



## Assurant Finalizes Comprehensive 2011 Property Catastrophe Reinsurance Program

**NEW YORK, June 20, 2011** -- 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 2011 Property Catastrophe Reinsurance (CAT) Program.

"Assurant successfully placed the 2011 CAT Reinsurance Program, which provides comprehensive protection from catastrophic storm activity to our clients and shareholders," said Gene Mergelmeyer, president and CEO of Assurant Specialty Property. "Using a disciplined risk management approach to structure the program, we were pleased that we were able to expand the coverage to recognize the growth in our catastrophe exposure."

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

Assurant placed its CAT program in January and June with more than 40 reinsurers rated A- or better. The company supplements the CAT program with previously issued multi-year, catastrophe bonds to broaden coverage and access additional sources of capital.

The 2011 CAT program includes three elements, as follows: the Florida Hurricane Catastrophe Fund (FHCF)<sup>1</sup>, per-occurrence catastrophe coverage and multiple storm protection coverage.

The first element is the FHCF, which provides Florida-specific coverage for 90 percent of losses up to \$435 million in excess of a \$170 million retention.

The second element is per-occurrence catastrophe coverage that provides protection of up to \$1.31 billion in excess of a \$190 million retention. The coverage is structured in five layers. Assurant has a 5 percent co-participation in the fifth layer. In the event of Florida hurricanes, Assurant's CAT program for per-occurrence coverage is net of any reimbursements from the FHCF. The per-occurrence reinsurance coverage includes \$300 million of multi-year, fully collateralized hurricane coverage, financed by catastrophe bonds issued in May 2009 and April 2010 by Ibis Re Ltd., a special purpose reinsurance company. With the exception of the coverage from Ibis Re, the per-occurrence coverage provides for an automatic reinstatement of coverage for a second occurrence under terms similar to the first occurrence.

The third element of the program consists of second and subsequent event coverage in the event of multiple storms. This coverage is multi-year and lowers the program retention to \$90 million subsequent to the first event, providing for a maximum recovery of \$100 million for the second and subsequent events. This coverage does not provide for an automatic reinstatement.

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

Base pre-tax reinsurance premiums for the entire CAT program, which reduce net earned premiums in Assurant's financial statements, are estimated to be \$219 million in 2011, compared with \$194 million in 2010. The change reflects an increase in coverage due in part to higher levels of catastrophe exposure. Reinsurance premiums could vary if exposure growth varies 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>2011</u> (\$ in millions)	<u>2010</u> (\$ in millions)
<b>Florida Hurricane Catastrophe Fund (FHCF)</b>		
Gross limit	435	315
Less: co-participation	(44)	(31)
Net limit	391	284
Retention	170	119
<b>Per-Occurrence CAT Reinsurance Program</b>		
Gross Traditional Reinsurance Limit	1,026	967
Catastrophe Bond Limit	300	300
Less: co-participation	(20)	(137)
Net limit <sup>3</sup>	1,306	1,130
Retention	190	155
<b>Multiple Storm Protection Cover</b>		
Retention	90	100
Limit	100	55
Otherwise Recoverable Limit	100	55
<b>Premium Expense</b>	(estimated)	(actual)
CAT Reinsurance Program	219	194

#### **About Assurant**

Assurant is a premier provider of specialized insurance products and related services in North America and select worldwide markets selected. Its four key businesses-Assurant Employee Benefits, Assurant Health, Assurant Solutions and Assurant Specialty Property- 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 more than \$27 billion in assets and \$8 billion in annual revenue. [www.assurant.com](http://www.assurant.com)

Safe Harbor Statement: Some of the statements included in this press release, particularly those 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 2010 Annual Report on Form 10-K, as filed with the SEC.

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<sup>1</sup> 2011 Florida Hurricane Catastrophe Fund limits and retention are estimated based on Florida exposure projected to June 30, 2011.

<sup>2</sup> 2011 retention, limits and reinsurance premiums are estimated and can change with growth of the business. Certain 2010 estimates have been updated to reflect actual amounts.

<sup>3</sup> 2011 Net limit includes \$26 million from the 2009 catastrophe bond above our traditional program. The 2010 Net limit includes \$17 million from the 2009 catastrophe bond above our traditional program.