



ASSURANT

July 1, 2013

Assurant Finalizes Comprehensive 2013 Property Catastrophe Reinsurance Program

Purchases \$185 Million in New Catastrophe Bond Coverage

NEW YORK, July 1, 2013 -- Assurant, Inc. (NYSE: AIZ), a premier provider of specialized insurance and insurance-related products and services, today announces it finalized the structure of the Company's 2013 Property Catastrophe Reinsurance Program, including \$185 million of newly issued three-year, fully collateralized catastrophe bonds.

"Assurant's reinsurance program supports the protection we provide for more than 2.2 million policyholders," said Gene Mergelmeyer, president and CEO of Assurant Specialty Property. "Assurant diversified and expanded our reinsurance coverage by nearly 20 percent this year, leveraging traditional catastrophe reinsurance and catastrophe bonds at lower rates."

Comprehensive Risk Management

Multiple factors are considered in evaluating the size and components of our reinsurance program including the estimated claims loss potential from various perils, the cost efficiency of the reinsurance coverage available 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 2013, with more than 50 reinsurers rated A- or better by A.M. Best. The company supplements the traditional 2013 per-occurrence program through reinsurers, with multi-year fully collateralized coverage, financed with catastrophe bonds to further diversify sources of reinsurance capacity. The program provides protection against earnings volatility and helps safeguard Assurant's balance sheet.

Overall, the 2013 Property Catastrophe Reinsurance Program includes:

- **Per-occurrence catastrophe coverage**, providing protection of up to \$1.82 billion in excess of a \$240 million retention or risk retained by the Company. This year's coverage is structured in seven layers, placed 100 percent through traditional reinsurance and catastrophe bonds.
- **Catastrophe bonds**, providing \$315 million of multi-year, fully collateralized hurricane coverage: \$130 million issued in January 2012 by Ibis Re II Ltd. and \$185 million issued in June 2013 by Ibis Re II Ltd. The reinsurance purchased in 2013 from Ibis Re II Ltd. consists of three separate layers of coverage for protection against losses from individual hurricane events, including catastrophe prone areas along the Gulf and East Coasts of the United States, Hawaii and Puerto Rico.
- **Multiple storm protection coverage**, lowering the program retention to \$140 million subsequent to the first event and providing for a maximum recovery of \$100 million for the second and subsequent events.
- **Florida Hurricane Catastrophe Fund (FHCF)¹ coverage**, providing Florida-specific coverage for 90 percent of losses up to \$503 million in excess of a \$192 million retention level.
- **Multi-year traditional and collateralized capacity**, providing \$140 million of limit for coverage in addition to the IBIS Re II, Ltd. on a multi-year basis (\$70 million multi-year traditional, and \$70 million multi-year collateralized, respectively). This additional limit was placed to further enhance Assurant's long-term protection from catastrophic perils.

An illustration of the 2013 Assurant catastrophe program's layered structure is available in the Newsroom section of 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. Traditional reinsurance is the only portion of the program that provides for an automatic reinstatement of coverage for a second occurrence under terms similar to the first occurrence. There is additional per-occurrence coverage of \$102 million in excess of a \$10 million retention for the Caribbean and \$250 million in excess of a \$9 million retention with an \$8 million co-participation for Latin America.

Base pre-tax reinsurance premiums for the entire catastrophe program, which reduce net earned premiums in Assurant's financial statements, are estimated to be \$245 million in 2013, compared with \$233 million in 2012. The increase reflects additional coverage primarily resulting from growth in our exposure in catastrophe prone areas, which now accounts for more than 60 percent of the business. 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 below².

| | <u>2013</u> <u>(\$ in millions)</u> | <u>2012</u> <u>(\$ in millions)</u> |
|--|--|--|
| Florida Hurricane Catastrophe Fund (FHCF)¹ | | |
| Gross limit | 503 | 465 |
| Less: co-participation | (50) | (47) |
| Net limit | 453 | 418 |
| | | |
| Retention | 192 | 181 |
| | | |
| Per-Occurrence Catastrophe Reinsurance Program | | |
| Annual Traditional Reinsurance Limit | 1,365 | 1,261 |
| Multi-Year Traditional Reinsurance Limit | 70 | 0 |
| Multi-Year Collateralized Reinsurance Limit | 70 | 0 |
| Catastrophe Bond Limit | 315 | 280 |
| Less: co-participation | 0 | (20) |
| Net limit ³ | 1,820 | 1,521 |
| | | |
| Retention | 240 | 240 |
| | | |
| Multiple Storm Protection Cover | | |
| Retention | 140 | 120 |
| Limit | 100 | 100 |
| Otherwise Recoverable Limit | 100 | 100 |
| | | |
| Premium Expense | (estimated) | (actual) |
| Catastrophe Reinsurance Program | 245 | 233 |

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 \$29 billion in assets and \$8 billion in annual revenue.

For more information on Assurant, please visit <http://www.assurant.com> and follow us on Twitter ([@AssurantNews](https://twitter.com/AssurantNews)).

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 2012 Annual Report on Form 10-K and our first quarter 2013 Quarterly Report on Form 10-Q, each as filed with the SEC.

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¹ 2013 Florida Hurricane Catastrophe Fund limits and retention are estimated based on Florida exposure projected as of June 30, 2013.

² 2013 retention, limits and reinsurance premiums are estimated and can change with growth of the business. Certain 2012 estimates have been updated to reflect actual amounts.

³ 2012 Net Limit includes \$12 million from the 2012 catastrophe bond and \$13 million of the 2010 catastrophe bond above our traditional program. For 2013, there is no additional catastrophe bond coverage above the traditional program limit.