may charge; trade and claims practices; certain transactions between affiliates; content of disclosures to consumers; type, amount and valuation of investments; assessments or other surcharges for guaranty funds and companies' ability to recover assessments through premium increases; and market conduct and sales practices.

For a discussion of various laws and regulations affecting our business, please see Item 1, "Business—Regulation."

If regulatory requirements impede our ability to conduct certain operations, our results of operations and financial condition could be materially adversely affected. In addition, we may be unable to maintain all required licenses and approvals and our business may not fully comply with the wide variety of applicable laws and regulations or the relevant regulators' interpretation of these laws and regulations. In such events, the insurance regulatory authorities could preclude us from operating, limit some or all of our activities, or fine us. Such actions could materially adversely affect our results of operations and financial condition.

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:

- actions by regulatory authorities that may restrict our ability to increase or maintain our premium rates, require us to reduce premium rates, imposes fine or penalties and result in other expenses;
- market conduct examinations, for which we are required to pay the expenses of the regulator as well as our own expenses, and which may result in fines, penalties, or other adverse consequences;
- disputes regarding our lender-placed insurance products including those relating to rates, agent compensation, consumer disclosure, continuous coverage requirements, loan tracking services and other services that we provide to mortgage servicers;
- disputes over coverage or claims adjudication;
- 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;
- disputes alleging bundling of credit insurance and warranty 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.

The premiums we charge are subject to review by regulators. If they consider our loss ratios to be too low, they could require us to reduce our rates. Significant rate reductions could materially reduce our profitability.

On October 7, 2013, American Security Insurance Company ("ASIC"), a wholly owned subsidiary of the Company, reached an agreement with the Florida Office of Insurance Regulation ("FOIR") to file for a 10% reduction in lender-placed hazard insurance rates in that state. Once filed and approved, these rates will be effective for new and renewing policies starting in first quarter 2014. As part of the agreement, ASIC will eliminate commissions and client quota-share reinsurance arrangements to meet new requirements of lender-placed insurance providers in Florida. These new lender-placed practices are expected to take effect one year following the agreement. ASIC recorded approximately $547,000 and $510,000 of direct earned premiums in Florida for full year 2013 and 2012, respectively, for the type of policies that are subject to the rate reduction.

In addition, on March 21, 2013, the Company and two of its wholly owned subsidiaries, ASIC and American Bankers Insurance Company of Florida ("ABIC"), reached an agreement with the New York Department of Financial Services ("NYDFS") regarding the Company's lender-placed insurance business in the State of New York. Under the terms of the agreement, and without admitting or denying any wrongdoing, ASIC made a $14,000 (non tax-deductible) settlement payment to the NYDFS. In addition, among other things, ASIC and ABIC agreed to modify certain business practices in accordance with requirements that apply to all New York-licensed lender-placed insurers of properties in the state, and filed our new lender-placed program and new rates in New York. Proposed 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 $101,000 and $79,000 of Assurant Specialty Property's net earned premiums for full year 2013 and 2012, respectively.

In October 2012, ASIC reached an agreement with the California Department of Insurance to reduce premium rates for lender-placed hazard insurance products by 30.5%. The rate reduction reflects factors specific to California such as continued favorable loss experience in the state and different assumptions about future experience compared to our previous rate filing. The new rates in California began to apply to policies newly issued or renewed with effective dates on or after January 19, 2013. ASIC recorded approximately $106,000 and $111,000 of net earned premiums ($99,000 and $154,000 of gross written premium) in California for the type of policies that are subject to the rate reduction for full year 2013 and 2012, respectively.

Lender-placed insurance products accounted for approximately 73% and 71% of Assurant Specialty Property's net earned premiums for full year 2013 and 2012, respectively. The approximate corresponding contributions to segment net income in these periods were 87% and 90%, 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. In addition, we expect placement rates for these products to decline.

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 been engaged in discussions and proceedings with certain state regulators regarding our lender-placed insurance business. The results of such reviews may vary. 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 further reviews by state departments of insurance lead to significant decreases in premium rates for the Company's lender-placed insurance products, our results of operations could be materially adversely affected.

Further, actions by certain regulators—including but not limited to the NYDFS, FOIR and Federal Housing Finance Agency ("FHFA")—may cause changes to the structure of the lender-placed insurance industry, including the arrangements under which we issue insurance and track coverage on mortgaged properties. These changes could materially adversely affect the results of operations of Assurant Specialty Property and the results of operations and financial condition of the Company.

In addition, the Company is involved in a variety of litigation relating to its current and past business operations and may from time to time become involved in other such actions. In particular, the Company is a defendant in class actions in a number of jurisdictions regarding its lender-placed insurance programs. These cases allege a variety of claims under a number of legal theories. The plaintiffs seek premium refunds and other relief. The Company continues to defend itself vigorously in these class actions.

We may participate in settlements on terms that we consider reasonable in light of the strength of our defenses; however, the results of any pending or future litigation and regulatory proceedings are inherently unpredictable and involve significant uncertainty. 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 litigation. In addition, certain of our clients in the mortgage and credit card and banking industries are the subject of various regulatory investigations and litigation regarding mortgage lending practices, credit insurance, debt-deferment and debt cancelation products, and the sale of ancillary products, which could indirectly affect our businesses.

Changes in regulation may reduce our profitability and limit our growth.

Legislation or other regulatory reform that increases the regulatory requirements imposed on us or that changes the way we are able to do business may significantly harm our business or results of operations in the future. If we were unable for any reason to comply with these requirements, it could result in substantial costs to us and may materially adversely affect our results of operations and financial condition.

In addition, new interpretations of existing laws, or new judicial decisions affecting the insurance industry, could adversely affect our business.

Legislative or regulatory changes that could significantly harm our subsidiaries and us include, but are not limited to:

- imposed reductions on premium levels, limitations on the ability to raise premiums on existing policies, or new minimum loss ratios;
- increases in minimum capital, reserves and other financial viability requirements;
- enhanced or new regulatory requirements intended to prevent future financial crises or to otherwise ensure the stability of institutions;
- new licensing requirements;
- restrictions on the ability to offer certain types of insurance products;
- prohibitions or limitations on provider financial incentives and provider risk-sharing arrangements;

- more stringent standards of review for claims denials or coverage determinations;
- additional guaranteed-issue requirements restricting our ability to limit or deny coverage;
- new benefit mandates;
- increased regulation relating to lender-placed insurance;
- limitations on our ability to build appropriate provider networks and, as a result, manage health care and utilization due to "any willing provider" legislation, which requires us to take any provider willing to accept our reimbursement;
- limitations on the ability to manage health care and utilization due to direct access laws that allow insureds to seek services directly from specialty medical providers without referral by a primary care provider;
- new or enhanced regulatory requirements that require insurers to pay claims on terms other than those mandated by underlying policy contracts; and
- restriction of solicitation of insurance consumers by funeral board laws for prefunded funeral insurance coverage.

In recent years, significant attention has been focused on the procedures that life insurers follow to identify unreported death claims. In November 2011, the National Conference of Insurance Legislators ("NCOIL") proposed a model rule that would govern unclaimed property policies for insurers and mandate the use of the U.S. Social Security Administration's Death Master File (the "Death Master File") to identify deceased policyholders and beneficiaries. Certain state insurance regulators have also focused on this issue. For example, the NYDFS issued a letter requiring life insurers doing business in New York to use data from the Death Master File to search proactively for deceased policyholders and to pay claims without the receipt of a valid claim by or on behalf of a beneficiary. The Company evaluated the impact of the NCOIL model rule and established reserves for additional claim liabilities in certain of its businesses. For example, in 2011, the Company increased reserves in its preneed business by $7,500 for unreported claims. It is possible that existing reserves may be inadequate and need to be increased and/or that the Company may be required to establish reserves for businesses the Company does not currently believe are subject to the NCOIL model rule or any similar regulatory requirement. In addition, it is possible that these regulators or regulators in other states may adopt regulations similar to the NCOIL model rule or to the requirements imposed by the NYDFS.

In addition, regulators in certain states have hired third party auditors to audit the unclaimed property records of insurance companies operating in those states. Among other companies, the Company is currently subject to these audits in a number of states and has been responding to information requests from these auditors.

Several proposals are currently pending to amend state insurance holding company laws to increase the scope of insurance holding company regulation. These include model laws proposed by the International Association of Insurance Supervisors and the NAIC that provide for uniform standards of insurer corporate governance, group-wide supervision of insurance holding companies, adjustments to risk-based capital ratios, and additional regulatory disclosure requirements for insurance holding companies. In addition, the NAIC has proposed a "Solvency Modernization Initiative" that focuses on capital requirements, corporate governance and risk management, statutory accounting and financial reporting, and reinsurance. Similarly, the Solvency II Directive, which was adopted in the European Union on November 25, 2009 and is expected to become effective in the coming years, reforms the insurance industry's solvency framework, including minimum capital and solvency requirements, governance requirements, risk management and public reporting standards.

Various state and federal regulatory authorities have taken actions with respect to our lender-placed insurance business. As previously disclosed, the Company has been involved in discussions and has reached agreements with certain state regulators regarding its lender-placed insurance business. At the federal level, in early 2013, the CFPB published mortgage servicing guidelines that incorporate certain requirements mandated by the Dodd-Frank Act. In addition, the FHFA issued new mortgage servicer guidelines, which will be effective in June 2014, that will eliminate lender-placed insurance-related commissions and client quota-share arrangements on properties securing GSE loans. At the directive of the FHFA, the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") each issued bulletins in December 2013 implementing these mortgage servicer guidelines.

We cannot predict the full effect of these or any other regulatory initiatives on the Company at this time, but it is possible that they could have a material adverse effect on the Company's results of operations and financial condition.

Reform of the health insurance industry could materially reduce the profitability of certain of our businesses or render them unprofitable.

In March 2010, President Obama signed the Affordable Care Act into law. Provisions of the Affordable Care Act and related reforms have and will continue to become effective at various dates over the next several years and make sweeping and fundamental changes to the U.S. health care system. For more information on the Affordable Care Act and its impact on our Assurant Health and Assurant Employee Benefits segments, please see Item 1, "Business—Regulation—Federal Regulation—Patient Protection and Affordable Care Act."

Among other requirements, the Affordable Care Act requires Assurant Health, for some products, to increase benefits, to limit rescission to cases of intentional fraud and to insure pre-existing conditions in all lines of insurance, among other things. If, for those products, Assurant Health's actual loss ratios fall short of required minimum medical loss ratios (by state and legal entity), we are required to rebate the difference to consumers. Please see "Item 7—Management's Discussion & Analysis—Critical Accounting Estimates—Health Insurance Premium Rebate Liability" for more information about the minimum medical loss ratio and the Company's rebate estimate calculations. In addition, the Affordable Care Act imposes limitations on the deductibility of compensation and certain other payments.

Assurant Health has made, and continues to make, significant changes to its operations and products to adapt to the new environment. However, this segment could be adversely affected if its plans for operating in the new environment are unsuccessful or if there is less demand than we expect for these products in the new environment.

Even after the first open enrollment period, uncertainty remains with respect to a number of provisions of the Affordable Care Act, including with respect to mechanics of the public and private exchanges and the application of the Affordable Care Act's requirements to various types of health insurance plans. In addition, some uncertainty remains surrounding the mechanics of inclusion of pediatric dental coverage in the package of essential health benefits; unfavorable resolution of this uncertainty could decrease revenues in our Assurant Employee Benefits business.

New guidance and regulations have been and continue to be issued under the Affordable Care Act. Any inability of our businesses to adapt to requirements of the Affordable Care Act and any significant continuing uncertainty with respect to its implementation could lead to a material reduction in their profitability.

The insurance and related businesses in which we operate may be subject to periodic negative publicity, which may negatively affect our financial results.

We communicate with and distribute our products and services ultimately to individual consumers. There may be a perception that some of these purchasers may be unsophisticated and in need of consumer protection. Accordingly, from time to time, consumer advocacy groups or the media may focus attention on our products and services, thereby subjecting us to negative publicity.

We may also be negatively affected if another company in one of our industries or in a related industry engages in practices resulting in increased public attention to our businesses. Negative publicity may also result from judicial inquiries, unfavorable outcomes in lawsuits, or regulatory or governmental action with respect to our products, services and industry commercial practices. Negative publicity may cause increased regulation and legislative scrutiny of industry practices as well as increased litigation or enforcement action by civil and criminal authorities. Additionally, negative publicity may increase our costs of doing business and adversely affect our profitability by impeding our ability to market our products and services, constraining our ability to price our products appropriately for the risks we are assuming, requiring us to change the products and services we offer, or increasing the regulatory burdens under which we operate.

The insurance industry can be cyclical, which may affect our results.

Certain lines of insurance that we write can be cyclical. Although no two cycles are the same, insurance industry cycles have typically lasted for periods ranging from two to ten years. In addition, the upheaval in the global economy in recent years has been much more widespread and has affected all the businesses in which we operate. We expect to see continued cyclicality in some or all of our businesses in the future, which may have a material adverse effect on our results of operations and financial condition.

Risks Related to Our Common Stock

Given the recent economic climate, our stock may be subject to stock price and trading volume volatility. The price of our common stock could fluctuate or decline significantly and you could lose all or part of your investment.

In recent years, the stock markets have experienced significant price and trading volume volatility. Company-specific issues and market developments generally in the insurance industry and in the regulatory environment may have caused this volatility. Our stock price could materially fluctuate or decrease in response to a number of events and factors, including but not limited to: quarterly variations in operating results; operating and stock price performance of comparable companies; changes in our financial strength ratings; limitations on premium levels or the ability to maintain or raise premiums on existing policies; regulatory developments and negative publicity relating to us or our competitors. In addition, broad market and industry fluctuations may materially and adversely affect the trading price of our common stock, regardless of our actual operating performance.

Applicable laws, our certificate of incorporation and by-laws, and contract provisions may discourage takeovers and business combinations that some stockholders might consider to be in their best interests.

State laws and our certificate of incorporation and by-laws may delay, defer, prevent or render more difficult a takeover attempt that our stockholders might consider in their best interests. For example, Section 203 of the General Corporation Law of the State of Delaware may limit the ability of an "interested stockholder" to engage in business combinations with us. An interested stockholder is defined to include persons owning 15% or more of our outstanding voting stock. These provisions may also make it difficult for stockholders to replace or remove our directors, facilitating director enhancement that may delay, defer or prevent a change in control. Such provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context.

Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts.

Our certificate of incorporation or by-laws also contain provisions that permit our Board of Directors to issue one or more series of preferred stock, prohibit stockholders from filling vacancies on our Board of Directors, prohibit stockholders from calling special meetings of stockholders and from taking action by written consent, and impose advance notice requirements for stockholder proposals and nominations of directors to be considered at stockholder meetings.

Additionally, applicable state insurance laws may require prior approval of an application to acquire control of a domestic insurer. State statutes generally provide that control over a domestic insurer is presumed to exist when any person directly or indirectly owns, controls, has voting power over, or holds proxies representing, 10% or more of the domestic insurer's voting securities. However, the State of Florida, in which some of our insurance subsidiaries are domiciled, sets this threshold at 5%. Because a person acquiring 5% or more of our common stock would indirectly control the same percentage of the stock of our Florida subsidiaries, the insurance change of control laws of Florida would apply to such transaction and at 10% the laws of many other states would likely apply to such a transaction. Prior to granting such approval, a state insurance commissioner will typically consider such factors as the financial strength of the applicant, the integrity of the applicant's board of directors and executive officers, the applicant's plans for the future operations of the domestic insurer and any anti-competitive results that may arise from the consummation of the acquisition of control.

We may also, under some circumstances involving a change of control, be obligated to repay our outstanding indebtedness under our revolving credit facility and other agreements. We or any possible acquirer may not have available financial resources necessary to repay such indebtedness in those circumstances, which may constitute an event of default resulting in acceleration of indebtedness and potential cross-default under other agreements. The threat of this could have the effect of delaying or preventing transactions involving a change of control, including transactions in which our stockholders would receive a substantial premium for their shares over then-current market prices, or which they otherwise may deem to be in their best interests.

ITEM 1B Unresolved Staff Comments

None.

ITEM 2 Properties

We own eight properties, including five buildings whose locations serve as headquarters for our operating segments, two buildings that serve as operation centers for Assurant Specialty Property and one building that serves as a claims training center for Assurant Specialty Property. Assurant Solutions and Assurant Specialty Property share headquarters buildings located in Miami, Florida and Atlanta, Georgia. Assurant Specialty Property has operations centers located in Florence, South Carolina and Springfield, Ohio. Assurant Solutions' preneed business also has a headquarters building in Rapid City, South Dakota. Assurant Employee Benefits has a headquarters building in Kansas City, Missouri. Assurant Health has a headquarters building in Milwaukee, Wisconsin. We lease office space for various offices and service centers located throughout the U.S. and internationally, including our New York, New York corporate office and our data center in Woodbury, Minnesota. Our leases have terms ranging from month-to-month to twenty-five years. We believe that our owned and leased properties are adequate for our current business operations.

ITEM 3 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 24 to the Notes to Consolidated Financial Statements for a description of certain matters, which description is incorporated herein by reference. Although the Company cannot predict the outcome of any pending or future litigation, examination or investigation, it is possible that the outcome of such matters could have a material adverse effect on the Company's consolidated results of operations or cash flows for an individual reporting period. However, based on currently available information, management does not believe that any pending matter is likely to have a material adverse effect, individually or in the aggregate, on the Company's financial condition.

ITEM 4 Mine Safety Disclosures

Not applicable.

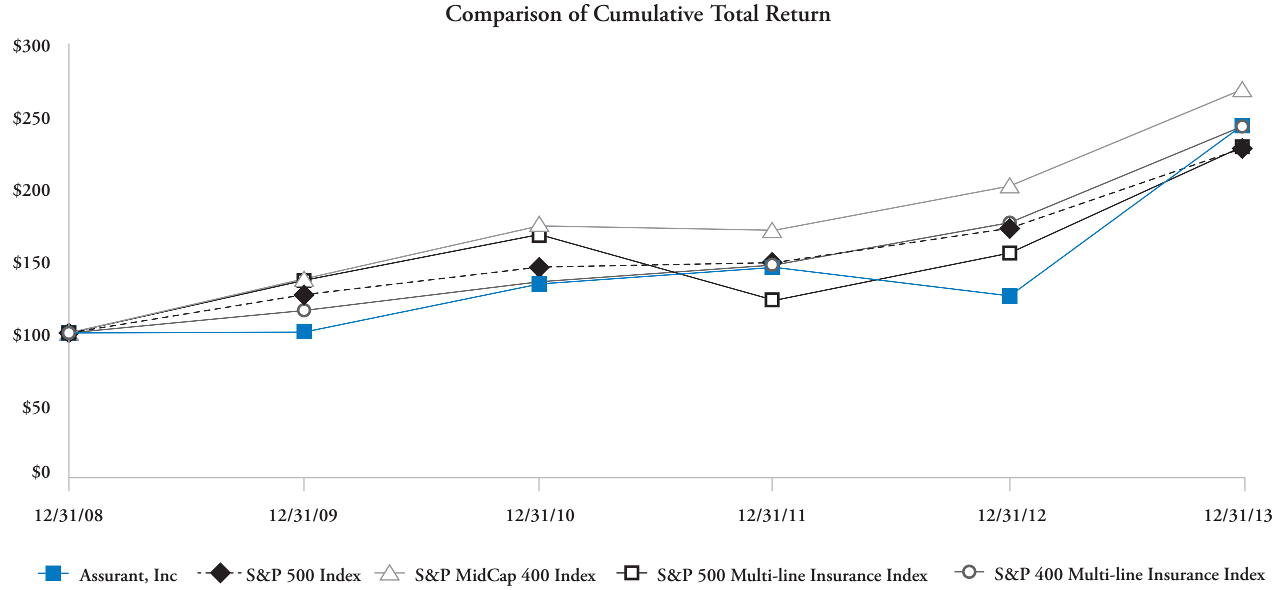
PART II

ITEM 5 Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Stock Performance Graph

The following chart compares the total stockholder returns (stock price increase plus dividends paid) on our common stock from December 31, 2008 through December 31, 2013 with the total stockholder returns for the S&P 400 MidCap Index and the S&P 500 Index, as the broad equity market indexes, and the S&P 400 Multi-Line Insurance Index and S&P 500 Multi-Line Insurance Index, as the published industry indexes. The graph assumes that the value of the investment in the common stock and each index was $100 on December 31, 2008 and that all dividends were reinvested.

Comparison of Cumulative Total Return



TOTAL VALUES/RETURN TO STOCKHOLDERS (Includes reinvestment of dividends)

Company / Index	Base Period 12/31/08	Indexed Values Years Ending 12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
Assurant, Inc.	100	100.56	133.83	145.32	125.61	244.75
S&P 500 Index	100	126.46	145.51	148.59	172.37	228.19
S&P 400 MidCap Index	100	137.38	173.98	170.96	201.53	269.04
S&P 500 Multi-line Insurance Index*	100	136.35	168.03	122.51	155.23	229.58
S&P 400 Multi-line Insurance Index*	100	115.52	135.36	146.98	176.22	243.55

	Annual Return Percentage Years Ending				
Company / Index	**12/31/09**	**12/31/10**	**12/31/11**	**12/31/12**	**12/31/13**
Assurant, Inc.	0.56	33.09	8.58	(13.56)	94.85
S&P 500 Index	26.46	15.06	2.11	16.00	32.39
S&P 400 MidCap Index	37.38	26.64	(1.73)	17.88	33.50
S&P 500 Multi-line Insurance Index*	36.35	23.23	(27.09)	26.70	47.90
S&P 400 Multi-line Insurance Index*	15.52	17.17	8.58	19.90	38.21

* *S&P 400 Multi-line Insurance Index is comprised of mid-cap companies, while the S&P 500 Multi-line Insurance Index is comprised of large-cap companies.*

Common Stock Price

Our common stock is listed on the NYSE under the symbol "AIZ." The following table sets forth the high and low intraday sales prices per share of our common stock as reported by the NYSE for the periods indicated.

Year Ended December 31, 2013	**High**	**Low**	**Dividends**
First Quarter	$ 45.01	$ 35.17	$ 0.21
Second Quarter	$ 51.82	$ 44.98	$ 0.25
Third Quarter	$ 56.15	$ 50.43	$ 0.25
Fourth Quarter	$ 66.37	$ 54.16	$ 0.25

Year Ended December 31, 2012	**High**	**Low**	**Dividends**
First Quarter	$ 44.39	$ 38.05	$ 0.18
Second Quarter	$ 40.80	$ 32.57	$ 0.21
Third Quarter	$ 38.16	$ 33.06	$ 0.21
Fourth Quarter	$ 41.00	$ 33.83	$ 0.21

Holders

On February 14, 2014, there were approximately 243 registered holders of record of our common stock. The closing price of our common stock on the NYSE on February 14, 2014 was $64.05.

Please see Item 12 of this report for information about securities authorized for issuance under our equity compensation plans.

Shares Repurchased

Period in 2013	**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**
January 1 – January 31	0	$ 0.00	0	$ 502,900
February 1 – February 28	0	0.00	0	502,900
March 1 – March 31	600,000	44.28	600,000	476,345
Total first quarter	600,000	$ 44.28	600,000	476,345
April 1 – April 30	1,803,621	46.29	1,803,621	392,889
May 1 – May 31	1,383,080	48.92	1,383,080	325,260
June 1 – June 30	459,412	50.08	459,412	302,261
Total second quarter	3,646,113	$ 47.77	3,646,113	302,261
July 1 – July 31	376,300	52.68	376,300	282,446
August 1 – August 31	814,900	55.01	814,900	237,631
September 1 – September 30	735,525	54.77	735,525	197,361
Total third quarter	1,926,725	$ 54.46	1,926,725	197,361
October 1 – October 31	786,676	57.13	786,676	152,435
November 1 – November 30	270,000	60.79	270,000	736,029
December 1 – December 31	477,500	65.27	477,500	704,874
Total fourth quarter	1,534,176	60.30	1,534,176	704,874
TOTAL THROUGH DECEMBER 31	**7,707,014**	**$ 51.66**	**7,707,014**	**$ 704,874**

(1) Shares purchased pursuant to the May 14, 2012 publicly announced share repurchase authorization of up to $600,000 of outstanding common stock, which was increased by an authorization on November 18, 2013 for the repurchase of up to an additional $600,000 of outstanding common stock.

Dividend Policy

On January 10, 2014, our Board of Directors declared a quarterly dividend of $0.25 per common share payable on March 10, 2014 to stockholders of record as of February 24, 2014. We paid dividends of $0.25 per common share on December 10, 2013, September 10, 2013, and June 11, 2013, and $0.21 on March 11, 2013. We paid dividends of $0.21 on December 10, 2012, September 11, 2012 and June 12, 2012, and $0.18 per common share on March 12, 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.

Assurant, Inc. is a holding company and, therefore, its ability to pay dividends, service its debt and meet its other obligations depends primarily on the ability of its regulated U.S. domiciled insurance subsidiaries to pay dividends and make other statutorily permissible payments to the holding company. Our insurance subsidiaries are subject to significant regulatory and contractual restrictions limiting their ability to declare and pay dividends. See "Item 1A—Risk Factors—Risks Relating to Our Company—The inability of our subsidiaries to pay sufficient dividends to the holding company could prevent us from meeting our obligations and paying future stockholder dividends." For the calendar year 2014, the maximum amount of dividends our regulated U.S. domiciled insurance subsidiaries could pay us, under applicable laws and regulations without prior regulatory approval, is approximately $484,000. Dividends or returns of capital paid by our subsidiaries, net of infusions and excluding amounts used for acquisitions totaled $607,295 in 2013.

We may seek approval of regulators to pay dividends in excess of any amounts that would be permitted without such approval. However, there can be no assurance that we would obtain such approval if sought.

Payments of dividends on shares of common stock are subject to the preferential rights of preferred stock that our Board of Directors may create from time to time. There is no preferred stock issued and outstanding as of December 31, 2013. For more information regarding restrictions on the payment of dividends by us and our insurance subsidiaries, including pursuant to the terms of our revolving credit facilities, see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

In addition, our $350,000 revolving credit facility restricts payments of dividends if an event of default under the facility has occurred or a proposed dividend payment would cause an event of default under the facility.

ITEM 6 Selected Financial Data

ASSURANT, INC.
FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

	As of and for the years ended December 31,				
	2013	2012	2011	2010	2009
Consolidated Statement of Operations Data:					
Revenues					
Net earned premiums	$ 7,759,796	$ 7,236,984	$ 7,125,368	$ 7,403,039	$ 7,550,335
Net investment income	650,296	713,128	689,532	703,190	698,838
Net realized gains (losses) on investments[(1)]	34,525	64,353	32,580	48,403	(53,597)
Amortization of deferred gain on disposal of businesses	16,310	18,413	20,461	10,406	22,461
Fees and other income	586,730	475,392	404,863	362,684	482,464
Total revenues	9,047,657	8,508,270	8,272,804	8,527,722	8,700,501
Benefits, losses and expenses					
Policyholder benefits[(2)]	3,675,532	3,655,404	3,749,734	3,635,999	3,863,447
Amortization of deferred acquisition costs and value of businesses acquired	1,470,287	1,403,215	1,327,788	1,401,569	1,467,141
Underwriting, general and administrative expenses	3,034,404	2,631,594	2,428,795	2,516,622	2,511,955
Interest expense	77,735	60,306	60,360	60,646	60,669
Goodwill impairment[(3)]	0	0	0	306,381	83,000
Total benefits, losses and expenses	8,257,958	7,750,519	7,566,677	7,921,217	7,986,212
Income before provision for income taxes	789,699	757,751	706,127	606,505	714,289
Provision for income taxes[(4)]	300,792	274,046	167,171	327,898	280,929
NET INCOME	**$ 488,907**	**$ 483,705**	**$ 538,956**	**$ 278,607**	**$ 433,360**

	As of and for the years ended December 31,				
	2013	2012	2011	2010	2009
Earnings per share:					
Basic					
NET INCOME	$ 6.38	$ 5.74	$ 5.58	$ 2.52	$ 3.67
Diluted					
NET INCOME	$ 6.30	$ 5.67	$ 5.51	$ 2.50	$ 3.66
DIVIDENDS PER SHARE	$ 0.96	$ 0.81	$ 0.70	$ 0.63	$ 0.59
Share data:					
Weighted average shares outstanding used in basic per share calculations	76,648,688	84,276,427	96,626,306	110,632,551	118,036,632
Plus: Dilutive securities	1,006,076	1,030,638	1,169,003	840,663	459,008
WEIGHTED AVERAGE SHARES USED IN DILUTED PER SHARE CALCULATIONS	77,654,764	85,307,065	97,795,309	111,473,214	118,495,640
Selected Consolidated Balance Sheet Data:					
Cash and cash equivalents and investments	$ 15,961,199	$ 15,885,722	$ 15,192,878	$ 14,670,364	$ 14,476,384
Total assets	$ 29,714,689	$ 28,946,607	$ 27,019,862	$ 26,345,501	$ 25,814,258
Policy liabilities[5]	$ 18,698,615	$ 18,666,355	$ 17,278,342	$ 16,616,206	$ 15,969,204
Debt	$ 1,638,118	$ 972,399	$ 972,278	$ 972,164	$ 972,058
Mandatorily redeemable preferred stock	$ 0	$ 0	$ 0	$ 5,000	$ 8,160
Total stockholders' equity	$ 4,833,479	$ 5,185,366	$ 4,873,950	$ 4,633,136	$ 4,707,158
Per share data:					
Total book value per basic share[6]	$ 66.23	$ 64.93	$ 54.31	$ 44.88	$ 40.03

(1) Included in net realized gains (losses) are other-than-temporary impairments of $4,387, $1,843, $7,836, $11,167, and $38,660 for 2013, 2012, 2011, 2010, and 2009, respectively.

(2) During 2012, we incurred losses of $250,206, net of reinsurance, mainly associated with Superstorm Sandy. During 2011, we incurred losses of $157,645 associated with Hurricane Irene, Tropical Storm Lee, wildfires in Texas and severe storms, including tornados in the southeast. Reportable catastrophe losses include only individual catastrophic events that generated losses to the Company in excess of $5,000, pre-tax and net of reinsurance.

(3) Following the completion of our annual goodwill impairment analysis, we recorded an impairment charge of $306,381 related to Assurant Employee Benefits and Assurant Health and a charge of $83,000 related to Assurant Employee Benefits during the fourth quarters of 2010 and 2009, respectively. The impairment charges resulted in a decrease to net income but did not have any related tax benefit.

(4) During 2011, we had an $80,000 release of a capital loss valuation allowance related to deferred tax assets.

(5) Policy liabilities include future policy benefits and expenses, unearned premiums and claims and benefits payable.

(6) Total stockholders' equity divided by the basic shares of common stock outstanding. At December 31, 2013, 2012, 2011, 2010, and 2009 there were 72,982,023, 79,866,858, 89,743,761, 103,227,238, and 117,591,250 shares, respectively, outstanding.

ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and accompanying notes which appear elsewhere in this report. It contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this report, particularly under the headings "Item 1A—Risk Factors" and "Forward-Looking Statements."

General

We report our results through five segments: Assurant Solutions, Assurant Specialty Property, Assurant Health, Assurant Employee Benefits, and Corporate and Other. The Corporate and Other segment includes activities of the holding company, financing and interest expenses, net realized gains (losses) on investments and investment income earned from short-term investments held. The Corporate and Other segment also includes the amortization of deferred gains associated with the sales of FFG and LTC, through reinsurance agreements as described below.

The following discussion covers the twelve months ended December 31, 2013 ("Twelve Months 2013"), twelve months ended December 31, 2012 ("Twelve Months 2012") and twelve months ended December 31, 2011 ("Twelve Months 2011"). Please see the discussion that follows, for each of these segments, for a more detailed analysis of the fluctuations.

Executive Summary

Consolidated net income increased $5,202, or 1%, to $488,907 for Twelve Months 2013 from $483,705 for Twelve Months 2012. The increase was primarily related to a $143,457 (after-tax) decrease in reportable catastrophe losses in our Assurant Specialty Property segment, partially offset by lower net income in our Assurant Health and Assurant Employee Benefits segments. In addition, our Corporate and Other net loss increased as net realized gains on investments decreased $19,388 (after-tax) and interest expense increased $11,329 (after-tax) due to the March 2013 issuance of senior notes with an aggregate principal amount of $700,000.

Assurant Solutions net income increased $1,399, or 1%, to $125,152 for Twelve Months 2013 from $123,753 for Twelve Months 2012. Twelve Months 2012 included a $20,373 (after-tax) intangible asset impairment charge in our U.K. business and $7,724 (after-tax) workforce restructuring charge. Twelve Months 2013 included $15,554 (after-tax) of workforce restructuring charges, primarily in our European operations (in connection with our October 2013 acquisition of LSG, a mobile phone insurance provider based in the U.K.), and in our domestic credit insurance and extended protection businesses. Excluding these items, segment net income decreased due to unfavorable domestic mobile underwriting experience. Preneed income also declined due to lower investment yields and higher mortality experience.

Net earned premiums increased 7.9% driven primarily by domestic service contract growth from an existing client, additional vehicle service contracts, and service contract growth in Latin America. Fees and other income increased 27.5%, primarily from mobile programs launched during the year, as well as contributions from LSG.

Overall, we expect Assurant Solutions revenues to improve modestly over the course of 2014, primarily driven by growth in our mobile warranty businesses and continued growth in Latin America. Despite recent economic volatility, we believe Latin America offers attractive market characteristics. Our previously disclosed investment in Iké, a services assistance business with operations in Mexico and other countries in Latin America, is intended to allow us to further expand and diversify our footprint in this region.

Assurant Specialty Property net income increased $118,635, or 39%, to $423,586 for Twelve Months 2013 from $304,951 for Twelve Months 2012. The increase is primarily due to a $143,457 (after-tax) decrease in reportable catastrophe losses and growth in lender-placed homeowners net earned premiums attributable to newly added loan portfolios and the previously disclosed discontinuation of a client quota share reinsurance agreement. Partially offsetting these items were higher non-catastrophe losses, an increase in operating expenses to support new loan portfolios, additional customer service initiatives and increased legal and regulatory expenses, including a $14,000 (non tax-deductible) regulatory settlement with the NYDFS and expenses related to pending class action lawsuits in our lender-placed insurance business.

Our placement rate at the end of 2013 was 2.77 percent, a 10 basis point reduction from year-end 2012, reflecting the improving state of the overall housing market. This was partially offset by contributions from recently added loan portfolios.

In 2012, we began a multi-phased roll-out of our new next generation lender-placed insurance product to respond to the changed environment following the housing downturn. This product is now available in 44 states and we are working with the insurance departments in the remaining states to complete the rollout this year.

For 2014, we expect Assurant Specialty Property net earned premiums and fees to decline slightly from 2013 levels, primarily due to lower contributions from lender-placed homeowners insurance. This outlook assumes lower premium rates and reductions in placement rates. Net earned premiums and fees will also be affected by the overall number of loans tracked. In 2013, we benefitted from several significant loan portfolio transfers. As the mortgage servicing market continues to evolve, we expect additional loan transfer activity in 2014. One of our clients recently informed us of a possible transfer of loans to another carrier, which could reduce profitability. Negotiations with this client are continuing.

We also expect our expense ratio to increase in 2014 primarily due to a higher mix of fee income business related to the acquisition of FAS, a provider of property preservation, restoration and inspection services, as well as additional operating costs to support loan volume and servicing requirements in our lender-placed insurance business. We also expect our non-catastrophe loss ratio to increase due to lower premium rates and anticipated higher frequency of such losses compared to 2013.

Assurant Health net income decreased $46,143, or 89%, to $5,857 for Twelve Months 2013 from $52,000 for Twelve Months 2012. The decrease was primarily attributable to an increased provision for taxes in connection with the Affordable Care Act due to a change in estimated non-deductible compensation expenses, including a $10,205 tax liability increase, and a decrease in net earned premiums. Also, Twelve Months 2012 results included an additional $14,337 (after-tax) of investment income from real estate joint venture partnerships.

The first open enrollment period under the Affordable Care Act began late in 2013. During the enrollment period, Assurant Health benefited from a significant increase in sales of its individual major medical products, which include the essential health benefits mandated by the Affordable Care Act.

In 2014, we expect Assurant Health net earned premiums and fees to increase due to sales of new major medical policies. In addition, we expect profitability to continue to be negatively affected by a high effective tax rate, due to continued non-deductibility of certain expenses under the Affordable Care Act, and higher sales commissions to be paid on a larger anticipated volume of newly issued policies.

Assurant Employee Benefits net income decreased 40% to $34,553 for Twelve Months 2013 from $58,059 for Twelve Months 2012. The decrease was primarily attributable to less favorable disability loss experience, including a previously disclosed decrease in the reserve discount rate primarily for new long-term disability claims. Additionally, Twelve Months 2013 results were also impacted by lower investment income compared to Twelve Months 2012.

Net earned premiums and fees decreased slightly to $1,038,021 for Twelve Months 2013 from $1,042,732 for Twelve Months 2012 as growth in voluntary products was offset by declines in employer-paid products. Sales increased in 2013 compared with 2012, primarily reflecting improved sales of our voluntary products, including dental.

During 2014, we expect continued sales momentum in voluntary products, which we anticipate will lead to net earned premium growth. Continued expense management actions should offset lower net investment income and higher expenditures to support the growth in voluntary sales. In addition, we expect overall results to be affected by the continued low interest rate environment, employment trends and capital market conditions.

Critical Factors Affecting Results

Our results depend on the appropriateness 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."

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 Twelve Months 2013, net cash provided by operating activities, including the effect of exchange rate changes on cash and cash equivalents, totaled $1,003,819; net cash used in investing activities totaled $392,738 and net cash provided by financing activities totaled $196,699. We had $1,717,184 in cash and cash equivalents as of December 31, 2013. Please see "—Liquidity and Capital Resources," below for further details.

Revenues

We generate revenues primarily from the sale of our insurance policies and service contracts and from investment income earned on our investments. Sales of insurance policies are recognized in revenue as earned premiums while sales of administrative services are recognized as fee income.

Under the universal life insurance guidance, income earned on preneed life insurance policies sold after January 1, 2009 are presented within policy fee income net of policyholder benefits. Under the limited pay insurance guidance, the consideration received on preneed policies sold prior to January 1, 2009 is presented separately as net earned premiums, with policyholder benefits expense being shown separately.

Our premium and fee income is supplemented by income earned from our investment portfolio. We recognize revenue from interest payments, dividends and sales of investments. Currently, our investment portfolio is primarily invested in fixed maturity securities. Both investment income and realized capital gains on these investments can be significantly affected by changes in interest rates.

Interest rate volatility can increase or reduce unrealized gains or losses in our investment portfolios. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. Fluctuations in interest rates affect our returns on, and the market value of, fixed maturity and short-term investments.

The fair market value of the fixed maturity securities in our investment portfolio and the investment income from these securities fluctuate depending on general economic and market conditions. The fair market value generally increases or decreases in an inverse relationship with fluctuations in interest rates, while net investment income realized by us from future investments in fixed maturity securities will generally increase or decrease with interest rates. We also have investments that carry pre-payment risk, such as mortgage-backed and asset-backed securities. Interest rate fluctuations may cause actual net investment income and/or cash flows from such investments to differ from estimates made at the time of investment. In periods of declining interest rates, mortgage prepayments generally increase and mortgage-backed securities, commercial mortgage obligations and bonds are more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Therefore, in these circumstances we may be required to reinvest those funds in lower-interest earning investments.

Expenses

Our expenses are primarily policyholder benefits, underwriting, general and administrative expenses and interest expense.

Policyholder benefits are affected by our claims management programs, reinsurance coverage, contractual terms and conditions, regulatory requirements, economic conditions, and numerous other factors. Benefits paid or reserves required for future benefits could substantially exceed our expectations, causing a material adverse effect on our business, results of operations and financial condition.

Underwriting, general and administrative expenses consist primarily of commissions, premium taxes, licenses, fees, amortization of deferred costs, general operating expenses and income taxes.

We incur interest expense related to our debt.

Critical Accounting Estimates

Certain items in our consolidated financial statements are based on estimates and judgment. Differences between actual results and these estimates could in some cases have material impacts on our consolidated financial statements.

The following critical accounting policies require significant estimates. The actual amounts realized in these areas could ultimately be materially different from the amounts currently provided for in our consolidated financial statements.

Health Insurance Premium Rebate Liability

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 in "Results of Operations" below (the "GAAP loss ratio") differs from the loss ratio calculated under the MLR rules. The most significant differences include: the fact that the MLR is calculated separately by state, legal entity and type of coverage (individual or group); the MLR calculation includes credibility adjustments for each state/entity/coverage cell, 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 includes quality improvement expenses, taxes and fees; changes in reserves are treated differently in the MLR calculation; 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; and the MLR is calculated using a rolling three years of experience while the GAAP loss ratio represents the current year only.

Assurant Health has estimated the 2013 impact of this regulation based on definitions and calculation methodologies outlined in the HHS regulations and guidance. The 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 businesses subject to MLR requirements for the MLR reporting year. In addition, the projection models include quality improvement expenses, state assessments and taxes.

Reserves

Reserves are established in accordance with GAAP using generally accepted actuarial methods and reflect judgments about expected future claim payments. Calculations incorporate assumptions about inflation rates, the incidence of incurred claims, the extent to which all claims have been reported, future claims processing, lags and expenses and future investment earnings, and numerous other factors. While the methods of making such estimates and establishing the related liabilities are periodically reviewed and updated, the calculation of reserves is not an exact process.

Reserves do not represent precise calculations of expected future claims, but instead represent our best estimates at a point in time of the ultimate costs of settlement and administration of a claim or group of claims, based upon actuarial assumptions and projections using facts and circumstances known at the time of calculation.

Many of the factors affecting reserve adequacy are not directly quantifiable and not all future events can be anticipated when reserves are established. Reserve estimates are refined as experience develops. Adjustments to reserves, both positive and negative, are reflected in the consolidated statement of operations in the period in which such estimates are updated.

Because establishment of reserves is an inherently complex process involving significant judgment and estimates, there can be no certainty that ultimate losses will not exceed existing claim reserves. Future loss development could require reserves to be increased, which could have a material adverse effect on our earnings in the periods in which such increases are made. See "Item 1A—Risk Factors—Risks related to our Company—Our actual claims losses may exceed our reserves for claims, and this may require us to establish additional reserves that may materially affect our results of operations, profitability and capital" for more detail on this risk.

The following table provides reserve information for our major product lines for the years ended December 31, 2013 and 2012:

	December 31, 2013				December 31, 2012			
			Claims and Benefits Payable				Claims and Benefits Payable	
	Future Policy Benefits and Expenses	Unearned Premiums	Case Reserves	Incurred But Not Reported Reserves	Future Policy Benefits and Expenses	Unearned Premiums	Case Reserves	Incurred But Not Reported Reserves
Long Duration Contracts:								
Preneed funeral life insurance policies and investment-type annuity contracts	$ 4,453,154	$ 185,863	$ 14,236	$ 5,901	$ 4,306,947	$ 154,998	$ 13,139	$ 7,297
Life insurance no longer offered	432,075	565	2,200	2,690	445,347	574	3,110	4,437
Universal life and other products no longer offered	189,319	125	735	3,110	210,037	127	825	5,133
FFG, LTC and other disposed businesses	3,440,947	34,158	740,704	75,195	3,424,511	35,862	713,258	55,661
Medical	94,436	10,454	3,840	9,799	89,540	10,293	6,831	10,016
All other	36,641	475	14,943	8,422	37,123	455	15,786	8,904
Short Duration Contracts:								
Group term life	0	4,135	169,972	29,799	0	3,681	172,804	30,953
Group disability	0	2,537	1,156,693	115,158	0	2,143	1,189,656	119,431
Medical	0	125,817	68,869	153,313	0	111,351	99,549	148,209
Dental	0	5,140	2,402	17,461	0	4,648	2,442	15,896
Property and warranty	0	2,514,356	201,336	437,888	0	2,368,372	459,586	707,472
Credit life and disability	0	314,420	39,419	52,096	0	323,510	46,406	57,794
Extended service contracts	0	3,331,936	6,622	36,790	0	3,068,652	7,654	38,596
All other	0	132,691	3,203	16,575	0	107,594	2,246	17,499
TOTAL	**$8,646,572**	**$6,662,672**	**$2,425,174**	**$ 964,197**	**$8,513,505**	**$6,192,260**	**$2,733,292**	**$1,227,298**

For a description of our reserving methodology, see Note 12 to the Consolidated Financial Statements included elsewhere in this report.

Long Duration Contracts

Reserves for future policy benefits represent the present value of future benefits to policyholders and related expenses less the present value of future net premiums. Reserve assumptions reflect best estimates for expected investment yield, inflation, mortality, morbidity, expenses and withdrawal rates. These assumptions are based on our experience to the extent it is credible, modified where appropriate to reflect current trends, industry experience and provisions for possible unfavorable deviation. We also record an unearned revenue reserve which represents premiums received which have not yet been recognized in our consolidated statements of operations.

Historically, premium deficiency testing has not resulted in material adjustments to deferred acquisition costs or reserves. Such adjustments could occur, however, if economic or mortality conditions significantly deteriorated.

Risks related to the reserves recorded for certain discontinued individual life, annuity, and long-term care insurance policies have been 100% ceded via reinsurance. While the Company has not been released from the contractual obligation to the policyholders, changes in and deviations from economic and mortality assumptions used in the calculation of these reserves will not directly affect our results of operations unless there is a default by the assuming reinsurer.

Short Duration Contracts

Claims and benefits payable reserves for short duration contracts include (1) case reserves for known claims which are unpaid as of the balance sheet date; (2) IBNR reserves for claims where the insured event has occurred but has not been reported to us as of the balance sheet date; and (3) loss adjustment expense reserves for the expected handling costs of settling the claims. Periodically, we review emerging experience and make adjustments to our reserves and assumptions where necessary. Below are further discussions on the reserving process for our major short duration products.

Group Disability and Group Term Life

Case or claim reserves are set for active individual claims on group long term disability policies and for waiver of premium benefits on group term life policies. Reserve factors used to calculate these reserves reflect assumptions regarding disabled life mortality and claim recovery rates, claim management practices, awards for social security and other benefit offsets and yield rates earned on assets supporting the reserves. Group long term disability and group term life waiver of premium reserves are discounted because the payment pattern and ultimate cost are fixed and determinable on an individual claim basis.

Factors considered when setting IBNR reserves include patterns in elapsed time from claim incidence to claim reporting, and elapsed time from claim reporting to claim payment.

Key sensitivities at December 31, 2013 for group long term disability claim reserves include the discount rate and claim termination rates:

	Claims and Benefits Payable		Claims and Benefits Payable
Group disability, discount rate decreased by 100 basis points	$ 1,334,492	Group disability, claim termination rate 10% lower	$ 1,305,206
Group disability, as reported	$ 1,271,851	Group disability, as reported	$ 1,271,851
Group disability, discount rate increased by 100 basis points	$ 1,215,406	Group disability, claim termination rate 10% higher	$ 1,241,606

The discount rate is also a key sensitivity for group term life waiver of premium reserves (included within group term life reserves).

	Claims and Benefits Payable
Group term life, discount rate decreased by 100 basis points	$ 208,277
Group term life, as reported	$ 199,771
Group term life, discount rate increased by 100 basis points	$ 192,122

Medical

IBNR reserves calculated using generally accepted actuarial methods represent the largest component of reserves for short duration medical claims and benefits payable. The primary methods we use in their estimation are the loss development method and the projected claim method. Under the loss development method, we estimate ultimate losses for each incident period by multiplying the current cumulative losses by the appropriate loss development factor. When there is not sufficient data to reliably estimate reserves under the loss development method, such as for recent claim periods, the projected claim method is used. This method utilizes expected ultimate loss ratios to estimate the required reserve. Where appropriate, we also use variations on each method or a blend of the two.

Reserves for our various product lines are calculated using experience data where credible. If sufficient experience data is not available, data from other similar blocks may be used. Industry data provides additional benchmarks when historical experience is too limited. Reserve factors may also be adjusted to reflect considerations not reflected in historical experience, such as changes in claims inventory levels, changes in provider negotiated rates or cost savings initiatives, increasing or decreasing medical cost trends, product changes and demographic changes in the underlying insured population.

Key sensitivities as of December 31, 2013 for short duration medical reserves include claims processing levels, claims under case management, medical inflation, seasonal effects, medical provider discounts and product mix. The effects of these sensitivities can be summarized by adjusting loss development factors, as follows:

	Claims and Benefits Payable
Short duration medical, loss development factors 1% lower*	$ 232,182
Short duration medical, as reported	$ 222,182
Short duration medical, loss development factors 1% higher*	$ 213,182

* *This refers to loss development factors for the most recent four months. Our historical claims experience indicates that approximately 89% of medical claims are paid within four months of the incurred date.*

Changes in medical loss development may increase or decrease the MLR rebate liability.

Property and Warranty

Our Property and Warranty lines of business include lender-placed homeowners, manufactured housing homeowners, multi-family housing, credit property, credit unemployment and warranty insurance and some longer-tail coverages (e.g. asbestos, environmental, other general liability and personal accident). Claim reserves for these lines are calculated on a product line basis using generally accepted actuarial principles and methods. They consist of case and IBNR reserves. The method we most often use in setting our Property and Warranty reserves is the loss development method. Under this method, we estimate ultimate losses for each accident period by multiplying the current cumulative losses by the appropriate loss development factor. We then calculate the reserve as the difference between the estimate of ultimate losses and the current case-incurred losses (paid losses plus case reserves). We select loss development factors based on a review of historical averages, adjusted to reflect recent trends and business-specific matters such as current claims payment practices.

The loss development method involves aggregating loss data (paid losses and case-incurred losses) by accident quarter (or accident year) and accident age for each product or product grouping. As the data ages, we compile loss development factors that measure emerging claim development patterns between reporting periods. By selecting the most appropriate loss development factors, we project the known losses to an ultimate incurred basis for each accident period.

The data is typically analyzed using quarterly paid losses and/or quarterly case-incurred losses. Some product groupings may also use annual paid loss and/or annual case-incurred losses, as well as other actuarially accepted methods.

Each of these data groupings produces an indication of the loss reserves for the product or product grouping. The process to select the best estimate differs by line of business. The single best estimate is determined based on many factors, including but not limited to:

- the nature and extent of the underlying assumptions;
- the quality and applicability of historical data—whether internal or industry data;
- current and future market conditions—the economic environment will often impact the development of loss triangles;
- the extent of data segmentation—data should be homogeneous yet credible enough for loss development methods to apply; and
- the past variability of loss estimates—the loss estimates on some product lines will vary from actual loss experience more than others.

Most of our credit property and credit unemployment insurance business is either reinsured or written on a retrospective commission basis. Business written on a retrospective commission basis permits management to adjust commissions based on claims experience. Thus, any adjustment to prior years' incurred claims is partially offset by a change in commission expense, which is included in the underwriting, general and administrative expenses line in our consolidated statements of operations.

While management has used its best judgment in establishing its estimate of required reserves, different assumptions and variables could lead to significantly different reserve estimates. Two key measures of loss activity are loss frequency, which is a measure of the number of claims per unit of insured exposure, and loss severity, which is a measure of the average size of claims. Factors affecting loss frequency include the effectiveness of loss controls and safety programs and changes in economic activity or weather patterns. Factors affecting loss severity include changes in policy limits, retentions, rate of inflation and judicial interpretations.

If the actual level of loss frequency and severity are higher or lower than expected, the ultimate reserves required will be different than management's estimate. The effect of higher and lower levels of loss frequency and severity levels on our ultimate costs for claims occurring in 2013 would be as follows:

Change in both loss frequency and severity for all Property and Warranty	Ultimate cost of claims occurring in 2013	Change in cost of claims occurring in 2013
3% higher	$ 678,082	$ 38,858
2% higher	$ 665,001	$ 25,777
1% higher	$ 652,049	$ 12,825
Base scenario	$ 639,224	$ 0
1% lower	$ 626,399	$ (12,825)
2% lower	$ 613,447	$ (25,777)
3% lower	$ 600,366	$ (38,858)

Reserving for Asbestos and Other Claims

Our property and warranty line of business includes exposure to asbestos, environmental and other general liability claims arising from our participation in various reinsurance pools from 1971 through 1985. This exposure arose from a contract that we discontinued writing many years ago. We carry case reserves, as recommended by the various pool managers, and IBNR reserves totaling $33,086 (before reinsurance) and $30,214 (net of reinsurance) at December 31, 2013. We believe the balance of case and IBNR reserves for these liabilities are adequate. However, any estimation of these liabilities is subject to greater than normal variation and uncertainty due to the general lack of sufficiently detailed data, reporting delays and absence of a generally accepted actuarial methodology for those exposures. There are significant unresolved industry legal issues, including such items as whether coverage exists and what constitutes a claim. In addition, the determination of ultimate damages and the final allocation of losses to financially responsible parties are highly uncertain. However, based on information currently available, and after consideration of the reserves reflected in the consolidated financial statements, we do not believe that changes in reserve estimates for these claims are likely to be material.

Deferred Acquisition Costs

Only direct incremental costs associated with the successful acquisition of new or renewal insurance contracts are deferred, to the extent that such costs are deemed recoverable from future premiums or gross profits. Acquisition costs primarily consist of commissions and premium taxes. Certain direct response advertising expenses are deferred when the primary purpose of the advertising is to elicit sales to customers who can be shown to have specifically responded to the advertising and the direct response advertising results in probable future benefits.

The deferred acquisition costs ("DAC") asset is tested annually to ensure that future premiums or gross profits are sufficient to support the amortization of the asset. Such testing involves the use of best estimate assumptions to determine if anticipated future policy premiums and investment income are adequate to cover all DAC and related claims, benefits and expenses. To the extent a deficiency exists, it is recognized immediately by a charge to the consolidated statements of operations and a corresponding reduction in the DAC asset. If the deficiency is greater than unamortized DAC, a liability will be accrued for the excess deficiency.

Long Duration Contracts

Acquisition costs for preneed life insurance policies issued prior to January 1, 2009 and certain discontinued life insurance policies have been deferred and amortized in proportion to anticipated premiums over the premium-paying period. These acquisition costs consist primarily of first year commissions paid to agents.

For preneed investment-type annuities, preneed life insurance policies with discretionary death benefit growth issued after January 1, 2009, universal life insurance policies and investment-type annuity contracts that are no longer offered, DAC is amortized in proportion to the present value of estimated gross profits from investment, mortality, expense margins and surrender charges over the estimated life of the policy or contract. The assumptions used for the estimates are consistent with those used in computing the policy or contract liabilities.

Acquisition costs relating to group worksite products, which typically have high front-end costs and are expected to remain in force for an extended period of time, consist primarily of first year commissions to brokers, costs of issuing new certificates and compensation to sales representatives. These acquisition costs are front-end loaded, thus they are deferred and amortized over the estimated terms of the underlying contracts.

Acquisition costs relating to individual voluntary limited benefit health policies issued in 2007 and later are deferred and amortized over the estimated average terms of the underlying contracts. These acquisition costs relate to commission expenses which result from commission schedules that pay significantly higher rates in the first year.

Short Duration Contracts

Acquisition costs relating to property contracts, warranty and extended service contracts and single premium credit insurance contracts are amortized over the term of the contracts in relation to premiums earned.

Acquisition costs relating to monthly pay credit insurance business consist mainly of direct response advertising costs and are deferred and amortized over the estimated average terms and balances of the underlying contracts.

Acquisition costs relating to group term life, group disability, group dental and group vision consist primarily of compensation to sales representatives. These acquisition costs are front-end loaded; thus, they are deferred and amortized over the estimated terms of the underlying contracts.

Investments

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.

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 analyzes 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 its amortized cost and its net present value.

Inherently, there are risks and uncertainties involved in making these judgments. Changes in circumstances and critical assumptions such as a continued weak economy, 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. See also Note 4 to the Consolidated Financial Statements included elsewhere in this report and "Item 1A—Risk Factors—The value of our investments could decline, affecting our profitability and financial strength" and "Investments" contained later in this item.

Reinsurance

Reinsurance recoverables include amounts we are owed by reinsurers. Reinsurance costs are expensed over the terms of the underlying reinsured policies using assumptions consistent with those used to account for the policies. Amounts recoverable from reinsurers are estimated in a manner consistent with claim and claim adjustment expense reserves or future policy benefits reserves and are reported in our consolidated balance sheets. An estimated allowance for doubtful accounts 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. The ceding of insurance does not discharge our primary liability to our insureds.

The following table sets forth our reinsurance recoverables as of the dates indicated:

	December 31, 2013	December 31, 2012
Reinsurance recoverables	$ 5,752,134	$ 6,141,737

We have used reinsurance to exit certain businesses, including blocks of individual life, annuity, and long-term care business. The reinsurance recoverables relating to these dispositions amounted to $3,680,176 and $3,619,747 at December 31, 2013 and 2012, respectively.

In the ordinary course of business, we are involved in both the assumption and cession of reinsurance with non-affiliated companies. The following table provides details of the reinsurance recoverables balance for the years ended December 31:

	2013	2012
Ceded future policyholder benefits and expense	$ 3,355,706	$ 3,338,783
Ceded unearned premium	1,283,674	1,214,028
Ceded claims and benefits payable	1,053,640	1,540,073
Ceded paid losses	59,114	48,853
TOTAL	**$ 5,752,134**	**$ 6,141,737**

We utilize reinsurance for loss protection and capital management, business dispositions and, in Assurant Solutions and Assurant Specialty Property, client risk and profit sharing. See also "Item 1A—Risk Factors—Reinsurance may not be available or adequate to protect us against losses and we are subject to the credit risk of reinsurers," and "Item 7A—Quantitative and Qualitative Disclosures About Market Risk—Credit Risk."

Retirement and Other Employee Benefits

We sponsor qualified and non-qualified pension plans and a retirement health benefits plan covering our employees who meet specified eligibility requirements. The calculation of reported expense and liability associated with these plans requires an extensive use of assumptions including factors such as discount rates, expected long-term returns on plan assets, employee retirement and termination rates and future compensation increases. We determine these assumptions based upon currently available market and industry data, and historical performance of the plan and its assets. The assumptions we use may differ materially from actual results. See Note 20 to our consolidated financial statements for more information on our retirement and other employee benefits, including a sensitivity analysis for changes in the assumed health care cost trend rates.

As of January 1, 2014, the Assurant Pension and Executive Pension Plans are no longer offered to new hires. Current employees will not be affected and will continue to accrue benefits under these plans. Employees who are currently eligible but not yet participating in the Assurant Pension and Executive Pension Plans will remain eligible to participate in the future once they meet the Assurant Pension Plan and Executive Pension Plan requirements.

Contingencies

We account for contingencies by evaluating each contingent matter separately. A loss is accrued if reasonably estimable and probable. We establish reserves for these contingencies at the best estimate, or, if no one estimated amount within the range of possible losses is more probable than any other, we report an estimated reserve at the low end of the estimated range. Contingencies affecting the Company include litigation matters which are inherently difficult to evaluate and are subject to significant changes.

Deferred Taxes

Deferred income taxes are recorded for temporary differences between the financial reporting and income tax bases of assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the periods in which the Company expects the temporary differences to reverse. A valuation allowance is established for deferred tax assets if, based on the weight of all available evidence, it is more likely than not that some portion of the asset will not be realized. The valuation allowance is sufficient to reduce the asset to the amount that is more likely than not to be realized. The Company has deferred tax assets resulting from temporary differences that may reduce taxable income in future periods. The detailed components of our deferred tax assets, liabilities and valuation allowance are included in Note 7 to our consolidated financial statements.

As of December 31, 2012, the Company had a cumulative valuation allowance of $13,091 against deferred tax assets of international subsidiaries. During Twelve Months 2013, the Company recognized a cumulative income tax expense of $3,383 primarily related to operating losses of international subsidiaries. As of December 31, 2013, the Company has a cumulative valuation allowance of $16,474 against deferred tax assets, as it is management's assessment that it is more likely than not that this amount of deferred tax assets will not be realized. The realization of deferred tax assets related to net operating loss carryforwards of international subsidiaries depends upon the existence of sufficient taxable income of the same character in the same jurisdiction.

The Company believes it is more likely than not that the remainder of its deferred tax assets will be realized in the foreseeable future. Accordingly, other than noted herein for certain international subsidiaries, a valuation allowance has not been established.

Future reversal of the valuation allowance will be recognized either when the benefit is realized or when we determine that it is more likely than not that the benefit will be realized. Depending on the nature of the taxable income that results in a reversal of the valuation allowance, and on management's judgment, the reversal will be recognized either through other comprehensive income (loss) or through continuing operations in the consolidated statements of operations. Likewise, if the Company determines that it is not more likely than not that it would be able to realize all or part of the deferred tax asset in the future, an adjustment to the deferred tax asset valuation allowance would be recorded through a charge to continuing operations in the consolidated statements of operations in the period such determination is made.

In determining the appropriate valuation allowance, management makes judgments about recoverability of deferred tax assets, use of tax loss and tax credit carryforwards, levels of expected future taxable income and available tax planning strategies. The assumptions used in making these judgments are updated periodically by management based on current business conditions that affect the Company and overall economic conditions. These management judgments are therefore subject to change based on factors that include, but are not limited to, changes in expected capital gain income in the foreseeable future and the ability of the Company to successfully execute its tax planning strategies. Please see "Item 1A—Risk Factors—Risks Related to Our Company—Unanticipated changes in tax provisions, changes in tax laws or exposure to additional income tax liabilities could materially and adversely affect our results" for more information.

Valuation and Recoverability of Goodwill

Goodwill represented $784,561 and $640,714 of our $29,714,689 and $28,946,607 of total assets as of December 31, 2013 and 2012, respectively. We review our goodwill annually in the fourth quarter for impairment, or more frequently if indicators of impairment exist. Such indicators include, but are not limited to, significant adverse change in legal factors, adverse action or assessment by a regulator, unanticipated competition, loss of key personnel or a significant decline in our expected future cash flows due to changes in company-specific factors or the broader business climate. The evaluation of such factors requires considerable judgment. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and could have a material impact on our consolidated financial statements.

We have concluded that our reporting units for goodwill testing are equivalent to our operating segments. Therefore, we test goodwill for impairment at the reporting unit level.

The following table illustrates the amount of goodwill carried at each reporting unit:

	December 31,	
	2013	**2012**
Assurant Solutions	$ 496,201	$ 381,262
Assurant Specialty Property	288,360	259,452
Assurant Health	0	0
Assurant Employee Benefits	0	0
TOTAL	**$ 784,561**	**$ 640,714**

In 2013, the Company chose the option to perform a qualitative assessment for our Assurant Specialty Property reporting unit. This option allows us to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test, described below.

We initially considered the 2012 quantitative analysis performed by the Company whereby it compared the estimated fair value of the Assurant Specialty Property reporting unit with its net book value ("Step 1"). Based on the 2012 Step 1 test, Assurant Specialty Property had an estimated fair value that exceeded its net book value by 17.4%.

In undertaking our qualitative assessment, we considered macro-economic, industry and reporting unit-specific factors. These included (i.) the effect of the current interest rate environment on our cost of capital; (ii.) Assurant Specialty Property's sustaining market share over the year; (iii.) lack of turnover in key management; (iv.) 2013 actual performance as compared to expected 2013 performance from our 2012 Step 1 assessment; and, (v.) the overall market position and share price of Assurant, Inc.

Based on our qualitative assessment, having considered the factors in totality we determined that it was not necessary to perform a Step 1 quantitative goodwill impairment test for Assurant Specialty Property and that it is more-likely-than-not that the fair value of Assurant Specialty Property continues to exceed its net book value at year-end 2013. Significant changes in the external environment or substantial declines in the operating performance of Assurant Specialty Property could cause us to reevaluate this conclusion in the future.

In 2013, the Company did not elect the option to perform the qualitative assessment; rather it performed a Step 1 test for Assurant Solutions. Under Step 1, if the estimated fair value of the reporting unit exceeds its net book value, goodwill is deemed not to be impaired, and no further testing is necessary. If the net book value exceeds its estimated fair value, we would then perform a second test to calculate the amount of impairment, if any. To determine the amount of any impairment, we would determine the implied fair value of goodwill in the same manner as if the reporting unit were being acquired in a business combination. Specifically, we would determine the fair value of all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical calculation that yields the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment charge for the difference. Following the 2013 Step 1 test, the Company concluded that the estimated fair value of the Assurant Solutions reporting unit exceeded its net book value by 16.3%.

For both Assurant Solutions and Assurant Specialty Property the Company performed a Step 1 test in 2012. Based on the results of the 2012 Step 1 tests, the Company concluded that the estimated fair value of the Assurant Solutions reporting unit exceeded its net book value by 10.5%, while the Assurant Specialty Property reporting unit exceeded its net book value by 17.4%.

In cases where Step 1 testing was performed, the following describes the valuation methodologies used in 2013 and 2012 to derive the estimated fair value of the reporting units.

For each reporting unit, we identified a group of peer companies, which have operations that are as similar as possible to the reporting unit. Certain of our reporting units have a very limited number of peer companies. A Guideline Company Method is used to value the reporting unit based upon its relative performance to its peer companies, based on several measures, including price to trailing 12 month earnings, price to projected earnings, price to tangible net worth and return on equity.

A Dividend Discount Method ("DDM") is used to value each reporting unit based upon the present value of expected cash flows available for distribution over future periods. Cash flows are estimated for a discrete projection period based on detailed assumptions, and a terminal value is calculated to reflect the value attributable to cash flows beyond the discrete period. Cash flows and the terminal value are then discounted using the reporting unit's estimated cost of capital The estimated fair value of the reporting unit equals the sum of the discounted cash flows and terminal value.

A Guideline Transaction Method values the reporting unit based on available data concerning the purchase prices paid in acquisitions of companies operating in the insurance industry. The application of certain financial multiples calculated from these transactions provides an indication of estimated fair value of the reporting units.

While all three valuation methodologies were considered in assessing fair value, the DDM was weighed more heavily since in the current economic environment, management believes that expected cash flows are the most important factor in the valuation of a business enterprise. In addition, recent dislocations in the economy, the scarcity of M&A transactions in the insurance marketplace and the relative lack of directly comparable companies, particularly for Assurant Solutions, make the other methods less credible.

The determination of fair value of our reporting units requires many estimates and assumptions. These estimates and assumptions primarily include, but are not limited to, earnings and required capital projections discussed above, discount rates, terminal growth rates, operating income and dividend forecasts for each reporting unit and the weighting assigned to the results of each of the three valuation methods described above. Changes in certain assumptions could have a significant impact on the goodwill impairment assessment. For example, an increase of the discount rate of 190 basis points, with all other assumptions held constant, for Assurant Solutions, would result in its estimated fair value being less than its net book value as of December 31, 2013. Likewise, a reduction of 1,870 basis points in the terminal growth rate, with all other assumptions held constant, for Assurant Solutions would result in its estimated fair value being less than its net book value as of December 31, 2013.

We evaluated the significant assumptions used to determine the estimated fair values of Assurant Solutions, both individually and in the aggregate, and concluded they are reasonable. However, should the operating results of the unit decline substantially compared to projected results, or should further interest rate declines further increase the net unrealized investment portfolio gain position, we could determine that we need to record an impairment charge related to goodwill in Assurant Solutions.

Recent Accounting Pronouncements—Adopted

On September 30, 2012, the Company adopted the amended intangibles-goodwill and other guidance. This guidance allows an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test for indefinite-lived intangible assets. Under this amended guidance, an entity would not be required to calculate the fair value of an indefinite-lived intangible asset, unless the entity determines, based on qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amended guidance includes a number of events and circumstances for an entity to consider in conducting the qualitative assessment and did not have an impact on the Company's financial position or results of operations.

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. The adoption of this guidance did not have an impact on the Company's financial position or results of operations.

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. The guidance was adopted retrospectively and has been applied to all prior period financial information contained in these consolidated financial statements.

On December 31, 2011, the Company adopted the new guidance related to the presentation of comprehensive income. This guidance provides two alternatives for presenting comprehensive income. An entity can report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. Each component of net income and each component of other comprehensive income, together with totals for comprehensive income and its two parts, net income and other comprehensive income, are displayed under either alternative. The statement(s) are to be presented with equal prominence as the other primary financial statements. The new guidance eliminates the Company's previously applied option to report other comprehensive income and its components in the statement of changes in stockholders' equity. The guidance does not change the items that constitute net income or other comprehensive income, and does not change when an item of other comprehensive income must be reclassified to net income. The Company chose to early adopt this guidance and therefore is reporting comprehensive income in a separate but consecutive statement, with full retrospective application as required by the guidance. The adoption of the new presentation requirements did not have an impact on the Company's financial position or results of operations.

On January 1, 2011, the Company adopted the new guidance on multiple deliverable revenue arrangements. This guidance requires entities to use their best estimate of the selling price of a deliverable within a multiple deliverable revenue arrangement if the entity and other entities do not sell the deliverable separate from the other deliverables within the arrangement. In addition, it requires both qualitative and quantitative disclosures. The adoption of this guidance did not have an impact on the Company's financial position or results of operations.

Recent Accounting Pronouncements—Not Yet Adopted

In July 2013, the Financial Accounting Standards Board ("FASB") issued new guidance on the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments in this guidance state that an unrecognized tax benefit, or a portion thereof, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. An exception to this guidance would be where a net operating loss carryforward or similar tax loss or credit carryforward would not be available under the tax law to settle any additional income taxes that would result from the disallowance of a tax position, or the tax law does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose. In such a case, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The guidance is effective for interim and annual periods beginning after December 15, 2013. The Company will be adopting this presentation as of the effective date and does not expect any net impact to the Company's financial position and results of operations.

In July 2011, the FASB issued amendments to the other expenses guidance to address how health insurers should recognize and classify in their statements of operations 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 and it impacts the results of our Assurant Health and Assurant Employee Benefits segments. In the first quarter of 2014, the estimated liability for the mandated fees and the corresponding deferred cost asset of $24,000 will be recorded in accounts payable and other liabilities and in other assets, respectively, on the consolidated balance sheets. The deferred cost asset will be amortized ratably over the calendar year to underwriting, general and administrative expense in the consolidated statements of operations. This is an estimated amount and may be adjusted once the assessment is received from the federal government.

Results of Operations

Assurant Consolidated

Overview

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

	For the Years Ended December 31,		
	2013	**2012**	**2011**
Revenues:			
Net earned premiums	$ 7,759,796	$ 7,236,984	$ 7,125,368
Net investment income	650,296	713,128	689,532
Net realized gains on investments	34,525	64,353	32,580
Amortization of deferred gains on disposal of businesses	16,310	18,413	20,461
Fees and other income	586,730	475,392	404,863
Total revenues	9,047,657	8,508,270	8,272,804
Benefits, losses and expenses:			
Policyholder benefits	3,675,532	3,655,404	3,749,734
Selling, underwriting and general expenses(1)	4,504,691	4,034,809	3,756,583
Interest expense	77,735	60,306	60,360
Total benefits, losses and expenses	8,257,958	7,750,519	7,566,677
Income before provision for income taxes	789,699	757,751	706,127
Provision for income taxes	300,792	274,046	167,171
NET INCOME	**$ 488,907**	**$ 483,705**	**$ 538,956**

(1) Includes amortization of DAC and VOBA and underwriting, general and administrative expenses.

Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net income increased $5,202, or 1%, to $488,907 for Twelve Months 2013 from $483,705 for Twelve Months 2012. The increase was primarily related to a $143,457 (after-tax) decrease in reportable catastrophe losses in our Assurant Specialty Property segment. Partially offsetting this item was lower net income in our Assurant Health and Assurant Employee Benefits segments. In addition, the Corporate and Other net loss increased as net realized gains on investments decreased $19,388 (after-tax) and interest expense increased $11,329 (after-tax) due to the March 2013 issuance of senior notes with an aggregate principal amount of $700,000.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Net income decreased $55,251, or 10%, to $483,705 for Twelve Months 2012 from $538,956 for Twelve Months 2011. The decrease is primarily due to an $80,000 release of a capital loss valuation allowance related to deferred tax assets during Twelve Months 2011. Partially offsetting this item was improved net income in our Assurant Health and Assurant Employee Benefits segments and an increase of $20,652 (after-tax) in net realized gains on investments. Twelve Months 2012 includes $162,634 (after-tax) of Assurant Specialty Property reportable catastrophe losses, primarily due to Superstorm Sandy, compared to $102,469 (after-tax) of reportable catastrophe losses in Twelve Months 2011. Higher catastrophe losses in Twelve Months 2012 were offset by growth in lender-placed homeowners net earned premiums and lower non-catastrophe losses.

Assurant Solutions

Overview

The table below presents information regarding Assurant Solutions' segment results of operations:

	For the Years Ended December 31, 2013	2012	2011
Revenues:			
Net earned premiums	$ 2,783,758	$ 2,579,220	$ 2,438,407
Net investment income	376,245	396,681	393,575
Fees and other income	400,370	314,072	265,204
Total revenues	3,560,373	3,289,973	3,097,186
Benefits, losses and expenses:			
Policyholder benefits	895,504	840,133	847,254
Selling, underwriting and general expenses[4]	2,474,259	2,267,986	2,037,680
Total benefits, losses and expenses	3,369,763	3,108,119	2,884,934
Segment income before provision for income taxes	190,610	181,854	212,252
Provision for income taxes	65,458	58,101	76,202
SEGMENT NET INCOME	**$ 125,152**	**$ 123,753**	**$ 136,050**
Net earned premiums:			
Domestic:			
Credit	$ 166,417	$ 165,765	$ 173,287
Service contracts	1,372,314	1,260,578	1,198,510
Other[1]	82,864	62,298	53,219
Total Domestic	1,621,595	1,488,641	1,425,016
International:			
Credit	380,683	425,078	391,124
Service contracts	685,039	556,207	495,853
Other[1]	29,918	28,316	24,692
Total International	1,095,640	1,009,601	911,669
Preneed	66,523	80,978	101,722
TOTAL	**$ 2,783,758**	**$ 2,579,220**	**$ 2,438,407**
Fees and other income:			
Domestic:			
Debt protection	$ 29,100	$ 27,912	$ 29,501
Service contracts	206,130	139,636	120,896
Other[1]	6,920	4,039	4,123
Total Domestic	242,150	171,587	154,520
International	51,873	38,840	32,059
Preneed	106,347	103,645	78,625
TOTAL	**$ 400,370**	**$ 314,072**	**$ 265,204**
Gross written premiums[2]:			
Domestic:			
Credit	$ 387,038	$ 390,648	$ 399,564
Service contracts	2,090,160	1,799,577	1,470,605
Other[1]	106,256	113,067	86,503
Total Domestic	2,583,454	2,303,292	1,956,672
International:			
Credit	964,236	1,002,347	1,013,486
Service contracts	780,393	722,251	622,674
Other[1]	47,932	44,721	45,312
Total International	1,792,561	1,769,319	1,681,472
TOTAL	**$ 4,376,015**	**$ 4,072,611**	**$ 3,638,144**
Preneed (face sales)	$ 1,007,915	$ 863,734	$ 759,692
Combined ratio[3]:			
Domestic	97.9%	98.9%	97.3%
International	102.8%	104.8%	104.0%

(1) This includes emerging products and run-off products 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 fees and other income excluding the preneed business.

(4) 2012 selling, underwriting and general expenses includes $26,458 of intangible asset impairment charges.

Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net Income

Segment net income increased $1,399, or 1%, to $125,152 for Twelve Months 2013 from $123,753 for Twelve Months 2012. Twelve Months 2012 included a $20,373 (after-tax) intangible asset impairment charge in our U.K. business and a workforce restructuring charge of $7,724 (after-tax). Twelve Months 2013 included $15,554 (after-tax) of workforce restructuring charges, primarily in our European operations (in connection with our recent acquisition of LSG, a mobile phone insurance provider business based in the U.K.), and in our domestic credit insurance and extended protection businesses. Excluding these items, segment net income for Twelve Months 2013 decreased due to unfavorable domestic mobile underwriting experience. Preneed income also declined due to lower investment yields and higher mortality experience.

Total Revenues

Total revenues increased $270,400, or 8%, to $3,560,373 for Twelve Months 2013 from $3,289,973 for Twelve Months 2012 mainly due to a $204,538 increase in net earned premiums. Domestic net earned premiums increased primarily due to service contract growth from an existing service contract client as well as additional vehicle service contract clients, excluding $17,123 from a one-time assumption of a block of business in 2012. This was partially offset by a previously disclosed loss of a mobile client. International net earned premiums increased mostly due to service contract growth in Latin America and Europe, including the acquisition of LSG, partially offset by the unfavorable impact of changes in foreign exchange rates. Fees and other income increased $86,298 driven primarily by new domestic mobile programs introduced during the year and the acquisition of LSG.

Gross written premiums increased $303,404, or 7%, to $4,376,015 for Twelve Months 2013 from $4,072,611 for Twelve Months 2012. Gross written premiums from our domestic service contract business increased $290,583. Gross written premiums from our international service contract business increased $58,142 primarily due to growth in Latin America from new and existing clients and growth in Europe from the acquisition of LSG and from existing clients. This increase was partially offset by the unfavorable impact of changes in foreign exchange rates.

Preneed face sales increased $144,181 or 17%, to $1,007,915 for Twelve Months 2013 from $863,734 for Twelve Months 2012. This increase was mostly attributable to growth from our exclusive distribution partnership with SCI, the largest funeral provider in North America. This exclusive distribution partnership is effective through September 29, 2014.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $261,644, or 8%, to $3,369,763 for Twelve Months 2013 from $3,108,119 for Twelve Months 2012. Policyholder benefits increased $55,371 due to unfavorable loss experience in our domestic service contract business and an increase in Europe due to policyholder benefits associated with the acquisition of LSG. Selling, underwriting and general expenses increased $206,273. Commissions, taxes, licenses and fees, of which amortization of DAC is a component, increased $192,044 due to earnings in our domestic service contract and international businesses. General expenses increased $14,229 primarily due to increased administration expenses directly related to growth in our domestic mobile business, workforce restructuring charges, primarily in our European operations and acquisition-related expenses. These items were partially offset by expense savings in our domestic credit and domestic service contract businesses.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Net Income

Segment net income decreased $12,297, or 9%, to $123,753 for Twelve Months 2012 from $136,050 for Twelve Months 2011, primarily due to an other intangible asset impairment charge in our U.K. business of $20,373 (after-tax) and a workforce restructuring charge of $7,724 (after-tax). Both of these items occurred in the fourth quarter of 2012. In mid-2012, persistency rates of U.K. mortgage insurance brokers acquired in 2007 declined significantly following actions by an independent underwriter of the business, resulting in the impairment charge. The workforce restructuring charge primarily related to our domestic credit and European operations. Twelve Months 2012 includes $6,362 (after-tax) of income from client related settlements. Absent these items, net income increased $9,438 primarily due to improved results in our International business. The improved International business results were mainly due to growth and improved underwriting experience primarily in our Latin American region. Partially offsetting the improved International results was less favorable domestic service contract underwriting experience as well as lower earnings from certain domestic blocks of credit insurance business that are in run-off.

Total Revenues

Total revenues increased $192,787, or 6%, to $3,289,973 for Twelve Months 2012 from $3,097,186 for Twelve Months 2011 mainly as a result of higher net earned premiums of $140,813. Domestic net earned premiums increased primarily attributable to service contract growth in the automotive and retail markets from both new and existing clients including $17,123 related to a new block of business assumed during Twelve Months 2012. International service contract and credit businesses net earned premiums increased primarily in our Latin America and European regions from both new and existing clients. Fees and other income increased $48,868, mostly driven by growth in our preneed business and growth in our domestic retail and mobile service contract business, including a favorable one-time client settlement.

Gross written premiums increased $434,467, or 12%, to $4,072,611 for Twelve Months 2012 from $3,638,144 for Twelve Months 2011. Gross written premiums from our domestic service contract business increased $328,972 from both new and existing clients, including $41,117 related to a new assumed block of business and a one-time benefit of $33,200 resulting from the correction of a client reporting error. This correction had no impact on net income since an offsetting deferred commission amount was recorded. Gross written premiums from our international service contract business increased $99,577 due to growth in Europe and Latin America from new and existing clients and products.

Preneed face sales increased $104,042, to $863,734 for Twelve Months 2012 from $759,692 for Twelve 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 $223,185, or 8%, to $3,108,119 for Twelve Months 2012 from $2,884,934 for Twelve Months 2011. Policyholder benefits declined $7,121 primarily from improved loss experience in our international business and from a decrease associated with run-off lines in our preneed and domestic businesses, partially offset by higher policyholder benefits in our domestic service contract business related to business growth and $14,617 related to a new assumed block of business. Selling, underwriting and general expenses increased $230,306. Commissions, taxes, licenses and fees, of which amortization of DAC is a component, increased $159,623 due to higher earnings in our domestic service contract and international businesses. General expenses increased $70,683 primarily due to an other intangible asset impairment charge of $26,458 and severance expenses of $11,731. Additionally, costs also increased as a result of supporting the growth of our international businesses, primarily in Latin America.

Assurant Specialty Property

Overview

The table below presents information regarding Assurant Specialty Property's segment results of operations:

	For the Years Ended December 31, 2013	2012	2011
Revenues:			
Net earned premiums	$ 2,380,044	$ 2,054,041	$ 1,904,638
Net investment income	98,935	103,327	103,259
Fees and other income	133,135	98,621	79,337
Total revenues	2,612,114	2,255,989	2,087,234
Benefits, losses and expenses:			
Policyholder benefits	890,409	949,157	857,223
Selling, underwriting and general expenses	1,068,273	844,288	769,826
Total benefits, losses and expenses	1,958,682	1,793,445	1,627,049
Segment income before provision for income taxes	653,432	462,544	460,185
Provision for income taxes	229,846	157,593	156,462
SEGMENT NET INCOME	**$ 423,586**	**$ 304,951**	**$ 303,723**
Net earned premiums:			
Homeowners (lender-placed and voluntary)	$ 1,678,172	$ 1,418,061	$ 1,274,485
Manufactured housing (lender-placed and voluntary)	226,058	207,675	216,613
Other(1)	475,814	428,305	413,540
TOTAL	**$ 2,380,044**	**$ 2,054,041**	**$ 1,904,638**
Ratios:			
Loss ratio(2)	37.4%	46.2%	45.0%
Expense ratio(3)	42.5%	39.2%	38.8%
Combined ratio(4)	77.9%	83.3%	82.0%

(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.

(3) The expense ratio is equal to selling, underwriting and general expenses divided by net earned premiums and fees and other income.

(4) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and fees and other income.

Regulatory Matters

As previously disclosed, on March 21, 2013, the Company and two of its wholly owned subsidiaries, ASIC and ABIC, reached an agreement with the NYDFS regarding the Company's lender-placed insurance business in the State of New York. Under the terms of the agreement, and without admitting or denying any wrongdoing, ASIC made a $14,000 (non tax-deductible) settlement payment to the NYDFS. In addition, among other things, ASIC and ABIC agreed to modify certain business practices in accordance with requirements that apply to all New York-licensed lender-placed insurers of properties in the state, and filed their new lender-placed program and new rates in New York. Proposed 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 $101,000 and $79,000 of Assurant Specialty Property's net earned premiums for Twelve Months 2013 and 2012, respectively.

On October 7, 2013, the Company reached an agreement with the FOIR to file for a 10% reduction in lender-placed hazard insurance rates in Florida. Once filed and approved, these rates will be effective for new and renewing policies starting in first quarter 2014. As part of the agreement, ASIC will eliminate commissions and client quota-share reinsurance arrangements to meet new requirements of lender-placed insurance providers in Florida. These new lender-placed practices are expected to take effect one year following the agreement. ASIC recorded approximately $547,000 and $510,000 of direct earned premiums in Florida for 2013 and 2012, respectively, for the type of policies that are subject to the rate reduction.

At the federal level, in early 2013, the CFPB published mortgage servicing guidelines that incorporate certain requirements mandated by the Dodd-Frank Act. In addition, the FHFA issued new mortgage servicer guidelines, which will be effective in June 2014, that will eliminate lender-placed insurance-related commissions and client quota-share arrangements on properties securing GSE loans. At the directive of the FHFA, Fannie Mae and Freddie Mac each issued bulletins in December 2013 implementing these mortgage servicer guidelines.

Lender-placed insurance products accounted for approximately 73% and 71% of Assurant Specialty Property's net earned premiums for 2013 and 2012, respectively. The approximate corresponding contributions to segment net income in these periods were 87% and 90%, 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. In addition, we expect placement rates for these products to decline.

Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net Income

Segment net income increased $118,635, or 39%, to $423,586 for Twelve Months 2013 from $304,951 for Twelve Months 2012. The increase is primarily due to a $143,457 (after-tax) decrease in reportable catastrophe losses and an increase in lender-placed homeowners net earned premiums attributable to newly added loan portfolios and the discontinuation of a client quota share reinsurance agreement. Partially offsetting these items were higher non-catastrophe losses, an increase in operating expenses to support new loan portfolios, additional customer service initiatives and increased legal and regulatory expenses, including a $14,000 (non tax-deductible) regulatory settlement noted above and expenses related to pending class actions related to our lender-placed insurance programs.

Total Revenues

Total revenues increased $356,125, or 16%, to $2,612,114 for Twelve Months 2013 from $2,255,989 for Twelve Months 2012. Growth in lender-placed homeowners insurance was the main driver primarily due to newly added loan portfolios and the discontinuation of a client quota share reinsurance agreement.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $165,237 or 9%, to $1,958,682 for Twelve Months 2013 from $1,793,445 for Twelve Months 2012. The loss ratio decreased 880 basis points primarily due to lower reportable catastrophe losses of $29,503 in Twelve Months 2013 compared to $250,206 of reportable catastrophe losses in Twelve Months 2012. Reportable catastrophe losses include only individual catastrophic events that generated losses in excess of $5,000, pre-tax and net of reinsurance. The expense ratio increased 330 basis points in Twelve Months 2013 primarily due to higher legal and regulatory expenses described above and higher operating costs to support business growth, including costs for the newly acquired FAS business.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Net Income

Segment net income increased $1,228, or less than 1%, to $304,951 for Twelve Months 2012 from $303,723 for Twelve Months 2011. The increase is due to increased lender-placed homeowners net earned premiums, growth in our multi-family housing business and lower non-catastrophe losses, partially offset by an increase in reportable catastrophe losses of $60,165 (after-tax). Growth in lender-placed homeowners net earned premiums is primarily due to growth in loan portfolios from both new and existing clients and increased placement rates.

Total Revenues

Total revenues increased $168,755, or 8%, to $2,255,989 for Twelve Months 2012 from $2,087,234 for Twelve Months 2011. The main drivers of the increase are growth in lender-placed homeowners and renters insurance net earned premiums as well as fee income from growth in our resident bond products. 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 that occurred in 2012 and late 2011.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $166,396, or 10%, to $1,793,445 for Twelve Months 2012 from $1,627,049 for Twelve Months 2011. The loss ratio increased 120 basis points primarily due to higher reportable catastrophe losses which increased the loss ratio 390 basis points. Twelve Months 2012 includes $250,206 of reportable catastrophe losses, mainly due to Superstorm Sandy, compared to $157,645 of reportable catastrophe losses in Twelve Months 2011. Reportable catastrophe losses include only individual catastrophic events that generated losses to the Company in excess of $5,000, pre-tax and net of reinsurance. The non-catastrophe loss ratio declined 270 basis points primarily due to a decrease in loss frequency across most product lines. The expense ratio increased 40 basis points primarily due to higher operating costs to support business growth partially offset by a decrease in commission expense.

Assurant Health

Overview

The table below presents information regarding Assurant Health's segment results of operations:

	For the Years Ended December 31,		
	2013	2012	2011
Revenues:			
Net earned premiums	$ 1,581,407	$ 1,589,459	$ 1,718,300
Net investment income	36,664	64,308	45,911
Fees and other income	29,132	30,518	34,635
Total revenues	1,647,203	1,684,285	1,798,846
Benefits, losses and expenses:			
Policyholder benefits	1,169,075	1,174,108	1,271,060
Selling, underwriting and general expenses	435,550	421,070	460,646
Total benefits, losses and expenses	1,604,625	1,595,178	1,731,706
Segment income before provision for income taxes	42,578	89,107	67,140
Provision for income taxes	36,721	37,107	26,254
SEGMENT NET INCOME	**$ 5,857**	**$ 52,000**	**$ 40,886**
Net earned premiums:			
Individual	$ 1,174,141	$ 1,178,878	$ 1,251,447
Small employer group	407,266	410,581	466,853
TOTAL	**$ 1,581,407**	**$ 1,589,459**	**$ 1,718,300**
Insured lives by product line:			
Individual	780	663	603
Small employer group	127	109	129
TOTAL	**907**	**772**	**732**
Ratios:			
Loss ratio(1)	73.9%	73.9%	74.0%
Expense ratio(2)	27.0%	26.0%	26.3%
Combined ratio(3)	99.6%	98.5%	98.8%

(1) The loss ratio is equal to policyholder benefits divided by net earned premiums.

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

(3) The combined ratio is equal to total benefits, losses and expenses divided by net earned premiums and fees and other income.

The Affordable Care Act

Some provisions of the Affordable Care Act have taken effect already, and other provisions will become effective at various dates before the end of 2014. 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—Risk related to our industry—Reform of the health care industry could materially reduce the profitability of certain of our businesses or render them unprofitable" in this report.

Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net Income

Segment net income decreased $46,143, or 89%, to $5,857 for Twelve Months 2013 from $52,000 for Twelve Months 2012. The decrease was primarily attributable to a higher provision for income taxes in connection with the Affordable Care Act due to a change in estimated non-deductible compensation expenses, including a $10,205 tax liability increase, and a decrease in net earned premiums. In addition, Twelve Months 2012 results included an additional $14,337 (after-tax) of investment income from real estate joint venture partnerships.

Total Revenues

Total revenues decreased $37,082, or 2%, to $1,647,203 for Twelve Months 2013 from $1,684,285 for Twelve Months 2012. Net earned premiums from our individual medical business decreased $4,737, or less than 1%, due to a decline in individual major medical premiums, partially offset by growth in supplemental and affordable choice products and premium rate increases. Net earned premiums from our small employer group business decreased $3,315, or 1%, due to a decline in renewal business, partially offset by new sales and premium rate increases. Net investment income decreased $27,644, primarily due to less investment income from real estate joint venture partnerships.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $9,447, or less than 1%, to $1,604,625 for Twelve Months 2013 from $1,595,178 for Twelve Months 2012. Policyholder benefits decreased $5,033, or less than 1%, while the benefit loss ratio stayed level at 73.9%. The decrease in policyholder benefits was primarily attributable to a decline in renewal business, partially offset by less favorable loss experience and increasing first year business. Selling, underwriting and general expenses increased $14,480, or 3%, primarily due to higher expenses associated with increased first year sales of individual and small employer group major medical policies. Twelve Months 2013 also includes $4,589 of restructuring costs primarily due to the elimination of the underwriting functions for major medical products effective January 2014 as required by the Affordable Care Act.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Net Income

Segment net income increased $11,114 or 27% to $52,000 for Twelve Months 2012 from $40,886 for Twelve Months 2011. The increase was primarily attributable to $13,856 (after-tax) of additional investment income from a real estate joint venture partnership and lower expenses associated with organizational and operational expense reduction initiatives. Partially offsetting these items were policy lapses and lower sales of new policies. Twelve Months 2011 results included a $4,780 (after-tax) reimbursement from a pharmacy services provider.

Total Revenues

Total revenues decreased $114,561, or 6%, to $1,684,285 for Twelve Months 2012 from $1,798,846 for Twelve Months 2011. Net earned premiums from our individual medical business decreased $72,569, or 6%, due to a decline in traditional major medical policies, partially offset by increased sales of lower priced supplemental and affordable choice products and premium rate increases. Net earned premiums from our small employer group business decreased $56,272, or 12%, due to lower sales, partially offset by premium rate increases. Partially offsetting these declines was increased net investment income of $18,397, due to income from a real estate joint venture partnership.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased $136,528, or 8%, to $1,595,178 for Twelve Months 2012 from $1,731,706 for Twelve Months 2011. Policyholder benefits decreased $96,952, or 8%, and the benefit loss ratio decreased to 73.9% from 74.0%. The decrease in policyholder benefits was primarily attributable to a decline in business volume, partially offset by higher loss experience. The slight decrease in the benefit loss ratio reflects a growing proportion of business with lower loss ratios, partially offset by higher loss experience on traditional major medical policies. Selling, underwriting and general expenses decreased $39,576, or 9%, primarily due to reduced employee-related expenses, lower technology and service provider costs, and reduced commissions due to lower sales of traditional major medical policies.

Assurant Employee Benefits

Overview

The table below presents information regarding Assurant Employee Benefits' segment results of operations:

	For the Years Ended December 31,		
	2013	2012	2011
Revenues:			
Net earned premiums	$ 1,014,587	$ 1,014,264	$ 1,064,023
Net investment income	117,853	128,485	129,640
Fees and other income	23,434	28,468	25,382
Total revenues	1,155,874	1,171,217	1,219,045
Benefits, losses and expenses:			
Policyholder benefits	715,656	693,067	767,723
Selling, underwriting and general expenses	388,159	390,042	386,072
Total benefits, losses and expenses	1,103,815	1,083,109	1,153,795
Segment income before provision for income taxes	52,059	88,108	65,250
Provision for income taxes	17,506	30,049	22,175
SEGMENT NET INCOME	**$ 34,553**	**$ 58,059**	**$ 43,075**
Net earned premiums:			
Group dental	$ 383,223	$ 394,413	$ 412,339
Group disability	403,286	409,757	449,293
Group life	192,392	188,246	193,914
Group supplemental and vision products	35,686	21,848	8,477
TOTAL	**$ 1,014,587**	**$ 1,014,264**	**$ 1,064,023**
Voluntary	$ 393,969	$ 368,576	$ 348,666
Employer-paid and other	620,618	645,688	715,357
TOTAL	**$ 1,014,587**	**$ 1,014,264**	**$ 1,064,023**
Ratios:			
Loss ratio (1)	70.5%	68.3%	72.2%
Expense ratio (2)	37.4%	37.4%	35.4%

(1) The loss ratio is equal to policyholder benefits divided by net earned premiums.

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

Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net Income

Segment net income decreased 40% to $34,553 for Twelve Months 2013 from $58,059 for Twelve Months 2012. The decrease was primarily attributable to less favorable disability loss experience, including a previously disclosed decrease in the reserve discount rate primarily for new long-term disability claims. Additionally, Twelve Months 2013 results were also impacted by lower investment income compared to Twelve Months 2012.

Total Revenues

Total revenues decreased 1% to $1,155,874 for Twelve Months 2013 from $1,171,217 for Twelve Months 2012. Twelve Months 2013 net earned premiums increased slightly as growth in our voluntary products was offset by declines in employer-paid products. Net investment income decreased 8% or $10,632 driven by lower average invested assets, a decrease in the average investment yield and lower real estate joint venture income in Twelve Months Ended 2013 compared to Twelve Months Ended 2012.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased 2% to $1,103,815 for Twelve Months 2013 from $1,083,109 for Twelve Months 2012. The loss ratio increased to 70.5% from 68.3% primarily driven by unfavorable disability and life loss experience. The expense ratio remained flat at 37.4%.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Net Income

Segment net income increased $14,984, or 35%, to $58,059 for Twelve Months 2012 from $43,075 for Twelve Months 2011. Results for Twelve Months 2012 were driven primarily by favorable loss experience across most major product lines.

Total Revenues

Total revenues decreased 4% to $1,171,217 for Twelve Months 2012 from $1,219,045 for Twelve Months 2011. Excluding $4,936 of single premium transactions in Twelve Months 2011, Twelve Months 2012 net earned premiums decreased $44,823 or 4%. The decrease in net earned premiums was primarily driven by the loss of two assumed disability clients which decreased net earned premiums $36,161.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased 6% to $1,083,109 for Twelve Months 2012 from $1,153,795 for Twelve Months 2011. During Twelve Months 2012 policyholder benefits were reduced $5,061 based on the results of our annual reserve adequacy studies compared to $10,500 in Twelve Months 2011. Excluding the impact of the annual reserve adequacy studies, the loss ratio decreased to 68.8% from 73.1%, primarily driven by favorable disability, life and dental loss experience. The expense ratio increased to 37.4% from 35.4% primarily as a result of decreased net earned premiums.

Corporate and Other

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

	For the Years Ended December 31,		
	2013	2012	2011
Revenues:			
Net investment income	$ 20,599	$ 20,327	$ 17,147
Net realized gains on investments	34,525	64,353	32,580
Amortization of deferred gain on disposal of businesses	16,310	18,413	20,461
Fees and other income	659	3,713	305
Total revenues	72,093	106,806	70,493
Benefits, losses and expenses:			
Policyholder benefits	4,888	(1,061)	6,474
Selling, underwriting and general expenses	138,450	111,423	102,359
Interest expense	77,735	60,306	60,360
Total benefits, losses and expenses	221,073	170,668	169,193
Segment loss before benefit for income taxes	(148,980)	(63,862)	(98,700)
Benefit for income taxes	(48,739)	(8,804)	(113,922)
SEGMENT NET (LOSS) INCOME	**$ (100,241)**	**$ (55,058)**	**$ 15,222**

Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net Loss

Segment net loss increased $45,183 to $100,241 for Twelve Months 2013 compared with a net loss of $55,058 for Twelve Months 2012. The increase is primarily related to a $19,388 (after-tax) decrease in net realized gains on investments, increased employee-related and business acquisition-related expenses and additional expenses in areas targeted for growth. In addition, interest expense increased $11,329 (after-tax) due to the March 2013 issuance of senior notes with an aggregate principal amount of $700,000.

Total Revenues

Total revenues decreased $34,713 to $72,093 for Twelve Months 2013 compared with $106,806 for Twelve Months 2012. The decrease in revenues is mainly due to decreased net realized gains on investments.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $50,405 to $221,073 in Twelve Months 2013 compared with $170,668 in Twelve Months 2012. The increase is primarily due to increased employee-related and business acquisition-related expenses, additional expenses in areas targeted for growth and increased interest expense related to the March 2013 debt issuance mentioned above. In addition, policyholders benefits increased $5,949 attributable to increased claims payable accruals associated with discontinued businesses.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Net (Loss) Income

Segment results decreased $70,280 to $(55,058) for Twelve Months 2012 compared to $15,222 for Twelve Months 2011. This decrease is mainly due to an $80,000 release of a capital loss valuation allowance related to deferred tax assets during Twelve Months 2011.

Total Revenues

Total revenues increased $36,313, to $106,806 for Twelve Months 2012 compared with $70,493 for Twelve Months 2011. This increase is primarily due to a $31,773 increase in net realized gains on investments.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $1,475 to $170,668 for Twelve Months 2012 compared with $169,193 for Twelve Months 2011. The increase is primarily due to increased employee related benefits and new business investments for areas targeted for growth partially offset by decreased policyholder benefits incurred of $7,535 associated with discontinued businesses.

Investments

The Company had total investments of $14,244,015 and $14,976,318 as of December 31, 2013 and December 31, 2012, respectively. For more information on our investments see Note 4 to the 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)	**December 31, 2013**		**December 31, 2012**	
Aaa / Aa / A	$ 7,214,256	63.9%	$ 7,704,911	63.2%
Baa	3,316,035	29.4%	3,730,850	30.7%
Ba	523,175	4.6%	472,773	3.9%
B and lower	238,409	2.1%	263,104	2.2%
TOTAL	**$ 11,291,875**	**100.0%**	**$ 12,171,638**	**100.0%**

Major categories of net investment income were as follows:

	Years Ended December 31,		
	2013	**2012**	**2011**
Fixed maturity securities	$ 530,144	$ 553,668	$ 565,486
Equity securities	27,013	24,771	29,645
Commercial mortgage loans on real estate	76,665	79,108	80,903
Policy loans	3,426	3,204	3,102
Short-term investments	2,156	4,889	5,351
Other investments	20,573	54,581	21,326
Cash and cash equivalents	14,679	15,323	7,838
Total investment income	674,656	735,544	713,651
Investment expenses	(24,360)	(22,416)	(24,119)
NET INVESTMENT INCOME	**$ 650,296**	**$ 713,128**	**$ 689,532**

Net investment income decreased $62,832, or 8.8%, to $650,296 for 2013 from $713,128 for 2012. The decrease is primarily due to $29,549 less investment income from real estate joint venture partnerships. Excluding the investment income from real estate joint venture partnerships, net investment income decreased $33,283, primarily reflecting lower investment yields.

Net investment income increased $23,596, or 3%, to $713,128 for 2012 from $689,532 for 2011. The increase is primarily due to $28,974 of higher investment income from real estate joint venture partnerships. Excluding the net investment income from real estate joint venture partnerships, net investment income decreased $5,378, primarily reflecting lower investment yields.

The net unrealized gain position decreased to $812,388 as of December 31, 2013, compared to $1,496,027 as of December 31, 2012 primarily due to increasing U.S. Treasury yields.

As of December 31, 2013, the Company owned $194,789 of securities guaranteed by financial guarantee insurance companies. Included in this amount was $181,938 of municipal securities, with a credit rating of A+ both with and without the guarantee.

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 portfolio as of December 31, 2013 and 2012. At December 31, 2013 and 2012, the securities include general obligation and revenue bonds issued by states, cities, counties, school districts and similar issuers, including $234,640 and $168,705, 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 December 31, 2013 and 2012, revenue bonds account for 53% and 52% of the holdings, respectively. Excluding pre-refunded revenue bonds, the activities supporting the income streams of the Company's revenue bonds are across a broad range of sectors, primarily highway, water, transit, airport and marina, higher education, specifically pledged tax revenues, and other miscellaneous sources such as bond banks, finance authorities and appropriations.

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. Total invested assets denominated in foreign currencies other than the Canadian dollar were approximately 2% of our total invested assets at December 31, 2013 and 2012. At December 31, 2013, approximately 70%, 15%, and 6% of the foreign government securities were held in the Canadian government/provincials and the governments of Brazil and Germany, respectively. At December 31, 2012, approximately 67%, 15% and 6% 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 3% and 5% of our foreign government securities as of December 31, 2013 and 2012, respectively.

The Company has European investment exposure in its corporate fixed maturity and equity securities of $1,082,129 with an unrealized gain of $78,126 at December 31, 2013 and $1,054,820 with an unrealized gain of $122,420 at December 31, 2012. Approximately 25% and 28% of the corporate European exposure is held in the financial industry at December 31, 2013 and 2012, respectively. Our largest European country exposure represented approximately 6% and 5% of the fair value of our corporate securities as of December 31, 2013 and 2012, respectively. 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 Company has exposure to sub-prime and related mortgages within our fixed maturity security portfolio. At December 31, 2013, approximately 3.1% of the residential mortgage-backed holdings had exposure to sub-prime mortgage collateral. This represented approximately 0.3% of the total fixed income portfolio and 2.3% of the total unrealized gain position. Of the securities with sub-prime exposure, approximately 12.2% 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.

As required by the fair value measurements and disclosures guidance, the Company has identified and disclosed its financial assets in a fair value hierarchy, which consists of the following three levels:

- 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 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.

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.

A non-pricing service source prices certain privately placed corporate bonds using a model with observable inputs including, but not limited to, the credit rating, credit spreads, sector add-ons, and issuer specific add-ons. A non-pricing service source prices our CPI Caps 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 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.

Collateralized Transactions

The Company engages in transactions in which fixed maturity securities, primarily bonds issued by the U.S. government and 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 December 31, 2013 and 2012, our collateral held under securities lending, of which its use is unrestricted, was $95,215 and $94,729, 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 $95,206 and $94,714, 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 gain and is included as part of AOCI. All securities are in an unrealized gain position as of December 31, 2013 and 2012. 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 holding company's 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. For further information on pending amendments to state insurance holding company laws, including the NAIC's "Solvency Modernization Initiative," see "Item 1A—Risk Factors—Risks Related to Our Industry—Changes in regulation may reduce our profitability and limit our growth." 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 November 18, 2013, A.M. Best affirmed the financial strength ratings of Assurant's businesses with a stable outlook. At that time, A.M. Best also affirmed Assurant's debt rating of bbb and revised the outlook from stable to positive. On March 12, 2013, Moody's Investor Services ("Moody's") downgraded the insurance financial strength ratings of two of Assurant's rated life and health subsidiaries from A3 to Baa1 due to pressures on earnings and concerns about the impact of the Affordable Care Act. Moody's outlook on these two subsidiaries remains negative. On June 24, 2013, Standard and Poor's ("S&P") upgraded the Senior Debt rating of Assurant, Inc from BBB to BBB+ and revised the outlook on the rating from positive to stable. In addition, S&P upgraded the financial strength ratings of American Security Insurance Company, American Bankers Insurance Company of Florida, American Bankers Life Assurance Company of Florida and American Memorial Life from A— to A and revised the outlook on the ratings from positive to stable. The upgrades cited Assurant's strong earnings capability based on its well-diversified competitive position and very strong capital adequacy, as well as the company's strong financial flexibility supported by its strong leverage and coverage metrics. 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." For 2014, the maximum amount of dividends our U.S. domiciled insurance subsidiaries could pay, under applicable laws and regulations without prior regulatory approval, is approximately $484,000.

Liquidity

As of December 31, 2013, we had $689,982 in holding company capital, excluding $467,330 from the March 28, 2013 debt offering which was used to repay debt that matured in February 2014. We use the term "holding company capital" to represent cash and other liquid marketable securities held at Assurant, Inc., out of a total of $1,414,816, 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 $689,982 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 $607,295, $581,908, and $523,881 for the years ended December 31, 2013, 2012, and 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 of 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. During 2013, 2012 and 2011 we made share repurchases and paid dividends to our stockholders of $472,308, $472,103 and $600,314, respectively. We expect 2014 dividends from the operating segments to approximate their earnings subject to the growth of the businesses, rating agency and regulatory capital requirements as well as investment performance.

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 may be 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.

On January 10, 2014, our Board of Directors declared a quarterly dividend of $0.25 per common share payable on March 10, 2014 to stockholders of record as of February 24, 2014. We paid dividends of $0.25 per common share on December 10, 2013 to stockholders of record as of December 2, 2013, $0.25 per common share on September 10, 2013 to stockholders of record as of August 26, 2013, and $0.25 per common share on June 11, 2013 to stockholders of record as of May 28, 2013. This represents a 19 percent increase above the quarterly dividend of $0.21 per common share paid on March 11, 2013 to stockholders of record as of February 25, 2013. Any determination to pay future dividends will be at the discretion of our Board of Directors and will be dependent upon: our subsidiaries' payments 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; legal, tax, regulatory and contractual restrictions on the payment of dividends; and other factors our Board of Directors deems relevant.

On November 18, 2013, our Board of Directors authorized the Company to repurchase up to an additional $600,000 of its outstanding common stock, making its total authorization $752,436 at that date. During the year ended December 31, 2013, we repurchased 7,707,014 shares of our outstanding common stock at a cost of $398,026, exclusive of commissions. As of December 31, 2013, $704,874 remained under the total repurchase authorization. The timing and the amount of future repurchases will depend on market conditions and other factors.

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

We sponsor a qualified pension plan, (the "Assurant Pension Plan") and various non-qualified pension plans (including an Executive Pension Plan), along with a retirement health benefits plan covering our employees who meet specified eligibility requirements. The reported expense and liability associated with these plans requires an extensive use of assumptions which include, but are not limited to, the discount rate, expected return on plan assets and rate of future compensation increases. We determine these assumptions based upon currently available market and industry data, and historical performance of the plan and its assets. The actuarial assumptions used in the calculation of our aggregate projected benefit obligation vary and include an expectation of long-term appreciation in equity markets which is not changed by minor short-term market fluctuations, but does change when large interim deviations occur. The assumptions we use may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of the participants.

As of January 1, 2014, the Assurant Pension and Executive Pension Plans are no longer offered to new hires. Current employees will not be affected and will continue to accrue benefits under the Assurant Pension and Executive Pension Plans. Employees who are currently eligible but not yet participating will remain eligible to participate in the future once they meet the Assurant Pension and Executive Pension Plan requirements.

The Pension Protection Act of 2006 ("PPA") requires certain qualified plans, like the Assurant Pension Plan, to meet specified funding thresholds. If these funding thresholds are not met, there are negative consequences to the Assurant Pension Plan and participants. If the funded percentage falls below 80%, full payment of lump sum benefits as well as implementation of amendments improving benefits are restricted.

As of January 1, 2013, the Assurant Pension Plan's funded percentage was 128% on a PPA calculated basis (based on an actuarial average value of assets compared to the funding target). Therefore, benefit and payment restrictions did not occur during 2013. The 2013 funded measure will also be used to determine restrictions, if any, that can occur during the first nine months of 2014. Due to the funding status of the Assurant Pension Plan in 2013, no restrictions will exist before October 2014 (the time that the January 1, 2014 actuarial valuation needs to be completed). Also, based on the estimated funded status as of January 1, 2014, we do not anticipate any restrictions on benefits for the remainder of 2014.

The Assurant Pension Plan was over-funded by $18,078 and under-funded by $107,666 (based on the fair value of the assets compared to the projected benefit obligation) on a GAAP basis at December 31, 2013 and 2012, respectively. This equates to an 102% and 87% funded status at December 31, 2013 and 2012, respectively. The change in funded status is mainly due to favorable investment returns as well as contributions made to the plan and an increase in the discount rate used to determine the projected benefit obligation.

The Company's funding policy is to contribute amounts to the plan sufficient to meet the minimum funding requirements in ERISA, plus such additional amounts as the Company may determine to be appropriate from time to time up to the maximum permitted. The funding policy considers several factors to determine such additional amounts including items such as the amount of service cost plus 15% of the Assurant Pension Plan deficit and the capital position of the Company. During 2013, we contributed $50,000 in cash to the Assurant Pension Plan. We expect to contribute $30,000 in cash to the Assurant Pension Plan over the course of 2014. See Note 20 to the Consolidated Financial Statements included elsewhere in this report for the components of the net periodic benefit cost.

The impact of a 25 basis point change in the discount rate on the 2014 projected benefit expense would result in a change of $3,000 for the Assurant Pension Plan and the various non-qualified pension plans and $400 for the retirement health benefit plan. The impact of a 25 basis point change in the expected return on assets assumption on the 2014 projected benefit expense would result in a change of $1,800 for the Assurant Pension Plan and the various non-qualified pension plans and $100 for the retirement health benefits plan.

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 A-2 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 $345,740 was available at December 31, 2013, due to $4,260 of outstanding letters of credit related to this program.

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 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 twelve months ended December 31, 2013 and 2012 and there were no amounts relating to the commercial paper program outstanding at December 31, 2013 and December 31, 2012. The Company made no borrowings using the 2011 Credit Facility and no loans were outstanding at December 31, 2013.

The 2011 Credit Facility contains restrictive covenants, all of which were met as of December 31, 2013. These covenants include (but are not limited to):

(i) Maintenance of a maximum debt to total capitalization ratio on the last day of any fiscal quarter of not greater than 35%, and

(ii) Maintenance of a consolidated adjusted net worth in an amount not less than the "Minimum Amount". For the purpose of this calculation the "Minimum Amount" is an amount equal to the sum of (a) the base amount $3,146,292 plus (b) 50% of consolidated net income for each fiscal quarter (if positive) ending after June 30, 2011, plus (c) 50% of the net proceeds of any issuance of Capital Stock or Hybrid Securities received after June 30, 2011.

At December 31, 2013, our ratio of debt to total capitalization as calculated under the covenant was 27%, the consolidated Minimum Amount described in (ii) above was $3,760,327 and our actual consolidated adjusted net worth as calculated under the covenant was $4,559,635.

In the event of the breach of certain covenants all obligations under the 2011 Credit Facility, including unpaid principal and accrued interest and outstanding letters of credit, may become immediately due and payable.

Senior Notes

On March 28, 2013, we completed an issuance of two series of senior notes with an aggregate principal amount of $700,000 (the "2013 Senior Notes"). The first series is $350,000 in principal amount, bears interest at 2.50% per year and is payable in a single installment due March 15, 2018. The second series is $350,000 in principal amount, bears interest at 4.00% per year and is payable in a single installment due March 15, 2023.

The net proceeds from the sale of the 2013 Senior Notes was $698,093, which represents the principal amount less the discount before offering expenses. The Company's intent at issuance was to use the net proceeds of the 2013 Senior Notes for general corporate purposes, including to repay $500,000 of debt maturing in 2014. As of December 31, 2013, the remaining proceeds from the 2013 Senior Notes were held in short term investments and the Company used a portion to repay the remaining $467,330 of debt that matured in February 2014.

In addition, as of December 31, 2013, we had two series of senior notes outstanding in an aggregate principal amount of $975,000 (the "2004 Senior Notes"). The first series was $500,000 in principal amount, bore interest at 5.63% per year and was repaid on February 18, 2014. The second series is $475,000 in principal amount, bears interest at 6.75% per year and is due February 15, 2034. During the twelve months ended December 31, 2013, the Company repurchased $32,670 of the 2004 Senior Notes through open market transactions, respectively. The $964 difference between the reacquisition price and the net carrying amount of the extinguished debt for the twelve months ended December 31, 2013, respectively, was recorded as an extinguishment loss and is included in the consolidated statements of operations as part of interest expense.

Interest on our 2004 Senior Notes is payable semi-annually on February 15 and August 15 of each year. The interest expense incurred related to the 2004 Senior Notes was $59,414, $60,306 and $60,360 for the years ended December 31, 2013, 2012, and 2011, respectively. There was $21,876 and $22,570 of accrued interested at December 31, 2013 and 2012, respectively. The 2004 Senior Notes are unsecured obligations and rank equally with all of our other senior unsecured indebtedness. The 2004 Senior Notes are not redeemable prior to maturity.

Interest on our 2013 Senior Notes is payable semi-annually on March 15 and September 15 of each year. Interest expense incurred related to the 2013 Senior Notes was $17,357 for the twelve months ended December 31, 2013. There was $6,635 of accrued interest at December 31, 2013. The senior notes are unsecured obligations and rank equally with all of the Company's other senior unsecured indebtedness. The Company may redeem each series of the 2013 Senior Notes in whole or in part at any time and from time to time before their maturity at the redemption price set forth in the Indenture.

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.

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 Years Ended December 31,		
	2013	2012	2011
Net cash provided by (used in):			
Operating activities[(1)]	$ 1,003,819	$ 673,215	$ 849,633
Investing activities	(392,738)	(449,883)	(196,588)
Financing activities	196,699	(480,641)	(636,848)
NET CHANGE IN CASH	**$ 807,780**	**$ (257,309)**	**$ 16,197**

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

Cash Flows for the Years Ended December 31, 2013, 2012 and 2011.

Operating Activities:

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 $1,003,819 and $673,215 for the years ended December 31, 2013 and 2012, respectively. The increase in cash provided by operating activities was primarily due to decreased catastrophe loss payments, decreased tax payments and increased net written premiums in our Assurant Solutions and Assurant Specialty Property segments. These items were partially offset by a $14,000 settlement payment with the NYDFS in our Assurant Specialty Property segment during Twelve Months 2013.

Net cash provided by operating activities was $673,215 and $849,633 for the years ended December 31, 2012 and 2011, respectively. The decreased operating activity cash flow is primarily due to increased catastrophe loss payments, changes in the timing of payments, including commissions and the Company's defined contribution plan match, partially offset by increased net written premiums in our Assurant Solutions and Assurant Specialty Property segments.

Investing Activities:

Net cash used in investing activities was $392,738 and $449,883 for the years ended December 31, 2013 and 2012, respectively. The decrease in cash used in investing activities is primarily due to increased sales of fixed maturity securities and decreased purchases of fixed maturity securities, partially offset by the acquisitions of FAS and LSG, and an equity investment in Iké, all during Twelve Months 2013, and changes in our short term investments.

Net cash used in investing activities was $449,883 and $196,588 for the years ended December 31, 2012 and 2011, respectively. The increase in cash used in investing activities is primarily due to increased purchases of fixed maturity and equity securities.

Financing Activities:

Net cash provided by (used in) financing activities was $196,699 and $(480,641) for the years ended December 31, 2013 and 2012, respectively. The increase in financing activities was primarily due to the issuance of two series of senior notes during Twelve Months 2013. The company received proceeds of $698,093 from this transaction, which represents the principal amount less the discount before offering expenses.

Net cash used in financing activities was $480,641 and $636,848 for the years ended December 31, 2012 and 2011, respectively. The decrease in cash used in financing activities is primarily due to a decrease in the acquisition of common stock.

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

	For the Years Ended December 31,		
	2013	2012	2011
Income taxes paid	$ 132,487	$ 289,850	$ 223,950
Interest paid on debt	70,741	60,188	60,244
Common stock dividends	74,128	69,393	67,385
TOTAL	**$ 277,356**	**$ 419,431**	**$ 351,579**

Commitments and Contingencies

We have obligations and commitments to third parties as a result of our operations. These obligations and commitments, as of December 31, 2013, are detailed in the table below by maturity date as of the dates indicated:

	As of December 31, 2013				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual obligations:					
Insurance liabilities[1]	$ 19,149,913	$ 1,762,594	$ 1,694,325	$ 1,585,369	$ 14,107,625
Debt and related interest	2,486,049	536,205	109,625	455,250	1,384,969
Operating leases	112,287	27,770	43,129	24,994	16,394
Pension obligations and postretirement benefit	662,569	46,980	119,200	121,900	374,489
Commitments:					
Investment purchases outstanding:					
Commercial mortgage loans on real estate	16,625	16,625	0	0	0
Capital contributions to real estate joint ventures	26,815	26,815	0	0	0
Liability for unrecognized tax benefit	12,510	4,641	6,366	(942)	2,445
TOTAL OBLIGATIONS AND COMMITMENTS	**$ 22,466,768**	**$ 2,421,630**	**$ 1,972,645**	**$ 2,186,571**	**$ 15,885,922**

(1) Insurance liabilities reflect estimated cash payments to be made to policyholders.

Liabilities for future policy benefits and expenses of $8,646,572 and claims and benefits payable of $3,389,371 have been included in the commitments and contingencies table. Significant uncertainties relating to these liabilities include mortality, morbidity, expenses, persistency, investment returns, inflation, contract terms and the timing of payments.

Letters of Credit

In the normal course of business, letters of credit are issued primarily to support reinsurance arrangements. These letters of credit are supported by commitments with financial institutions. We had approximately $17,343 and $19,760 of letters of credit outstanding as of December 31, 2013 and December 31, 2012, respectively.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that are reasonably likely to have a material effect on the financial condition, results of operations, liquidity, or capital resources of the Company.

ITEM 7A Quantitative and Qualitative Disclosures About Market Risk

As a provider of insurance products, effective risk management is fundamental to our ability to protect both our customers' and stockholders' interests. We are exposed to potential loss from various market risks, in particular interest rate risk and credit risk. Additionally, we are exposed to inflation risk and to a lesser extent foreign currency risk.

Interest rate risk is the possibility that the fair value of liabilities will change more or less than the market value of investments in response to changes in interest rates, including changes in investment yields and changes in spreads due to credit risks and other factors.

Credit risk is the possibility that counterparties may not be able to meet payment obligations when they become due. We assume counterparty credit risk in many forms. A counterparty is any person or entity from which cash or other forms of consideration are expected to extinguish a liability or obligation to us. Primarily, our credit risk exposure is concentrated in our fixed maturity investment portfolio and, to a lesser extent, in our reinsurance recoverables.

Inflation risk is the possibility that a change in domestic price levels produces an adverse effect on earnings. This typically happens when either invested assets or liabilities, but not both is indexed to inflation.

Foreign exchange risk is the possibility that changes in exchange rates produce an adverse effect on earnings and equity when measured in domestic currency. This risk is largest when assets backing liabilities payable in one currency are invested in financial instruments of another currency. Our general principle is to invest in assets that match the currency in which we expect the liabilities to be paid.

Interest Rate Risk

Interest rate risk arises as we invest substantial funds in interest-sensitive fixed income assets, such as fixed maturity securities, mortgage-backed and asset-backed securities and commercial mortgage loans, primarily in the U.S. and Canada. There are two forms of interest rate risk—price risk and reinvestment risk. Price risk occurs when fluctuations in interest rates have a direct impact on the market valuation of these investments. As interest rates rise, the market value of these investments falls, and conversely, as interest rates fall, the market value of these investments rise. Reinvestment risk is primarily associated with the need to reinvest cash flows (primarily coupons and maturities) in an unfavorable lower interest rate environment. In addition, for securities with embedded options such as callable bonds, mortgage-backed securities, and certain asset-backed securities, reinvestment risk occurs when fluctuations in interest rates have a direct impact on expected cash flows. As interest rates fall, an increase in prepayments on these assets results in earlier than expected receipt of cash flows forcing us to reinvest the proceeds in an unfavorable lower interest rate environment. Conversely, as interest rates rise, a decrease in prepayments on these assets results in later than expected receipt of cash flows forcing us to forgo reinvesting in a favorable higher interest rate environment.

We manage interest rate risk by selecting investments with characteristics such as duration, yield, currency and liquidity tailored to the anticipated cash outflow characteristics of our insurance and reinsurance liabilities.

Our group long-term disability and group term life waiver of premium reserves are also sensitive to interest rates. These reserves are discounted to the valuation date at the valuation interest rate. The valuation interest rate is determined by taking into consideration actual and expected earned rates on our asset portfolio.

The interest rate sensitivity relating to price risk of our fixed maturity securities is assessed using hypothetical scenarios that assume several positive and negative parallel shifts of the yield curves. We have assumed that the U.S. and Canadian yield curve shifts are of equal direction and magnitude. The individual securities are repriced under each scenario using a valuation model. For investments such as callable bonds and mortgage-backed and asset-backed securities, a prepayment model is used in conjunction with a valuation model. Our actual experience may differ from the results noted below particularly due to assumptions utilized or if events occur that were not included in the methodology. The following tables summarize the results of this analysis for bonds, mortgage-backed and asset-backed securities held in our investment portfolio as of the dates indicated:

INTEREST RATE MOVEMENT ANALYSIS OF MARKET VALUE OF FIXED MATURITY SECURITIES INVESTMENT PORTFOLIO

	As of December 31, 2013				
	-100	-50	0	50	100
Total market value	$ 12,115,046	$ 11,701,578	$ 11,291,875	$ 10,898,116	$ 10,525,665
% Change in market value from base case	7.29%	3.63%	0	-3.49%	-6.79%
$ Change in market value from base case	$ 823,171	$ 409,703	$ 0	$ (393,759)	$ (766,210)

	As of December 31, 2012				
	-100	-50	0	50	100
Total market value	$ 13,029,953	$ 12,613,857	$ 12,171,638	$ 11,742,576	$ 11,337,344
% Change in market value from base case	7.05%	3.63%	0	(3.53)%	(6.85)%
$ Change in market value from base case	$ 858,315	$ 442,219	$ 0	$ (429,062)	$ (834,294)

The interest rate sensitivity relating to reinvestment risk of our fixed maturity securities is assessed using hypothetical scenarios that assume purchases in the primary market and considers the effects of interest rates on sales. The effects of embedded options including call or put features are not considered. Our actual results may differ from the results noted below particularly due to assumptions utilized or if events occur that were not included in the methodology.

The following tables summarize the results of this analysis on our reported portfolio yield as of the dates indicated:

INTEREST RATE MOVEMENT ANALYSIS OF PORTFOLIO YIELD OF FIXED MATURITY SECURITIES INVESTMENT PORTFOLIO

	As of December 31, 2013				
	-100	-50	0	50	100
Portfolio yield	4.82%	4.90%	4.98%	5.06%	5.14%
Basis point change in portfolio yield	(0.16)%	(0.08)%	0	0.08%	0.16%

	As of December 31, 2012				
	-100	-50	0	50	100
Portfolio yield	5.20%	5.28%	5.36%	5.44%	5.52%
Basis point change in portfolio yield	(0.16)%	(0.08)%	0	0.08%	0.16%

Credit Risk

We have exposure to credit risk primarily from customers, as a holder of fixed maturity securities and by entering into reinsurance cessions.

Our risk management strategy and investment policy is to invest in debt instruments of high credit quality issuers and to limit the amount of credit exposure with respect to any one issuer. We attempt to limit our credit exposure by imposing fixed maturity portfolio limits on individual issuers based upon credit quality. Currently our portfolio limits are 1.5% for issuers rated AA- and above, 1% for issuers rated A- to A+, 0.75% for issuers rated BBB- to BBB+ and 0.38% for issuers rated BB- to BB+. These portfolio limits are further reduced for certain issuers with whom we have credit exposure on reinsurance agreements. We use the lower of Moody's or S&P's ratings to determine an issuer's rating.

The following table presents our fixed maturity investment portfolio by ratings of the nationally recognized securities rating organizations as of the dates indicated:

	December 31, 2013		December 31, 2012	
Rating	**Fair Value**	**Percentage of Total**	**Fair Value**	**Percentage of Total**
Aaa/Aa/A	$ 7,214,256	64%	$ 7,704,911	63%
Baa	3,316,035	29%	3,730,850	31%
Ba	523,175	5%	472,773	4%
B and lower	238,409	2%	263,104	2%
TOTAL	**$ 11,291,875**	**100%**	**$ 12,171,638**	**100%**

We are also exposed to the credit risk of our reinsurers. When we reinsure, we are still liable to our insureds regardless of whether we get reimbursed by our reinsurer. As part of our overall risk and capacity management strategy, we purchase reinsurance for certain risks underwritten by our various business segments as described above under "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Reinsurance."

We had $5,752,134 and $6,141,737 of reinsurance recoverables as of December 31, 2013 and 2012, respectively, the majority of which are protected from credit risk by various types of risk mitigation mechanisms such as trusts, letters of credit or by withholding the assets in a modified coinsurance or co-funds-withheld arrangement. For example, reserves of $1,101,847 and $2,578,329 as of December 31, 2013 and $1,125,472 and $2,494,275 as of December 31, 2012, relating to two large coinsurance arrangements with The Hartford and John Hancock (a subsidiary of Manulife Financial Corporation), respectively, related to sales of businesses are held in trusts. If the value of the assets in these trusts falls below the value of the associated liabilities, The Hartford and John Hancock, as the case may be, will be required to put more assets in the trusts. We may be dependent on the financial condition of The Hartford and John Hancock, whose A.M. Best ratings are currently A- and A+, respectively. A.M. Best currently maintains a stable outlook on the financial strength ratings of both The Hartford and John Hancock. The Hartford's A.M. Best ratings are under review with negative implications. For recoverables that are not protected by these mechanisms, we are dependent solely on the credit of the reinsurer. See "Item 1A—Risk Factors—Risks Related to Our Company—Reinsurance may not be available or adequate to protect us against losses, and we are subject to the credit risk of reinsurers" and "– We have sold businesses through reinsurance that could again become our direct financial and administrative responsibility if the purchasing companies were to become insolvent." A majority of our reinsurance exposure has been ceded to companies rated A- or better by A.M. Best.

Inflation Risk

Inflation risk arises as we invest in assets, which are not indexed to the level of inflation, whereas the corresponding liabilities are indexed to the level of inflation. Approximately 6% of Assurant preneed insurance policies, with reserves of $283,968 and $303,652 as of December 31, 2013 and 2012, respectively, have death benefits that are guaranteed to grow with the CPI. In times of rapidly rising inflation, the credited death benefit growth on these liabilities increases relative to the investment income earned on the nominal assets resulting in an adverse impact on earnings. We have partially mitigated this risk by purchasing derivative contracts with payments tied to the CPI. See "– Derivatives."

In addition, we have inflation risk in our individual and small employer group health insurance businesses to the extent that medical costs increase with inflation, and we have not been able to increase premiums to keep pace with inflation.

Foreign Exchange Risk

We are exposed to foreign exchange risk arising from our international operations, mainly in Canada. We also have foreign exchange risk exposure to the British pound, Brazilian Real, Euro, Mexican Peso and Argentine Peso. Total invested assets denominated in currencies other than the Canadian dollar were approximately 2% of our total invested assets at December 31, 2013 and 2012.

Foreign exchange risk is mitigated by matching our liabilities under insurance policies that are payable in foreign currencies with investments that are denominated in such currency. We have not established any hedge to our foreign currency exchange rate exposure.

The foreign exchange risk sensitivity of our fixed maturity securities denominated in Canadian dollars, whose balance was $1,522,517 and $1,656,511 of the total as of December 31, 2013 and 2012, respectively, on our entire fixed maturity portfolio is summarized in the following tables:

FOREIGN EXCHANGE MOVEMENT ANALYSIS OF MARKET VALUE OF FIXED MATURITY SECURITIES ASSETS

	As of December 31, 2013				
Foreign exchange spot rate at December 31, 2013, US Dollar to Canadian Dollar	**-10%**	**-5%**	**0**	**5%**	**10%**
Total market value	$ 11,139,617	$ 11,215,746	$ 11,291,875	$ 11,368,004	$ 11,444,133
% change of market value from base case	(1.35)%	(0.67)%	0	0.67%	1.35%
$ change of market value from base case	$ (152,258)	$ (76,129)	$ 0	$ 76,129	$ 152,258

	As of December 31, 2012				
Foreign exchange spot rate at December 31, 2012, US Dollar to Canadian Dollar	**-10%**	**-5%**	**0**	**5%**	**10%**
Total market value	$ 12,005,979	$ 12,088,809	$ 12,171,638	$ 12,254,467	$ 12,337,297
% change of market value from base case	(1.36)%	(0.68)%	0	0.68%	1.36%
$ change of market value from base case	$ (165,659)	$ (82,829)	$ 0	$ 82,829	$ 165,659

The foreign exchange risk sensitivity of our consolidated net income is assessed using hypothetical test scenarios that assume earnings in Canadian dollars are recognized evenly throughout a period. Our actual results may differ from the results noted below particularly due to assumptions utilized or if events occur that were not included in the methodology. For more information on this risk, please see "Item 1A—Risk Factors-Risk Related to Our Company." Fluctuations in the exchange rate of the U.S. dollar and other foreign currencies may materially and adversely affect our results of operations. The following tables summarize the results of this analysis on our reported net income as of the dates indicated:

FOREIGN EXCHANGE MOVEMENT ANALYSIS OF NET INCOME

As of December 31, 2013					
Foreign exchange daily average rate for the year ended December 31, 2013, US Dollar to Canadian Dollar	**-10%**	**-5%**	**0**	**5%**	**10%**
Net Income	$ 485,856	$ 487,381	$ 488,907	$ 490,433	$ 491,958
% change of net income from base case	(0.62)%	(0.31)%	0	0.31%	0.62%
$ change of net income from base case	$ (3,051)	$ (1,526)	$ 0	$ 1,526	$ 3,051

As of December 31, 2012					
Foreign exchange daily average rate for the year ended December 31, 2012, US Dollar to Canadian Dollar	**-10%**	**-5%**	**0**	**5%**	**10%**
Net Income	$ 478,767	$ 481,236	$ 483,705	$ 486,174	$ 488,643
% change of net income from base case	(1.02)%	(0.51)%	0	0.51%	1.02%
$ change of net income from base case	$ (4,938)	$ (2,469)	$ 0	$ 2,469	$ 4,938

Derivatives

Derivatives are financial instruments whose values are derived from interest rates, foreign exchange rates, financial indices or the prices of securities or commodities. Derivative financial instruments may be exchange-traded or contracted in the over-the-counter market and include swaps, futures, options and forward contracts.

Under insurance statutes, our insurance companies may use derivative financial instruments to hedge actual or anticipated changes in their assets or liabilities, to replicate cash market instruments or for certain income-generating activities. These statutes generally prohibit the use of derivatives for speculative purposes. We generally do not use derivative financial instruments.

We have purchased contracts to cap the inflation risk exposure inherent in some of our preneed insurance policies.

In accordance with the guidance on embedded derivatives, we have bifurcated the modified coinsurance agreement with The Hartford into its debt host and embedded derivative (total return swap) and recorded the embedded derivative at fair value in the consolidated balance sheets. The invested assets related to this modified coinsurance agreement are included in other investments in the consolidated balance sheets.

ITEM 8 Financial Statements and Supplementary Data

The consolidated financial statements and financial statement schedules in Part IV, Item 15(a) 1 and 2 of this report are incorporated by reference into this Item 8.

ITEM 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements with accountants on accounting and financial disclosure.

ITEM 9A 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 December 31, 2013. They have concluded that the Company's disclosure controls and procedures are effective, and 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. They also have concluded that information that the Company is required to disclose is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rule 13a-15(f) under the Exchange Act.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the U.S. A company's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the U.S., and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed its internal control over financial reporting as of December 31, 2013 using criteria established in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992.

Management, including the Company's Chief Executive Officer and its Chief Financial Officer, based on their evaluation of the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)), have concluded that the Company's internal control over financial reporting was effective as of December 31, 2013.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's fourth fiscal quarter in 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B Other Information

None.

PART III

ITEM 10 Directors, Executive Officers and Corporate Governance

The information regarding executive officers in our upcoming 2014 Proxy Statement ("2014 Proxy Statement") under the caption "Executive Officers" is incorporated herein by reference. The information regarding directors in the 2014 Proxy Statement, under the caption "Election of Directors" in "Proposal One" is incorporated herein by reference. The information regarding compliance with Section 16(a) of the Exchange Act in the 2014 Proxy Statement, under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference. The information regarding the Nominating and Corporate Governance Committee and the Audit Committee in the 2014 Proxy Statement under the captions "Nominating and Corporate Governance Committee" and "Audit Committee" in "Corporate Governance" is incorporated herein by reference.

Code of Ethics

The Assurant Code of Ethics applies to all directors, officers and employees of Assurant, including the principal executive officer, principal financial officer and principal accounting officer. The Code of Ethics and our Corporate Governance Guidelines are posted in the "Corporate Governance" subsection of the "Investor Relations" section of our website at *www.assurant.com* which is not incorporated by reference herein. We intend to post any amendments to or waivers from the Code of Ethics that apply to our executive officers or directors on our website.

ITEM 11 Executive Compensation

The information in the 2014 Proxy Statement under the captions "Compensation Discussion and Analysis," "Compensation of Named Executive Officers" and "Compensation of Directors" is incorporated herein by reference. The information in the 2014 Proxy Statement regarding the Compensation Committee under the captions "Compensation Committee," "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report" in "Corporate Governance" is incorporated herein by reference.

ITEM 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information in the 2014 Proxy Statement under the captions “Securities Authorized for Issuance Under Equity Compensation Plans,” “Security Ownership of Certain Beneficial Owners” and “Security Ownership of Management” is incorporated herein by reference.

ITEM 13 Certain Relationships and Related Transactions, and Director Independence

The information in the 2014 Proxy Statement under the captions “Transactions with Related Persons” and “Director Independence” in “Corporate Governance” is incorporated herein by reference.

ITEM 14 Principal Accounting Fees and Services

The information in the 2014 Proxy Statement under the caption “Fees of Principal Accountants” in “Audit Committee Matters” is incorporated herein by reference.

PART IV

ITEM 15 Exhibits and Financial Statement Schedules

(a)1. Consolidated Financial Statements

The following consolidated financial statements of Assurant, Inc., incorporated by reference into Item 8, are attached hereto:

(a)2. Consolidated Financial Statement Schedules

The following consolidated financial statement schedules of Assurant, Inc. are attached hereto:

* All other schedules are omitted because they are not applicable, not required, or the information is included in the financial statements or the notes thereto.

(a)3. Exhibits

Pursuant to the rules and regulations of the SEC, the Company has filed or incorporated by reference certain agreements as exhibits to this Annual Report on Form 10-K. 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, located at *www.assurant.com*.

Exhibit Number	Exhibit Description
3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference from Exhibit 3.1 to the Registrant's Form 10-Q, originally filed on August 5, 2010).
3.2	Amended and Restated By-Laws of the Registrant (incorporated by reference from Exhibit 3.1 to the Registrant's Form 10-Q, originally filed on August 3, 2011).
4.1	Specimen Common Stock Certificate (incorporated by reference from Exhibit 4.1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-109984) and amendments thereto, originally filed on January 13, 2004).
4.2	Indenture, dated as of March 28, 2013, between Assurant, Inc. and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Registrant's Form 8-K, originally filed on March 28, 2013).
4.3	Senior Debt Indenture, dated as of February 18, 2004, between Assurant, Inc. and U.S. Bank National Association, successor to SunTrust Bank, as trustee (incorporated by reference from Exhibit 10.27 to the Registrant's Form 10-K, originally filed on March 30, 2004).
4.4	Pursuant to Item 601(b)(4)(iii) of Regulation S-K, the Registrant hereby agrees to furnish to the SEC, upon request, a copy of any other instrument defining the rights of holders of long-term debt of the Registrant and its subsidiaries.
10.1	Assurant, Inc. Amended and Restated Directors Compensation Plan, effective as of January 1, 2013 (incorporated by reference from Exhibit 10.1 to the Registrants Form 10-K, originally filed on February 20, 2013).*
10.2	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards for Directors, effective as of January 1, 2013 (incorporated by reference from Exhibit 10.2 to the Registrants Form 10-K, originally filed on February 20, 2013).*
10.3	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards for Directors, effective as of January 1, 2013 (incorporated by reference from Exhibit 10.3 to the Registrants Form 10-K, originally filed on February 20, 2013).*
10.4	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards for Directors (incorporated by reference from Exhibit 10.1 to the Registrant's Form 8-K, originally filed on July 1, 2009).*
10.5	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards to Directors (incorporated by reference from Exhibit 10.3 to the Registrant's Form 10-Q, originally filed on May 5, 2010).*
10.6	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards for Directors (incorporated by reference from Exhibit 10.1 to the Registrant's Form 8-K, originally filed on June 14, 2011).*
10.7	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards for Directors (incorporated by reference from Exhibit 10.2 to the Registrant's Form 10-Q, originally filed on August 3, 2011).*
10.8	Form of Amendment, dated April 4, 2011, to Assurant, Inc. Restricted Stock Unit Award Agreement for Time-Based Awards for Directors (incorporated by reference from Exhibit 10.3 to the Registrant's Form 10-Q, originally filed on August 3, 2011).*
10.9	Form of Directors Stock Agreement under Directors Compensation Plan (incorporated by reference from Exhibit 10.23 to the Registrant's Form 10-K, originally filed on March 10, 2006).*
10.10	Form of Directors Stock Appreciation Rights Agreement under the Directors Compensation Plan (incorporated by reference from Exhibit 10.24 to the Registrant's Form 10-K, originally filed on March 10, 2006).*
10.11	Form of Directors Stock Agreement under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.4 to the Registrant's Form 10-Q, originally filed on August 4, 2008).*
10.12	Form of Directors Stock Appreciation Rights Agreement under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.5 to the Registrant's Form 10-Q, originally filed on August 4, 2008).*
10.13	Assurant, Inc. 2004 Long-Term Incentive Plan (incorporated by reference from Exhibit 10.3 to the Registrant's Registration Statement on Form S-1/A (File No. 333-109984) and amendments thereto, originally filed on January 13, 2004).*
10.14	Amendment No. 1 to the Assurant, Inc. 2004 Long-Term Incentive Plan (incorporated by reference from Exhibit 10.3 to the Registrant's Form 10-Q, originally filed on November 14, 2005).*
10.15	Amendment No. 2 to the Assurant, Inc. 2004 Long-Term Incentive Plan (incorporated by reference from Exhibit 10.4 to the Registrant's Form 10-K, originally filed on March 1, 2007).*
10.16	Amended Form of CEO/Director Delegated Authority Restricted Stock Agreement under the Assurant, Inc. 2004 Long Term Incentive Plan, effective January 11, 2007 (incorporated by reference from Exhibit 10.6 to the Registrant's Form 10-K, originally filed on March 1, 2007).*
10.17	Amended and Restated Assurant, Inc. Long Term Equity Incentive Plan, effective as of January 1, 2012 (incorporated by reference from Exhibit 10.15 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.18	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.8 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.19	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Time-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.1 to the Registrant's Form 8-K, originally filed on March 16, 2009).*
10.20	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Performance-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.9 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.21	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Performance-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.1 to the Registrant's Form 8-K, originally filed on March 16, 2010).*

Exhibit Number	Exhibit Description
10.22	Form of Assurant, Inc. Restricted Stock Unit Award Agreement for Performance-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.20 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.23	Form of Restricted Stock Agreement for Executive Officers under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.6 to the Registrant's Form 10-Q, originally filed on August 4, 2008).*
10.24	Form of CEO Award Restricted Stock Agreement under the Assurant, Inc. Long Term Equity Incentive Plan (incorporated by reference from Exhibit 10.7 to the Registrant's Form 10-Q, originally filed on August 4, 2008).*
10.25	Amended and Restated Assurant, Inc. Executive Short Term Incentive Plan, effective as of January 1, 2012 (incorporated by reference from Exhibit 10.23 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.26	Amended and Restated Assurant Long Term Incentive Plan (incorporated by reference from Exhibit 10.29 to the Registrant's Form 10-K, originally filed on March 1, 2007).*
10.27	Amended Form of Restricted Stock Agreement under the Assurant Long Term Incentive Plan, effective January 11, 2007 (incorporated by reference from Exhibit 10.31 to the Registrant's Form 10-K, originally filed on March 1, 2007).*
10.28	Amended Form of Stock Appreciation Rights Agreement under the Assurant Long Term Incentive Plan, effective January 11, 2007 (incorporated by reference from Exhibit 10.33 to the Registrant's Form 10-K, originally filed on March 1, 2007).*
10.29	Amended and Restated Assurant Deferred Compensation Plan (incorporated by reference from Exhibit 10.33 to the Registrant's Form 10-K, originally filed on March 3, 2008).*
10.30	Amendment No. 1 to the Amended and Restated Assurant Deferred Compensation Plan, effective as of January 1, 2012 (incorporated by reference from Exhibit 10.28 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.31	Amendment No. 2 to the Amended and Restated Assurant Deferred Compensation Plan, effective as of December 3, 2013.*
10.32	Amended and Restated Supplemental Executive Retirement Plan (incorporated by reference from Exhibit 10.5 to the Registrant's Form 10-K, originally filed on March 3, 2008).*
10.33	Amendment No. 1 to the Amended and Restated Supplemental Executive Retirement Plan, effective as of January 1, 2009 (incorporated by reference from Exhibit 10.6 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.34	Amendment No. 2 to the Amended and Restated Supplemental Executive Retirement Plan, effective as of January 1, 2010 (incorporated by reference from Exhibit 10.7 to the Registrant's Form 10-K, originally filed on February 23, 2011).*
10.35	Assurant Executive Pension Plan, amended and restated effective as of January 1, 2009 (incorporated by reference from Exhibit 10.15 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.36	Amendment No. 1 to the Assurant Executive Pension Plan, effective as of January 1, 2009 (incorporated by reference from Exhibit 10.33 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.37	Amendment No. 2 to the Assurant Executive Pension Plan, effective as of January 1, 2010 (incorporated by reference from Exhibit 10.34 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.38	Amendment No. 3 to the Assurant Executive Pension Plan, effective as of December 31, 2013.*
10.39	Assurant Executive 401(k) Plan, amended and restated effective as of January 1, 2009 (incorporated by reference from Exhibit 10.16 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.40	Amendment No. 1 to the Assurant Executive 401(k) Plan, effective as of January 1, 2009 (incorporated by reference from Exhibit 10.36 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.41	Amendment No. 2 to the Assurant Executive 401(k) Plan, effective as of January 1, 2010 (incorporated by reference from Exhibit 10.37 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.42	Amendment No. 3 to the Assurant Executive 401(k) Plan, effective as of January 1, 2012 (incorporated by reference from Exhibit 10.38 to the Registrant's Form 10-K, originally filed on February 23, 2012).*
10.43	Form of Assurant, Inc. Change of Control Employment Agreement, dated as of January 1, 2009 (incorporated by reference from Exhibit 10.17 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.44	Form of Assurant, Inc. Change of Control Employment Agreement, dated as of January 1, 2009 (incorporated by reference from Exhibit 10.18 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.45	Form of Assurant, Inc. Change of Control Employment Agreement for Divisional Officers, dated as of January 1, 2009 (incorporated by reference from Exhibit 10.19 to the Registrant's Form 10-K, originally filed on February 27, 2009).*
10.46	Form of Amendment to Assurant, Inc. Change of Control Employment Agreement, effective as of February 1, 2010 (incorporated by reference from Exhibit 10.1 to the Registrant's Form 8-K, originally filed on February 1, 2010).*
10.47	American Security Insurance Company Investment Plan Document (incorporated by reference from Exhibit 10.34 to the Registrant's Form 10-K, originally filed on March 3, 2008).
10.48	Letter Agreement, dated October 11, 2010, by and between Assurant, Inc. and Alan Colberg (incorporated by reference from Exhibit 10.38 to the Registrant's Form 10-K, originally filed on February 23, 2011).*
12.1	Computation of Ratio of Consolidated Earnings to Fixed Charges as of December 31, 2013.
12.2	Computation of Other Ratios as of December 31, 2013.
21.1	Subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP.
24.1	Power of Attorney.

Exhibit Number	Exhibit Description
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 Annual Report on Form 10-K for the year ended December 31, 2013, 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 Statements of Changes in Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

* *Management contract or compensatory plan.*

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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 on February 18, 2014.

ASSURANT, INC.

By:	/s/ROBERT B. POLLOCK
Name:	**Robert B. Pollock**
Title:	President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on February 18, 2014.

Signature	Title
/s/ROBERT B. POLLOCK **Robert B. Pollock**	*President, Chief Executive Officer and Director (Principal Executive Officer)*
/s/MICHAEL J. PENINGER **Michael J. Peninger**	*Executive Vice President and Chief Financial Officer (Principal Financial Officer)*
/s/JOHN A. SONDEJ **John A. Sondej**	*Senior Vice President and Controller (Principal Accounting Officer)*
* **Elaine D. Rosen**	*Non-Executive Board Chair*
* **Howard L. Carver**	*Director*
* **Juan N. Cento**	*Director*
* **Elyse Douglas**	*Director*
* **Lawrence V. Jackson**	*Director*
* **David B. Kelso**	*Director*
* **Charles J. Koch**	*Director*
* **Jean-Paul L. Montupet**	*Director*
* **Paul J. Reilly**	*Director*
* **Robert W. Stein**	*Director*

*By:	/s/MICHAEL J. PENINGER
Name:	**Michael J. Peninger** *Attorney-in-Fact*

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Assurant, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)1 present fairly, in all material respects, the financial position of Assurant, Inc. and its subsidiaries (the "Company") at December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15(a)2 present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control—Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting, appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

New York, New York
February 18, 2014

Consolidated Balance Sheets

AT DECEMBER 31, 2013 AND 2012

(in thousands except number of shares and per share amounts)	December 31, 2013	2012
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost—$10,520,310 in 2013 and $10,728,714 in 2012)	$ 11,291,875	$ 12,171,638
Equity securities available for sale, at fair value (cost—$417,535 in 2013 and $422,703 in 2012)	458,358	475,806
Commercial mortgage loans on real estate, at amortized cost	1,287,032	1,311,682
Policy loans	51,678	52,938
Short-term investments	470,458	300,925
Collateral held/pledged under securities agreements	95,215	94,729
Other investments	589,399	568,600
TOTAL INVESTMENTS	**14,244,015**	**14,976,318**
Cash and cash equivalents	1,717,184	909,404
Premiums and accounts receivable, net	1,080,171	830,027
Reinsurance recoverables	5,752,134	6,141,737
Accrued investment income	145,189	149,032
Deferred acquisition costs	3,128,931	2,861,163
Property and equipment, at cost less accumulated depreciation	253,630	250,796
Tax receivable	0	32,740
Goodwill	784,561	640,714
Value of business acquired	53,549	62,109
Other intangible assets, net	354,636	262,994
Other assets	258,942	97,700
Assets held in separate accounts	1,941,747	1,731,873
TOTAL ASSETS	**$ 29,714,689**	**$ 28,946,607**
LIABILITIES		
Future policy benefits and expenses	$ 8,646,572	$ 8,513,505
Unearned premiums	6,662,672	6,192,260
Claims and benefits payable	3,389,371	3,960,590
Commissions payable	429,636	339,680
Reinsurance balances payable	106,932	103,808
Funds held under reinsurance	76,778	61,413
Deferred gain on disposal of businesses	99,311	115,620
Obligation under securities agreements	95,206	94,714
Accounts payable and other liabilities	1,662,348	1,514,091
Deferred income taxes, net	129,148	161,288
Tax payable	3,371	0
Debt	1,638,118	972,399
Liabilities related to separate accounts	1,941,747	1,731,873
TOTAL LIABILITIES	**24,881,210**	**23,761,241**
Commitments and contingencies (Note 24)		
STOCKHOLDERS' EQUITY		
Common stock, par value $0.01 per share, 800,000,000 shares authorized, 71,828,208 and 78,664,029 shares outstanding at December 31, 2013 and December 31, 2012, respectively	1,482	1,474
Additional paid-in capital	3,087,533	3,052,454
Retained earnings	4,415,875	4,001,096
Accumulated other comprehensive income	426,830	830,403
Treasury stock, at cost; 76,039,652 and 68,332,638 shares at December 31, 2013 and December 31, 2012, respectively	(3,098,241)	(2,700,061)
Total stockholders' equity	4,833,479	5,185,366
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 29,714,689**	**$ 28,946,607**

See the accompanying notes to the consolidated financial statements

Consolidated Statements of Operations

YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

(in thousands except number of shares and per share amounts)	Years Ended December 31, 2013	2012	2011
Revenues			
Net earned premiums	$ 7,759,796	$ 7,236,984	$ 7,125,368
Net investment income	650,296	713,128	689,532
Net realized gains on investments, excluding other-than-temporary impairment losses	38,912	66,196	40,416
Total other-than-temporary impairment losses	(4,516)	(1,939)	(8,183)
Portion of net loss recognized in other comprehensive income, before taxes	129	96	347
Net other-than-temporary impairment losses recognized in earnings	(4,387)	(1,843)	(7,836)
Amortization of deferred gain on disposal of businesses	16,310	18,413	20,461
Fees and other income	586,730	475,392	404,863
TOTAL REVENUES	**9,047,657**	**8,508,270**	**8,272,804**
Benefits, losses and expenses			
Policyholder benefits	3,675,532	3,655,404	3,749,734
Amortization of deferred acquisition costs and value of business acquired	1,470,287	1,403,215	1,327,788
Underwriting, general and administrative expenses	3,034,404	2,631,594	2,428,795
Interest expense	77,735	60,306	60,360
TOTAL BENEFITS, LOSSES AND EXPENSES	**8,257,958**	**7,750,519**	**7,566,677**
Income before provision for income taxes	789,699	757,751	706,127
Provision for income taxes	300,792	274,046	167,171
NET INCOME	**$ 488,907**	**$ 483,705**	**$ 538,956**
Earnings Per Share			
Basic	$ 6.38	$ 5.74	$ 5.58
Diluted	$ 6.30	$ 5.67	$ 5.51
Dividends per share	$ 0.96	$ 0.81	$ 0.70
Share Data			
Weighted average shares outstanding used in basic per share calculations	76,648,688	84,276,427	96,626,306
Plus: Dilutive securities	1,006,076	1,030,638	1,169,003
WEIGHTED AVERAGE SHARES USED IN DILUTED PER SHARE CALCULATIONS	**77,654,764**	**85,307,065**	**97,795,309**

See the accompanying notes to the consolidated financial statements

Consolidated Statements of Comprehensive Income

YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

	Years Ended December 31,		
(in thousands)	**2013**	**2012**	**2011**
Net income	$ 488,907	$ 483,705	$ 538,956
Other comprehensive (loss) income:			
Change in unrealized gains on securities, net of taxes of $231,472, $(141,037), and $(152,180), respectively	(455,808)	268,106	300,518
Change in other-than-temporary impairment gains, net of taxes of $(1,382), $(4,563), and $(1,518), respectively	2,566	8,474	2,819
Change in foreign currency translation, net of taxes of $8,162, $(3,500), and $2,305, respectively	(45,649)	(4,036)	(22,590)
Amortization of pension and postretirement unrecognized net periodic benefit cost and change in funded status, net of taxes of $(51,302), $(163), and $5,439, respectively	95,318	283	(10,106)
Total other comprehensive (loss) income	(403,573)	272,827	270,641
TOTAL COMPREHENSIVE INCOME	**$ 85,334**	**$ 756,532**	**$ 809,597**

See the accompanying notes to the consolidated financial statements

Consolidated Statements of Changes in Stockholders’ Equity

AT DECEMBER 31, 2013, 2012 AND 2011

(in thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance, January 1, 2011	**$ 1,453**	**$ 2,993,957**	**$ 3,115,213**	**$ 286,935**	**$ (1,764,422)**	**$ 4,633,136**
Stock plan exercises	11	(2,101)	0	0	0	(2,090)
Stock plan compensation expense	0	36,888	0	0	0	36,888
Change in tax benefit from share-based payment arrangements	0	(3,267)	0	0	0	(3,267)
Dividends	0	0	(67,385)	0	0	(67,385)
Acquisition of common stock	0	0	0	0	(532,929)	(532,929)
Net income	0	0	538,956	0	0	538,956
Other comprehensive income	0	0	0	270,641	0	270,641
Balance, December 31, 2011	**$ 1,464**	**$ 3,025,477**	**$ 3,586,784**	**$ 557,576**	**$ (2,297,351)**	**$ 4,873,950**
Stock plan exercises	10	(12,340)	0	0	0	(12,330)
Stock plan compensation expense	0	37,589	0	0	0	37,589
Change in tax benefit from share-based payment arrangements	0	1,728	0	0	0	1,728
Dividends	0	0	(69,393)	0	0	(69,393)
Acquisition of common stock	0	0	0	0	(402,710)	(402,710)
Net income	0	0	483,705	0	0	483,705
Other comprehensive income	0	0	0	272,827	0	272,827
Balance, December 31, 2012	**$ 1,474**	**$ 3,052,454**	**$ 4,001,096**	**$ 830,403**	**$ (2,700,061)**	**$ 5,185,366**
Stock plan exercises	8	(13,814)	0	0	0	(13,806)
Stock plan compensation expense	0	50,004	0	0	0	50,004
Change in tax benefit from share-based payment arrangements	0	(1,111)	0	0	0	(1,111)
Dividends	0	0	(74,128)	0	0	(74,128)
Acquisition of common stock	0	0	0	0	(398,180)	(398,180)
Net income	0	0	488,907	0	0	488,907
Other comprehensive loss	0	0	0	(403,573)	0	(403,573)
Balance, December 31, 2013	**$ 1,482**	**$ 3,087,533**	**$ 4,415,875**	**$ 426,830**	**$ (3,098,241)**	**$ 4,833,479**

See the accompanying notes to the consolidated financial statements

Consolidated Statements of Cash Flows

YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

	Years Ended December 31,		
(in thousands)	2013	2012	2011
Operating activities			
Net income	$ 488,907	$ 483,705	$ 538,956
Adjustments to reconcile net income to net cash provided by operating activities:			
Change in reinsurance recoverable	444,639	(730,274)	(282,268)
Change in premiums and accounts receivable	(210,997)	(185,273)	(105,171)
Change in deferred acquisition costs and value of business acquired	(337,060)	(358,637)	(145,091)
Change in other intangible assets	(56,997)	(43,957)	(31,585)
Change in accrued investment income	1,839	4,832	(7,532)
Change in insurance policy reserves and expenses	166,839	1,356,403	595,363
Change in accounts payable and other liabilities	181,374	33,775	124,658
Change in commissions payable	106,424	79,378	(14,364)
Change in reinsurance balances payable	6,214	(27,077)	26,945
Change in funds withheld under reinsurance	18,209	(4,286)	(285)
Change in securities classified as trading	(10,606)	(2,874)	32,777
Change in income taxes	171,311	(5,800)	24,914
Change in tax valuation allowance	3,383	2,937	(80,584)
Amortization of deferred gain on disposal of businesses	(16,310)	(18,413)	(20,461)
Depreciation and amortization	124,851	124,387	129,391
Net realized gains on investments	(34,525)	(64,353)	(32,580)
Loss on extinguishment of debt	964	0	0
Stock based compensation expense	50,004	37,589	36,888
Income from real estate joint ventures	(5,573)	(35,023)	(6,023)
Change in tax benefit from share-based payment arrangements	1,112	(1,728)	3,267
Other intangible asset impairment	3,323	26,458	0
Other	(69,764)	7,929	68,089
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 1,027,561**	**$ 679,698**	**$ 855,304**
Investing activities			
Sales of:			
Fixed maturity securities available for sale	2,582,731	2,197,475	1,556,894
Equity securities available for sale	236,730	120,729	120,445
Other invested assets	49,456	103,834	50,600
Property and equipment and other	1,422	2,375	3,823
Subsidiary, net of cash transferred[1]	0	1,364	0
Maturities, calls, prepayments, and scheduled redemption of:			
Fixed maturity securities available for sale	882,159	999,591	949,950
Commercial mortgage loans on real estate	217,377	126,768	96,552
Purchases of:			
Fixed maturity securities available for sale	(3,396,588)	(3,729,316)	(2,643,277)
Equity securities available for sale	(215,881)	(186,962)	(34,556)
Commercial mortgage loans on real estate	(194,468)	(126,578)	(88,649)
Other invested assets	(57,001)	(41,640)	(66,499)
Property and equipment and other	(52,326)	(56,457)	(35,747)
Subsidiary, net of cash transferred[1]	(181,865)	(3,500)	(45,080)
Equity interest[2]	(91,420)	0	0
Change in short-term investments	(173,603)	140,309	(90,368)
Change in policy loans	1,031	1,345	1,887
Change in collateral held/pledged under securities agreements	(492)	780	27,437
NET CASH (USED IN) INVESTING ACTIVITIES	**(392,738)**	**(449,883)**	**(196,588)**

(in thousands)	Years Ended December 31, 2013	2012	2011
Financing activities			
Issuance of debt	698,093	0	0
Repurchase of debt	(33,634)	0	0
Repayment of mandatorily redeemable preferred stock	0	0	(5,000)
Change in tax benefit from share-based payment arrangements	(1,112)	1,728	(3,267)
Acquisition of common stock	(393,012)	(412,196)	(533,848)
Dividends paid	(74,128)	(69,393)	(67,385)
Change in obligation under securities agreements	492	(780)	(27,437)
Change in receivables under securities loan agreements	0	0	14,370
Change in obligations to return borrowed securities	0	0	(14,281)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**196,699**	**(480,641)**	**(636,848)**
Effect of exchange rate changes on cash and cash equivalents	(23,742)	(6,483)	(5,671)
Change in cash and cash equivalents	807,780	(257,309)	16,197
Cash and cash equivalents at beginning of period	909,404	1,166,713	1,150,516
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 1,717,184**	**$ 909,404**	**$ 1,166,713**
Supplemental information:			
Income taxes paid	$ 132,487	$ 289,850	$ 223,950
Interest paid on debt	$ 70,741	$ 60,188	$ 60,244

(1) 2013 includes the acquisition of Field Asset Services Group Limited and Lifestyle Services Group Limited. 2012 includes the sale of one immaterial subsidiary. 2011 includes the acquisition of SureDeposit.

(2) Relates to the purchase of equity interest in Iké Asistencia. A contingent liability of $31,250 was established due to the terms of the agreements.

See the accompanying notes to the consolidated financial statements

Notes to Consolidated Financial Statements

December 31, 2013, 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 mobile device protection, debt protection administration, credit-related insurance, warranties and service contracts, pre-funded funeral insurance, lender-placed homeowners insurance, property preservation, renters insurance and related products, manufactured housing homeowners insurance, individual health and small employer group health insurance, group dental insurance, group disability insurance, and group life insurance.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Amounts are presented in United States of America ("U.S.") dollars and all amounts are in thousands, except for number of shares, per share amounts and number of securities in an unrealized loss position.

Principles of Consolidation

The 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.

Variable Interest Entities

The Company may enter into agreements with other entities that are deemed to be variable interest entities ("VIEs"). At the time these agreements are executed, the Company evaluates the applicability of the accounting guidance for 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.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The items on the Company's balance sheets affected by the use of estimates include but are not limited to, investments, premiums and accounts receivable, reinsurance recoverables, deferred acquisition costs ("DAC"), deferred income taxes and associated valuation allowances, goodwill, valuation of business acquired ("VOBA"), future policy benefits and expenses, unearned premiums, claims and benefits payable, deferred gain on disposal of businesses, pension and post-retirement liabilities and commitments and contingencies. The estimates are sensitive to market conditions, investment yields, mortality, morbidity, commissions and other acquisition expenses, policyholder behavior and other factors. Actual results could differ from the estimates recorded. The Company believes all amounts reported are reasonable and adequate.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts that can be converted into common stock were exercised as of the end of the period. Restricted stock and restricted stock units which have non-forfeitable rights to dividends or dividend equivalents are included in calculating basic and diluted earnings per share under the two-class method.

Comprehensive Income

Comprehensive income is comprised of net income, net unrealized gains and losses on foreign currency translation, net unrealized gains and losses on securities classified as available for sale, net unrealized gains and losses on other-than-temporarily impaired securities and expenses for pension and post-retirement plans, less deferred income taxes.

Reclassifications

Certain prior period amounts have been reclassified to conform to the 2013 presentation.

Foreign Currency Translation

For foreign affiliates where the local currency is the functional currency, unrealized foreign currency translation gains and losses net of deferred income taxes have been reflected in accumulated other comprehensive income ("AOCI"). Other than for two of our wholly owned Canadian subsidiaries, deferred taxes have not been provided for unrealized currency translation gains and losses since the Company intends to indefinitely reinvest the earnings in these other jurisdictions. Transaction gains and losses on assets and liabilities denominated in foreign currencies are recorded in underwriting, general and administration expenses in the consolidated statements of operations during the period in which they occur.

Fair Value

The Company uses an exit price for its fair value measurements. An exit price is defined as the amount received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In measuring fair value, the Company gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. See Note 5 for further information.

Investments

Fixed maturity and equity securities are classified as available-for-sale, as defined in the investments guidance, and reported at fair value. If the fair value is higher than the amortized cost for fixed maturity securities or the purchase cost for equity securities, the excess is an unrealized gain; and, if lower than cost, the difference is an unrealized loss. Net unrealized gains and losses on securities classified as available-for-sale, less deferred income taxes, are included in AOCI.

Commercial mortgage loans on real estate are reported at unpaid balances, adjusted for amortization of premium or discount, less allowance for losses. The allowance is based on management's analysis of factors including actual loan loss experience, specific events based on geographical, political or economic conditions, industry experience, loan groupings that have probable and estimable losses and individually impaired loan loss analysis. A loan is considered individually impaired when it becomes probable the Company will be unable to collect all amounts due, including principal and interest, according to the contractual terms of the loan agreement. Indicative factors of impairment include, but are not limited to, whether the loan is current, the value of the collateral and the financial position of the borrower. If a loan is individually impaired, the Company uses one of the following valuation methods based on the individual loans' facts and circumstances to measure the impairment amount: (1) the present value of expected future cash flows, (2) the loan's observable market price, or (3) the fair value of collateral. Changes in the allowance for loan losses are recorded in net realized losses on investments, excluding other-than-temporary impairment losses.

The Company places loans on non-accrual status after 90 days of delinquent payments (unless the loans are both well secured and in the process of collection). A loan may be placed on non-accrual status before this time if information is available that suggests its impairment is probable.

Policy loans are reported at unpaid principal balances, which do not exceed the cash surrender value of the underlying policies.

Short-term investments include money market funds and short maturity investments. These amounts are reported at cost, which approximates fair value.

The Company engages in collateralized 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. The collateral held under these securities lending transactions is reported at fair value and the obligation is reported at the amount of the collateral received. The difference between the collateral held and obligations under securities lending is recorded as an unrealized loss and is included as part of AOCI.

Other investments consist primarily of investments in joint ventures, partnerships, invested assets associated with a modified coinsurance arrangement, invested assets associated with the Assurant Investment Plan ("AIP"), the American Security Insurance Company Investment Plan ("ASIC") and the Assurant Deferred Compensation Plan ("ADC"). The joint ventures and partnerships are valued according to the equity method of accounting. In applying the equity method, the Company uses financial information provided by the investee, generally on a three month lag. The invested assets related to the modified coinsurance arrangement, the AIP, ASIC and ADC are classified as trading securities as defined in the investment guidance.

The Company monitors its investment portfolio to identify investments that may be other-than-temporarily impaired. In addition, securities, aggregated by issuer, whose market price is equal to 80% or less of their original purchase price or which had a discrete credit event resulting in the debtor defaulting or seeking bankruptcy protection are added to a potential write-down list, which is discussed at quarterly meetings attended by members of the Company's investment, accounting and finance departments. See Note 4 for further information.

Realized gains and losses on sales of investments are recognized on the specific identification basis.

Investment income is recorded as earned and reported net of investment expenses. The Company uses the interest method to recognize interest income on its commercial mortgage loans.

The Company anticipates prepayments of principal in the calculation of the effective yield for mortgage-backed securities and structured securities. The retrospective method is used to adjust the effective yield.

Cash and Cash Equivalents

The Company considers cash on hand, all operating cash and working capital cash to be cash equivalents. These amounts are carried at cost, which approximates fair value. Cash balances are reviewed at the end of each reporting period to determine if negative cash balances exist. If negative cash balances do exist, the cash accounts are netted with other positive cash accounts of the same bank provided the right of offset exists between the accounts. If the right of offset does not exist, the negative cash balances are reclassified to accounts payable.

Uncollectible Receivable Balance

The Company maintains allowances for doubtful accounts for probable losses resulting from the inability to collect payments.

Reinsurance

Reinsurance recoverables include amounts related to paid benefits and estimated amounts related to unpaid policy and contract claims, future policyholder benefits and policyholder contract deposits. The cost of reinsurance is recognized over the terms of the underlying reinsured policies using assumptions consistent with those used to account for the policies. Amounts recoverable from reinsurers are estimated in a manner consistent with claim and claim adjustment expense reserves or future policy benefits reserves and are reported in the consolidated balance sheets. The cost of reinsurance related to long-duration contracts is recognized over the life of the underlying reinsured policies. The ceding of insurance does not discharge the Company's primary liability to insureds, thus a credit exposure exists to the extent that any reinsurer is unable to meet the obligation assumed in the reinsurance agreements. To mitigate this exposure to reinsurance insolvencies, the Company evaluates the financial condition of its reinsurers and holds collateral (in the form of funds withheld, trusts, and letters of credit) as security under the reinsurance agreements. An allowance for doubtful accounts 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.

Funds withheld under reinsurance represent amounts contractually held from assuming companies in accordance with reinsurance agreements.

Reinsurance premiums assumed are calculated based upon payments received from ceding companies together with accrual estimates, which are based on both payments received and in force policy information received from ceding companies. Any subsequent differences arising on such estimates are recorded in the period in which they are determined.

Income Taxes

Current federal income taxes are recognized based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year. Deferred income taxes are recorded for temporary differences between the financial reporting basis and income tax basis of assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the periods in which the Company expects the temporary differences to reverse. A valuation allowance is established for deferred tax assets when it is more likely than not that an amount will not be realized.

The Company classifies net interest expense related to tax matters and any applicable penalties as a component of income tax expense.

Deferred Acquisition Costs

Only direct incremental costs associated with the successful acquisition of new or renewal insurance contracts are deferred to the extent that such costs are deemed recoverable from future premiums or gross profits. Acquisition costs primarily consist of commissions and premium taxes. Certain direct response advertising expenses are deferred when the primary purpose of the advertising is to elicit sales to customers who can be shown to have specifically responded to the advertising and the direct response advertising results in probable future benefits.

Premium deficiency testing is performed annually and generally reviewed quarterly. Such testing involves the use of best estimate assumptions including the anticipation of investment income to determine if anticipated future policy premiums are adequate to recover all DAC and related claims, benefits and expenses. To the extent a premium deficiency exists, it is recognized immediately by a charge to the consolidated statement of operations and a corresponding reduction in DAC. If the premium deficiency is greater than unamortized DAC, a liability will be accrued for the excess deficiency.

Long Duration Contracts

Acquisition costs for pre-funded funeral ("preneed") life insurance policies issued prior to 2009 and certain life insurance policies no longer offered are deferred and amortized in proportion to anticipated premiums over the premium-paying period. These acquisition costs consist primarily of first year commissions paid to agents.

Acquisition costs relating to group worksite insurance products consist primarily of first year commissions to brokers, costs of issuing new certificates and compensation to sales representatives. These acquisition costs are front-end loaded, thus they are deferred and amortized over the estimated terms of the underlying contracts.

For preneed investment-type annuities, preneed life insurance policies with discretionary death benefit growth issued after January 1, 2009, universal life insurance policies, and investment-type annuities (no longer offered), DAC is amortized in proportion to the present value of estimated gross profits from investment, mortality, expense margins and surrender charges over the estimated life of the policy or contract. The assumptions used for the estimates are consistent with those used in computing the policy or contract liabilities.

Acquisition costs relating to the individual voluntary limited benefit health policies issued in 2007 and later are deferred and amortized over the estimated average terms of the underlying contracts. These acquisition costs relate to commission expenses which result from commission schedules that pay significantly higher rates in the first year.

Short Duration Contracts

Acquisition costs relating to property contracts, warranty and extended service contracts and single premium credit insurance contracts are amortized over the term of the contracts in relation to premiums earned.

Acquisition costs relating to monthly pay credit insurance business consist mainly of direct response advertising costs and are deferred and amortized over the estimated average terms and balances of the underlying contracts.

Acquisition costs relating to group term life, group disability, group dental, and group vision consist primarily of compensation to sales representatives. These acquisition costs are front-end loaded; thus, they are deferred and amortized over the estimated terms of the underlying contracts.

Property and Equipment

Property and equipment are reported at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over estimated useful lives with a maximum of 39.5 years for buildings, a maximum of 7 years for furniture and a maximum of 5 years for equipment. Expenditures for maintenance and repairs are charged to income as incurred. Expenditures for improvements are capitalized and depreciated over the remaining useful life of the asset.

Property and equipment also includes capitalized software costs, which represent costs directly related to obtaining, developing or upgrading internal use software. Such costs are capitalized and amortized using the straight-line method over their estimated useful lives, not to exceed 20 years. Property and equipment are assessed for impairment when impairment indicators exist.

Goodwill

Goodwill represents the excess of acquisition costs over the net fair value of identifiable assets acquired and liabilities assumed in a business combination. Goodwill is deemed to have an indefinite life and is not amortized, but rather is tested at least annually for impairment. We review our goodwill annually in the fourth quarter for impairment, or more frequently if indicators of impairment exist. We regularly assess whether any indicators of impairment exist. Such indicators include, but are not limited to: significant adverse change in legal factors, adverse action or assessment by a regulator, unanticipated competition, loss of key personnel or a significant decline in our expected future cash flows due to changes in company-specific factors or the broader business climate. The evaluation of such factors requires considerable management judgment.

When required, we test goodwill for impairment at the reporting unit level. Following the guidance on goodwill, we have concluded that our reporting units for goodwill testing are equivalent to our reported operating segments, excluding the Corporate and Other segment.

At the time of the annual goodwill test, the Company has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step goodwill impairment test. The Company is required to perform step one if it determines qualitatively that it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. Otherwise, no further testing is required.

If the Company does not take the option to perform the qualitative assessment or the qualitative assessment performed indicates that it is more likely than not that the reporting unit's fair value is less than the carrying value, the Company will then compare the estimated fair value of the reporting unit with its net book value ("Step 1"). If the estimated fair value exceeds its net book value, goodwill is deemed not to be impaired, and no further testing is necessary. If the net book value exceeds its estimated fair value, we perform a second test to measure the amount of impairment, if any. To determine the amount of any impairment, we determine the implied fair value of goodwill in the same manner as if the reporting unit were being acquired in a business combination ("Step 2"). Specifically, we determine the fair value of all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical calculation that yields the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we record an impairment charge for the difference.

In the fourth quarter of 2013, the Company chose the option to first perform a qualitative assessment for our Assurant Specialty Property reporting unit. Based on this assessment, the Company determined that it was more likely than not that the reporting unit's fair value was more than its carrying amount, therefore further impairment testing was not necessary. For our Assurant Solutions reporting unit we performed Step 1 and concluded that the estimated fair value of the reporting unit exceeded its respective book value and therefore goodwill was not impaired.

In the fourth quarter of 2012, we performed Step 1 for both our Assurant Specialty Property and Assurant Solutions reporting units and concluded that the estimated fair value of the reporting units exceeded their respective book values and therefore goodwill was not impaired.

For 2013 and 2012, the Assurant Employee Benefits and Assurant Health reporting units did not have goodwill.

Value of Businesses Acquired

VOBA is an identifiable intangible asset representing the value of the insurance businesses acquired. The amount is determined using best estimates for mortality, lapse, maintenance expenses and investment returns at date of purchase. The amount determined represents the purchase price paid to the seller for producing the business. Similar to the amortization of DAC, the amortization of VOBA is over the premium payment period for traditional life insurance policies and a small block of limited payment policies. For the remaining limited payment policies, preneed life insurance policies, all universal life policies and annuities, the amortization of VOBA is over the expected lifetime of the policies.

VOBA is tested annually in the fourth quarter for recoverability. If it is determined that future policy premiums and investment income or gross profits are not adequate to cover related losses or loss expenses, then an expense is reported in current earnings. Based on 2013 and 2012 testing, future policy premiums and investment income or gross profits were deemed adequate to cover related losses or loss expenses.

Other Assets

Other assets consist primarily of investments in unconsolidated entities and prepaid items. The Company accounts for investments in unconsolidated entities using the equity method of accounting since the Company can exert significant influence over the investee, but does not have effective control over the investee. The Company's equity in the net income (loss) from equity method investments is recorded as income (loss) with a corresponding increase (decrease) in the investment. Judgment regarding the level of influence over each equity method investee includes considering factors such as ownership interest, board representation and policy making decisions. In applying the equity method, the Company uses financial information provided by the investee, which may be received on a lag basis.

Other Intangible Assets

Other intangible assets that have finite lives, including but not limited to, customer contracts, customer relationships and marketing relationships, are amortized over their estimated useful lives. Other intangible assets deemed to have indefinite useful lives, primarily certain state licenses, are not amortized and are subject to at least annual impairment tests. At the time of the annual impairment test, the Company has the option to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test for indefinite-lived intangible assets. Impairment exists if the carrying amount of the indefinite-lived other intangible asset exceeds its fair value. For other intangible assets with finite lives, impairment is recognized if the carrying amount is not recoverable and exceeds the fair value of the other intangible asset. Generally other intangible assets with finite lives are only tested for impairment if there are indicators ("triggers") of impairment identified. Triggers include, but are not limited to, a significant adverse change in the extent, manner or length of time in which the other intangible asset is being used or a significant adverse change in legal factors or in the business climate that could affect the value of the other intangible asset. In certain cases, the Company does perform an annual impairment test for other intangible assets with finite lives even if there are no triggers present. There were no material impairment charges related to finite-lived other intangible assets in 2013. The Company recorded an impairment charge of $26,458 related to finite-lived intangible assets in 2012. For both 2013 and 2012, there were no impairment charges for indefinite-lived other intangible assets.

Amortization expense and impairment charges are included in underwriting, general and administrative expenses in the consolidated statements of operations.

Separate Accounts

Assets and liabilities associated with separate accounts relate to premium and annuity considerations for variable life and annuity products for which the contract-holder, rather than the Company, bears the investment risk. Separate account assets (with matching liabilities) are reported at fair value. Revenues and expenses related to the separate account assets and liabilities, to the extent of benefits paid or provided to the separate account policyholders, are excluded from the amounts reported in the accompanying consolidated statements of operations because the accounts are administered by reinsurers.

Reserves

Reserves are established in accordance with GAAP, using generally accepted actuarial methods. Factors used in their calculation include experience derived from historical claim payments and actuarial assumptions. Such assumptions and other factors include trends, the incidence of incurred claims, the extent to which all claims have been reported, and internal claims processing charges. The process used in computing reserves cannot be exact, particularly for liability coverages, since actual claim costs are dependent upon such complex factors as inflation, changes in doctrines of legal liabilities and damage awards. The methods of making such estimates and establishing the related liabilities are periodically reviewed and updated.

Reserves do not represent an exact calculation of exposure, but instead represent our best estimates of what we expect the ultimate settlement and administration of a claim or group of claims will cost based on facts and circumstances known at the time of calculation. The adequacy of reserves may be impacted by future trends in claims severity, frequency, judicial theories of liability and other factors. These variables are affected by both external and internal events, including but not limited to: changes in the economic cycle, changes in the social perception of the value of work, emerging medical perceptions regarding physiological or psychological causes of disability, emerging health issues and new methods of treatment or accommodation, inflation, judicial trends, legislative changes and claims handling procedures.

Many of these items are not directly quantifiable. Reserve estimates are refined as experience develops. Adjustments to reserves, both positive and negative, are reflected in the consolidated statement of operations in the period in which such estimates are updated. Because establishment of reserves is an inherently uncertain process involving estimates of future losses, there can be no certainty that ultimate losses will not exceed existing claims reserves. Future loss development could require reserves to be increased, which could have a material adverse effect on our earnings in the periods in which such increases are made. However, based on information currently available, we believe our reserve estimates are adequate.

Long Duration Contracts

The Company's long duration contracts include preneed life insurance policies and annuity contracts, traditional life insurance policies no longer offered, universal life and annuities no longer offered, policies disposed of via reinsurance (Fortis Financial Group ("FFG") and Long Term Care ("LTC") contracts), group worksite policies, group life conversion policies and certain medical policies.

Future policy benefits and expense reserves for LTC, certain life and annuity insurance policies no longer offered, a majority of individual medical policies issued prior to 2003, certain medical contracts issued from 2003 through 2006, individual voluntary limited benefit health policies issued in 2007 and later, the traditional life insurance contracts within FFG group worksite contracts and group life conversion policies are equal to the present value of future benefits to policyholders plus related expenses less the present value of the future net premiums. These amounts are estimated based on assumptions as to the expected investment yield, inflation, mortality, morbidity and withdrawal rates as well as other assumptions that are based on the Company's experience. These assumptions reflect anticipated trends and include provisions for possible unfavorable deviations.

Future policy benefits and expense reserves for preneed investment-type annuities, preneed life insurance policies with discretionary death benefit growth issued after 2008, universal life insurance policies and investment-type annuity contracts (no longer offered), and the variable life insurance and investment-type annuity contracts in FFG consist of policy account balances before applicable surrender charges and certain deferred policy initiation fees that are being recognized in income over the terms of the policies. Policy benefits charged to expense during the period include amounts paid in excess of policy account balances and interest credited to policy account balances. An unearned revenue reserve is also recorded for those preneed life insurance contracts which represents the balance of the excess of gross premiums over net premiums that is still recognized in future years' income in a constant relationship to estimated gross profits.

Future policy benefits and expense reserves for preneed life insurance contracts issued prior to 2009 are reported at the present value of future benefits to policyholders and related expenses less the present value of future net premiums. Reserve assumptions are selected using best estimates for expected investment yield, inflation, mortality and withdrawal rates. These assumptions reflect current trends, are based on Company experience and include provision for possible unfavorable deviation. An unearned revenue reserve is also recorded for these contracts which represents the balance of the excess of gross premiums over net premiums that is still to be recognized in future years' income in a constant relationship to insurance in force.

Reserves for group worksite policies also include case reserves and incurred but not reported ("IBNR") reserves which equal the net present value of the expected future claims payments. Worksite group disability reserves are discounted to the valuation date at the valuation interest rate. The valuation interest rate is reviewed quarterly by taking into consideration actual and expected earned rates on our asset portfolio.

Changes in the estimated liabilities are reported as a charge or credit to policyholder benefits as the estimates are revised.

Short Duration Contracts

The Company's short duration contracts include group term life contracts, group disability contracts, medical contracts, dental contracts, vision contracts, property and warranty contracts, credit life and disability contracts and extended service contracts. For short duration contracts, claims and benefits payable reserves are recorded when insured events occur. The liability is based on the expected ultimate cost of settling the claims. The claims and benefits payable reserves include (1) case reserves for known but unpaid claims as of the balance sheet date; (2) IBNR reserves for claims where the insured event has occurred but has not been reported to the Company as of the balance sheet date; and (3) loss adjustment expense reserves for the expected handling costs of settling the claims.

For group disability, the case reserves and the IBNR reserves are recorded at an amount equal to the net present value of the expected future claims payments. Group long-term disability and group term life waiver of premiums reserves are discounted to the valuation date at the valuation interest rate. The valuation interest rate is reviewed quarterly by taking into consideration actual and expected earned rates on our asset portfolio. Group long term disability and group term life reserve adequacy studies are performed annually, and morbidity and mortality assumptions are adjusted where appropriate.

The Company has exposure to asbestos, environmental and other general liability claims arising from its participation in various reinsurance pools from 1971 through 1985. This exposure arose from a short duration contract that the Company discontinued writing many years ago. The Company carries case reserves for these liabilities as recommended by the various pool managers and IBNR reserves. Any estimation of these liabilities is subject to greater than normal variation and uncertainty due to the general lack of sufficient detailed data, reporting delays, and absence of generally accepted actuarial methodology for determining the exposures. There are significant unresolved industry legal issues, including such items as whether coverage exists and what constitutes an occurrence. In addition, the determination of ultimate damages and the final allocation of losses to financially responsible parties are highly uncertain.

Changes in the estimated liabilities are recorded as a charge or credit to policyholder benefits as estimates are revised. Amounts reimbursed by the National Flood Insurance Program for processing and adjudication services are reported as a reduction of policyholder benefits.

Medical Loss Ratio Rebate Unearned Premium Reserve

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 businesses 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 Company has estimated its 2013 impact of this regulation based on definitions and calculation methodologies outlined in the HHS regulations and guidance. The estimate was based on separate projection models for the individual medical and small group businesses 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. The premium rebate is presented as a reduction of net earned premiums in the consolidated statement of operations and included in unearned premiums in the consolidated balance sheets.

Deferred Gain on Disposal of Businesses

The Company recorded a deferred gain on disposal of businesses utilizing reinsurance. On March 1, 2000, the Company sold its LTC business using a coinsurance contract. On April 2, 2001, the Company sold its FFG business using a modified coinsurance contract. Since the form of sale did not discharge the Company's primary liability to the insureds, the gain on these disposals was deferred and reported as a liability. The liability is decreased and recognized as revenue over the estimated life of the contracts' terms. The Company reviews and evaluates the estimates affecting the deferred gain on disposal of businesses annually or when significant information affecting the estimates becomes known to the Company, and adjusts the revenue recognized accordingly. Based on the Company's annual review in the fourth quarters of 2013 and 2012, there were no adjustments to the estimates affecting the deferred gain.

Debt

The Company reports debt net of unamortized discount or premium and repurchases. Interest expense related to debt is expensed as incurred.

Premiums

Long Duration Contracts

Currently, the Company's long duration contracts which are actively being sold are preneed life insurance and certain group worksite insurance policies. The preneed life insurance policies include provisions for death benefit growth that is either pegged to the changes in the Consumer Price Index or determined periodically at the discretion of management. For preneed life insurance policies issued prior to 2009, revenues are recognized when due from policyholders. For preneed life insurance policies with discretionary death benefit growth issued after 2008 and for preneed investment-type annuity contracts, revenues consist of charges assessed against policy balances. Revenues are recognized ratably as earned income over the premium-paying periods of the policies for the group worksite insurance products.

For a majority of individual medical contracts issued prior to 2003, a limited number of individual medical contracts currently issued from 2003 through 2006 in certain jurisdictions, individual voluntary limited benefit health policies issued in 2007 and later and traditional life insurance contracts previously sold by the preneed business (no longer offered), revenue is recognized when due from policyholders.

For universal life insurance and investment-type annuity contracts previously sold by the Assurant Solutions segment (no longer offered), revenues consist of charges assessed against policy balances.

Premiums for LTC insurance and traditional life insurance contracts within FFG are recognized as revenue when due from the policyholder. For universal life insurance and investment-type annuity contracts within FFG, revenues consist of charges assessed against policy balances. For the FFG and LTC businesses previously sold, all revenue is ceded.

Short Duration Contracts

The Company's short duration contracts are those on which the Company recognizes revenue on a pro-rata basis over the contract term. The Company's short duration contracts primarily include group term life, group disability, medical, dental, vision, property and warranty, credit life and disability, and extended service contracts and individual medical contracts issued from 2003 through 2006 in most jurisdictions and in all jurisdictions after 2006.

Reinstatement premiums for reinsurance are netted against net earned premiums in the consolidated statements of operations.

Total Other-Than-Temporary Impairment Losses

For debt securities with credit losses and non-credit losses or gains, total other-than-temporary impairment ("OTTI") losses is the total of the decline in fair value from either the most recent OTTI determination or a prior period end in which the fair value declined until the current period end valuation date. This amount does not include any securities that had fair value increases. For equity securities and debt securities that the Company has the intent to sell or if it is more likely than not that it will be required to sell for equity securities that have an OTTI or for debt securities if there are only credit losses, total other-than-temporary impairment losses is the total amount by which the fair value of the security is less than its amortized cost basis at the period end valuation date and the decline in fair value is deemed to be other-than-temporary.

When a decline in value is considered to be other-than-temporary for equity method investments, the carrying value of these investments is written down, or impaired, to fair value.

Fees and Other Income

Income earned on preneed life insurance policies with discretionary death benefit growth issued after 2008 is presented within fees and other income.

The Company also derives fees and other income from providing administrative services. These fees are recognized monthly when services are performed.

Dealer obligor service contracts are sales in which the retailer/dealer is designated as the obligor (administrative service-only plans). For these contract sales, the Company recognizes administrative fee revenue on a straight-line pro-rata basis over the terms of the service contract.

Administrator obligor service contracts are sales in which the Company is designated as the obligor. The Company recognizes and reports administration fees related to these contracts as earned on the same basis as the premium is recognized or on a straight-line pro-rata basis.

Administration fees related to the unexpired portion of the contract term for both the dealer obligor and administrator obligor service contracts are deferred and amortized over the term of the contracts. These unexpired amounts are reported in accounts payable and other liabilities on the consolidated balance sheets.

Underwriting, General and Administrative Expenses

Underwriting, general and administrative expenses consist primarily of commissions, premium taxes, licenses, fees, salaries and personnel benefits and other general operating expenses and are expensed as incurred.

Leases

The Company records expenses for operating leases on a straight-line basis over the lease term.

Contingencies

The Company evaluates each contingent matter separately. A loss contingency is recorded if reasonably estimable and probable. The Company establishes reserves for these contingencies at the best estimate, or if no one estimated number within the range of possible losses is more probable than any other, the Company records an estimated reserve at the low end of the estimated range. Contingencies affecting the Company primarily relate to litigation matters which are inherently difficult to evaluate and are subject to significant changes. The Company believes the contingent amounts recorded are reasonable.

Recent Accounting Pronouncements—Adopted

On September 30, 2012, the Company adopted the amended intangibles-goodwill and other guidance. This guidance allows an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test for indefinite-lived intangible assets. Under this amended guidance, an entity would not be required to calculate the fair value of an indefinite-lived intangible asset, unless the entity determines, based on qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amended guidance includes a number of events and circumstances for an entity to consider in conducting the qualitative assessment and did not have an impact on the Company's financial position or results of operations.

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. The adoption of this guidance did not have an impact on the Company's financial position or results of operations.

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. The guidance was adopted retrospectively and has been applied to all prior period financial information contained in these consolidated financial statements.

On December 31, 2011, the Company adopted the new guidance related to the presentation of comprehensive income. This guidance provides two alternatives for presenting comprehensive income. An entity can report comprehensive income either in a single continuous financial statement or in two separate but consecutive financial statements. Each component of net income and each component of other comprehensive income, together with totals for comprehensive income and its two parts, net income and other comprehensive income, are displayed under either alternative. The statement(s) are to be presented with equal prominence as the other primary financial statements. The new guidance eliminates the Company's previously applied option to report other comprehensive income and its components in the statement of changes in stockholders' equity. The guidance does not change the items that constitute net income or other comprehensive income, and does not change when an item of other comprehensive income must be reclassified to net income. The Company chose to early adopt this guidance and therefore is reporting comprehensive income in a separate but consecutive statement, with full retrospective application as required by the guidance. The adoption of the new presentation requirements did not have an impact on the Company's financial position or results of operations.

On January 1, 2011, the Company adopted the new guidance on multiple deliverable revenue arrangements. This guidance requires entities to use their best estimate of the selling price of a deliverable within a multiple deliverable revenue arrangement if the entity and other entities do not sell the deliverable separate from the other deliverables within the arrangement. In addition, it requires both qualitative and quantitative disclosures. The adoption of this guidance did not have an impact on the Company's financial position or results of operations.

Recent Accounting Pronouncements— Not Yet Adopted

In July 2013, the Financial Accounting Standards Board ("FASB") issued new guidance on the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments in this guidance state that an unrecognized tax benefit, or a portion thereof, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. An exception to this guidance would be where a net operating loss carryforward or similar tax loss or credit carryforward would not be available under the tax law to settle any additional income taxes that would result from the disallowance of a tax position, or the tax law does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose. In such a case, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The guidance is effective for interim and annual periods beginning after December 15, 2013. The Company will be adopting this presentation as of the effective date and does not expect any net impact to the Company's financial position and results of operations.

In July 2011, the FASB issued amendments to the other expenses guidance to address how health insurers should recognize and classify in their statements of operations fees mandated by the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (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 and it impacts the results of our Assurant Health and Assurant Employee Benefits segments. In the first quarter of 2014, the estimated liability for the mandated fees and the corresponding deferred cost asset of $24,000 will be recorded in accounts payable and other liabilities and in other assets, respectively, on the consolidated balance sheets. The deferred cost asset will be amortized ratably over the calendar year to underwriting, general and administrative expense in the consolidated statements of operations. This is an estimated amount and may be adjusted once the assessment is received from the federal government.

3. Acquisitions

On September 30, 2013, the Company acquired Field Asset Services from FirstService Corporation for $54,636 in cash. In connection with the acquisition, the Company recorded $21,020 of marketing and technology based intangible assets, all of which are amortizable over a 5 to 9 year period, and $28,908 of goodwill, all of which is tax-deductible. The primary factor contributing to the recognition of goodwill is the future expected growth of this business. This acquisition expands existing collateral protection service offerings for customers of Assurant Specialty Property.

On October 25, 2013, the Company acquired Lifestyle Services Group, a mobile phone insurance provider based in the U.K. The acquisition-date fair value of the consideration transferred totaled £106,394 ($172,156), which consists of an initial cash payment of £87,081 ($140,906), a delayed payment of £3,000 ($4,854) and contingent consideration of an additional £16,313 ($26,395), payable no later than March 31, 2014. The contingent consideration arrangement is based on a client contract renewal. In connection with the acquisition, the Company recorded £45,266 ($73,245) of customer related intangibles, all of which are amortizable over a 2 to 10 year period, and £70,234 ($113,646) of goodwill, none of which is tax-deductible. The primary factor contributing to the recognition of goodwill is the future expected growth of this business within Assurant Solutions.

On December 30, 2013, the Company paid Mex$1,191,499 (U.S.D $91,420) for a 40% investment in the Mexican operations of Iké Asistencia ("Iké"), a services assistance business with operations in Mexico and other countries in Latin America. On February 10, 2014, the Company made an additional payment of Mex$272,541 (U.S.D $20,404) for 40% of Iké's Latin American operations. Following these payments, the Company owns 40% of the equity interests and outstanding shares of Iké and, under the terms of the agreements, will also have options to acquire the remaining interest in Iké over time.

The Company concluded that Iké is a VIE; however, it does not have the controlling financial interest to direct the activities of the VIE that most significantly impact the VIE's economic performance. Accordingly, the investment in Iké is recorded under the equity method of accounting and the resulting investment in this unconsolidated entity is included in other assets on the consolidated balance sheet as of December 31, 2013. The Company's income from its investment in Iké will be included in fees and other income of the consolidated statements of operations. This income will be adjusted for basis differences, such as the amortization of separately identifiable intangible assets.

The estimated fair value of a net put option to acquire the remaining interests of Iké is included in accounts payable and other liabilities of the consolidated balance sheet as of December 31, 2013. The estimated fair value of the net put option will be remeasured each quarter and any changes in the fair value will also be included in fees and other income in the consolidated statements of operations.

An indemnification asset that approximates the estimated contingencies related to uncertain tax positions for Iké is included in other assets on the consolidated balance sheet as of December 31, 2013. Any subsequent changes in the indemnification asset will be recorded as an offset to the investment in this unconsolidated entity.

There were no material business combinations in 2012.

On June 21, 2011, in an all cash transaction, the Company acquired the SureDeposit business, the leading provider of security deposit alternatives to the multi-family housing industry, for $45,080. In connection with the acquisition, the Company recorded $25,350 of customer, marketing and technology based intangible assets, all of which are amortizable over a 5 to10 year period, and $19,608 of goodwill. The primary factor contributing to the recognition of goodwill is the future expected growth of this business. This acquisition expands the multi-family housing product offering and associated cross-selling opportunities with existing clients for the Assurant Specialty Property segment.

4. Investments

The following tables show the cost or amortized cost, gross unrealized gains and losses, fair value and OTTI of our fixed maturity and equity securities as of the dates indicated:

	December 31, 2013				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	OTTI in AOCI[(a)]
Fixed maturity securities:					
United States Government and government agencies and authorities	$ 408,378	$ 4,166	$ (1,888)	$ 410,656	$ 0
States, municipalities and political subdivisions	774,233	63,543	(2,624)	835,152	0
Foreign governments	647,486	35,543	(7,608)	675,421	0
Asset-backed	4,320	1,910	(56)	6,174	1,773
Commercial mortgage-backed	57,594	2,850	(82)	60,362	0
Residential mortgage-backed	919,216	41,905	(13,217)	947,904	19,525
Corporate	7,709,083	684,776	(37,653)	8,356,206	19,359
TOTAL FIXED MATURITY SECURITIES	**$ 10,520,310**	**$ 834,693**	**$ (63,128)**	**$ 11,291,875**	**$ 40,657**
Equity securities:					
Common stocks	$ 17,890	$ 11,352	$ (10)	$ 29,232	$ 0
Non-redeemable preferred stocks	399,645	38,880	(9,399)	429,126	0
TOTAL EQUITY SECURITIES	**$ 417,535**	**$ 50,232**	**$ (9,409)**	**$ 458,358**	**$ 0**

	December 31, 2012				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	OTTI in AOCI[(a)]
Fixed maturity securities:					
United States Government and government agencies and authorities	$ 633,329	$ 8,722	$ (127)	$ 641,924	$ 0
States, municipalities and political subdivisions	800,592	106,560	(96)	907,056	0
Foreign governments	672,671	82,096	(1,359)	753,408	0
Asset-backed	27,182	1,437	(422)	28,197	1,159
Commercial mortgage-backed	64,344	5,539	0	69,883	0
Residential mortgage-backed	714,628	56,983	(554)	771,057	14,259
Corporate	7,815,968	1,193,695	(9,550)	9,000,113	21,291
TOTAL FIXED MATURITY SECURITIES	**$ 10,728,714**	**$ 1,455,032**	**$ (12,108)**	**$ 12,171,638**	**$ 36,709**
Equity securities:					
Common stocks	$ 14,707	$ 4,243	$ 0	$ 18,950	$ 0
Non-redeemable preferred stocks	407,996	53,976	(5,116)	456,856	0
TOTAL EQUITY SECURITIES	**$ 422,703**	**$ 58,219**	**$ (5,116)**	**$ 475,806**	**$ 0**

(a) Represents the amount of other-than-temporary impairments recognized in accumulated other comprehensive income. Amount includes unrealized gains and losses on impaired securities relating to changes in the value of such securities subsequent to the impairment measurement date.

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 portfolio as of December 31, 2013 and 2012. At December 31, 2013 and 2012, the securities include general obligation and revenue bonds issued by states, cities, counties, school districts and similar issuers, including $234,640 and $168,705, 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 December 31, 2013 and 2012, revenue bonds account for 53% and 52% of the holdings, respectively. Excluding pre-refunded revenue bonds, the activities supporting the income streams of the Company's revenue bonds are across a broad range of sectors, primarily highway, water, transit, airport and marina, higher education, specifically pledged tax revenues, and other miscellaneous sources such as bond banks, finance authorities and appropriations.

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 December 31, 2013, approximately 70%, 15%, and 6% of the foreign government securities were held in the Canadian government/provincials and the governments of Brazil and Germany, respectively. At December 31, 2012, approximately 67%, 15% and 6% 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 3% and 5% of our foreign government securities as of December 31, 2013 and 2012, respectively.

The Company has European investment exposure in its corporate fixed maturity and equity securities of $1,082,129 with an unrealized gain of $78,126 at December 31, 2013 and $1,054,820 with an unrealized gain of $122,420 at December 31, 2012. Approximately 25% and 28% of the corporate European exposure is held in the financial industry at December 31, 2013 and 2012, respectively. Our largest European country exposure represented approximately 6% and 5% of the fair value of our corporate securities as of December 31, 2013 and 2012, respectively. 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 December 31, 2013 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	$ 583,725	$ 589,192
Due after one year through five years	2,136,037	2,270,487
Due after five years through ten years	2,800,831	2,909,407
Due after ten years	4,018,587	4,508,349
TOTAL	**9,539,180**	**10,277,435**
Asset-backed	4,320	6,174
Commercial mortgage-backed	57,594	60,362
Residential mortgage-backed	919,216	947,904
TOTAL	**$ 10,520,310**	**$ 11,291,875**

Major categories of net investment income were as follows:

	Years Ended December 31,		
	2013	**2012**	**2011**
Fixed maturity securities	$ 530,144	$ 553,668	$ 565,486
Equity securities	27,013	24,771	29,645
Commercial mortgage loans on real estate	76,665	79,108	80,903
Policy loans	3,426	3,204	3,102
Short-term investments	2,156	4,889	5,351
Other investments	20,573	54,581	21,326
Cash and cash equivalents	14,679	15,323	7,838
Total investment income	674,656	735,544	713,651
Investment expenses	(24,360)	(22,416)	(24,119)
NET INVESTMENT INCOME	**$ 650,296**	**$ 713,128**	**$ 689,532**

No material investments of the Company were non-income producing for the years ended December 31, 2013, 2012 and 2011.

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.

	For the Years Ended December 31,		
	2013	**2012**	**2011**
Proceeds from sales	$ 2,821,177	$ 2,314,540	$ 1,679,553
Gross realized gains	81,921	68,697	57,120
Gross realized losses	50,667	12,597	20,925

For securities sold at a loss during 2013, the average period of time these securities were trading continuously at a price below book value was approximately 12 months.

The following table sets forth the net realized gains (losses), including other-than-temporary impairments, recognized in the statement of operations as follows:

	Years Ended December 31,		
	2013	**2012**	**2011**
Net realized gains (losses) related to sales and other:			
Fixed maturity securities	$ 14,579	$ 59,815	$ 44,924
Equity securities	19,789	(3,466)	(7,010)
Commercial mortgage loans on real estate	2,515	3,072	336
Other investments	2,029	6,775	2,166
TOTAL NET REALIZED GAINS RELATED TO SALES AND OTHER	**38,912**	**66,196**	**40,416**
Net realized losses related to other-than-temporary impairments:			
Fixed maturity securities	(3,295)	(1,287)	(7,780)
Equity securities	0	(226)	(21)
Other investments	(1,092)	(330)	(35)
Total net realized losses related to other-than-temporary impairments	(4,387)	(1,843)	(7,836)
TOTAL NET REALIZED GAINS	**$ 34,525**	**$ 64,353**	**$ 32,580**

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 twelve months ended December 31, 2013 and 2012, the Company recorded $4,516 and $1,939, respectively, of OTTI, of which $4,387 and $1,843 was related to credit losses and recorded as net OTTI losses recognized in earnings, with the remaining amounts of $129 and $96, respectively, related to all other factors and was recorded as an unrealized loss component of AOCI.

The following table sets 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.

	Year Ended December 31,		
	2013	2012	2011
Balance, beginning of year	$ 95,589	$ 103,090	$ 105,245
Additions for credit loss impairments recognized in the current period on securities not previously impaired	0	0	1,455
Additions for credit loss impairments recognized in the current period on securities previously impaired	107	56	1,598
Reductions for increases in cash flows expected to be collected that are recognized over the remaining life of the security	(1,851)	(1,590)	(669)
Reductions for credit loss impairments previously recognized on securities which matured, paid down, prepaid or were sold during the period	(48,567)	(5,967)	(4,539)
BALANCE, END OF YEAR	**$ 45,278**	**$ 95,589**	**$ 103,090**

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.

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 December 31, 2013 and 2012 were as follows:

	December 31, 2013					
	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	$ 52,615	$ (1,464)	$ 3,514	$ (424)	$ 56,129	$ (1,888)
States, municipalities and political subdivisions	30,145	(2,624)	0	0	30,145	(2,624)
Foreign governments	217,708	(7,596)	111	(12)	217,819	(7,608)
Asset-backed	0	0	1,442	(56)	1,442	(56)
Commercial mortgage-backed	5,036	(82)	0	0	5,036	(82)
Residential mortgage-backed	407,808	(11,667)	31,498	(1,550)	439,306	(13,217)
Corporate	1,412,611	(36,848)	19,291	(805)	1,431,902	(37,653)
TOTAL FIXED MATURITY SECURITIES	**$ 2,125,923**	**$ (60,281)**	**$ 55,856**	**$ (2,847)**	**$ 2,181,779**	**$ (63,128)**
Equity securities:						
Common stock	$ 187	$ (10)	$ 0	$ 0	$ 187	$ (10)
Non-redeemable preferred stocks	159,723	(8,200)	11,807	(1,199)	171,530	(9,399)
TOTAL EQUITY SECURITIES	**$ 159,910**	**$ (8,210)**	**$ 11,807**	**$ (1,199)**	**$ 171,717**	**$ (9,409)**

	December 31, 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	$ 233,559	$ (127)	$ 0	$ 0	$ 233,559	$ (127)
States, municipalities and political subdivisions	0	0	4,575	(96)	4,575	(96)
Foreign governments	41,917	(204)	8,925	(1,155)	50,842	(1,359)
Asset-backed	0	0)	2,662	(422)	2,662	(422)
Residential mortgage-backed	56,674	(509)	9,300	(45)	65,974	(554)
Corporate	459,797	(5,802)	62,778	(3,748)	522,575	(9,550)
TOTAL FIXED MATURITY SECURITIES	**$ 791,947**	**$ (6,642)**	**$ 88,240**	**$ (5,466)**	**$ 880,187**	**$ (12,108)**
Equity securities:						
NON-REDEEMABLE PREFERRED STOCKS	**$ 52,508**	**$ (416)**	**$ 48,626**	**$ (4,700)**	**$ 101,134**	**$ (5,116)**

Total gross unrealized losses represent approximately 3% and 2% of the aggregate fair value of the related securities at December 31, 2013 and 2012, respectively. Approximately 94% and 41% of these gross unrealized losses have been in a continuous loss position for less than twelve months at December 31, 2013 and 2012, respectively. The total gross unrealized losses are comprised of 667 and 238 individual securities at December 31, 2013 and 2012, 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 December 31, 2013 and 2012. These conclusions were based on a detailed analysis of the underlying credit and expected cash flows of each security. As of December 31, 2013, the gross unrealized losses that have been in a continuous loss position for twelve months or more were concentrated in the Company's residential mortgage-backed and 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 industrial sector. The industrial sector's gross unrealized losses of twelve months or more were $354, or 44%, of the corporate fixed maturity 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 December 31, 2013, 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, the Company 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 December 31, 2013, 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 cost or amortized cost and fair value of available-for-sale fixed maturity securities in an unrealized loss position at December 31, 2013, by contractual maturity, is shown below:

	Cost or Amortized Cost	Fair Value
Due in one year or less	$ 22,707	$ 22,579
Due after one year through five years	350,208	344,476
Due after five years through ten years	1,048,031	1,017,945
Due after ten years	364,822	350,995
TOTAL	**1,785,768**	**1,735,995**
Asset-backed	1,498	1,442
Commercial mortgage-backed	5,118	5,036
Residential mortgage-backed	452,523	439,306
TOTAL	**$ 2,244,907**	**$ 2,181,779**

The Company has exposure to sub-prime and related mortgages within our fixed maturity security portfolio. At December 31, 2013, approximately 3.1% of the residential mortgage-backed holdings had exposure to sub-prime mortgage collateral. This represented approximately 0.3% of the total fixed income portfolio and 2.3% of the total unrealized gain position. Of the securities with sub-prime exposure, approximately 12.2% 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.

The Company has entered into commercial mortgage loans, collateralized by the underlying real estate, on properties located throughout the U.S. and Canada. At December 31, 2013, approximately 38% 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 $9 to $15,574 at December 31, 2013 and from $36 to $15,939 at December 31, 2012.

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.

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

	December 31, 2013		
Loan-to-Value	**Carrying Value**	**% of Gross Mortgage Loans**	**Debt-Service Coverage Ratio**
70% and less	$ 1,143,200	88.5%	1.97
71 – 80%	73,603	5.7%	1.44
81 – 95%	58,752	4.6%	1.19
Greater than 95%	15,959	1.2%	0.87
Gross commercial mortgage loans	1,291,514	100.0%	1.89
Less valuation allowance	(4,482)		
Net commercial mortgage loans	$ 1,287,032		

	December 31, 2012		
Loan-to-Value	Carrying Value	% of Gross Mortgage Loans	Debt-Service Coverage Ratio
70% and less	$ 1,141,564	86.6%	1.95
71 – 80%	103,152	7.8%	1.30
81 – 95%	57,413	4.3%	1.04
Greater than 95%	16,550	1.3%	1.02
Gross commercial mortgage loans	1,318,679	100.0%	1.85
Less valuation allowance	(6,997)		
Net commercial mortgage loans	$ 1,311,682		

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 specific geographic events, 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.

The commercial mortgage loan valuation allowance for losses was $4,482 and $6,997 at December 31, 2013 and 2012, respectively. In 2013 and 2012, the loan valuation allowance was decreased $2,515 and $3,413, respectively, due to changing economic conditions and geographic concentrations.

At December 31, 2013, the Company had mortgage loan commitments outstanding of approximately $16,625. The Company is also committed to fund additional capital contributions of $26,815 to real estate joint ventures.

The Company has short term investments and fixed maturities of $543,344 and $580,953 at December 31, 2013 and 2012, respectively, on deposit with various governmental authorities as required by law.

The Company utilizes derivative instruments in managing the Assurant Solutions segment preneed life insurance business exposure to inflation risk. The derivative instruments, Consumer Price Index Caps (the "CPI CAPs"), limits the inflation risk on certain policies. The CPI CAPs do not qualify under GAAP as effective hedges; therefore, they are marked-to-market on a quarterly basis and the gain or loss is recognized in the statement of operations in fees and other income. As of December 31, 2013 and 2012, the CPI CAPs included in other assets on the consolidated balance sheet amounted to $2,491 and $5,886, respectively. The loss recorded in the results of operations totaled $3,395, $2,635, and $1,304 for the years ended December 31, 2013, 2012 and 2011, respectively.

Collateralized Transactions

The Company engages in transactions in which fixed maturity securities, primarily bonds issued by the U.S. government and 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 December 31, 2013 and 2012, our collateral held under securities lending, of which its use is unrestricted, was $95,215 and $94,729, 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 $95,206 and $94,714, 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 gain and is included as part of AOCI. All securities are in an unrealized gain position as of December 31, 2013 and 2012. 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.

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 December 31, 2013 and 2012. 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, contingent consideration related to a business combination and other derivatives. The fair value amount and the majority of the associated levels presented for Other investments and Assets and Liabilities held in separate accounts are received directly from third parties.

	December 31, 2013			
Financial Assets	**Total**	**Level 1**	**Level 2**	**Level 3**
Fixed maturity securities:				
United States Government and government agencies and authorities	$ 410,656	$ 0	$ 410,656	$ 0
State, municipalities and political subdivisions	835,152	0	812,495	22,657
Foreign governments	675,421	789	657,775	16,857
Asset-backed	6,174	0	6,174	0
Commercial mortgage-backed	60,362	0	59,764	598
Residential mortgage-backed	947,904	0	943,737	4,167
Corporate	8,356,206	0	8,240,862	115,344
Equity securities:				
Common stocks	29,232	28,548	684	0
Non-redeemable preferred stocks	429,126	0	421,616	7,510
Short-term investments	470,458	273,518[b]	196,940[c]	0
Collateral held/pledged under securities agreements	74,212	67,202[b]	7,010[c]	0
Other investments	246,748	66,659[a]	175,918[c]	4,171[d]
Cash equivalents	1,233,701	967,372[b]	266,329[c]	0
Other assets	3,726	0	1,235[f]	2,491[e]
Assets held in separate accounts	1,887,988	1,696,811[a]	191,177[c]	0
TOTAL FINANCIAL ASSETS	**$ 15,667,066**	**$ 3,100,899**	**$ 12,392,372**	**$ 173,795**
Other liabilities	$ 106,992	$ 54,794[a]	$ 31,868[g]	$ 20,330[f]
Liabilities related to separate accounts	1,887,988	1,696,811[a]	191,177[c]	0
TOTAL FINANCIAL LIABILITIES	**$ 1,994,980**	**$ 1,751,605**	**$ 223,045**	**$ 20,330**

Financial Assets	December 31, 2012 Total	Level 1	Level 2	Level 3
Fixed maturity securities:				
United States Government and government agencies and authorities	$ 641,924	$ 0	$ 637,749	$ 4,175
State, municipalities and political subdivisions	907,056	0	907,056	0
Foreign governments	753,408	672	729,639	23,097
Asset-backed	28,197	0	28,197	0
Commercial mortgage-backed	69,883	0	68,109	1,774
Residential mortgage-backed	771,057	0	762,846	8,211
Corporate	9,000,113	0	8,842,110	158,003
Equity securities:				
Common stocks	18,950	18,267	683	0
Non-redeemable preferred stocks	456,856	0	456,842	14
Short-term investments	300,925	201,803[b]	99,122[c]	0
Collateral held/pledged under securities agreements	74,729	68,939[b]	5,790[c]	0
Other investments	250,806	49,199[a]	190,280[c]	11,327[d]
Cash equivalents	381,777	366,543[b]	15,234[c]	0
Other assets	6,609	0	723[f]	5,886[e]
Assets held in separate accounts	1,674,406	1,469,050[a]	205,356[c]	0
TOTAL FINANCIAL ASSETS	**$ 15,336,696**	**$ 2,174,473**	**$ 12,949,736**	**$ 212,487**
Financial Liabilities				
Other liabilities	$ 51,828	$ 49,199[a]	$ 69[f]	$ 2,560[f]
Liabilities related to separate accounts	1,674,406	1,469,050[a]	205,356[c]	0
TOTAL FINANCIAL LIABILITIES	**$ 1,726,234**	**$ 1,518,249**	**$ 205,425**	**$ 2,560**

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.
g. Mainly includes contingent consideration liability related to a business combination.

There were no transfers between Level 1 and Level 2 financial assets during 2013 or 2012. However, there were transfers between Level 2 and Level 3 financial assets in 2013 and 2012, 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 years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013							
Financial Assets	**Balance, beginning of period**	**Total gains (losses) (realized/ unrealized) included in earnings(1)**	**Net unrealized (losses) gains included in other comprehensive income(2)**	**Purchases**	**Sales**	**Transfers in(3)**	**Transfers out(3)**	**Balance, end of period**
Fixed Maturity Securities								
United States Government and government agencies and authorities	$ 4,175	$ 0	$ (3)	$ 0	$ (4,172)	$ 0	$ 0	$ 0
States, municipalities and political subdivisions	0	(3)	1,675	20,985	0	0	0	22,657
Foreign governments	23,097	(6)	(3,582)	0	0	0	(2,652)	16,857
Commercial mortgage-backed	1,774	20	(30)	0	(1,166)	0	0	598
Residential mortgage-backed	8,211	(19)	(1,156)	29,938	(2,406)	0	(30,401)	4,167
Corporate	158,003	6,979	(5,383)	5,325	(33,974)	4,997	(20,603)	115,344
Equity Securities								
Non-redeemable preferred stocks	14	12	(42)	5,275	(2,041)	4,305	(13)	7,510
Other investments	11,327	(1,274)	1,827	8	(7,717)	0	0	4,171
Other assets	5,886	(3,395)	0	0	0	0	0	2,491
Financial Liabilities								
Other liabilities	(2,560)	127	0	(17,897)	0	0	0	(20,330)
TOTAL LEVEL 3 ASSETS AND LIABILITIES	**$ 209,927**	**$ 2,441**	**$ (6,694)**	**$ 43,634**	**$ (51,476)**	**$ 9,302**	**$ (53,669)**	**$ 153,465**

	Year Ended December 31, 2012							
Financial Assets	**Balance, beginning of period**	**Total gains (losses) (realized/ unrealized) included in earnings(1)**	**Net unrealized gains (losses) included in other comprehensive income(2)**	**Purchases**	**Sales**	**Transfers in(3)**	**Transfers out(3)**	**Balance, end of period**
Fixed Maturity Securities								
United States Government and government agencies and authorities	$ 4,400	$ (3)	$ (10)	$ 0	$ (212)	$ 0	$ 0	$ 4,175
Foreign governments	22,713	79	987	0	(682)	0	0	23,097
Asset-backed	453	0	0	0	0	0	(453)	0
Commercial mortgage-backed	904	54	(26)	0	(2,053)	2,895	0	1,774
Residential mortgage-backed	1,867	(17)	331	1,930	(1,098)	7,065	(1,867)	8,211
Corporate	137,629	2,040	11,810	8,942	(19,667)	18,701	(1,452)	158,003
Equity Securities								
Non-redeemable preferred stocks	13	0	12	0	0	4	(15)	14
Other investments	18,257	1	839	0	(8,631)	1,488	(627)	11,327
Other assets	8,521	(2,635)	0	0	0	0	0	5,886
Financial Liabilities								
Other liabilities	(2,720)	160	0	0	0	0	0	(2,560)
TOTAL LEVEL 3 ASSETS AND LIABILITIES	**$ 192,037**	**$ (321)**	**$ 13,943**	**$ 10,872**	**$ (32,343)**	**$ 30,153**	**$ (4,414)**	**$ 209,927**

(1) Included as part of net realized gains on investments in the consolidated statement of operations.

(2) Included as part of change in unrealized gains on securities in the consolidated statement of comprehensive income.

(3) 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.

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, the CPI Caps, and certain derivatives, the income valuation technique is generally used. For the years ended December 31, 2013 and 2012, 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 December 31, 2013 and 2012, 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: U.S. government and government agencies and authorities securities are priced by our pricing service 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 service utilizing monthly payment information and collateral performance information in addition to the 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 service utilizing standard inputs. Non-investment grade securities within this category are priced by our pricing service utilizing observations of equity and credit default swap curves related to the issuer in addition to the 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.

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

Short-term investments, collateral held/pledged under securities agreements, 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.

Other liabilities: The contingent consideration liability related to a business combination is valued at the contractual amount stated in the purchase agreement plus accrued interest. The contractual amount plus interest represents the fair value and is a market observable input due to the fact the amount is specifically stated in the agreement and there is a short time frame (less than three months) for determining whether the payment will be made or not.

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 December 31, 2013 and 2012, consisted of fixed maturity and equity 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, $70,244 and $102,586 were priced by a pricing service using single broker quotes due to insufficient information to provide an evaluated price as of December 31, 2013 and 2012, 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 $97,219 and $100,220 were priced internally using independent and non-binding broker quotes as of December 31, 2013 and 2012, 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. Credit default swaps are priced using non-binding quotes provided by market makers or broker-dealers who are recognized as market participants. Inputs factored into the non-binding quotes include trades in the actual credit default swap which is being priced, trades in comparable credit default swaps, quality of the issuer, structure and liquidity. The net option related to the investment in Iké is valued using an income approach; specifically, a Monte Carlo simulation option pricing model. The inputs to the model include, but are not limited to, the projected normalized earnings before interest, tax, depreciation, and amortization (EBITDA) and free cash flow for the underlying asset, the discount rate, and the volatility of and the correlation between the normalized EBITDA and the value of the underlying asset. Significant increases (decreases) in the projected normalized EBITDA relative to the value of the underlying asset in isolation would result in a significantly higher (lower) fair value.

Other assets: A 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 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.

For the net option, the Company will perform a periodic analysis to assess if the evaluated price represents a reasonable estimate of the fair value for the financial liability. This process will involve quantitative and qualitative analysis overseen by finance and accounting professionals. Examples of procedures to be performed include, but are not limited to, initial and on-going review of the pricing methodology and review of the projection for the underlying asset including the probability distribution of possible scenarios.

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.

For its 2013 and 2011 fourth quarter annual goodwill impairment tests, a qualitative assessment was performed for the Assurant Specialty Property reporting unit; for the Assurant Solutions Reporting unit, the Company performed a Step 1 analysis. Based on these analyses, it was determined that goodwill was not impaired at either reporting unit. For its 2012 fourth quarter annual goodwill impairment test, the Company performed a Step 1 analysis for the Assurant Solutions and Assurant Specialty Property reporting units. Based on these analyses, it was determined that goodwill was not impaired at either reporting unit. See Note 10 for further information.

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 2013 earnings and price to estimated 2014 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.

During the fourth quarter of 2012, a $26,458 impairment charge was recorded in connection with the 2007 acquisitions of two U.K. mortgage insurance brokers due to the persistency rates of the acquired business declining significantly following actions by an independent underwriter of the business. This fair value determination was categorized as Level 3 (unobservable) in the fair value hierarchy.

There was no remaining goodwill or material other intangible assets measured at fair value on a non-recurring basis on which an impairment charge was recorded as of December 31, 2013, 2012 and 2011.

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
- 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 U.S. 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 consolidated 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.

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

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:

		December 31, 2013			
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Financial Assets					
Commercial mortgage loans on real estate	$ 1,287,032	$ 1,444,974	$ 0	$ 0	$ 1,444,974
Policy loans	51,678	51,678	51,678	0	0
TOTAL FINANCIAL ASSETS	**$ 1,338,710**	**$ 1,496,652**	**$ 51,678**	**$ 0**	**$ 1,444,974**
Financial Liabilities					
Policy reserves under investment products					
(Individual and group annuities, subject to discretionary withdrawal)[(1)]	$ 809,628	$ 808,734	$ 0	$ 0	$ 808,734
Funds withheld under reinsurance	76,778	76,778	76,778	0	0
Debt	1,638,118	1,656,588	0	1,656,588	0
Obligations under securities agreements	95,206	95,206	95,206	0	0
TOTAL FINANCIAL LIABILITIES	**$ 2,619,730**	**$ 2,637,306**	**$ 171,984**	**$ 1,656,588**	**$ 808,734**

		December 31, 2012			
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Financial Assets					
Commercial mortgage loans on real estate	$ 1,311,682	$ 1,468,723	$ 0	$ 0	$ 1,468,723
Policy loans	52,938	52,938	52,938	0	0
TOTAL FINANCIAL ASSETS	**$ 1,364,620**	**$ 1,521,661**	**$ 52,938**	**$ 0**	**$ 1,468,723**
Financial Liabilities					
Policy reserves under investment products					
(Individual and group annuities, subject to discretionary withdrawal)[(1)]	$ 862,398	$ 902,449	$ 0	$ 0	$ 902,449
Funds withheld under reinsurance	61,413	61,413	61,413	0	0
Debt	972,399	1,050,920	0	1,050,920	0
Obligations under securities agreements	94,714	94,714	94,714	0	0
TOTAL FINANCIAL LIABILITIES	**$ 1,990,924**	**$ 2,109,496**	**$ 156,127**	**$ 1,050,920**	**$ 902,449**

(1) 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.

6. Premiums and Accounts Receivable

Receivables are reported net of an allowance for uncollectible amounts. A summary of such receivables is as follows:

	As of December 31,	
	2013	2012
Insurance premiums receivable	$ 941,460	$ 718,148
Other receivables	175,357	143,250
Allowance for uncollectible amounts	(36,646)	(31,371)
TOTAL	**$ 1,080,171**	**$ 830,027**

7. Income Taxes

The Company and the majority of its subsidiaries are subject to U.S. tax and file a U.S. consolidated federal income tax return. Information about domestic and foreign pre-tax income as well as current and deferred tax expense (benefit) follows:

	Years Ended December 31,		
	2013	2012	2011
Pre-tax income			
Domestic	$ 716,172	$ 686,571	$ 637,708
Foreign	73,527	71,180	68,419
TOTAL PRE-TAX INCOME	**$ 789,699**	**$ 757,751**	**$ 706,127**

	Year Ended December 31,		
	2013	2012	2011
Current expense:			
Federal & state	$ 129,204	$ 169,394	$ 233,576
Foreign	35,188	33,520	8,970
Total current expense	164,392	202,914	242,546
Deferred expense (benefit):			
Federal & state	131,336	71,372	(89,732)
Foreign	5,064	(240)	14,357
Total deferred expense (benefit)	136,400	71,132	(75,375)
TOTAL INCOME TAX EXPENSE	**$ 300,792**	**$ 274,046**	**$ 167,171**

The provision for foreign taxes includes amounts attributable to income from U.S. possessions that are considered foreign under U.S. tax laws. International operations of the Company are subject to income taxes imposed by the jurisdiction in which they operate.

A reconciliation of the federal income tax rate to the Company's effective income tax rate follows:

	December 31,		
	2013	2012	2011
Federal income tax rate:	35.0%	35.0%	35.0%
Reconciling items:			
Tax exempt interest	(1.0)	(1.3)	(1.3)
Dividends received deduction	(0.7)	(0.6)	(0.6)
Foreign earnings[(a)]	1.1	0.5	0.7
Change in valuation allowance	0	0	(11.5)
Goodwill	0	0	0
Non deductible compensation	3.4	1.1	0
IRS audit settlement	0	1.0	0
Other	0.3	0.5	1.4
EFFECTIVE INCOME TAX RATE:	**38.1%**	**36.2%**	**23.7%**

(a) Results for all years primarily includes tax expense/(benefit) associated with the earnings of certain non-U.S. subsidiaries that are deemed reinvested indefinitely and realization of foreign tax credits for certain other subs.

During the year ended December 31, 2011, the Company recognized an income tax benefit of $80,584 primarily related to the release of this valuation allowance due to sufficient taxable income of the appropriate character during the period.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2013, 2012 and 2011 is as follows:

	Year Ended December 31,		
	2013	2012	2011
Balance at beginning of year	$ (11,515)	$ (17,524)	$ (13,844)
Additions based on tax positions related to the current year	(309)	(499)	(758)
Reductions based on tax positions related to the current year	995	3,124	997
Additions for tax positions of prior years	(1,090)	(20,830)	(5,512)
Reductions for tax positions of prior years	959	8,365	483
Lapses	0	374	700
Settlements	638	15,475	410
BALANCE AT END OF YEAR	**$ (10,322)**	**$ (11,515)**	**$ (17,524)**

The total unrecognized tax benefit, $12,510, $12,442, and $21,563 for 2013, 2012, and 2011, respectively, which includes interest, would impact the Company's consolidated effective tax rate if recognized. The liability for unrecognized tax benefits is included in tax payable on the consolidated balance sheets.

The Company's continuing practice is to recognize interest expense related to income tax matters in income tax expense. During the years ended December 31, 2013, 2012 and 2011, the Company recognized approximately $375, $1,200 and $600, respectively, of interest expense related to income tax matters. The Company had $4,500 and $4,300 of interest accrued as of December 31, 2013 and 2012, respectively. No penalties have been accrued.

The Company and its subsidiaries file income tax returns in the U.S. and various state and foreign jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2008, and is currently under U.S. federal income tax audit for years 2009 through 2011. This audit cycle began in April 2013. Substantially all non-U.S. income tax matters have been concluded for the years through 2007, and all state and local income tax matters have been concluded for the years through 2009.

The tax effects of temporary differences that result in significant deferred tax assets and deferred tax liabilities are as follows:

	December 31,	
	2013	2012
Deferred Tax Assets		
Policyholder and separate account reserves	$ 611,774	$ 548,512
Accrued liabilities	17,791	5,295
Investments, net	119,410	206,517
Net operating loss carryforwards	65,507	75,828
Capital loss carryforwards	4,297	0
Deferred gain on disposal of businesses	34,833	40,554
Compensation related	21,713	46,456
Employee and post-retirement benefits	81,725	122,599
Other	101,409	112,309
Total deferred tax asset	1,058,459	1,158,070
Less valuation allowance	(16,474)	(13,091)
Deferred tax assets, net of valuation allowance	1,041,985	1,144,979
Deferred Tax Liabilities		
Deferred acquisition costs	(894,921)	(799,966)
Net unrealized appreciation on securities	(276,212)	(506,301)
Total deferred tax liability	(1,171,133)	(1,306,267)
NET DEFERRED INCOME TAX (LIABILITY) ASSET	**$ (129,148)**	**$ (161,288)**

The net deferred tax liability of $129,148 as of December 31, 2013 is comprised of $155,858 deferred tax liabilities and $26,710 deferred tax assets, by jurisdiction. Similarly, the net deferred tax liability of $161,288 as of December 31, 2012 is comprised of $197,898 deferred tax liabilities and $36,610 deferred tax assets, by jurisdiction.

The Company's valuation allowance against deferred tax assets increased by $3,383 to $16,474 at December 31, 2013 from $13,091 at December 31, 2012. A cumulative valuation allowance of $16,474 has been recorded because it is management's assessment that it is more likely than not that only $1,041,985 of deferred tax assets will be realized.

The valuation allowance relates to the deferred tax assets attributable to certain international subsidiaries.

The Company's ability to realize deferred tax assets depends on its ability to generate sufficient taxable income of the same character within the carryback or carryforward periods. In assessing future taxable income, the Company considered all sources of taxable income available to realize its deferred tax asset, including the future reversal of existing temporary differences, future taxable income exclusive of reversing temporary differences and carryforwards, taxable income in carryback years and tax-planning strategies. If changes occur in the assumptions underlying the Company's tax planning strategies or in the scheduling of the reversal of the Company's deferred tax liabilities, the valuation allowance may need to be adjusted in the future.

Other than for certain wholly owned Canadian subsidiaries, deferred taxes have not been provided on the undistributed earnings of wholly owned foreign subsidiaries since the Company intends to indefinitely reinvest the earnings in these other jurisdictions. The cumulative amount of undistributed earnings for which the Company has not provided deferred income taxes is $143,522. Upon distribution of such earnings in a taxable event, the Company would incur additional U.S. income taxes of $5,860 net of anticipated foreign tax credits.

At December 31, 2013, the Company and its subsidiaries had net operating loss carryforwards for U.S. federal and foreign income tax purposes. Net operating loss carryforwards total $261,528 and will expire if unused as follows:

Expiration Year	Amount
2014 – 2018	$ 22,989
2019 – 2023	9,665
2024 – 2028	6,981
2029 – 2033	52,670
Unlimited	169,223
	$ 261,528

At December 31, 2013, the Company and its subsidiaries have $11,899 of capital loss carryovers, all of which were generated during 2013 for U.S. federal and state income tax purposes. These capital loss carryovers will expire in 2018 if not utilized.

8. Deferred Acquisition Costs

Information about deferred acquisition costs is as follows:

	December 31,		
	2013	2012	2011
Beginning balance	$ 2,861,163	$ 2,492,857	$ 2,366,183
Costs deferred and other[(1)]	1,729,613	1,762,560	1,443,309
Amortization	(1,461,845)	(1,394,254)	(1,316,635)
ENDING BALANCE	**$ 3,128,931**	**$ 2,861,163**	**$ 2,492,857**

(1) Includes foreign currency translation

9. Property and Equipment

Property and equipment consists of the following:

	As of December 31,	
	2013	2012
Land	$ 14,359	$ 14,359
Buildings and improvements	249,034	236,444
Furniture, fixtures and equipment	477,617	481,382
TOTAL	**741,010**	**732,185**
Less accumulated depreciation	(487,380)	(481,389)
TOTAL	**$ 253,630**	**$ 250,796**

Depreciation expense for 2013, 2012 and 2011 amounted to $50,652, $49,595 and $55,193, respectively. Depreciation expense is included in underwriting, general and administrative expenses in the consolidated statements of operations.

10. Goodwill

Information about goodwill is as follows:

	Goodwill for the Years Ended December 31, 2013	2012	2011
Balance as of January 1:			
Goodwill	$ 2,291,034	$ 2,289,417	$ 2,270,099
Accumulated impairment losses	(1,650,320)	(1,650,320)	(1,650,320)
	640,714	639,097	619,779
Additions	142,554	0	19,608
Foreign currency translation and other	1,293	1,617	(290)
Goodwill	2,434,881	2,291,034	2,289,417
Accumulated impairment losses	(1,650,320)	(1,650,320)	(1,650,320)
BALANCE AS OF DECEMBER 31:	**$ 784,561**	**$ 640,714**	**$ 639,097**

The Company has assigned goodwill to its operating segments for impairment testing purposes. The Corporate and Other segment is not assigned goodwill. Below is a roll forward of goodwill by reportable segment.

	Solutions(1)	Specialty Property	Health	Employee Benefits	Consolidated
Balance at December 31, 2011					
Goodwill	$ 1,640,584	259,452	204,303	185,078	2,289,417
Accumulated impairment losses	(1,260,939)	0	(204,303)	(185,078)	(1,650,320)
	379,645	259,452	0	0	639,097
Foreign currency translation and other	1,617	0	0	0	1,617
Balance at December 31, 2012					
Goodwill	1,642,201	259,452	204,303	185,078	2,291,034
Accumulated impairment losses	(1,260,939)	0	(204,303)	(185,078)	(1,650,320)
	381,262	259,452	0	0	640,714
Acquisitions	113,646	28,908	0	0	142,554
Foreign currency translation and other	1,293	0	0	0	1,293
Balance at December 31, 2013					
Goodwill	1,757,140	288,360	204,303	185,078	2,434,881
Accumulated impairment losses	(1,260,939)	0	(204,303)	(185,078)	(1,650,320)
	$ 496,201	**$ 288,360**	**$ 0**	**$ 0**	**$ 784,561**

(1) The accumulated impairment loss relates to an acquisition made in 1999. The entity acquired had businesses that currently are primarily represented by the Assurant Solutions and Assurant Specialty Property segments. Prior to 2006, the Assurant Solutions and Assurant Specialty Property segments were combined and together called Assurant Solutions. Thus, the entire goodwill impairment recognized in 2002 due to the adoption of FAS 142 is included in the tables under the Assurant Solutions segment.

In accordance with the goodwill guidance, goodwill is deemed to have an indefinite life and should not be amortized, but rather must be tested, at least annually, for impairment. In addition, goodwill should be tested for impairment between annual tests if an event occurs or circumstances change that would "more likely than not" reduce the estimated fair value of the reporting unit below its carrying value.

The goodwill impairment test has two steps. Step 1 of the test identifies potential impairments at the reporting unit level, which for the Company is the same as our operating segments, by comparing the estimated fair value of each reporting unit to its net book value. If the estimated fair value of a reporting unit exceeds its net book value, there is no impairment of goodwill and Step 2 is unnecessary. However, if the net book value exceeds the estimated fair value, then Step 1 is failed, and Step 2 is performed to determine the amount of the potential impairment. Step 2 utilizes acquisition accounting guidance and requires the fair value calculation of all individual assets and liabilities of the reporting unit (excluding goodwill, but including any unrecognized intangible assets). The net fair value of assets less liabilities is then compared to the reporting unit's total estimated fair value as calculated in Step 1. The excess of fair value over the net asset value equals the implied fair value of goodwill. The implied fair value of goodwill is then compared to the carrying value of goodwill to determine the reporting unit's goodwill impairment. During September 2011, the FASB issued amended intangibles- goodwill and other guidance. This guidance provides the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test, described above.

In the fourth quarters of 2013, 2012 and 2011, the Company conducted its annual assessments of goodwill.

In 2013 and 2011, for the Assurant Specialty Property reporting unit, the Company chose the option to perform a qualitative assessment under the amended intangibles- goodwill and other guidance. The Company performed a Step 1 test for the Specialty Property reporting unit in 2012 and for the Assurant Solutions reporting unit in 2013, 2012 and 2011. Based on these tests, it was determined that goodwill was not impaired at either reporting unit.

11. VOBA and Other Intangible Assets

Information about VOBA is as follows:

	For the Years Ended December 31,		
	2013	2012	2011
Beginning balance	$ 62,109	$ 71,014	$ 82,208
Amortization, net of interest accrued	(8,442)	(8,961)	(11,153)
Foreign currency translation and other	(118)	56	(41)
ENDING BALANCE	**$ 53,549**	**$ 62,109**	**$ 71,014**

As of December 31, 2013, the entire outstanding balance of VOBA is from the Assurant Solutions segment with the majority related to the preneed life insurance business. VOBA in the preneed life insurance business assumes an interest rate ranging from 5.4% to 7.5%.

At December 31, 2013 the estimated amortization of VOBA for the next five years and thereafter is as follows:

Year	Amount
2014	$ 7,983
2015	7,589
2016	7,219
2017	6,891
2018	6,644
Thereafter	17,223
TOTAL	**$ 53,549**

Information about other intangible assets is as follows:

	As of December 31,					
	2013			2012		
	Carrying Value	Accumulated Amortization	Net Other Intangible Assets	Carrying Value	Accumulated Amortization	Net Other Intangible Assets
Contract based intangibles	$ 61,179	$ (33,113)	$ 28,066	$ 68,083	$ (36,958)	$ 31,125
Customer related intangibles(1)	469,788	(170,690)	299,098	491,434	(272,783)	218,651
Marketing related intangibles	36,652	(22,090)	14,562	46,396	(33,430)	12,966
Technology based intangibles	13,760	(850)	12,910	360	(108)	252
TOTAL(2)	**$ 581,379**	**$ (226,743)**	**$ 354,636**	**$ 606,273**	**$ (343,279)**	**$ 262,994**

(1) Excluded from the 2012 customer related carrying value and accumulated amortization amounts is an impairment charge of $26,458. This impairment charge relates to the Assurant Solutions segment and is primarily related to the 2007 acquisitions of two U.K. mortgage insurance brokers. In 2012, persistency rates of the acquired business declined significantly following actions by an independent underwriter of the business, resulting in the impairment.

(2) In 2013, the Company removed $137,071 of fully amortized intangible assets that were determined to have no future value.

Other intangible assets that have finite lives, including customer relationships, customer contracts and other intangible assets, are amortized over their useful lives. The estimated amortization of other intangible assets and the amount of indefinite lived intangible assets, which mainly include state licenses, are as follows:

Year		Amount
2014	$	57,724
2015		55,337
2016		53,528
2017		50,492
2018		41,783
Thereafter		93,047
TOTAL OTHER INTANGIBLE ASSETS WITH FINITE LIVES		351,911
TOTAL OTHER INTANGIBLE ASSETS WITH INDEFINITE LIVES		2,725
TOTAL OTHER INTANGIBLE ASSETS	$	**354,636**

12. Reserves

The following table provides reserve information of the Company's major product lines at the dates shown:

	December 31, 2013				December 31, 2012			
			Claims and Benefits Payable				Claims and Benefits Payable	
	Future Policy Benefits and Expenses	Unearned Premiums	Case Reserves	Incurred But Not Reported Reserves	Future Policy Benefits and Expenses	Unearned Premiums	Case Reserves	Incurred But Not Reported Reserves
Long Duration Contracts:								
Preneed funeral life insurance policies and investment-type annuity contracts	$ 4,453,154	$ 185,863	$ 14,236	$ 5,901	$ 4,306,947	$ 154,998	$ 13,139	$ 7,297
Life insurance no longer offered	432,075	565	2,200	2,690	445,347	574	3,110	4,437
Universal life and other products no longer offered	189,319	125	735	3,110	210,037	127	825	5,133
FFG, LTC and other disposed businesses	3,440,947	34,158	740,704	75,195	3,424,511	35,862	713,258	55,661
Medical	94,436	10,454	3,840	9,799	89,540	10,293	6,831	10,016
All other	36,641	475	14,943	8,422	37,123	455	15,786	8,904
Short Duration Contracts:								
Group term life	0	4,135	169,972	29,799	0	3,681	172,804	30,953
Group disability	0	2,537	1,156,693	115,158	0	2,143	1,189,656	119,431
Medical	0	125,817	68,869	153,313	0	111,351	99,549	148,209
Dental	0	5,140	2,402	17,461	0	4,648	2,442	15,896
Property and warranty	0	2,514,356	201,336	437,888	0	2,368,372	459,586	707,472
Credit life and disability	0	314,420	39,419	52,096	0	323,510	46,406	57,794
Extended service contracts	0	3,331,936	6,622	36,790	0	3,068,652	7,654	38,596
All other	0	132,691	3,203	16,575	0	107,594	2,246	17,499
TOTAL	**$ 8,646,572**	**$ 6,662,672**	**$ 2,425,174**	**$ 964,197**	**$ 8,513,505**	**$ 6,192,260**	**$ 2,733,292**	**$ 1,227,298**

The following table provides a roll forward of the Company's product lines with the most significant claims and benefits payable balances: group term life, group disability, medical and property and warranty lines of business. Claims and benefits payable is comprised of case and IBNR reserves.

	Group Term Life	Group Disability	Short Duration Medical[(2)]	Long Duration Medical[(2)]	Property and Warranty
Balance as of December 31, 2010, gross of reinsurance[(3)]	**$ 219,284**	**$ 1,404,274**	**$ 290,390**	**$ 18,559**	**$ 518,431**
Less: Reinsurance ceded and other[(1)]	(3,021)	(37,182)	(15,562)	(703)	(149,032)
Balance as of January 1, 2011, net of reinsurance	216,263	1,367,092	274,828	17,856	369,399
Incurred losses related to:					
Current year	143,240	326,036	1,238,393	92,009	997,563
Prior year's interest	8,164	60,908	0	0	0
Prior year (s)	(26,575)	(63,834)	(60,247)	(3,579)	(26,849)
Total incurred losses	124,829	323,110	1,178,146	88,430	970,714
Paid losses related to:					
Current year	85,374	65,287	993,687	76,792	740,451
Prior year (s)	39,490	284,869	208,257	13,903	218,947
Total paid losses	124,864	350,156	1,201,944	90,695	959,398
Balance as of December 31, 2011, net of reinsurance[(3)]	216,228	1,340,046	251,030	15,591	380,715
Plus: Reinsurance ceded and other [(1)]	3,542	37,370	17,904	2,964	189,977
Balance as of December 31, 2011 gross of reinsurance[(3)]	**$ 219,770**	**$ 1,377,416**	**$ 268,934**	**$ 18,555**	**$ 570,692**
Less: Reinsurance ceded and other[(1)]	(3,542)	(37,370)	(17,904)	(2,964)	(189,977)
Balance as of January 1, 2012, net of reinsurance	216,228	1,340,046	251,030	15,591	380,715
Incurred losses related to:					
Current year	126,712	287,459	1,130,525	99,887	1,142,285
Prior year's interest	7,993	58,502	0	0	0
Prior year (s)	(27,918)	(58,562)	(52,515)	(3,831)	(46,006)
Total incurred losses	106,787	287,399	1,078,010	96,056	1,096,279
Paid losses related to:					
Current year	79,071	68,269	903,984	84,071	797,492
Prior year (s)	43,004	288,255	193,745	11,465	227,502
Total paid losses	122,075	356,524	1,097,729	95,536	1,024,994
Balance as of December 31, 2012, net of reinsurance[(3)]	200,940	1,270,921	231,311	16,111	452,000
Plus: Reinsurance ceded and other[(1)]	2,817	38,166	16,447	736	715,058
Balance as of December 31, 2012 gross of reinsurance[(3)]	**$ 203,757**	**$ 1,309,087**	**$ 247,758**	**$ 16,847**	**$ 1,167,058**
Less: Reinsurance ceded and other[(1)]	(2,817)	(38,166)	(16,447)	(736)	(715,058)
Balance as of January 1, 2013, net of reinsurance	200,940	1,270,921	231,311	16,111	452,000
Incurred losses related to:					
Current year	121,708	284,005	1,097,313	110,933	1,140,500
Prior year's interest	7,773	56,705	0	0	0
Prior year (s)	(14,300)	(29,975)	(42,063)	(3,971)	(23,801)
Total incurred losses	115,181	310,735	1,055,250	106,962	1,116,699
Paid losses related to:					
Current year	75,119	70,236	894,533	98,183	802,130
Prior year (s)	43,694	278,559	184,824	11,869	310,660
Total paid losses	118,813	348,795	1,079,357	110,052	1,112,790
Balance as of December 31, 2013, net of reinsurance[(3)]	197,308	1,232,861	207,204	13,021	455,909
Plus: Reinsurance ceded and other[(1)]	2,463	38,990	14,978	618	183,315
BALANCE AS OF DECEMBER 31, 2013 GROSS OF REINSURANCE[(3)]	**$ 199,771**	**$ 1,271,851**	**$ 222,182**	**$ 13,639**	**$ 639,224**

(1) Reinsurance ceded and other includes claims and benefits payable balances that have either been (a) reinsured to third parties, (b) established for claims related expenses whose subsequent payment is not recorded as a paid claim, or (c) reserves established for obligations that would persist even if contracts were cancelled (such as extension of benefits), which cannot be analyzed appropriately under a roll-forward approach.

(2) Short duration and long duration medical methodologies used for settling claims and benefits payable are similar.

(3) The Company's net retained credit life and disability claims and benefits payable were $54,483, $64,031 and $69,264 at December 31, 2013, 2012 and 2011.

Short Duration Contracts

The Company's short duration contracts are comprised of group term life, group disability, medical, dental, property and warranty, credit life and disability, extended service contract and all other. The principal products and services included in these categories are described in the summary of significant accounting polices (see Note 2).

Case and IBNR reserves are developed using actuarial principles and assumptions that consider, among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, seasonality, membership, product mix, legislative and regulatory environment, economic factors, disabled life mortality and claim termination rates and other relevant factors. The Company consistently applies the principles and assumptions listed above from year to year, while also giving due consideration to the potential variability of these factors.

Since case and IBNR reserves include estimates developed from various actuarial methods, the Company's actual losses incurred may be more or less than the Company's previously developed estimates. As shown in the table above, if the amounts listed on the line labeled "Incurred losses related to: Prior years" are negative (redundant) this means that the Company's actual losses incurred related to prior years for these lines were less than the estimates previously made by the Company. If the line labeled "Incurred losses related to: Prior years" are positive (deficient) this means that the Company's actual losses incurred related to prior years for these lines were greater than the estimates previously made by the Company.

Medical reserves established for obligations that would persist even if contracts were cancelled (such as extension of benefits) have been excluded from the incurred loss roll-forwards because they cannot be analyzed appropriately under a roll-forward approach.

Group Term Life case and IBNR reserves redundancies in all years are due to actual mortality rates running below those assumed in prior year reserves, and actual recovery rates running higher than those assumed in prior year reserves.

Group Disability case and IBNR reserves show redundancies in all years due to actual claim recovery rates exceeding those assumed in prior year reserves.

The redundancies in our Medical lines case and IBNR reserves were caused by the Company's claims and other case reserves developing more favorably than expected. The Company's actual claims experience reflected lower medical provider utilization and lower medical inflation than assumed in the Company's prior-year pricing and reserving processes.

The Company's group disability products include short and long term disability coverage. Case and IBNR reserves for long-term disability claims have been discounted at 5.25% for claims incurred in 2010 and earlier, 4.75% for claims incurred in 2011 and 2012, and 4.25% for claims incurred in 2013. The December 31, 2013 and 2012 liabilities net of reinsurance include $1,271,851 and $1,309,087, respectively, of such reserves. The amount of discounts deducted from outstanding reserves as of December 31, 2013 and 2012 are $386,582 and $412,973, respectively.

In 2013, 2012 and 2011, the Company's Property and Warranty case and IBNR reserves reflected redundancies from its lender-placed homeowners, credit, warranty and other short tail product lines. The 2013 redundancy decreased due to $6,500 of adverse development from Super Storm Sandy and a flattening of redundancies on lender placed products. The 2011 redundancy was impacted by $11,400 in adverse development from the 2010 Arizona hail event. For the longer-tail Property and Warranty coverages (e.g. asbestos, environmental, and other general liability), for all other years presented, there were no material changes in estimated amounts for incurred claims in prior years.

Long Duration Contracts

The Company's long duration contracts are primarily comprised of preneed life insurance and annuity policies, life insurance policies (no longer offered), universal life and annuities (no longer offered), FFG and LTC disposed businesses and medical policies. The principal products and services included in these categories are described in the summary of significant accounting policies. See Note 2 for further information.

The Assurant Solutions segment manages preneed insurance products through two separate divisions: the independent division and the American Memorial Life Insurance Company ("AMLIC") division. The Company signed an agreement with Forethought Life Insurance Company on November 9, 2005 whereby the Company discontinued writing new preneed insurance policies in the U.S. via independent funeral homes. The reserve assumptions for future policy benefits and expenses for pre-funded funeral life and annuity contracts and traditional life insurance (no longer offered) by the preneed business differ by division and are established based upon the following:

Preneed Business—Independent Division

Interest and discount rates for preneed life insurance issued prior to 2009 vary by year of issuance and product, are based on pricing assumptions and modified to allow for provisions for adverse deviation. For preneed life insurance with discretionary death benefit growth issued after 2008, interest and discount rates are based upon current assumptions without provisions for adverse deviation. During 2013 and 2012, interest and discount rates ranged between 3.5% and 7.3%.

Interest and discount rates for traditional life insurance (no longer offered) vary by year of issuance and products and were 7.5% grading to 5.3% over 20 years in 2013 and 2012 with the exception of a block of pre-1980 business which had a level 8.8% discount rate in 2013 and 2012.

Mortality assumptions for business issued prior to 2009 are based upon pricing assumptions and modified to allow for provisions for adverse deviation. For business issued after 2008, mortality assumptions are based upon pricing assumptions without provisions for adverse deviation. Surrender rates vary by product and are based upon pricing assumptions.

Future assumed policy benefit increases on preneed life insurance issued prior to 2009 ranged from 1.0% to 7.0% in 2013 and 2012. Some policies have future policy benefit increases, which are guaranteed or tied to equal some measure of inflation. The inflation assumption for most of these inflation-linked benefits was 3.0% in both 2013 and 2012 with the exception of most policies issued in 2005 through 2007 where the assumption was 2.3%. Future policy benefit increases for business issued in 2013 are based on current assumptions.

The reserves for annuities issued by the independent division are based on assumed interest rates credited on deferred annuities, which vary by year of issue, and ranged from 1.0% to 5.5% in 2013 and 2012. Withdrawal charges, if any, generally range from 7.0% to 0.0% and grade to zero over a period of seven years for business issued in the U.S. Canadian annuity products have a surrender charge that varies by product series and premium paying period.

PreNeed Business—AMLIC Division

Interest and discount rates for preneed life insurance issued or acquired after September 2000 and prior to 2009 vary by year of issuance and are based on pricing assumptions and modified to allow for provisions for adverse deviation. For preneed life insurance with discretionary death benefit growth issued after 2008, interest and discount rates are based on current assumptions without provisions for adverse deviation. Discount rates for 2013 and 2012 issues ranged from 1.5% to 5.0%. Preneed insurance issued prior to October 2000 and all traditional life insurance issued by the AMLIC division use discount rates, which vary by issue year and product, ranging from 0.0% to 7.5% in 2013 and 2012.

Mortality assumptions for preneed life insurance issued or acquired after September 2000 and prior to 2009 are based upon pricing assumptions, which approximate actual experience, and modified to allow for provisions for adverse deviation. For preneed life insurance with discretionary death benefit growth issued after 2008, mortality assumptions are based upon pricing assumptions, which approximate actual experience, without provisions for adverse deviation. Surrender rates for preneed life insurance issued or acquired in October 2000 and beyond vary by product and are based upon pricing assumptions. Mortality assumptions for all preneed life insurance and traditional life insurance acquired by the AMLIC division prior to October 2000 are based on statutory valuation requirements, which approximate GAAP, with no explicit provision for lapses.

Future policy benefit increases for preneed life insurance products are based upon pricing assumptions. First-year guaranteed benefit increases were 0.0% in 2013 and 2012. Renewal guaranteed benefit increases ranged from 0.0% to 3.0% in 2013 and 2012. For contracts with minimum benefit increases associated with an inflation index, assumed benefit increases equaled the discount rate less 3.0% in 2013 and 2012.

The reserves for annuities issued by the AMLIC division are based on assumed interest rates credited on deferred annuities and ranged from 1.0% to 6.5% in 2013 and 2012. Withdrawal charges ranged from 8.0% to 0.0% grading to zero over eight years for business issued in the United States. Canadian annuity products have a flat 35% surrender charge. Nearly all the deferred annuities contracts have a 3.0% guaranteed interest rate.

Universal Life and Annuities—No Longer Offered

The reserves for universal life and annuity products (no longer offered) in the Assurant Solutions segment have been established based on the following assumptions: Interest rates credited on annuities, which vary by product and time when funds were received, ranged from 3.5% to 4.0% with guaranteed credited rates that ranged from 3.5% to 4.0% in 2013 and 2012, except for a limited number of policies with credited rates of 4.5% with guaranteed credited rate of 4.5%. Annuities are also subject to surrender charges, which vary by contract year and grade to zero over a period no longer than seven years. Surrender values on annuities will never be less than the amount of paid-in premiums (net of prior withdrawals) regardless of the surrender charge. Credited interest rates on universal life funds vary by product and time when funds were received and ranged from 4.0% to 4.1% in 2013 and 2012. Guaranteed crediting rates where present were 4.0%. Additionally, universal life funds are subject to surrender charges that vary by product, age, sex, year of issue, risk class, face amount and grade to zero over a period not longer than 20 years.

FFG and LTC

Reserves for previously disposed FFG and LTC businesses are included in the Company's reserves in accordance with the insurance guidance. The Company maintains an offsetting reinsurance recoverable related to these reserves. See Note 13 for further information.

13. Reinsurance

In the ordinary course of business, the Company is involved in both the assumption and cession of reinsurance with non-affiliated companies. The following table provides details of the reinsurance recoverables balance for the years ended December 31:

	2013	2012
Ceded future policyholder benefits and expense	$ 3,355,706	$ 3,338,783
Ceded unearned premium	1,283,674	1,214,028
Ceded claims and benefits payable	1,053,640	1,540,073
Ceded paid losses	59,114	48,853
TOTAL	**$ 5,752,134**	**$ 6,141,737**

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 following table provides the reinsurance recoverable as of December 31, 2013 grouped by A.M. Best rating:

Best Ratings of Reinsurer	Ceded future policyholder benefits and expense	Ceded unearned premiums	Ceded claims and benefits payable	Ceded paid losses	Total
A++ or A+	$ 1,846,063	$ 37,671	$ 741,151	$ 2,555	$ 2,627,440
A or A-	1,469,989	45,199	146,204	13,959	1,675,351
B++ or B+	38,038	21,139	3,427	5	62,609
B or B-	0	561	207	70	838
Not Rated	1,616	1,179,104	162,651	53,345	1,396,716
Total	3,355,706	1,283,674	1,053,640	69,934	5,762,954
Less: Allowance	0	0	0	(10,820)	(10,820)
NET REINSURANCE RECOVERABLE	**$ 3,355,706**	**$ 1,283,674**	**$ 1,053,640**	**$ 59,114**	**$ 5,752,134**

A.M. Best ratings for The Hartford and John Hancock, the reinsurers with the largest reinsurance recoverable balances, are A- and A+, respectively. A.M. Best currently maintains a stable outlook on the financial strength ratings of John Hancock and The Hartford. The total amount of recoverable for these two reinsurers is $3,680,176 as of December 31, 2013. Most of the assets backing reserves relating to reinsurance recoverables from these two counterparties are held in trust.

A substantial portion of the Not Rated category is related to Assurant Solutions' and Assurant Specialty Property's agreements to reinsure premiums and risks related to business generated by certain clients to the clients' own captive insurance companies or to reinsurance subsidiaries in which the clients have an ownership interest. To mitigate exposure to credit risk for these reinsurers, the Company evaluates the financial condition of the reinsurer and holds substantial collateral (in the form of funds withheld, trusts, and letters of credit) as security. The Not Rated category also includes recoverables from the National Flood Insurance Program and the Florida Hurricane Catastrophe Fund.

An allowance for doubtful accounts related to 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. The allowance for doubtful accounts was $10,820 and $10,633 at December 31, 2013 and 2012, respectively.

Information about the valuation allowance for reinsurance recoverable is as follows:

	Years Ended December 31,	
	2013	2012
Balance as of beginning-of-year	$ 10,633	$ 10,633
Provision	187	0
Other additions	0	0
Direct write-downs charged against the allowance	0	0
BALANCE AS OF THE END-OF-YEAR	**$ 10,820**	**$ 10,633**

The effect of reinsurance on premiums earned and benefits incurred was as follows:

	Years Ended December 31,								
	2013			2012			2011		
	Long Duration	Short Duration	Total	Long Duration	Short Duration	Total	Long Duration	Short Duration	Total
Direct earned premiums	$ 555,368	$ 9,293,288	$ 9,848,656	$ 568,308	$ 8,711,619	$ 9,279,927	$ 584,532	$ 8,553,695	$ 9,138,227
Premiums assumed	10,117	304,980	315,097	12,536	278,160	290,696	13,048	306,920	319,968
Premiums ceded	(304,064)	(2,099,893)	(2,403,957)	(322,428)	(2,011,211)	(2,333,639)	(330,523)	(2,002,304)	(2,332,827)
NET EARNED PREMIUMS	**$261,421**	**$ 7,498,375**	**$ 7,759,796**	**$ 258,416**	**$ 6,978,568**	**$ 7,236,984**	**$ 267,057**	**$ 6,858,311**	**$ 7,125,368**
Direct policyholder benefits	$ 933,110	$ 3,706,848	$ 4,639,958	$ 909,670	$ 4,152,252	$ 5,061,922	$ 1,074,435	$ 3,653,693	$ 4,728,128
Policyholder benefits assumed	22,844	211,446	234,290	27,681	173,581	201,262	29,619	228,368	257,987
Policyholder benefits ceded	(590,281)	(608,435)	(1,198,716)	(581,890)	(1,025,890)	(1,607,780)	(734,970)	(501,411)	(1,236,381)
NET POLICYHOLDER BENEFITS	**$ 365,673**	**$ 3,309,859**	**$ 3,675,532**	**$ 355,461**	**$ 3,299,943**	**$ 3,655,404**	**$ 369,084**	**$ 3,380,650**	**$ 3,749,734**

The Company had $1,035,617 and $1,069,031, respectively, of invested assets held in trusts or by custodians as of December 31, 2013 and 2012, respectively, for the benefit of others related to certain reinsurance arrangements.

The Company utilizes ceded reinsurance for loss protection and capital management, business dispositions, and in the Assurant Solutions and Assurant Specialty Property segments, for client risk and profit sharing.

Loss Protection and Capital Management

As part of the Company's overall risk and capacity management strategy, the Company purchases reinsurance for certain risks underwritten by the Company's various segments, including significant individual or catastrophic claims.

For those product lines where there is exposure to losses from catastrophe events, the Company closely monitors and manages its aggregate risk exposure by geographic area. The Company has entered into reinsurance treaties to manage exposure to these types of events.

On January 30, 2012, certain of the Companies' subsidiaries ("the Subsidiaries") entered into two reinsurance agreements with Ibis Re II Ltd. ("Ibis Re II"). Ibis Re II 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").

On June 26, 2013, the Subsidiaries entered into three additional reinsurance agreements with Ibis Re II providing up to $185,000 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 June 2016. Ibis Re II financed the property catastrophe reinsurance coverage by issuing $185,000 in catastrophe bonds to unrelated investors (the "Series 2013-1 Notes").

The $315,000 of coverage represents approximately 17% 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 II for the reinsurance coverage. The reinsurance agreements with 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 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 II pays 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 December 31, 2013, the Company had not ceded any losses to Ibis Re II.

As with any reinsurance agreement, there is credit risk associated with collecting amounts due from reinsurers. With regard to the Series 2012-1 Notes and Series 2013-1 Notes, the credit risk is mitigated by two reinsurance trust accounts for each Series, respectively. Each reinsurance trust account has been funded by Ibis Re II 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 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 II, the Company concluded that Ibis Re II is a VIE. However, while Ibis Re II is a VIE, the Company concluded that it does not have a significant variable interest in 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 II and does not consolidate the entities in the Company's financial statements.

Business Divestitures

The Company has used reinsurance to exit certain businesses, such as the disposals of FFG and LTC. Reinsurance was used in these cases to facilitate the transactions because the businesses shared legal entities with operating segments that the Company retained. Assets supporting liabilities ceded relating to these businesses are mainly held in trusts and the separate accounts relating to FFG are still reflected in the Company's balance sheet. If the reinsurers became insolvent, we would be exposed to the risk that the assets in the trusts and/or the separate accounts would be insufficient to support the liabilities that would revert back to us. The reinsurance recoverable from The Hartford was $1,101,847 and $1,125,472 as of December 31, 2013 and 2012, respectively. The reinsurance recoverable from John Hancock was $2,578,329 and $2,494,275 as of December 31, 2013 and 2012, respectively.

The reinsurance agreement associated with the FFG sale also stipulates that The Hartford contribute funds to increase the value of the separate account assets relating to Modified Guaranteed Annuity business sold if such value declines below the value of the associated liabilities. If The Hartford fails to fulfill these obligations, the Company will be obligated to make these payments.

In addition, the Company would be responsible for administering this business in the event of reinsurer insolvency. We do not currently have the administrative systems and capabilities to process this business. Accordingly, we would need to obtain those capabilities in the event of an insolvency of one or more of the reinsurers of these businesses. We might be forced to obtain such capabilities on unfavorable terms with a resulting material adverse effect on our results of operations and financial condition.

As of December 31, 2013, we were not aware of any regulatory actions taken with respect to the solvency of the insurance subsidiaries of The Hartford or John Hancock that reinsure the FFG and LTC businesses, and the Company has not been obligated to fulfill any of such reinsurers' obligations.

John Hancock and The Hartford have paid their obligations when due and there have been no disputes.

Segment Client Risk and Profit Sharing

The Assurant Solutions and Assurant Specialty Property segments write business produced by their clients, such as mortgage lenders and servicers, financial institutions and reinsures all or a portion of such business to insurance subsidiaries of some clients. Such arrangements allow significant flexibility in structuring the sharing of risks and profits on the underlying business.

A substantial portion of Assurant Solutions and Assurant Specialty Property's reinsurance activities are related to agreements to reinsure premiums and risks related to business generated by certain clients to the clients' own captive insurance companies or to reinsurance subsidiaries in which the clients have an ownership interest. Through these arrangements, our insurance subsidiaries share some of the premiums and risk related to client-generated business with these clients. When the reinsurance companies are not authorized to do business in our insurance subsidiary's domiciliary state, the Company's insurance subsidiary generally obtains collateral, such as a trust or a letter of credit, from the reinsurance company or its affiliate in an amount equal to the outstanding reserves to obtain full statutory financial credit in the domiciliary state for the reinsurance.

The Company's reinsurance agreements do not relieve the Company from its direct obligation to its insureds. Thus, a credit exposure exists to the extent that any reinsurer is unable to meet the obligations assumed in the reinsurance agreements. To mitigate its exposure to reinsurance insolvencies, the Company evaluates the financial condition of its reinsurers and holds substantial collateral (in the form of funds, trusts, and letters of credit) as security under the reinsurance agreements.

14. Debt

On March 28, 2013, the Company completed an issuance of two series of senior notes with an aggregate principal amount of $700,000 (the "2013 Senior Notes"). The Company received net proceeds of $698,093 from this transaction, which represents the principal amount less the discount before offering expenses. The discount of $1,907 is being amortized over the life of the 2013 Senior Notes and is included as part of interest expense on the consolidated statements of operations. The first series is $350,000 in principal amount, bears interest at 2.50% per year and is payable in a single installment due March 15, 2018 and was issued at a 0.18% discount. The second series is $350,000 in principal amount, bears interest at 4.00% per year and is payable in a single installment due March 15, 2023 and was issued at a 0.37% discount. Interest on the 2013 Senior Notes is payable semi-annually on March 15 and September 15 of each year. The 2013 Senior Notes are unsecured obligations and rank equally with all of the Company's other senior unsecured indebtedness. The Company may redeem each series of the 2013 Senior Notes in whole or in part at any time and from time to time before their maturity at the redemption price set forth in the Indenture. The 2013 Senior Notes are registered under the Securities Act of 1933, as amended.

The interest expense incurred related to the 2013 Senior Notes was $17,357 for the year ended December 31, 2013. There was $6,635 of accrued interest at December 31, 2013. The Company made an interest payment on the 2013 Senior Notes of $10,553 on September 15, 2013.

In February 2004, the Company issued two series of senior notes with an aggregate principal amount of $975,000 (the "2004 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 2004 Senior Notes and is included as part of interest expense on the statement of operations. The first series was $500,000 in principal amount, issued at a 0.11% discount, bore interest at 5.63% per year and was repaid on February 18, 2014. 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. Interest on the 2004 Senior Notes is payable semi-annually on February 15 and August 15 of each year. The 2004 Senior Notes are unsecured obligations and rank equally with all of the Company's other senior unsecured indebtedness. The senior notes are not redeemable prior to maturity. All of the holders of the 2004 Senior Notes exchanged their notes in May 2004 for new notes registered under the Securities Act of 1933, as amended.

During the twelve months ended December 31, 2013, the Company repurchased $32,670 of the 2004 Senior Notes through open market transactions. The $964 difference between the reacquisition price and the net carrying amount of the extinguished debt for the twelve months ended December 31, 2013 was recorded as an extinguishment loss and is included in the consolidated statement of operations as part of interest expense.

The interest expense incurred related to the 2004 Senior Notes was $59,414, $60,306, and $60,360 for the years ended December 31, 2013, 2012, and 2011, respectively. There was $21,876 and $22,570 of accrued interest at December 31, 2013 and 2012, respectively. The Company made interest payments of $30,094 on February 15, 2013 and 2012 and August 15, 2013 and 2012.

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 $345,740 was available at December 31, 2013, due to $4,260 of outstanding letters of credit related to this program.

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 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 twelve months ended December 31, 2013 and 2012 and there were no amounts relating to the commercial paper program outstanding at December 31, 2013 and December 31, 2012. The Company made no borrowings using the 2011 Credit Facility and no loans are outstanding at December 31, 2013.

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 December 31, 2013, the Company was in compliance with all covenants, minimum ratios and thresholds.

15. Common Stock

Changes in the number of common stock shares outstanding are as follows:

	December 31,		
	2013	2012	2011
Shares outstanding, beginning	78,664,029	88,524,374	102,000,371
Vested restricted stock and restricted stock units, net[(a)]	340,525	370,244	336,919
Issuance related to performance share units	252,025	403,519	0
Issuance related to ESPP	217,573	213,942	217,787
Issuance related to SARS exercise	61,070	51,410	57,837
Shares repurchased	(7,707,014)	(10,899,460)	(14,088,540)
SHARES OUTSTANDING, ENDING	**71,828,208**	**78,664,029**	**88,524,374**

(a) Vested restricted stock and restricted stock units shown net of shares retired to cover participant tax liability.

The Company is authorized to issue 800,000,000 shares of common stock. In addition, 150,001 shares of Class B and 400,001 shares of Class C common stock, per the Restated Certificate of Incorporation of Assurant, Inc., are still authorized but have not been retired.

16. Stock Based Compensation

In accordance with the guidance on share based compensation, the Company recognized stock-based compensation costs based on the grant date fair value. The Company also applied the "long form" method to calculate its beginning pool of windfall tax benefits related to employee stock-based compensation awards as of the adoption date of the guidance. For the years ended December 31, 2013, 2012 and 2011, the Company recognized compensation costs net of a 5% per year forfeiture rate on a pro-rated basis over the remaining vesting period.

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 new 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 new shares. 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") awards PSUs and RSUs annually. 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 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, however, issuance of vested shares is deferred until separation from Board service. 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. The fair value of RSUs is estimated using the fair market value of a share of the Company's common stock at the date of grant. The fair value of PSUs is estimated using the Monte Carlo simulation model and is described in further detail below.

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. 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 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. Payouts will be determined by measuring performance against the average performance of companies included in the A.M. Best U.S. 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

A summary of the Company's outstanding restricted stock units is presented below:

	Shares	Weighted-Average Grant-Date Fair Value	
Shares outstanding at December 31, 2012	1,206,015	$	38.22
Grants	525,124		45.27
Vests	(548,494)		37.38
Forfeitures and adjustments	(22,555)		40.96
SHARES OUTSTANDING AT DECEMBER 31, 2013	**1,160,090**	**$**	**41.77**

The compensation expense recorded related to RSUs was $26,734, $22,158 and $20,100 for the years ended December 31, 2013, 2012 and 2011, respectively. The related total income tax benefit recognized was $9,343, $7,746 and $7,012 for the years ended December 31, 2013, 2012 and 2011, respectively. The weighted average grant date fair value for RSUs granted in 2012 and 2011 was $40.72 and $38.05, respectively.

As of December 31, 2013, there was $14,390 of unrecognized compensation cost related to outstanding RSUs. That cost is expected to be recognized over a weighted-average period of 1.04 years. The total fair value of shares vested during the years ended December 31, 2013, 2012 and 2011 was $24,812, $23,177 and $18,060, respectively.

Performance Share Units

A summary of the Company's outstanding performance share units is presented below:

	Performance Share Units	Weighted-Average Grant-Date Fair Value	
Performance share units outstanding, December 31, 2012	1,204,383	$	37.51
Grants	408,808		44.22
Vests	(424,537)		33.12
Performance adjustment(1)	16,285		33.12
Forfeitures and adjustments	(18,110)		41.73
PERFORMANCE SHARE UNITS OUTSTANDING, DECEMBER 31, 2013	**1,186,829**	**$**	**41.28**

(1) Represents the change in shares issued based upon the attainment of performance goals established by the Company.

PSU grants above represent initial target awards and do not reflect potential increases or decreases resulting from the financial performance objectives to be determined at the end of the prospective performance period. The actual number of shares to be issued at the end of each performance period will range from 0% to 150% of the initial target awards.

The compensation expense recorded related to PSUs was $22,257, $14,045 and $14,355 for the years ended December 31, 2013, 2012 and 2011, respectively. Portions of the compensation expense recorded during 2011 and 2010 were reversed in 2012 and 2011, respectively, since the Company's level of actual performance as measured against pre-established performance goals had declined. The related total income tax benefit recognized was $7,774, $4,911, and $5,005 for the years ended December 31, 2013, 2012 and 2011, respectively. The weighted average grant date fair value for PSUs granted in 2012 and 2011 was $41.68 and $37.83, respectively.

As of December 31, 2013, there was $15,090 of unrecognized compensation cost related to outstanding PSUs. That cost is expected to be recognized over a weighted-average period of 0.74 years. The total fair value of shares vested and issued during the years ended December 31, 2013 and 2012 was $19,392 and $24,403, respectively. There were no PSUs vested and issued during the year ended December 31, 2011.

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 years ended December 31, 2013 and 2012 were based on the historical stock prices of the Company's stock and peer insurance group. The expected term for grants issued during the years ended December 31, 2013, 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.

	For awards granted during the year ended December 31,		
	2013	2012	2011
Expected volatility	26.76%	30.18%	59.39%
Expected term (years)	2.80	2.81	2.81
Risk free interest rate	0.39%	0.42%	1.18%

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 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. The ESPP allows eligible employees to contribute, through payroll deductions, portions of their after-tax compensation in each offering period toward the purchase of shares of the Company's common stock. There are two offering periods during the year (January 1 through June 30 and July 1 through December 31) and shares are purchased at the end of each offering period at 90% of the lower of the closing price of the common stock on the first or last day of the offering period. Participants' contributions are limited to a maximum contribution of $7.5 per offering period, or $15 per year.

The ESPP is offered to individuals who are scheduled to work at least 20 hours per week and at least five months per year, have been continuously employed for at least six months by the start of the offering period, are not temporary employees (employed less than 12 months), and have not been on a leave of absence for more than 90 days immediately preceding the offering period. Participants must be employed on the last trading day of the offering period in order to purchase Company shares under the ESPP. The maximum number of shares that can be purchased each offering period is 5,000 shares per employee.

In January 2014, the Company issued 75,746 shares at a discounted price of $46.36 for the offering period of July 1, 2013 through December 31, 2013. In January 2013, the Company issued 107,535 shares at a discounted price of $31.23 for the offering period of July 1, 2012 through December 31, 2012.

In July 2013, the Company issued 110,038 shares to employees at a discounted price of $31.93 for the offering period of January 1, 2013 through June 30, 2013. 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.

The compensation expense recorded related to the ESPP was $1,098, $1,396 and $1,306 for the years ended December 31, 2013, 2012 and 2011, respectively. The related income tax benefit for disqualified disposition was $208, $157 and $180 for the years ended December 31, 2013, 2012 and 2011, respectively.

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 and assumptions in the table below. 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.

	For awards issued during the year ended December 31,		
	2013	2012	2011
Expected volatility	18.30-25.40%	25.26-36.77%	27.13-32.41%
Risk free interest rates	0.08-0.15%	0.06-0.10%	0.19-0.22%
Dividend yield	2.34-2.38%	1.72-1.95%	1.64-1.85%
Expected term (years)	0.5	0.5	0.5

Non-Stock Based Incentive Plans

Deferred Compensation

The deferred compensation programs consist of the AIP, the ASIC and the ADC Plans. The AIP and ASIC Plans provided key employees the ability to exchange a portion of their compensation for options to purchase certain third-party mutual funds. The AIP and ASIC Plans were frozen in December 2004 and no additional contributions can be made to either Plan. Effective March 1, 2005 and amended and restated on January 1, 2008, the ADC Plan was established in order to comply with the American Jobs Creation Act of 2004 ("Jobs Act") and IRC Section 409A. The ADC Plan provides key employees the ability to defer a portion of their eligible compensation to be notionally invested in a variety of mutual funds. Deferrals and withdrawals under the ADC Plan are intended to be fully compliant with the Jobs Act definition of eligible compensation and distribution requirements.

17. Stock Repurchase

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

Period in 2013	Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs
January	0	$ 0.00	0
February	0	0.00	0
March	600,000	44.28	600,000
April	1,803,621	46.29	1,803,621
May	1,383,080	48.92	1,383,080
June	459,412	50.08	459,412
July	376,300	52.68	376,300
August	814,900	55.01	814,900
September	735,525	54.77	735,525
October	786,676	57.13	786,676
November	270,000	60.79	270,000
December	477,500	65.27	477,500
TOTAL	**7,707,014**	**$ 51.66**	**7,707,014**

On May 14, 2012, the Company's Board of Directors authorized the Company to repurchase up to $600,000 of its outstanding common stock. On November 18, 2013, 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 $752,436 as of that date.

During the year ended December 31, 2013, the Company repurchased 7,707,014 shares of the Company's outstanding common stock at a cost of $398,026, exclusive of commissions, leaving $704,874 remaining under the total repurchase authorization at December 31, 2013.

18. 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 (net of taxes):

	Year Ended December 31, 2013				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at December 31, 2012	**$ 6,882**	**$ 981,879**	**$ 23,861**	**$ (182,219)**	**$ 830,403**
Other comprehensive (loss) income before reclassifications	(45,649)	(478,853)	(2,237)	77,938	(448,801)
Amounts reclassified from accumulated other comprehensive income	0	23,045	4,803	17,380	45,228
Net current-period other comprehensive (loss) income	(45,649)	(455,808)	2,566	95,318	(403,573)
Balance at December 31, 2013	**$ (38,767)**	**$ 526,071**	**$ 26,427**	**$ (86,901)**	**$ 426,830**

18 Accumulated Other Comprehensive Income

	Year Ended December 31, 2012				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at December 31, 2011	**$ 10,918**	**$ 713,773**	**$ 15,387**	**$ (182,502)**	**$ 557,576**
Other comprehensive (loss) income before reclassifications	(4,036)	240,603	8,551	(14,872)	230,246
Amounts reclassified from accumulated other comprehensive income	0	27,503	(77)	15,155	42,581
Net current-period other comprehensive (loss) income	(4,036)	268,106	8,474	283	272,827
Balance at December 31, 2012	**$ 6,882**	**$ 981,879**	**$ 23,861**	**$ (182,219)**	**$ 830,403**

	Year Ended December 31, 2011				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at December 31, 2010	**$ 33,508**	**$ 413,255**	**$ 12,568**	**$ (172,396)**	**$ 286,935**
Other comprehensive (loss) income before reclassifications	(22,590)	284,611	3,813	(20,440)	245,394
Amounts reclassified from accumulated other comprehensive income	0	15,907	(994)	10,334	25,247
Net current-period other comprehensive (loss) income	(22,590)	300,518	2,819	(10,106)	270,641
Balance at December 31, 2011	**$ 10,918**	**$ 713,773**	**$ 15,387**	**$ (182,502)**	**$ 557,576**

The following tables summarize the reclassifications out of accumulated other comprehensive income.

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income			Affected line item in the statement where net income is presented
	Year Ended December 31,			
	2013	2012	2011	
Unrealized gains on securities	$ 35,454	$ 42,312	$ 24,472	Net realized gains on investments, excluding other-than-temporary impairment losses
	(12,409)	(14,809)	(8,565)	Provision for income taxes
	$ 23,045	$ 27,503	$ 15,907	Net of tax
OTTI	$ 7,389	$ (118)	$ (1,529)	Portion of net loss (gain) recognized in other comprehensive income, before taxes
	(2,586)	41	535	Provision for income taxes
	$ 4,803	$ (77)	$ (994)	Net of tax
Amortization of pension and postretirement unrecognized net periodic benefit cost:				
Amortization of prior service cost	$ (77)	$ (152)	$ 1,070	(1)
Amortization of net loss	26,816	23,467	14,829	(1)
	26,739	23,315	15,899	Total before tax
	(9,359)	(8,160)	(5,565)	Provision for income taxes
	$ 17,380	$ 15,155	$ 10,334	Net of tax
TOTAL RECLASSIFICATIONS FOR THE PERIOD	**$ 45,228**	**$ 42,581**	**$ 25,247**	**NET OF TAX**

(1) These accumulated other comprehensive income components are included in the computation of net periodic pension cost. See Note 20 - Retirement and Other Employee Benefits for additional information

19. Statutory Information

The Company's insurance subsidiaries prepare financial statements on the basis of statutory accounting practices ("SAP") prescribed or permitted by the insurance departments of their states of domicile. Prescribed SAP includes the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") as well as state laws, regulations and administrative rules.

The principal differences between SAP and GAAP are: 1) policy acquisition costs are expensed as incurred under SAP, but are deferred and amortized under GAAP; 2) the value of business acquired is not capitalized under SAP but is under GAAP; 3) amounts collected from holders of universal life-type and annuity products are recognized as premiums when collected under SAP, but are initially recorded as contract deposits under GAAP, with cost of insurance recognized as revenue when assessed and other contract charges recognized over the periods for which services are provided; 4) the classification and carrying amounts of investments in certain securities are different under SAP than under GAAP; 5) the criteria for providing asset valuation allowances, and the methodologies used to determine the amounts thereof, are different under SAP than under GAAP; 6) the timing of establishing certain reserves, and the methodologies used to determine the amounts thereof, are different under SAP than under GAAP; 7) certain assets are not admitted for purposes of determining surplus under SAP; 8) methodologies used to determine the amounts of deferred taxes, intangible assets and goodwill are different under SAP than under GAAP; and 9) the criteria for obtaining reinsurance accounting treatment is different under SAP than under GAAP.

The combined statutory net income, excluding intercompany dividends and surplus note interest, and capital and surplus of the Company's U.S. domiciled statutory insurance subsidiaries follow:

	Years Ended December 31,		
	2013	2012	2011
Statutory net income			
P&C companies	$ 457,068	$ 371,520	$ 367,315
Life companies	148,851	223,519	148,554
TOTAL STATUTORY NET INCOME	**$ 605,919**	**$ 595,039**	**$ 515,869**

	December 31,	
	2013	2012
Statutory capital and surplus		
P&C companies	$ 1,440,394	$ 1,382,745
Life companies	923,660	973,446
TOTAL STATUTORY CAPITAL AND SURPLUS	**$ 2,364,054**	**$ 2,356,191**

The Company also has non-insurance subsidiaries and foreign insurance subsidiaries that are not subject to SAP. The statutory net income and statutory capital and surplus amounts presented above do not include foreign insurance subsidiaries in accordance with SAP.

Insurance enterprises are required by state insurance departments to adhere to minimum risk-based capital ("RBC") requirements developed by the NAIC. All of the Company's insurance subsidiaries exceed minimum RBC requirements.

The payment of dividends to the Company by any of the Company's regulated U.S domiciled insurance subsidiaries in excess of a certain amount (i.e., extraordinary dividends) must be approved by the subsidiary's domiciliary state department of insurance. Ordinary dividends, for which no regulatory approval is generally required, are limited to amounts determined by a formula, which varies by state. The formula for the majority of the states in which the Company's subsidiaries are domiciled is based on the prior year's statutory net income or 10% of the statutory surplus as of the end of the prior year. Some states limit ordinary dividends to the greater of these two amounts, others limit them to the lesser of these two amounts and some states exclude prior year realized capital gains from prior year net income in determining ordinary dividend capacity. Some states have an additional stipulation that dividends may only be paid out of earned surplus. If insurance regulators determine that payment of an ordinary dividend or any other payments by the Company's insurance subsidiaries to the Company (such as payments under a tax sharing agreement or payments for employee or other services) would be adverse to policyholders or creditors, the regulators may block such payments that would otherwise be permitted without prior approval. Based on the dividend restrictions under applicable laws and regulations, the maximum amount of dividends that the Company's U.S domiciled insurance subsidiaries could pay to the Company in 2014 without regulatory approval is approximately $484,000. No assurance can be given that there will not be further regulatory actions restricting the ability of the Company's insurance subsidiaries to pay dividends.

State regulators require insurance companies to meet minimum capitalization standards designed to ensure that they can fulfill obligations to policyholders. Minimum capital requirements are expressed as a ratio of a company's total adjusted capital ("TAC") to its risk-based capital ("RBC") (the "RBC Ratio"). TAC is equal to statutory surplus adjusted to exclude certain statutory liabilities. RBC is calculated by applying specified factors to various asset, premium, expense, liability, and reserve items.

Generally, if a company's RBC Ratio is below 100% (the "Authorized Control Level"), the insurance commissioner of the company's state of domicile is authorized to take control of the company, to protect the interests of policyholders. If the RBC Ratio is greater than 100% but less than 200% (the "Company Action Level"), the company must submit a RBC plan to the commissioner of the state of domicile. Corrective actions may also be required if the RBC Ratio is greater than the Company Action Level but the company fails certain trend tests.

As of December 31, 2013, the TAC of each of our insurance subsidiaries exceeded the Company Action Level and no trend tests that would require regulatory action were violated. As of December 31, 2013, the TAC of our life and health entities subject to RBC requirements was $999,804. The corresponding Authorized Control Level was 166,551. As of December 31, 2013, the TAC of our P&C entities subject to RBC requirements was 1,440,394. The corresponding Authorized Control Level was 205,819.

20. Retirement and Other Employee Benefits

Defined Benefit Plans

The Company and its subsidiaries participate in a non-contributory, qualified defined benefit pension plan ("Assurant Pension Plan") covering substantially all employees. The Assurant Pension Plan is considered "qualified" because it meets the requirements of Internal Revenue Code Section 401(a) ("IRC 401(a)") and the Employee Retirement Income Security Act of 1974 ("ERISA"). The Assurant Pension Plan is a pension equity plan with a grandfathered final average earnings plan for a certain group of employees. Benefits are based on certain years of service and the employee's compensation during certain such years of service. The Company's funding policy is to contribute amounts to the Assurant Pension Plan sufficient to meet the minimum funding requirements in ERISA, plus such additional amounts as the Company may determine to be appropriate from time to time up to the maximum permitted. The funding policy considers several factors to determine such additional amounts including items such as the amount of service cost plus 15% of the Assurant Pension Plan deficit and the capital position of the Company. During 2013, we contributed $50,000 in cash to the Assurant Pension Plan. We expect to contribute $30,000 in cash to the Assurant Pension Plan over the course of 2014. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Assurant Pension Plan assets are maintained in a separate trust and as such are not included in the consolidated balance sheets of the Company.

As of January 1, 2014, the Assurant Pension and Executive Pension Plans are no longer offered to new hires. Current employees will not be affected and will continue to accrue benefits under the Assurant Pension and Executive Pension Plans. Employees who are currently eligible but not yet participating in the Assurant Pension Plan will remain eligible to participate in the future once they meet the Assurant Pension Plan and Executive Pension Plan requirements.

The Company also has various non-contributory, non-qualified supplemental plans covering certain employees. Since these plans are "non-qualified" they are not subject to the laws and regulations of IRC 401(a) and ERISA. As such, the Company is not required, and does not, fund these plans. The qualified and nonqualified plans are referred to as "Pension Benefits" unless otherwise noted. The Company has the right to modify or terminate these benefits; however, the Company will not be relieved of its obligation to plan participants for their vested benefits.

In addition, the Company provides certain life and health care benefits ("Retirement Health Benefits") for retired employees and their dependents. On July 1, 2011, the Company terminated certain health care benefits for employees who did not qualify for "grandfathered" status and no longer offers these benefits to new hires. The Company contribution, plan design and other terms of the remaining benefits will not change for those grandfathered employees. The Company has the right to modify or terminate these benefits. Plan assets and benefit obligations are measured as of December 31, 2013.

Summarized information on the Company's Pension Benefits and Retirement Health Benefits plans (together the "Plans") for the years ended December 31 is as follows:

	Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011
Change in projected benefit obligation						
Projected benefit obligation at beginning of year	$ (956,172)	$ (855,638)	$ (749,284)	$ (86,237)	$ (75,702)	$ (97,436)
Service cost	(38,580)	(35,609)	(31,832)	(2,863)	(2,762)	(3,233)
Interest cost	(38,243)	(38,348)	(38,919)	(3,473)	(3,483)	(3,915)
Amendments	0	0	(1,865)	0	0	13,541
Actuarial gain (loss), including curtailments and settlements	89,029	(60,106)	(73,449)	11,213	(6,288)	13,249
Benefits paid	38,023	33,529	39,711	2,314	1,998	2,092
Projected benefit obligation at end of year	$ (905,943)	$ (956,172)	$ (855,638)	$ (79,046)	$ (86,237)	$ (75,702)

	Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011
Change in plan assets						
Fair value of plan assets at beginning of year	$ 704,976	$ 601,662	$ 533,867	$ 45,651	$ 42,073	$ 39,663
Actual return on plan assets	64,641	81,896	56,965	3,234	5,576	4,502
Employer contributions	56,217	56,096	51,740	400	0	0
Benefits paid (including administrative expenses)	(39,084)	(34,678)	(40,910)	(2,314)	(1,998)	(2,092)
Fair value of plan assets at end of year	$ 786,750	$ 704,976	$ 601,662	$ 46,971	$ 45,651	$ 42,073
Funded status at end of year	**$ (119,193)**	**$ (251,196)**	**$ (253,976)**	**$ (32,075)**	**$ (40,586)**	**$ (33,629)**

In accordance with the guidance on retirement benefits, the Company aggregates the results of the qualified and non-qualified plans as "Pension Benefits" and is required to disclose the aggregate projected benefit obligation, accumulated benefit obligation and fair value of plan assets, if the obligations within those plans exceed plan assets.

For the years ended December 31, 2013, 2012 and 2011, the projected benefit obligations, the accumulated benefit obligations of Pension Benefits exceeded, and fair value of plan assets are as follows:

	Qualified Pension Benefits			Non-Qualified Pension Benefits			Total Pension Benefits		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Fair value of plan assets	$ 786,750	$ 704,976	$ 601,662	$ 0	$ 0	$ 0	$ 786,750	$ 704,976	$ 601,662
Projected benefit obligation	(768,672)	(812,642)	(727,179)	(137,271)	(143,530)	(128,459)	(905,943)	(956,172)	(855,638)
Funded status at end of year	$ 18,078	$ (107,666)	$ (125,517)	$ (137,271)	$ (143,530)	$ (128,459)	$ (119,193)	$ (251,196)	$ (253,976)
Accumulated benefit obligation	$ 645,431	$ 673,427	$ 604,763	$ 115,286	$ 122,573	$ 110,435	$ 760,717	$ 796,000	$ 715,198

The Pension Protection Act of 2006 ("PPA") requires certain qualified plans, like the Assurant Pension Plan, to meet specified funding thresholds. If these funding thresholds are not met, there are negative consequences to the plan and participants. If the funded percentage falls below 80%, full payment of lump sum benefits as well as implementation of amendments improving benefits are restricted.

As of January 1, 2013, the Assurant Pension Plan funded percentage was 127.72% on a PPA calculated basis (based on an actuarial average value of assets compared to the funding target). Therefore, benefit and payment restrictions did not occur during 2013. The 2013 funded measure will also be used to determine restrictions, if any, that can occur during the first nine months of 2014. Due to the funding status of the Assurant Pension Plan in 2013, no restrictions will exist before October 2014 (the time that the January 1, 2014 actuarial valuation needs to be completed). Also, based on the estimated funded status as of January 1, 2014, the Company does not anticipate any restrictions on benefits for the remainder of 2014.

Amounts recognized in the consolidated balance sheets consist of:

	Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011
Assets	$ 18,078	$ 0	$ 0	$ 0	$ 0	$ 0
Liabilities	$ (137,271)	$ (251,196)	$ (253,976)	$ (32,075)	$ (40,586)	$ (33,629)

Amounts recognized in accumulated other comprehensive income consist of:

	Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011
Net gain (loss)	$ (147,288)	$ (282,491)	$ (286,535)	$ 11,710	$ 261	$ 3,741
Prior service (cost) credit	(4,119)	(4,975)	(5,756)	6,102	7,035	7,968
	$ (151,407)	**$ (287,466)**	**$ (292,291)**	**$ 17,812**	**$ 7,296**	**$ 11,709**

Components of net periodic benefit cost and other amounts recognized in accumulated other comprehensive income for the years ended December 31 were as follows:

	Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011
Net periodic benefit cost						
Service cost	$ 38,580	$ 35,609	$ 31,832	$ 2,863	$ 2,762	$ 3,233
Interest cost	38,243	38,348	38,919	3,473	3,483	3,915
Expected return on plan assets	(44,222)	(40,064)	(40,698)	(2,998)	(2,768)	(2,957)
Amortization of prior service cost	856	781	795	(933)	(933)	275
Amortization of net (gain) loss	26,816	23,467	15,119	0	0	(290)
Settlement loss	0	0	521	0	0	0
Net periodic benefit cost	$ 60,273	$ 58,141	$ 46,488	$ 2,405	$ 2,544	$ 4,176
Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive income (loss)						
Net (gain) loss	$ (108,387)	$ 19,423	$ 58,752	$ (11,449)	$ 3,480	$ (14,794)
Amortization of prior service cost, and effects of curtailments/settlements	(856)	(781)	(1,687)	933	933	(275)
Amortization of net (loss) gain	(26,816)	(23,467)	(15,119)	0	0	290
Prior service credit	0	0	1,865	0	0	(13,541)
Total recognized in accumulated other comprehensive (income) loss	$ (136,059)	$ (4,825)	$ 43,811	$ (10,516)	$ 4,413	$ (28,320)
TOTAL RECOGNIZED IN NET PERIODIC BENEFIT COST AND OTHER COMPREHENSIVE (INCOME) LOSS	**$ (75,786)**	**$ 53,316**	**$ 90,299**	**$ (8,111)**	**$ 6,957**	**$ (24,144)**

The Company uses a five-year averaging method to determine the market-related value of Pension Benefits plan assets, which is used to calculate the expected return of plan assets component of the Plans' expense. Under this methodology, asset gains/losses that result from actual returns which differ from the Company's expected long-term rate of return on assets assumption are recognized in the market-related value of assets on a level basis over a five year period. The difference between actual as compared to expected asset returns for the Plans will be fully reflected in the market-related value of plan assets over the next five years using the methodology described above. Other post-employment benefit assets under the Retirement Health Benefits are valued at fair value.

The estimated net loss and prior service cost of Pension Benefits that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are $10,563 and $847, respectively. The net gain and prior service credit of Retirement Health Benefits that will be amortized from accumulated other comprehensive income into net periodic credit over the next fiscal year is $516 and $933, respectively. There was no estimated net loss of Retirement Health Benefits that will be amortized from accumulated other comprehensive income into net periodic cost over the next fiscal year.

Determination of the projected benefit obligation was based on the following weighted-average assumptions for the years ended December 31:

	Qualified Pension Benefits			Nonqualified Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Discount rate	4.98%	4.12%	4.59%	4.64%	3.71%	4.40%	4.99%	4.12%	4.64%

Determination of the net periodic benefit cost was based on the following weighted-average assumptions for the years ended December 31:

	Qualified Pension Benefits			Nonqualified Pension Benefits			Retirement Health Benefits		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Discount rate	4.12%	4.59%	5.44%	3.71%	4.40%	5.11%	4.12%	4.64%	5.55%
Expected long-term return on plan assets	6.75%	6.75%	7.50%	0%	0%	0%	6.75%	6.75%	7.50%

* *Assumed rates of compensation increases are also used to determine net periodic benefit cost. Assumed rates varied by age and ranged from 3.25% to 9.30% for the Pension Benefits for the years ended December 31, 2013, 2012 and 2011.*

The selection of our discount rate assumption reflects the rate at which the Plans' obligations could be effectively settled at December 31, 2013, 2012 and 2011. The methodology for selecting the discount rate was to match each Plan's cash flows to that of a yield curve that provides the equivalent yields on zero-coupon corporate bonds for each maturity. The yield curve utilized in the cash flow analysis was comprised of 208 bonds rated AA by either Moody's or Standard & Poor's with maturities between zero and thirty years. The discount rate for each Plan is the single rate that produces the same present value of cash flows.

To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested or to be invested. The expected return for each asset class was then weighted based on the targeted asset allocation to develop the expected long-term rate of return on asset assumptions for the portfolio. The Company believes the current assumption reflects the projected return on the invested assets, given the current market conditions and the modified portfolio structure. Actual return on plan assets was 9.0% and 13.6% for the years ended December 31, 2013 and 2012, respectively.

The assumed health care cost trend rates used in measuring the accumulated postretirement benefit obligation and net periodic benefit cost were as follows:

	Retirement Health Benefits		
	2013	2012	2011
Health care cost trend rate assumed for next year:			
Pre-65 Non-reimbursement Plan	8.7%	9.2%	9.8%
Post-65 Non-reimbursement Plan	8.5%	9.0%	9.5%
Pre-65 Reimbursement Plan	8.7%	9.2%	9.8%
Post-65 Reimbursement Plan	8.7%	9.2%	9.8%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%	4.5%
Year that the rate reaches the ultimate trend rate			
Pre-65 Non-reimbursement Plan	2028	2028	2028
Post-65 Non-reimbursement Plan	2028	2028	2028
Pre-65 Reimbursement Plan	2028	2028	2028
Post-65 Reimbursement Plan	2028	2028	2028

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	Retirement Health Benefits		
	2013	2012	2011
One percentage point increase in health care cost trend rate			
Effect on total of service and interest cost components	$ 43	$ 44	$ 62
Effect on postretirement benefit obligation	601	727	863
One percentage point decrease in health care cost trend rate			
Effect on total of service and interest cost components	$ (66)	$ (66)	$ (91)
Effect on postretirement benefit obligation	(884)	(1,031)	(1,196)

The assets of the Plans are managed to maximize their long-term pre-tax investment return, subject to the following dual constraints: minimization of required contributions and maintenance of solvency requirements. It is anticipated that periodic contributions to the Plans will, for the foreseeable future, be sufficient to meet benefit payments thus allowing the balance to be managed according to a long-term approach. The Investment Committee for the Plans meets on a quarterly basis and reviews the re-balancing of existing fund assets and the asset allocation of new fund contributions.

The goal of our asset strategy is to ensure that the growth in the value of the fund over the long-term, both in real and nominal terms, manages (controls) risk exposure. Risk is managed by investing in a broad range of asset classes, and within those asset classes, a broad range of individual securities. Diversification by asset classes stabilizes total fund results over short-term time periods. Each asset class is externally managed by outside investment managers appointed by the Investment Committee. Derivatives may be used consistent with the Plan's investment objectives established by the Investment Committee. All securities must be U.S. dollar denominated.

In 2013, 8% of the Plans' assets were allocated to Mesirow Institutional Multi-Strategy Fund, L.P. ("MIMSF"). MIMSF is a multi-strategy product for U.S. tax-exempt investors subject to ERISA. MIMSF allocates to five primary sub-strategies including hedged equity, credit, event, relative value and multi-strategy. Allocations to these sub-strategies will shift over time depending upon MIMSF's investment outlook. MIMSF is managed to be broadly diversified in terms of both strategy and manager exposures.

The Investment Committee that oversees the investment of the plan assets conducts an annual review of the investment strategies and policies of the Plans. This includes a review of the strategic asset allocation, including the relationship of the Plans' liabilities and portfolio structure. As a result of this review, the Investment Committee has adopted the current target asset allocation. The allocation is consistent with 2012.

Financial Assets	The Plans' Asset Allocation Percentages Low	Target[(2)]	High
Equity securities[(1)]:			
Common stock- U.S. listed small cap	5.0%	7.5%	10.0%
Mutual fund- U.S. listed large cap	22.0%	27.0%	32.0%
Common/collective trust- foreign listed	5.0%	7.5%	10.0%
Fixed maturity securities:			
U.S. & foreign government and government agencies and authorities	8.0%	10.5%	13.0%
Corporate- U.S. & foreign investment grade	29.5%	32.0%	34.5%
Corporate- U.S. & foreign high yield	5.0%	7.5%	10.0%
Investment fund:			
Multi-strategy hedge fund	5.5%	8.0%	10.5%

(1) The Plans' long-term asset allocation targets are 30% equity, 50% fixed income and 20% investment funds. Current target asset allocations for equity securities include allocations for investment funds. The Company invests certain plan assets in investment funds, examples of which include real estate investment funds and private equity funds, during 2013. Amounts allocated for these investments are included in the equity securities caption of the fair value hierarchy at December 31, 2013, provided in the section above.

(2) It is understood that these guidelines are targets and that deviations may occur periodically as a result of cash flows, market impact or short-term decisions implemented by either the Investment Committee or their investment managers.

The assets of the Plans are primarily invested in fixed maturity and equity securities. While equity risk is fully retained, interest rate risk is hedged by aligning the duration of the fixed maturity securities with the duration of the liabilities. Specifically, interest rate swaps are used to synthetically extend the duration of fixed maturity securities to match the duration of the liabilities, as measured on a projected benefit obligation basis. In addition, the Plans' fixed income securities have exposure to credit risk. In order to adequately diversify and limit exposure to credit risk, the Investment Committee established parameters which include a limit on the asset types that managers are permitted to purchase, maximum exposure limits by sector and by individual issuer (based on asset quality) and minimum required ratings on individual securities. As of December 31, 2013, 44.4% of plan assets were invested in fixed maturity securities and 14.7%, 10.8% and 8.3% of those securities were concentrated in the financial, communications and consumer non-cyclical industries, with no exposure to any single creditor in excess of 5.6%, 6.4% and 7.7% of those industries, respectively. As of December 31, 2013, 43.6% of plan assets were invested in equity securities and 64.2% of the Plans' equity securities were invested in a mutual fund that attempts to replicate the return of the Standard & Poor's 500 index ("S&P 500") by investing its assets in large capitalization stocks that are included in the S&P 500 using a weighting similar to the S&P 500.

The fair value hierarchy for the Company's qualified pension plan and other post retirement benefit plan assets at December 31, 2013 by asset category, is as follows:

Qualified Pension Benefits Financial Assets	December 31, 2013 Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Short-term investment funds	$ 33,750	$ 0	$ 33,750	$ 0
Equity securities:				
Common stock- U.S. listed small cap	60,770	60,770	0	0
Preferred stock	2,674	2,674	0	0
Mutual funds- U.S. listed large cap	220,185	220,185	0	0
Common/collective trust- foreign listed	59,242	0	59,242	0
Fixed maturity securities:				
U.S. & foreign government and government agencies and authorities	95,813	0	95,813	0
Corporate- U.S. & foreign investment grade	203,542	0	203,542	0
Corporate- U.S. & foreign high yield	50,131	0	50,131	0
Investment fund:				
Multi-strategy hedge fund	59,977	0	0	59,977
Private equity fund	1,525	0	0	1,525
Derivatives:				
Interest rate swap	3,106	0	3,106	0
TOTAL FINANCIAL ASSETS	**$ 790,715[(1)]**	**$ 283,629**	**$ 445,584**	**$ 61,502**

(1) The difference between the fair value of plan assets above and the amount used in determining the funded status is due to interest receivable which is not required to be included in the fair value hierarchy.

Retirement Health Benefits Financial Assets	December 31, 2013 Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Short-term investment funds	$ 2,015	$ 0	$ 2,015	$ 0
Equity securities:				
Common stock- U.S. listed small cap	3,628	3,628	0	0
Preferred stock	160	160	0	0
Mutual funds- U.S. listed large cap	13,146	13,146	0	0
Common/collective trust- foreign listed	3,537	0	3,537	0
Fixed maturity securities:				
U.S. & foreign government and government agencies and authorities	5,720	0	5,720	0
Corporate- U.S. & foreign investment grade	12,152	0	12,152	0
Corporate- U.S. & foreign high yield	2,993	0	2,993	0
Investment fund:				
Multi-strategy hedge fund	3,581	0	0	3,581
Private equity fund	91	0	0	91
Derivatives:				
Interest rate swap	185	0	185	0
TOTAL FINANCIAL ASSETS	**$ 47,208(1)**	**$ 16,934**	**$ 26,602**	**$ 3,672**

(1) The difference between the fair value of plan assets above and the amount used in determining the funded status is due to interest receivable which is not required to be included in the fair value hierarchy.

The fair value hierarchy for the Company's qualified pension plan and other post retirement benefit plan assets at December 31, 2012 by asset category, is as follows:

Qualified Pension Benefits Financial Assets	December 31, 2012 Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Short-term investment funds	$ 18,288	$ 0	$ 18,288	$ 0
Equity securities:				
Common stock- U.S. listed small cap	53,327	53,327	0	0
Mutual funds- U.S. listed large cap	168,933	168,933	0	0
Common/collective trust- foreign listed	67,065	0	67,065	0
Fixed maturity securities:				
U.S. & foreign government and government agencies and authorities	96,622	0	96,622	0
Corporate- U.S. & foreign investment grade	202,434	0	202,434	0
Corporate- U.S. & foreign high yield	40,346	0	40,346	0
Investment fund:				
Multi-strategy hedge fund	54,333	0	0	54,333
Private equity fund	65	0	0	65
Derivatives:				
Interest rate swap	14,622	0	14,622	0
TOTAL FINANCIAL ASSETS	**$ 716,035(1)**	**$ 222,260**	**$ 439,377**	**$ 54,398**

(1) The difference between the fair value of plan assets above and the amount used in determining the funded status is due to interest receivable which is not required to be included in the fair value hierarchy.

Retirement Health Benefits Financial Assets	December 31, 2012 Total	Level 1	Level 2	Level 3
Cash and cash equivalents:				
Short-term investment funds	$ 1,185	$ 0	$ 1,185	$ 0
Equity securities:				
Common stock- U.S. listed small cap	3,453	3,453	0	0
Mutual funds- U.S. listed large cap	10,939	10,939	0	0
Common/collective trust- foreign listed	4,343	0	4,343	0
Fixed maturity securities:				
U.S. & foreign government and government agencies and authorities	6,257	0	6,257	0
Corporate- U.S. & foreign investment grade	13,109	0	13,109	0
Corporate- U.S. & foreign high yield	2,613	0	2,613	0
Investment fund:				
Multi-strategy hedge fund	3,518	0	0	3,518
Private equity fund	4	0	0	4
Derivatives:				
Interest rate swap	947	0	947	0
TOTAL FINANCIAL ASSETS	**$ 46,368(1)**	**$ 14,392**	**$ 28,454**	**$ 3,522**

(1) The difference between the fair value of plan assets above and the amount used in determining the funded status is due to interest receivable which is not required to be included in the fair value hierarchy.

The following table for the Company's qualified pension plan and retirement health benefit plan summarizes the change in fair value associated with the MIMSF and Private Equity Partners XI Limited Partnership, the only Level 3 financial assets.

	Pension Benefit	Retirement Health Benefit
Beginning balance at December 31, 2012	$ 54,398	$ 3,522
Purchases	1,578	95
Actual return on plan assets and plan expenses still held at the reporting date	5,526	55
ENDING BALANCE AT DECEMBER 31, 2013	**$ 61,502**	**$ 3,672**

For all the financial assets included in the above hierarchy, the market valuation technique is used. For the year ended December 31, 2013, the application of the valuation technique applied to similar assets has been consistent.

Level 1 and 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. Observable market inputs for Level 1 and 2 securities are consistent with the observable market inputs described in Note 5, Fair Value Disclosures. The MIFSF utilizes all three levels of inputs to price its holdings. Since unobservable inputs may have been significant to the fair value measurement, it was classified as Level 3.

The Company obtains one price for each investment. A quarterly analysis is performed to assess if the evaluated prices represent a reasonable estimate of their fair value. This process involves quantitative and qualitative analysis and is overseen by benefits, 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 pricing statistics and trends, and comparison of prices for certain securities with two different appropriate price sources for reasonableness. Following this analysis, the Company uses the best estimate of fair value based upon all available inputs. The pricing service provides information regarding their pricing procedures so that the Company can properly categorize the Plans' financial assets in the fair value hierarchy.

The Company expects to contribute up to $30,000 to its qualified pension plan in 2014. No contributions are expected to be made to the retirement health benefit plan in 2014.

The following pension benefits, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Benefits	Retirement Health Benefits
2014	$ 44,138	$ 2,842
2015	61,556	3,192
2016	50,892	3,560
2017	54,103	3,945
2018	59,505	4,347
2019-2023	346,309	28,180
TOTAL	**$ 616,503**	**$ 46,066**

Defined Contribution Plan

The Company and its subsidiaries participate in a defined contribution plan covering substantially all employees. The defined contribution plan provides benefits payable to participants on retirement or disability and to beneficiaries of participants in the event of the participant's death. The amounts expensed by the Company related to this plan were $39,263, $37,237 and $33,337 in 2013, 2012, and 2011, respectively.

21. 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 mobile device protection, debt protection administration, credit-related insurance, warranties and service contracts and pre-funded funeral insurance. Assurant Specialty Property provides lender-placed homeowners insurance, renters insurance and related products 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 and interest income earned from short-term investments held. 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 Chief Operating Decision Maker makes operating decisions and assesses performance. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. See Note 2 for further information.

The following tables summarize selected financial information by segment:

	Year Ended December 31, 2013					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums	$ 2,783,758	$ 2,380,044	$ 1,581,407	$ 1,014,587	$ 0	$ 7,759,796
Net investment income	376,245	98,935	36,664	117,853	20,599	650,296
Net realized gains on investments	0	0	0	0	34,525	34,525
Amortization of deferred gain on disposal of businesses	0	0	0	0	16,310	16,310
Fees and other income	400,370	133,135	29,132	23,434	659	586,730
Total revenues	3,560,373	2,612,114	1,647,203	1,155,874	72,093	9,047,657
Benefits, losses and expenses						
Policyholder benefits	895,504	890,409	1,169,075	715,656	4,888	3,675,532
Amortization of deferred acquisition costs and value of business acquired	1,132,298	309,332	801	27,856	0	1,470,287
Underwriting, general and administrative expenses	1,341,961	758,941	434,749	360,303	138,450	3,034,404
Interest expense	0	0	0	0	77,735	77,735
Total benefits, losses and expenses	3,369,763	1,958,682	1,604,625	1,103,815	221,073	8,257,958
Segment income (loss) before provision (benefit) for income taxes	190,610	653,432	42,578	52,059	(148,980)	789,699
Provision (benefit) for income taxes	65,458	229,846	36,721	17,506	(48,739)	300,792
Segment income (loss) after taxes	**$ 125,152**	**$ 423,586**	**$ 5,857**	**$ 34,553**	**$ (100,241)**	
Net income						$ 488,907
Segment Assets:						
Segment assets, excluding goodwill	$ 13,321,648	$ 3,858,314	$ 884,077	$ 2,298,698	$ 8,567,391	$ 28,930,128
Goodwill						784,561
TOTAL ASSETS						**$ 29,714,689**

21 Segment Information

	Year Ended December 31, 2012					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums	$ 2,579,220	$ 2,054,041	$ 1,589,459	$ 1,014,264	$ 0	$ 7,236,984
Net investment income	396,681	103,327	64,308	128,485	20,327	713,128
Net realized gains on investments	0	0	0	0	64,353	64,353
Amortization of deferred gain on disposal of businesses	0	0	0	0	18,413	18,413
Fees and other income	314,072	98,621	30,518	28,468	3,713	475,392
Total revenues	3,289,973	2,255,989	1,684,285	1,171,217	106,806	8,508,270
Benefits, losses and expenses						
Policyholder benefits	840,133	949,157	1,174,108	693,067	(1,061)	3,655,404
Amortization of deferred acquisition costs and value of business acquired	1,050,585	326,466	441	25,721	2	1,403,215
Underwriting, general and administrative expenses	1,217,401	517,822	420,629	364,321	111,421	2,631,594
Interest expense	0	0	0	0	60,306	60,306
Total benefits, losses and expenses	3,108,119	1,793,445	1,595,178	1,083,109	170,668	7,750,519
Segment income (loss) before provision (benefit) for income taxes	181,854	462,544	89,107	88,108	(63,862)	757,751
Provision (benefit) for income taxes	58,101	157,593	37,107	30,049	(8,804)	274,046
Segment income (loss) after taxes	$ 123,753	$ 304,951	$ 52,000	$ 58,059	$ (55,058)	
Net income						**$ 483,705**
Segment Assets:						
Segment assets, excluding goodwill	$ 12,342,077	$ 4,207,746	$ 882,731	$ 2,366,097	$ 8,507,242	$ 28,305,893
Goodwill						640,714
TOTAL ASSETS						**$ 28,946,607**

	Year Ended December 31, 2011					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums	$ 2,438,407	$ 1,904,638	$ 1,718,300	$ 1,064,023	$ 0	$ 7,125,368
Net investment income	393,575	103,259	45,911	129,640	17,147	689,532
Net realized gains on investments	0	0	0	0	32,580	32,580
Amortization of deferred gain on disposal of businesses	0	0	0	0	20,461	20,461
Fees and other income	265,204	79,337	34,635	25,382	305	404,863
Total revenues	3,097,186	2,087,234	1,798,846	1,219,045	70,493	8,272,804
Benefits, losses and expenses						
Policyholder benefits	847,254	857,223	1,271,060	767,723	6,474	3,749,734
Amortization of deferred acquisition costs and value of business acquired	1,002,995	299,657	605	24,531	0	1,327,788
Underwriting, general and administrative expenses	1,034,685	470,169	460,041	361,541	102,359	2,428,795
Interest expense	0	0	0	0	60,360	60,360
Total benefits, losses and expenses	2,884,934	1,627,049	1,731,706	1,153,795	169,193	7,566,677
Segment income (loss) before provision (benefit) for income taxes	212,252	460,185	67,140	65,250	(98,700)	706,127
Provision (benefit) for income taxes	76,202	156,462	26,254	22,175	(113,922)	167,171
Segment income after taxes	$ 136,050	$ 303,723	$ 40,886	$ 43,075	$ 15,222	
Net income						**$ 538,956**
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**

The Company operates primarily in the U.S. and Canada, but also in select international markets.

The following table summarizes selected financial information by geographic location for the years ended or as of December 31:

Location	Revenues	Long-lived assets
2013		
United States	$ 7,792,728	$ 248,331
Foreign countries	1,254,929	5,299
TOTAL	**$ 9,047,657**	**$ 253,630**
2012		
United States	$ 7,382,252	$ 243,253
Foreign countries	1,126,018	7,543
TOTAL	**$ 8,508,270**	**$ 250,796**
2011		
United States	$ 7,230,763	$ 235,031
Foreign countries	1,042,041	7,877
TOTAL	**$ 8,272,804**	**$ 242,908**

Revenue is based in the country where the product was sold and long-lived assets, which are primarily property and equipment, are based on the physical location of those assets. The Company has no reportable major customers.

The Company's net earned premiums by segment and product are as follows:

	2013	2012	2011
Solutions:			
Credit	$ 547,100	$ 590,843	$ 564,411
Service contracts	2,057,353	1,816,785	1,694,363
Preneed	66,523	80,978	101,722
Other	112,782	90,614	77,911
TOTAL	**$ 2,783,758**	**$ 2,579,220**	**$ 2,438,407**
Specialty Property:			
Homeowners (lender-placed and voluntary)	$ 1,678,172	$ 1,418,061	$ 1,274,485
Manufactured housing (lender-placed and voluntary)	226,058	207,675	216,613
Other	475,814	428,305	413,540
TOTAL	**$ 2,380,044**	**$ 2,054,041**	**$ 1,904,638**
Health:			
Individual	$ 1,174,141	$ 1,178,878	$ 1,251,447
Small employer group	407,266	410,581	466,853
TOTAL	**$ 1,581,407**	**$ 1,589,459**	**$ 1,718,300**
Employee Benefits:			
Group dental	$ 383,223	$ 394,413	$ 412,339
Group disability	403,286	409,757	449,293
Group life	192,392	188,246	193,914
Group supplemental and vision products	35,686	21,848	8,477
TOTAL	**$ 1,014,587**	**$ 1,014,264**	**$ 1,064,023**

22. Earnings per common share

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

	Years Ended December 31,		
	2013	2012	2011
Numerator			
Net income	$ 488,907	$ 483,705	$ 538,956
Deduct dividends paid	(74,128)	(69,393)	(67,385)
Undistributed earnings	$ 414,779	$ 414,312	$ 471,571
Denominator			
Weighted average shares outstanding used in basic earnings per share calculations	76,648,688	84,276,427	96,626,306
Incremental common shares from:			
PSUs	864,572	786,088	870,961
SARs	65,712	133,405	192,756
ESPP	75,792	111,145	105,286
Weighted average shares used in diluted earnings per share calculations	77,654,764	85,307,065	97,795,309
Earnings per common share—Basic			
Distributed earnings	$ 0.96	$ 0.81	$ 0.70
Undistributed earnings	5.42	4.93	4.88
Net income	$ 6.38	$ 5.74	$ 5.58
Earnings per common share—Diluted			
Distributed earnings	$ 0.95	$ 0.81	$ 0.69
Undistributed earnings	5.35	4.86	4.82
Net income	$ 6.30	$ 5.67	$ 5.51

Average SARs totaling 2,094,251 for the year ended December 31, 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 for the years ended December 31, 2013 and 2012.

Average PSUs totaling 156 for the year ended December 31, 2012 were also 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 for the years ended December 31, 2013 and 2011.

23. Quarterly Results of Operations (Unaudited)

The Company's quarterly results of operations for the years ended December 31, 2013 and 2012 are summarized in the tables below:

	Three Month Periods Ended			
	March 31	June 30	September 30	December 31
2013				
Total revenues	$ 2,150,623	$ 2,237,766	$ 2,258,650	$ 2,400,618
Income before provision for income taxes	206,424	210,767	193,971	178,537
Net income	117,780	133,523	128,788	108,816
Basic per share data:				
Income before provision for income taxes	$ 2.58	$ 2.72	$ 2.57	$ 2.42
Net income	$ 1.47	$ 1.72	$ 1.70	$ 1.48
Diluted per share data:				
Income before provision for income taxes	$ 2.55	$ 2.69	$ 2.54	$ 2.39
Net income	$ 1.46	$ 1.70	$ 1.68	$ 1.46

	March 31	June 30	September 30	December 31
2012				
Total revenues	$ 2,072,924	$ 2,129,290	$ 2,145,080	$ 2,160,976
Income before provision for income taxes	249,648	264,661	208,619	34,823
Net income	163,260	169,170	126,288	24,987
Basic per share data:				
Income before provision for income taxes	$ 2.81	$ 3.07	$ 2.54	$ 0.44
Net income	$ 1.84	$ 1.96	$ 1.54	$ 0.31
Diluted per share data:				
Income before provision for income taxes	$ 2.77	$ 3.04	$ 2.51	$ 0.43
Net income	$ 1.81	$ 1.94	$ 1.52	$ 0.31

During the fourth quarter of 2012, the Company recorded reportable catastrophe losses of $134,950 (after-tax) related to Superstorm Sandy in the Assurant Specialty Property segment. Additionally, during the fourth quarter of 2012, the company took a non-cash charge of $20,419 (after-tax) for the impairment of certain other intangible assets in the Assurant Solutions segment.

24. Commitments and Contingencies

The Company and its subsidiaries lease office space and equipment under operating lease arrangements. Certain facility leases contain escalation clauses based on increases in the lessors' operating expenses. At December 31, 2013, the aggregate future minimum lease payments under these operating lease agreements that have initial or non-cancelable terms in excess of one year are:

2014	$ 27,770
2015	24,870
2016	18,259
2017	13,778
2018	11,216
Thereafter	16,394
Total minimum future lease payments	$ 112,287

Rent expense was $27,271, $29,644 and $29,440 for 2013, 2012 and 2011, respectively.

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 $17,343 and $19,760 of letters of credit outstanding as of December 31, 2013 and 2012, respectively.

As previously disclosed, during the first quarter of 2013, the Company and two of its wholly owned subsidiaries in the Assurant Specialty Property segment, American Security Insurance Company ("ASIC") and American Bankers Insurance Company of Florida ("ABIC"), reached an agreement with the New York Department of Financial Services (the "NYDFS") regarding the Company's lender-placed insurance business in the State of New York. Under the terms of the agreement, and without admitting or denying any wrongdoing, ASIC made a $14,000 settlement payment to the NYDFS. In addition, among other things, ASIC and ABIC agreed to modify certain business practices in accordance with requirements that apply to all New York-licensed lender-placed insurers of properties in the state, and filed our new lender-placed program and new rates in New York. The Company also continues to respond to and cooperate with other regulatory inquiries regarding its lender-placed insurance business.

In addition, as previously disclosed, the Company is involved in a variety of litigation relating to its current and past business operations and may from time to time become involved in other such actions. In particular, the Company is a defendant in class actions in a number of jurisdictions regarding its lender-placed insurance programs. These cases allege a variety of claims under a number of legal theories. The plaintiffs seek premium refunds and other relief. The Company continues to defend itself vigorously in these class actions. The Company has accrued an estimated loss for this litigation.

We may participate in settlements on terms that we consider reasonable given the strength of our defenses. However, the possible loss or range of loss resulting from such litigation and regulatory proceedings, if any, in excess of the amounts accrued is inherently unpredictable and involves significant uncertainty. Consequently, no estimate can be made of any possible loss or range of loss in excess of the above-mentioned accrual.

Although the Company cannot predict the outcome of any action, it is possible that such outcome could have a material adverse effect on the Company's consolidated results of operations or cash flows for an individual reporting period. However, based on currently available information, management does not believe that the pending matters are likely to have a material adverse effect, individually or in the aggregate, on the Company's financial condition.

Schedule I—Summary of Investments Other–Than–Investments in Related Parties

ASSURANT, INC. AT DECEMBER 31, 2013

(in thousands)	Cost or Amortized Cost	Fair Value	Amount at which shown in balance sheet
Fixed maturity securities:			
United States Government and government agencies and authorities	$ 408,378	$ 410,656	$ 410,656
States, municipalities and political subdivisions	774,233	835,152	835,152
Foreign governments	647,486	675,421	675,421
Asset-backed	4,320	6,174	6,174
Commercial mortgage-backed	57,594	60,362	60,362
Residential mortgage-backed	919,216	947,904	947,904
Corporate	7,709,083	8,356,206	8,356,206
TOTAL FIXED MATURITY SECURITIES	**10,520,310**	**11,291,875**	**11,291,875**
Equity securities:			
Common stocks	17,890	29,232	29,232
Non-redeemable preferred stocks	399,645	429,126	429,126
TOTAL EQUITY SECURITIES	**417,535**	**458,358**	**458,358**
Commercial mortgage loans on real estate, at amortized cost	1,287,032	1,444,974	1,287,032
Policy loans	51,678	51,678	51,678
Short-term investments	470,458	470,458	470,458
Collateral held/pledged under securities agreements	95,207	95,215	95,215
Other investments	589,399	589,399	589,399
TOTAL INVESTMENTS	**$ 13,431,619**	**$ 14,401,957**	**$ 14,244,015**

Schedule II—Condensed Balance Sheet (Parent Only)

ASSURANT, INC.

(in thousands except number of shares)	December 31, 2013	2012
Assets		
Investments:		
Equity investment in subsidiaries	$ 5,121,261	$ 5,288,605
Fixed maturity securities available for sale, at fair value (amortized cost—$498,524 in 2013 and $648,399 in 2012)	497,269	656,398
Equity securities available for sale, at fair value (amortized cost—$12,157 in 2013 and $15,701 in 2012)	19,108	18,720
Short-term investments	123,205	5,082
Other investments	84,685	72,688
Total investments	5,845,528	6,041,493
Cash and cash equivalents	690,549	197,938
Receivable from subsidiaries, net	35,117	31,103
Income tax receivable	16,571	1,400
Accrued investment income	2,815	2,220
Property and equipment, at cost less accumulated depreciation	127,165	128,155
Deferred income taxes, net	77,389	157,599
Other intangible assets, net	9,889	10,496
Other assets	24,596	21,341
TOTAL ASSETS	**$ 6,829,619**	**$ 6,591,745**
Liabilities		
Accounts payable and other liabilities	$ 358,022	$ 433,980
Debt	1,638,118	972,399
TOTAL LIABILITIES	**1,996,140**	**1,406,379**
Commitments and Contingencies		
Stockholders' equity		
Common stock, par value $0.01 per share, 800,000,000 shares authorized, 71,828,208 and 78,664,029 shares outstanding at December 31, 2013 and 2012, respectively	1,482	1,474
Additional paid-in capital	3,087,533	3,052,454
Retained earnings	4,415,875	4,001,096
Accumulated other comprehensive income	426,830	830,403
Treasury stock, at cost; 76,039,652 and 68,332,638 shares at December 31, 2013 and 2012, respectively	(3,098,241)	(2,700,061)
TOTAL STOCKHOLDERS' EQUITY	**4,833,479**	**5,185,366**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 6,829,619**	**$ 6,591,745**

Schedule II—Condensed Income Statement (Parent Only)

ASSURANT, INC.

(in thousands)	Years Ended December 31, 2013	2012	2011
Revenues			
Net investment income	$ 7,684	$ 8,428	$ 4,496
Net realized gains (losses) on investments	1,713	7,464	(6,119)
Fees and other income	89,889	92,320	88,183
Equity in undistributed net income of subsidiaries	628,894	601,356	576,500
TOTAL REVENUES	**728,180**	**709,568**	**663,060**
Expenses			
General and administrative expenses	216,623	188,457	176,872
Interest expense	77,735	60,308	60,357
TOTAL EXPENSES	**294,358**	**248,765**	**237,229**
Income before benefit for income taxes	433,822	460,803	425,831
Benefit for income taxes	55,085	22,902	113,125
NET INCOME	**$ 488,907**	**$ 483,705**	**$ 538,956**

Schedule II—Condensed Cash Flows (Parent Only)

ASSURANT, INC.

	Years Ended December 31,		
(in thousands)	2013	2012	2011
Operating Activities			
Net income	$ 488,907	$ 483,705	$ 538,956
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net income of subsidiaries	(628,894)	(601,356)	(576,500)
Dividends received from subsidiaries	446,592	524,508	432,258
Change in receivables	(4,609)	(1,035)	(674)
Change in accrued interest	5,941	0	0
Change in accounts payable and other liabilities	57,229	19,330	(18,437)
Change in securities classified as trading	(9,600)	(6,862)	13,305
Change in income taxes	18,159	10,903	4,186
Change in tax valuation allowance	0	(682)	(67,448)
Depreciation and amortization	34,047	34,471	39,523
Net realized (gains) losses on investments	(1,763)	(7,464)	6,119
Loss on extinguishment of debt	964	0	0
Stock based compensation expense	50,004	37,589	36,888
Change in tax benefit from share-based payment arrangements	1,112	(1,728)	3,267
Other	(17,491)	(11,034)	(6,429)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**440,598**	**480,345**	**405,014**
Investing Activities			
Sales of:			
Equity securities available for sale	19,315	11,756	0
Other invested assets	0	0	11,408
Property and equipment and other	41	552	3,746
Subsidiary	0	2,231	0
Maturities, calls, prepayments, and scheduled redemption of:			
Fixed maturity securities available for sale	464,153	482,699	307,025
Purchases of:			
Fixed maturity securities available for sale	(314,864)	(793,938)	(324,346)
Equity securities available for sale	(15,557)	(17,329)	(5,291)
Other invested assets	(152)	(1)	(15,810)
Property and equipment and other	(29,635)	(40,750)	(21,055)
Subsidiary	0	(3,500)	0
Capital contributed to subsidiaries	(323,600)	(9,000)	(7,000)
Return of capital contributions from subsidiaries	174,277	67,500	92,000
Change in short-term investments	(118,123)	(255)	3,329
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	**(144,145)**	**(300,035)**	**44,006**
Financing Activities			
Issuance of debt	698,093	0	0
Repurchase of debt	(33,634)	0	0
Repayment of mandatorily redeemable preferred stock	0	0	(5,000)
Change in tax benefit from share-based payment arrangements	(1,112)	1,728	(3,267)
Acquisition of common stock	(393,012)	(412,196)	(532,011)
Dividends paid	(74,128)	(69,393)	(67,385)
Change in obligations to return borrowed securities	0	0	(14,281)
Change in receivables under securities loan agreements	0	0	14,370
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**196,207**	**(479,861)**	**(607,574)**
Effect of exchange rate changes on cash and cash equivalents	(49)	0	(339)
Change in cash and cash equivalents	492,611	(299,551)	(158,893)
Cash and cash equivalents at beginning of period	197,938	497,489	656,382
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 690,549**	**$ 197,938**	**$ 497,489**

Schedule III—Supplementary Insurance Information

ASSURANT, INC. FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 & 2011

Segment *(in thousands)*	**Deferred Acquisition Cost**	**Future policy benefits and expenses**	**Unearned premiums**	**Claims and benefits payable**	**Premium revenue**	**Net investment income**	**Benefits claims, losses and settlement expenses**	**Amortization of deferred policy acquisition costs**	**Other* operating expenses**	**Property and Casualty Premiums Written**
2013										
Solutions	$ 2,902,868	$ 5,076,507	$ 4,801,495	$ 295,970	$ 2,783,758	$ 376,245	$ 895,504	$ 1,123,856	$ 1,350,403	$ 621,543
Specialty Property	190,331	2,657	1,682,960	490,422	2,380,044	98,935	890,409	309,332	758,941	2,581,696
Employee Benefits	23,247	32,025	12,296	1,513,013	1,014,587	117,853	715,656	27,856	360,303	0
Health	12,485	95,380	136,376	239,733	1,581,407	36,664	1,169,075	801	434,749	0
Corporate and other	0	3,440,003	29,545	850,233	0	20,599	4,888	0	138,450	0
TOTAL SEGMENTS	**$3,128,931**	**$8,646,572**	**$6,662,672**	**$3,389,371**	**$7,759,796**	**$ 650,296**	**$ 3,675,532**	**$ 1,461,845**	**$3,042,846**	**$3,203,239**
2012										
Solutions	$ 2,656,113	$ 4,964,453	$ 4,412,075	$ 296,569	$ 2,579,220	$ 396,681	$ 840,133	$ 1,041,627	$ 1,226,360	$ 580,987
Specialty Property	183,733	2,843	1,616,467	1,035,713	2,054,041	103,327	949,157	326,466	517,822	2,180,538
Employee Benefits	18,762	32,158	10,853	1,554,203	1,014,264	128,485	693,067	25,721	364,322	0
Health	2,555	90,568	121,768	268,992	1,589,459	64,308	1,174,108	440	420,629	0
Corporate and other	0	3,423,483	31,097	805,113	0	20,327	(1,061)	0	111,422	0
TOTAL SEGMENTS	**$2,861,163**	**$8,513,505**	**$6,192,260**	**$3,960,590**	**$7,236,984**	**$ 713,128**	**$ 3,655,404**	**$ 1,394,254**	**$2,640,555**	**$2,761,525**
2011										
Solutions	$ 2,284,078	$ 4,774,199	$ 3,804,514	$ 305,086	$ 2,438,407	$ 393,575	$ 847,254	$ 991,842	$ 1,045,839	$ 493,753
Specialty Property	192,328	3,400	1,485,538	435,589	1,904,638	103,259	857,223	299,656	470,169	1,985,508
Employee Benefits	15,552	3,157	11,388	1,666,985	1,064,023	129,640	767,723	24,531	361,541	0
Health	899	87,654	146,812	292,243	1,718,300	45,911	1,271,060	606	460,041	0
Corporate and other	0	3,490,796	33,765	737,216	0	17,147	6,474	0	102,358	0
TOTAL SEGMENTS	**$2,492,857**	**$8,359,206**	**$5,482,017**	**$3,437,119**	**$7,125,368**	**$ 689,532**	**$ 3,749,734**	**$ 1,316,635**	**$2,439,948**	**$2,479,261**

* *Includes amortization of value of business acquired and underwriting, general and administration expenses.*

Schedule IV—Reinsurance

ASSURANT, INC. FOR THE YEAR ENDED DECEMBER 31, 2013

	Direct amount	Ceded to other Companies	Assumed from other Companies	Net amount	Percentage of amount assumed to net
Life Insurance in Force	$ 98,596,728	$ 34,445,475	$ 8,162,720	$ 72,313,973	11.3%
Premiums:					
Life insurance	$ 729,519	$ 373,641	$ 39,218	$ 395,096	9.9%
Accident and health insurance	3,089,192	674,640	170,848	2,585,400	6.6%
Property and liability insurance	6,029,945	1,355,676	105,031	4,779,300	2.2%
TOTAL EARNED PREMIUMS	**$ 9,848,656**	**$ 2,403,957**	**$ 315,097**	**$ 7,759,796**	**4.1%**
Benefits:					
Life insurance	$ 736,349	$ 361,592	$ 27,262	$ 402,019	6.8%
Accident and health insurance	1,995,860	345,806	147,460	1,797,514	8.2%
Property and liability insurance	1,907,749	491,318	59,568	1,475,999	4.0%
TOTAL POLICYHOLDER BENEFITS	**$ 4,639,958**	**$ 1,198,716**	**$ 234,290**	**$ 3,675,532**	**6.4%**

ASSURANT, INC. FOR THE YEAR ENDED DECEMBER 31, 2012

	Direct amount	Ceded to other Companies	Assumed from other Companies	Net amount	Percentage of amount assumed to net
Life Insurance in Force	$ 98,994,909	$ 29,266,410	$ 8,009,353	$ 77,737,852	10.3%
Premiums:					
Life insurance	$ 761,358	$ 383,099	$ 37,730	$ 415,989	9.1%
Accident and health insurance	3,139,487	684,302	177,755	2,632,940	6.8%
Property and liability insurance	5,379,082	1,266,238	75,211	4,188,055	1.8%
TOTAL EARNED PREMIUMS	**$ 9,279,927**	**$ 2,333,639**	**$ 290,696**	**$ 7,236,984**	**4.0%**
Benefits:					
Life insurance	$ 737,543	$ 371,629	$ 29,007	$ 394,921	7.3%
Accident and health insurance	1,962,716	319,062	142,441	1,786,095	8.0%
Property and liability insurance	2,361,663	917,089	29,814	1,474,388	2.0%
TOTAL POLICYHOLDER BENEFITS	**$ 5,061,922**	**$ 1,607,780**	**$ 201,262**	**$ 3,655,404**	**5.5%**

ASSURANT, INC. FOR THE YEAR ENDED DECEMBER 31, 2011

	Direct amount	Ceded to other Companies	Assumed from other Companies	Net amount	Percentage of amount assumed to net
Life Insurance in Force	$ 101,324,797	$ 29,186,645	$ 12,534,422	$ 84,672,574	14.8%
Premiums:					
Life insurance	$ 825,245	$ 409,687	$ 27,439	$ 442,997	6.2%
Accident and health insurance	3,319,177	713,891	214,201	2,819,487	7.6%
Property and liability	4,993,805	1,209,249	78,328	3,862,884	2.0%
TOTAL EARNED PREMIUMS	**$ 9,138,227**	**$ 2,332,827**	**$ 319,968**	**$ 7,125,368**	**4.5%**
Benefits:					
Life insurance	$ 803,245	$ 410,431	$ 40,545	$ 433,359	9.4%
Accident and health insurance	2,226,139	455,413	180,119	1,950,845	9.2%
Property and liability	1,698,744	370,537	37,323	1,365,530	2.7%
TOTAL POLICYHOLDER BENEFITS	**$ 4,728,128**	**$ 1,236,381**	**$ 257,987**	**$ 3,749,734**	**6.9%**

Schedule V—Valuation and Qualifying Accounts

ASSURANT, INC. AS OF DECEMBER 31, 2013, 2012 AND 2011

		Additions			
	Balance at Beginning of Year	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Year
2013:					
Valuation allowance for foreign NOL deferred tax carryforward	$ 13,091	$ 3,383	$ 0	$ 0	$ 16,474
Valuation allowance for deferred tax assets	0	0	0	0	0
Valuation allowance for mortgage loans on real estate	6,997	(2,515)	0	0	4,482
Valuation allowance for uncollectible agents balances	14,753	5,870	238	1,039	19,822
Valuation allowance for uncollectible accounts	16,618	765	672	1,231	16,824
Valuation allowance for reinsurance recoverables	10,633	187	0	0	10,820
TOTAL	**$ 62,092**	**$ 7,690**	**$ 910**	**$ 2,270**	**$ 68,422**
2012:					
Valuation allowance for foreign NOL deferred tax carryforward	$ 9,471	$ 3,620	$ 0	$ 0	$ 13,091
Valuation allowance for deferred tax assets	683	(683)	0	0	0
Valuation allowance for mortgage loans on real estate	10,410	(3,328)	0	85	6,997
Valuation allowance for uncollectible agents balances	13,352	2,165	109	873	14,753
Valuation allowance for uncollectible accounts	14,355	3,001	(304)	434	16,618
Valuation allowance for reinsurance recoverables	10,633	0	0	0	10,633
TOTAL	**$ 58,904**	**$ 4,775**	**$ (195)**	**$ 1,392**	**$ 62,092**
2011:					
Valuation allowance for foreign NOL deferred tax carryforward	$ 9,969	$ (498)	$ 0	$ 0	$ 9,471
Valuation allowance for deferred tax assets	80,769	(80,086)	0	0	683
Valuation allowance for mortgage loans on real estate	32,838	(336)	0	22,092	10,410
Valuation allowance for uncollectible agents balances	13,171	722	163	704	13,352
Valuation allowance for uncollectible accounts	19,957	(829)	(3)	4,770	14,355
Valuation allowance for reinsurance recoverables	15,635	356	57	5,415	10,633
TOTAL	**$ 172,339**	**$ (80,671)**	**$ 217**	**$ 32,981**	**$ 58,904**

Other Information

CORPORATE HEADQUARTERS

Assurant, Inc.
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www.assurant.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017
Telephone: 646.471.3000
www.pwc.com

STOCK LISTING

Assurant is traded on the New York Stock Exchange (NYSE) under the symbol AIZ.

SHAREHOLDER INQUIRIES

Computershare is the stock transfer agent. All questions on issuance of stock certificates, changes of ownership, lost stock certificates, changes of address and other similar matters should be addressed to:

Computershare
P.O. Box 30170
College Station, TX 77842
www.computershare.com/investor

Domestic Shareholders: 800.851.9677
TDD for Hearing Impaired: 800.952.9245
Foreign Shareholders: 201.680.6578

For additional copies of the Assurant Annual Report or Assurant news releases, please visit our website: http://ir.assurant.com

INVESTOR INFORMATION

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FORM 10-K AND OTHER REPORTS

Copies of the 2013 Annual Report on Form 10-K and other reports filed with the U.S. Securities and Exchange Commission (SEC) also are available, without charge, from the Assurant Investor Relations website at http://ir.assurant.com

SEC AND NYSE CERTIFICATIONS

Assurant has included as Exhibits 31 and 32 to its 2013 Annual Report on Form 10-K filed with the SEC certificates of Assurant's Chief Executive Officer and Chief Financial Officer, as required under the Sarbanes-Oxley Act of 2002, as amended, regarding the quality of the company's public disclosures. In 2013, Assurant's Chief Executive Officer also certified to the NYSE that he is not aware of any violations by Assurant of the NYSE corporate governance listing standards.

FORWARD-LOOKING STATEMENTS

Some of the statements included in this Annual Report are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Please see the "Risk Factors" section in our 2013 Annual Report on Form 10-K for a detailed discussion of the risk factors that could cause our actual results to differ from expectations or estimates reflected in these forward-looking statements.

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