



ASSURANT

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## Assurant Finalizes Comprehensive 2012 Property Catastrophe Reinsurance Program

**NEW YORK, June 18, 2012** -- Assurant, Inc. (NYSE: AIZ), a premier provider of specialized insurance and insurance-related products and services, today announced that it has finalized the structure of its 2012 Property Catastrophe Reinsurance Program.

"Assurant successfully placed the 2012 Property Catastrophe Reinsurance Program, which helps reduce the financial risk to Assurant and provides comprehensive protection for homeowners, clients and shareholders in the aftermath of a catastrophe," said Gene Mergelmeyer, president and CEO of Assurant Specialty Property. "Assurant applies a disciplined risk management approach in structuring our reinsurance program. We successfully expanded our coverage in the 2012 program by more than fifteen percent to address significant growth in our catastrophe prone exposure."

Multiple factors are considered in evaluating the estimated claims loss potential from various perils, including the cost efficiency of the reinsurance coverage purchased and the credit quality, financial strength and claims paying ability of the reinsurers in the program.

Assurant placed its traditional catastrophe program in two phases, in January and June 2012, with more than 50 reinsurers rated A- or better by A.M. Best. The company supplements the traditional 2012 program with multi-year, catastrophe bonds issued in 2012 and 2010 to broaden coverage and access additional sources of capital.

The 2012 Property Catastrophe Reinsurance Program includes:

- **Per-occurrence catastrophe coverage**, providing protection of up to \$1.5 billion in excess of a \$240 million retention. The coverage is structured in five layers with Assurant having a 5 percent co-participation in the fifth layer.
- **Florida Hurricane Catastrophe Fund (FHCF)<sup>1</sup> coverage**, providing state-specific coverage for 90 percent of losses up to \$465 million in excess of a \$181 million retention.
- **Catastrophe bonds**, providing \$280 million of multi-year, fully collateralized hurricane coverage, issued in April 2010 by Ibis Re Ltd. and in January 2012 by Ibis Re Ltd. II, both special purpose reinsurance companies.
- **Multiple storm protection coverage** is multi-year, lowers the program retention to \$120 million subsequent to the first event and provides for a maximum recovery of \$100 million for the second and subsequent events. This coverage does not provide for an automatic reinstatement.

An illustration of the 2012 Assurant catastrophe program's layered structure is available in the Newsroom section of [www.assurant.com](http://www.assurant.com).

In the event of Florida hurricanes, Assurant's catastrophe program for per-occurrence coverage is net of any reimbursements from the FHCF. The per-occurrence coverage provides for an automatic reinstatement of coverage for a second occurrence under terms similar to the first occurrence, with the exception of the coverage from the catastrophe bonds and the FHCF. There is additional per-occurrence coverage of \$100 million in excess of a \$7.5 million retention for the Caribbean.

Base pre-tax reinsurance premiums for the entire catastrophe program, which reduce net earned premiums in Assurant's financial statements, are estimated to be \$240 million in 2012, compared with \$215 million in 2011. The change reflects an increase in coverage primarily resulting from growth in our exposure in catastrophe prone areas. Actual reinsurance premiums will vary if exposure growth changes significantly from estimates or if reinstatement premiums are required due to reportable catastrophe events.

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

	<u>2012</u>	<u>2011</u>
	(\$ in millions)	(\$ in millions)
<b>Florida Hurricane Catastrophe Fund (FHCF)</b>		
Gross limit	465	407
Less: co-participation	(47)	(41)
Net limit	418	366
Retention	181	154
<b>Per-Occurrence Catastrophe Reinsurance Program</b>		
Gross Traditional Reinsurance Limit	1,261	1,026
Catastrophe Bond Limit	280	300
Less: co-participation	(20)	(20)
Net limit <sup>1</sup>	1,521	1,306
Retention	240	190
<b>Multiple Storm Protection Cover</b>		
Retention	120	90
Limit	100	100
Otherwise Recoverable Limit	100	100
<b>Premium Expense</b>	(estimated)	(actual)
Catastrophe Reinsurance Program	240	215

### About Assurant

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

Assurant, a Fortune 500 company and a member of the S&P 500, is traded on the New York Stock Exchange under the symbol AIZ. Assurant has approximately \$27 billion in assets and \$8 billion in annual revenue. <http://www.assurant.com>

Safe Harbor Statement: Some of the statements included in this press release, particularly those regarding reinsurance coverage or anticipating future financial performance, may constitute forward-looking statements that involve a number of risks and uncertainties. Our actual results may differ materially from those projected in any forward-looking statements. For a discussion of the factors that could affect our actual results please refer to the risk factors identified from time to time in our SEC reports, including but not limited to our 2011 Annual Report on Form 10-K, as filed with the SEC.

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<sup>1</sup>2012 Florida Hurricane Catastrophe Fund limits and retention are estimated based on Florida exposure projected to June 30, 2012.

<sup>2</sup>2012 retention, limits and reinsurance premiums are estimated and can change with growth of the business. Certain 2011 estimates have been updated to reflect actual amounts.

<sup>3</sup>2012 Net limit includes \$12 million from the 2012 catastrophe bond and \$13 million of the 2010 catastrophe bond above our traditional program. 2011 Net limit includes \$26 million from the 2009 catastrophe bond above our traditional program.