ASSURANT INC
Form 10-K
February 19, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014

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

Registrant s telephone number, including area code:

(212) 859-7000

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

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.

Indicate by check mark 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. Yes x No ¨

Indicate by check mark 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). Yes x No ¨

Indicate by check mark 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. x

Indicate by check mark 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):

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No x

The aggregate market value of the Common Stock held by non-affiliates of the registrant was $4,609 million at June 30, 2014 based on the closing sale price of $65.55 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 12, 2015 was 68,865,622.

Documents Incorporated by Reference

Certain information contained in the definitive proxy statement for the annual meeting of stockholders to be held on May 7, 2015 (2015 Proxy Statement) is incorporated by reference into Part III hereof.

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ASSURANT, INC.

ANNUAL REPORT ON FORM 10-K

For the Fiscal Year Ended December 31, 2014

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EX-23.1: CONSENT OF PRICEWATERHOUSECOOPERS LLP
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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.

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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, 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 or increases in expenses, including claims, commissions, fines, penalties or other expenses;

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

iii. the effects of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (the Affordable Care Act), and the rules and regulations thereunder, on our health and employee benefits businesses;

iv. potential variations between the final risk adjustment amount, as determined by the U.S. Department of Health and Human Services under the Affordable Care Act, and the Company s estimate;

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

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

vii. significant competitive pressures in our businesses;

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

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

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

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

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

xiii. data breaches compromising client information and privacy;

xiv. 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);

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

xvi. cyber security threats and cyber attacks;

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

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

xix. uncertain tax positions and unexpected tax liabilities;

xx. inadequacy of reserves established for future claims;

xxi. risks related to outsourcing activities;

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

xxiii. 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);

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

xxv. inability of reinsurers to meet their obligations;

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

xxvii. inability of our subsidiaries to pay sufficient dividends;

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

xxix 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.

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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 safeguards clients and consumers when the unexpected occurs. A provider of specialized insurance products and related services, Assurant operates in North America, Latin America, Europe and other select worldwide markets through four operating segments. Assurant Solutions, Assurant Specialty Property, Assurant Health and Assurant Employee Benefits partner with clients who are leaders in their industries to provide consumers peace of mind and financial security. Our diverse range of products and services include mobile device protection; debt protection administration; credit-related insurance; warranties and service contracts; pre-funded funeral insurance; lender-placed homeowners insurance; property appraisal, preservation and valuation 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 capabilities 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 sell 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 22 to the Consolidated Financial Statements included elsewhere in this report.

Assurant Solutions

	For the Years Ended	
	December 31, 2014	December 31, 2013
Net earned premiums for selected product groupings:		
Extended service contracts and warranties domestic (1)	$ 1,631,339	$ 1,372,314
Extended service contracts and warranties international (1)	850,454	685,039
Preneed life insurance	61,093	66,523
Credit insurance domestic	160,794	166,417
Credit insurance international	318,104	380,683
Other	107,084	112,782
Total	$ 3,128,868	$ 2,783,758
Fees and other income	$ 667,852	$ 400,370
Segment net income	$ 218,948	$ 125,152
Combined ratio (2):		
Domestic	93.3%	97.9%
International	101.5%	102.8%
Equity (3)	$ 1,605,669	$ 1,447,306

(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, original equipment manufacturers (OEMs) and direct to consumer distribution, 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 also 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, retailers and banks and market our mobile protection insurance and related 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 10 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, France, Mexico, China, Colombia, Peru, Ecuador and South Korea. 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 2014, we acquired CWI Group (CWI), a market-leading mobile administrator in France. We believe this acquisition will strengthen Assurant Solutions market-leading capabilities in mobile device protection and expand its distribution into independent retailers and the financial services affinity market in Europe.

In 2013, we acquired Lifestyle Services Group (LSG), a mobile phone insurance provider based in the U.K. This acquisition has allowed us to develop and expand our European mobile business platform. In addition, we made an investment in Iké 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.

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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, 2014	December 31, 2013
Net earned premiums by major product grouping:		
Homeowners (lender-placed and voluntary)	$ 1,743,965	$ 1,678,172
Manufactured housing (lender-placed and voluntary)	237,576	226,058
Other (1)	524,556	475,814
Total	$ 2,506,097	$ 2,380,044
Fees and other income	$ 301,048	$ 133,135
Segment net income	$ 341,757	$ 423,586
Loss ratio (2)	43.3%	37.4%
Expense ratio (3)	46.5%	42.5%
Combined ratio (4)	85.2%	77.9%
Equity (5)	$ 1,264,216	$ 1,303,579

(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 other property risk management services.

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 recent years and is expected to decline.

In the majority of cases, we use a proprietary insurance-tracking administration system linked with the administrative systems of our clients to monitor 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 and mortgage services: 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 mortgage property risk management services. In 2013, we acquired Field Asset Services (FAS), a company that leverages its nationwide network of independent contractors to perform property preservation, restoration and inspection services for mortgage servicing clients and investors. In April 2014, we acquired StreetLinks, a leader in valuation solutions and technologies, which is among the largest independent appraisal management companies in the United States. In September 2014, we acquired eMortgage Logic, a leading provider of property broker price opinions assisting mortgage servicing clients with determining property values. The acquisitions of FAS, Streetlinks and eMortgage Logic comprise our Mortgage Solutions business. We are also one of the largest administrators 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.

Our property risk management services are provided directly to mortgage lenders and servicers, typically under non-exclusive arrangements.

On January 1, 2015, we sold our general agency business and primary associated insurance carrier, American Reliable Insurance Company (ARIC) to Global Indemnity Group, Inc., a subsidiary of Global Indemnity plc. The business offers specialty personal lines and agricultural insurance through general and independent agents.

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, 2014	**December 31, 2013**
Net earned premiums:		
Individual	$ 1,544,968	$ 1,174,141
Small employer group	400,484	407,266
Total	$ 1,945,452	$ 1,581,407
Fees and other income	$ 40,016	$ 29,132
Segment net (loss) income	$ (63,748)	$ 5,857
Loss ratio (1)	81.0%	73.9%
Expense ratio (2)	25.0%	27.0%
Combined ratio (3)	104.3%	99.6%
Equity (4)	$ 443,385	$ 295,206

(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 supplemental coverage options 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 should be able to earn attractive returns over the long-term. To achieve this goal, we have made and continue to make significant changes to our operations and products including reducing general operating costs, reviewing our pricing assumptions in light of changes in the risk pool of consumers buying policies and evaluating our product portfolio. Our new 2015 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. Our individual medical products are available in 41 states and on the insurance public marketplace in 16 of those states. Our small group medical plans are available in 34 states.

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 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 a 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.

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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, 2014	**December 31, 2013**
Net Earned Premiums:		
Group disability	$ 409,028	$ 403,286
Group dental	392,502	383,223
Group life	200,285	192,392
Group supplemental and vision products	49,910	35,686
Total	$ 1,051,725	$ 1,014,587
Voluntary	$ 441,479	$ 393,969
Employer-paid and other	610,246	620,618
Total	$ 1,051,725	$ 1,014,587
Fees and other income	$ 24,204	$ 23,434
Segment net income	$ 48,681	$ 34,553
Loss ratio (1)	68.2%	70.5%
Expense ratio (2)	37.1%	37.4%
Equity (3)	$ 540,964	$ 545,049

(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 Preferred Provider Organization (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 PPO network. The Company has a larger network with DHA, marketed as Assurant Dental Network, which combines network agreements with partners such as Aetna and United Concordia Dental. We believe that our large combined network, Assurant Dental Network, increases the attractiveness of our products in the marketplace and the 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.

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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, 2014:

	A.M. Best (1)	Moody s (2)	Standard & Poor s (3)
Outlook	**Stable**	**Stable**	**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-	Baa2	BBB
Reliable Lloyds	A	N/A	N/A
Standard Guaranty Insurance Company	A	N/A	N/A
Time Insurance Company	A-	Baa2	BBB
UDC Dental California	A-	N/A	N/A
Union Security Dental Care New Jersey	A-	N/A	N/A
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

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(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 append 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.

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, Information Technology, 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.

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 its Finance and Investment Committee.

Through the use of regular committee meetings, business unit and enterprise risk inventory templates and dashboards, hypothetical scenario analysis, and quantitative modeling, the Company strives to identify, track, quantify, communicate and manage our key risks in a manner consistent with our risk appetite and high level strategy.

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

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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, the Affordable Care Act introduced a significant component of federal regulation for health insurers. Provisions of the Affordable Care Act and related reforms have included 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; limits on our ability to rescind coverage for persons who have misrepresented or omitted material information when they applied for coverage and, 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; mandated 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 and federal 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. Additionally, under the Affordable Care Act, significant premium stabilization programs became effective in 2014. These reinsurance, risk adjustment, and risk corridor programs impose certain requirements on us, including, among other things, that we make contributions to fund the reinsurance program and, under some circumstances, risk transfer payments related to the risk adjustment program and payments to the Department of Health and Human Services related to the risk corridor program.

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. Regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) address mortgage servicers obligations to correct errors asserted by mortgage loan borrowers; to provide certain information requested by such borrowers; and to provide protections to such borrowers; in connection with lender-placed insurance; and these requirements affect our operations because, in many instances, we administer such operations on behalf of our mortgage servicer clients. While the CFPB does not have direct jurisdiction over insurance products, it is possible that additional regulations promulgated by the CFPB, such as those mentioned, may extend its authority more broadly to cover these products and thereby affect the Company or our clients.

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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, France, 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, Colombia and South Korea where we have gained access to these markets by registering certain entities, where required, to act as reinsurers.

Our operations in the U.K., for example, are 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 has wide applicable to certain activities that affect companies or commercial activities in the U.K.

Additionally, the International Association of Insurance Supervisors (the IAIS) is developing a model common framework (ComFrame) for the supervision of Internationally Active Insurance Groups (IAIGs), which includes additional group-wide supervisory oversight across national boundaries and the establishment of ongoing supervisory colleges. The IAIS has announced that it expects by 2016 to develop a risk-based global insurance capital standard applicable to IAIGs, with full implementation beginning in 2019. As of December 31, 2014, Assurant meets the numerical criteria to qualify as an IAIG, but the decision whether to treat Assurant as an IAIG is left to the discretion of its domestic and foreign insurance regulators. Should such regulators decide to treat Assurant as an IAIG, Assurant will be subject to the additional requirements of ComFrame. At this time, we cannot predict whether our insurance regulators will treat us as an IAIG, and what additional capital requirements, compliance costs or other burdens these requirements would impose on us, if we were subject to them.

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.

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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 17,600 employees as of January 31, 2015. 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 15 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 8 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 22 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 at the SEC s Public Reference Room at 100 F Street, NE, Washington, DC 20549. Further information on the operation of the Public Reference Room can be found by calling the SEC at 1-800-SEC-0330. 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.

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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 and non-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 distribution relationships for our individual health insurance products with a major mutual insurance company as well as an exclusive 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.

If our key clients, intermediaries or others terminate important business arrangements with us, or renew 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 or the participation by other carriers in insuring or reinsuring lender-placed insurance risks that we have historically insured 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 certain discount arrangements we maintain 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.

Recent reductions in Assurant Health s commission arrangements could jeopardize its relationships with brokers and agents, and make it difficult to attract new ones, a circumstance that could materially adversely affect Assurant Health s results of operations.

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. In July 2014, Moody s downgraded the financial strength ratings for Time Insurance Company and John Alden Life Insurance Company from Baa1 to Baa2 due to pressures on earnings and concerns about the impact of the Affordable Care Act.

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, 2014, contracts representing approximately 28% of Assurant Solutions and 25% 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.

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Additionally, certain contracts in the DRMS business, representing approximately 5% of Assurant Employee Benefits net earned premiums for the year ended December 31, 2014 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, 2014 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 repatriation 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 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 $841,239 of our $31,562,466 in total assets as of December 31, 2014. 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 $381,960 of our total assets as of December 31, 2014, 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 81% of the fair value of our total investments as of December 31, 2014.

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 manage the adverse effects of interest rate volatility and the likelihood that cash flows are unavailable to pay claims as they become due. Our asset/liability management strategies do not completely eliminate the adverse effects of interest rate volatility, and significant fluctuations in the level of interest rates may require us to liquidate investments prior to maturity at a significant loss to pay claims and policyholder benefits. This could have a material adverse effect on our results of operations and financial condition.

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

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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, 2014, fixed maturity securities represented 79% 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, 2014 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, 2014). 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 5 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, 2014) 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 (for example, the Social Security disability program) 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 2015 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 fines 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.

Lender-placed insurance products accounted for approximately 71% and 73% of Assurant Specialty Property s net earned premiums for the twelve months ended December 2014 and 2013, respectively. The approximate corresponding contributions to segment net income in these periods were 73% and 87%. 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. In addition to this routine correspondence, from time to time the Company engages in discussions and proceedings with certain state regulators regarding our lender-placed insurance business. The results of such reviews may vary. As previously disclosed, the Company has reached agreements with the New York Department of Financial Services (the NYDFS), the Florida Office of Insurance Regulation (the FOIR) and the California Department of Insurance regarding the Company s lender-placed insurance business in those states. 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 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. See Item 1, Business Regulation and Item 7, MD&A Results of Operations Assurant Specialty Property Regulatory Matters.

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 and, as appropriate, to enter into settlements.

We 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. 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. Among other companies, the Company is 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 2016, 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 became effective in June 2014, that eliminated 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.

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Additionally, the financial impact on Assurant Health of the reinsurance, risk adjustment and risk corridor programs under the Affordable Care Act is highly uncertain. Consequently, it is impossible to be certain about the amounts that Assurant Health will pay or receive under these programs, which could have a material adverse effect on our results of operations.

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

The Affordable Care Act and related reforms make and will continue to 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 that Assurant Health rebate to consumers the difference between its actual loss ratios and required minimum medical loss ratios (by state and legal entity) for certain products. 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.

Although Assurant Health has made, and continues to make, significant changes to its operations and products to adapt to the new environment, the landscape continues to evolve, and it is uncertain how effective any changes made by Assurant Health will be in addressing potential difficulties we may face. Consequently, 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.

Uncertainty remains with respect to a number of provisions of 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 fifteen 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 25 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 litigation, regulatory examinations or investigations, 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.

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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, 2009 through December 31, 2014 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, 2009 and that all dividends were reinvested.

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Total Values/Return to Stockholders

(Includes reinvestment of dividends)

Company / Index	Base Period 12/31/09	INDEXED VALUES Years Ending 12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Assurant, Inc.	100	133.09	144.51	124.91	243.39	254.94
S&P 500 Index	100	115.06	117.49	136.30	180.44	205.14
S&P 400 MidCap Index	100	126.64	124.45	146.69	195.84	214.97
S&P 500 Multi-line Insurance Index*	100	123.23	89.85	113.84	168.37	176.40
S&P 400 Multi-line Insurance Index*	100	117.17	127.23	152.55	210.83	230.59

Company / Index	ANNUAL RETURN PERCENTAGE Years Ending 12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Assurant, Inc.	33.09	8.58	-13.56	94.85	4.75
S&P 500 Index	15.06	2.11	16.00	32.39	13.69
S&P 400 MidCap Index	26.64	-1.73	17.88	33.50	9.77
S&P 500 Multi-line Insurance Index*	23.23	-27.09	26.70	47.90	4.77
S&P 400 Multi-line Insurance Index*	17.17	8.58	19.90	38.21	9.37

* 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, 2014	High	Low	Dividends
First Quarter	$ 68.70	$ 63.60	$ 0.25
Second Quarter	$ 69.39	$ 44.98	$ 0.27
Third Quarter	$ 66.84	$ 63.36	$ 0.27
Fourth Quarter	$ 69.52	$ 60.81	$ 0.27

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

Holders

On February 12, 2015, there were approximately 218 registered holders of record of our common stock. The closing price of our common stock on the NYSE on February 12, 2015 was $66.42.

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

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Shares Repurchased

Period in 2014	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 Repurchased Under the Programs (1)
January 1 January 31	314,600	$ 66.56	314,600	$ 683,941
February 1 February 28				683,941
March 1 March 31				683,941
Total first quarter	314,600	66.56	314,600	683,941
April 1 April 30	302,000	65.54	302,000	664,154
May 1 May 31	292,000	67.22	292,000	644,532
June 1 June 30	283,000	67.68	283,000	625,384
Total second quarter	877,000	66.79	877,000	625,384
July 1 July 31				625,384
August 1 August 31	386,000	65.07	386,000	600,275
September 1 September 30	186,000	65.00	186,000	588,188
Total third quarter	572,000	65.05	572,000	588,188
October 1 October 31	571,000	63.02	571,000	552,217
November 1 November 30	447,000	67.99	447,000	521,834
December 1 December 31	516,890	68.05	516,890	486,670
Total fourth quarter	1,534,890	66.17	1,534,890	486,670
Total through December 31	3,298,490	$ 66.17	3,298,490	$ 486,670

(1) Shares purchased pursuant to the November 15, 2013 publicly announced share repurchase authorization of up to $600,000 of outstanding common stock.

Dividend Policy

On January 9, 2015, our Board of Directors declared a quarterly dividend of $0.27 per common share payable on March 9, 2015 to stockholders of record as of February 23, 2015. We paid dividends of $0.27 per common share on December 15, 2014, September 9, 2014, and June 10, 2014, and $0.25 on March 10, 2014. We paid dividends of $0.25 per common share on December 10, 2013, September 10, 2013 and June 11, 2013, and $0.21 per common share on March 11, 2013. 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 2015, 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 $476,000. Dividends or returns of capital paid by our subsidiaries, net of infusions and amounts used for acquisitions, totaled $453,485 in 2014.

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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, 2014. 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 $400,000 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.

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Item 6. ***Selected Financial Data***

Assurant, Inc.

Five-Year Summary of Selected Financial Data

	As of and for the years ended December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
Consolidated Statement of Operations Data:					
Revenues					
Net earned premiums	$ 8,632,142	$ 7,759,796	$ 7,236,984	$ 7,125,368	$ 7,403,039
Net investment income	656,429	650,296	713,128	689,532	703,190
Net realized gains on investments (1)	60,783	34,525	64,353	32,580	48,403
Amortization of deferred gain on disposal of businesses	(1,506)	16,310	18,413	20,461	10,406
Fees and other income	1,033,805	586,730	475,392	404,863	362,684
Total revenues	10,381,653	9,047,657	8,508,270	8,272,804	8,527,722
Benefits, losses and expenses					
Policyholder benefits (2)	4,405,333	3,675,532	3,655,404	3,749,734	3,635,999
Amortization of deferred acquisition costs and value of businesses acquired	1,485,558	1,470,287	1,403,215	1,327,788	1,401,569
Underwriting, general and administrative expenses	3,688,230	3,034,404	2,631,594	2,428,795	2,516,622
Interest expense	58,395	77,735	60,306	60,360	60,646
Goodwill impairment (3)					306,381
Total benefits, losses and expenses	9,637,516	8,257,958	7,750,519	7,566,677	7,921,217
Income before provision for income taxes	744,137	789,699	757,751	706,127	606,505
Provision for income taxes (4)	273,230	300,792	274,046	167,171	327,898
Net income	$ 470,907	$ 488,907	$ 483,705	$ 538,956	$ 278,607
Earnings per share:					
Basic					
Net income	$ 6.52	$ 6.38	$ 5.74	$ 5.58	$ 2.52
Diluted					
Net income	$ 6.44	$ 6.30	$ 5.67	$ 5.51	$ 2.50
Dividends per share	$ 1.06	$ 0.96	$ 0.81	$ 0.70	$ 0.63
Share data:					
Weighted average shares outstanding used in basic per share calculations	72,181,447	76,648,688	84,276,427	96,626,306	110,632,551
Plus: Dilutive securities	970,563	1,006,076	1,030,638	1,169,003	840,663
Weighted average shares used in diluted per share calculations	73,152,010	77,654,764	85,307,065	97,795,309	111,473,214
Selected Consolidated Balance Sheet Data:					

Cash and cash equivalents and investments	$ 15,450,108	$ 15,961,199	$ 15,885,722	$ 15,192,878	$ 14,670,364
Total assets	$ 31,562,466	$ 29,714,689	$ 28,946,607	$ 27,019,862	$ 26,345,501
Policy liabilities (5)	$ 19,711,953	$ 18,698,615	$ 18,666,355	$ 17,278,342	$ 16,616,206
Debt	$ 1,171,079	$ 1,638,118	$ 972,399	$ 972,278	$ 972,164
Mandatorily redeemable preferred stock	$	$	$	$	$ 5,000
Total stockholders equity	$ 5,181,307	$ 4,833,479	$ 5,185,366	$ 4,873,950	$ 4,633,136
Per share data:					
Total book value per basic share (6)	$ 73.73	$ 66.23	$ 64.93	$ 54.31	$ 44.88

(1) Included in net realized gains are other-than-temporary impairments of $30, $4,387, $1,843, $7,836 and $11,167 for 2014, 2013, 2012, 2011, and 2010, 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 tornadoes 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 during the fourth quarter of 2010. 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 outstanding for book value per basic share calculation. At December 31, 2014, 2013, 2012, 2011, and 2010 there were 70,276,896, 72,982,023, 79,866,858, 89,743,761 and 103,227,238 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, 2014 (Twelve Months 2014), twelve months ended December 31, 2013 (Twelve Months 2013) and twelve months ended December 31, 2012 (Twelve Months 2012). Please see the discussion that follows, for each of these segments, for a more detailed analysis of the fluctuations.

Executive Summary

Consolidated net income decreased $18,000, or 4%, to $470,907 for Twelve Months 2014 from $488,907 for Twelve Months 2013. The decrease was primarily related to lower net income at Assurant Specialty Property, a net loss at Assurant Health and a $19,400 (after-tax) loss associated with a divested business. Please see Note 4 to the Consolidated Financial Statements for further information. These items were partially offset by improved results in our Assurant Solutions and Assurant Employee Benefits segments, lower expenses in the Corporate and Other segment, an increase in net realized gains on investments and a favorable change in tax liabilities.

Assurant Solutions net income increased $93,796, or 75%, to $218,948 for Twelve Months 2014 from $125,152 for Twelve Months 2013. The increase was primarily due to continued growth in covered mobile devices and favorable domestic loss experience. Results also benefited from operational efficiencies achieved from restructuring efforts that began in 2013.

Net earned premiums and fees increased 19.2% primarily reflecting continued growth in mobile subscribers and mobile client marketing programs. In addition, net earned premiums grew due to contributions from a large service contract client, as well as from increased sales of vehicle service contracts. These items were partially offset by the unfavorable impact of changes in foreign exchange rates in Latin America and Canada.

Overall, we expect Assurant Solutions 2015 net income and net earned premiums and fees to approximate Twelve Months 2014 amounts. Continued growth from our mobile and vehicle service contract businesses will be offset by the loss of a domestic mobile tablet program, reduced mobile carrier marketing programs and declines at certain domestic retailers. Foreign currency exchange rate volatility will also impact results.

Assurant Specialty Property net income decreased $81,829, or 19%, to $341,757 for Twelve Months 2014 from $423,586 for Twelve Months 2013. The decrease was primarily due to lower placement and premium rates and higher non-catastrophe losses in our lender-placed insurance business.

Net earned premiums and fees increased in Twelve Months 2014 compared with Twelve Months 2013. The increase was mainly attributable to the residual benefit of the previously disclosed discontinuation of a client quota share reinsurance agreement and recent acquisitions. These items were partially offset by lower placement and premium rates.

The Twelve Months 2014 expense ratio increased 400 basis points compared with Twelve Months 2013. The increase was primarily due to growth in fee-based businesses, which have higher expense ratios than our insurance products, and lower lender placed premiums.

For 2015, we expect Assurant Specialty Property net income and net earned premiums to decrease compared with Twelve Months 2014, reflecting continued normalization of lender-placed insurance business, the previously announced loss of client business and the sale of ARIC. Contributions from multi-family housing and mortgage solutions businesses to partially offset the decline. Overall results may be affected by catastrophe losses.

Assurant Health results decreased $69,605, or 1,188%, to a net loss of $63,748 for Twelve Months 2014 from net income of $5,857 for Twelve Months 2013. The loss was primarily attributable to increased claims from new Affordable Care Act qualified policies, reflecting the guaranteed issue requirements and the health profiles of many first-time buyers, as well as higher non-deductible expenses and reform fees related to the Affordable Care Act. 2014 pricing assumptions were made prior to last year s open enrollment period regarding the risk pool of consumers buying policies in a guaranteed issue environment. At that time, we believed that existing policyholders who were required to transition to Affordable Care Act plans would be healthier than new enrollees. However, rule changes announced in November 2013 and March 2014 allowed policyholders to extend their existing coverage through 2016. This resulted in Affordable Care Act business having worse morbidity characteristics than we had assumed and 2014 policy pricing could not be modified.

Increased claims were partially offset by estimated recoveries from the Affordable Care Act risk mitigation programs. Estimated recoveries from the Risk Adjuster program are based on each carrier s risk relative to that of the overall market.

The expense ratio for Twelve Months 2014 declined 200 basis points compared with Twelve Months 2013 primarily due to continued operational discipline. Twelve Months 2014 includes a $19,937 annual insurer fee related to the Affordable Care Act.

In 2015 we expect Assurant Health s results to vary based on claims development on Affordable Care Act policies and estimated recoveries under Affordable Care Act risk mitigation programs. In addition, we expect net earned premiums and fees to increase in 2015 due to increased premium rates and strong sales of individual major medical policies.

Assurant Employee Benefits net income increased $14,128, or 41%, to 48,681 for Twelve Months 2014 from $34,553 for Twelve Months 2013. The increase was primarily attributable to favorable loss experience across all major product lines.

Net earned premiums and fees increased by 4% due to growth in voluntary products. This increase was partially offset by declines in employer-paid products.

During 2015, we expect net earned premiums and fees to increase compared with Twelve Months 2014 due to growth in voluntary products. Continued expense management actions should offset lower net investment income. 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 2014, net cash provided by operating activities, including the effect of exchange rate changes and the reclassification of assets held for sale on cash and cash equivalents, totaled $313,782; net cash provided by investing activities totaled $63,889 and net cash used in financing activities totaled $776,199. We had $1,318,656 in cash and cash equivalents as of December 31, 2014. 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.

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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 and Affordable Care Act risk mitigation program amounts 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 2014 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, taxes, and estimated impacts of the Affordable Care Act risk mitigation programs (commonly referred to as the 3R s). 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 sheet.

Affordable Care Act Risk Mitigation Programs

Beginning in 2014, the Affordable Care Act introduced new and significant premium stabilization programs. These programs, discussed in further detail below, are meant to mitigate the potential adverse impact to individual health insurers as a result of Affordable Care Act provisions that became effective January 1, 2014.

A three-year (2014-2016) reinsurance program provides reimbursement to insurers for high cost individual business sold on or off the public marketplaces. The reinsurance entity established by HHS is funded by a per-member reinsurance fee assessed on all commercial medical plans, including self-insured group health plans. Only Affordable Care Act individual plans are eligible for recoveries if claims exceed a specified threshold, up to a reinsurance cap. Reinsurance contributions associated with Affordable Care Act individual plans are reported as a reduction in net earned premiums in the consolidated statements of operations, and estimated reinsurance recoveries are established as reinsurance recoverables in the consolidated balance sheets with an offsetting reduction in policyholder benefits in the consolidated statement of operations. Reinsurance fee contributions for non-Affordable Care Act business are reported in underwriting, general and administrative expenses in the consolidated statement of operations.

A permanent risk adjustment program transfers funds from insurers with lower risk populations to insurers with higher risk populations based on the relative risk scores of participants in Affordable Care Act plans in the individual and small group markets, both on and off the public marketplaces. Based on the risk of its members compared to the total risk of all members in the same state and market, considering data obtained from industry studies, the Company estimates its year-to-date risk adjustment transfer amount. The Company records a risk adjustment transfer receivable (payable) in premiums and accounts receivable (unearned premium) in the consolidated balance sheets, with an offsetting adjustment to net earned premiums in the consolidated statements of operations when the amounts are reasonably estimable and collection is reasonably assured.

A three-year (2014-2016) risk corridor program limits insurer gains and losses by comparing allowable medical costs to a target amount as defined by HHS. This program applies to a subset of Affordable Care Act eligible individual and small group products certified as Qualified Health Plans. The public marketplace can only sell Qualified Health Plans. In addition, carriers who sell Qualified Health Plans on the public marketplace can also sell them off the public marketplace. Variances from the target amount exceeding certain thresholds may result in amounts due to or due from HHS. During 2014, the Company did not participate in any insurance public marketplaces so the risk corridor program had no impact on the Company s 2014 operations.

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.

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The following table provides reserve information for our major product lines for the years ended December 31, 2014 and 2013:

	December 31, 2014				December 31, 2013			
			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	$ 4,618,505	$ 4,872	$ 14,696	$ 6,456	$ 4,453,154	$ 185,863	$ 14,236	$ 5,901
Life insurance no longer offered	418,672	570	2,272	1,301	432,075	565	2,200	2,690
Universal life and other products no longer offered	168,808	136	704	1,959	189,319	125	735	3,110
FFG, LTC and other disposed businesses	4,153,741	46,585	881,514	97,524	3,440,947	34,158	740,704	75,195
Medical	87,563	7,254	1,959	7,886	94,436	10,454	3,840	9,799
All other	36,383	382	13,863	9,803	36,641	475	14,943	8,422
Short Duration Contracts:								
Group term life		2,905	169,006	28,786		4,135	169,972	29,799
Group disability		1,564	1,127,068	107,961		2,537	1,156,693	115,158
Medical		130,185	137,370	240,830		125,817	68,869	153,313
Dental		4,013	2,251	17,037		5,140	2,402	17,461
Property and warranty		2,386,719	130,517	546,979		2,514,356	201,336	437,888
Credit life and disability		241,092	34,581	43,298		314,420	39,419	52,096
Extended service contracts		3,568,352	6,780	42,054		3,331,936	6,622	36,790
All other		135,046	5,375	18,776		132,691	3,203	16,575
Total	$ 9,483,672	$ 6,529,675	$ 2,527,956	$ 1,170,650	$ 8,646,572	$ 6,662,672	$ 2,425,174	$ 964,197

For a description of our reserving methodology, see Note 13 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 on continuing lines of business 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, mortality, morbidity, and withdrawal 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

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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, 2014 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	$ 1,296,094	Group disability, claim termination rate 10% lower	$ 1,269,025
Group disability, as reported	$ 1,235,029	Group disability, as reported	$ 1,235,029
Group disability, discount rate increased by 100 basis points	$ 1,179,483	Group disability, claim termination rate 10% higher	$ 1,205,361

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	$206,161
Group term life, as reported	$197,792
Group term life, discount rate increased by 100 basis points	$190,274

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, 2014 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*	$	401,200
Short duration medical, as reported	$	378,200
Short duration medical, loss development factors 1% higher*	$	358,200

* This refers to loss development factors for the most recent four months. Our historical claims experience indicates that approximately 84% 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 2014 would be as follows:

Change in both loss frequency and severity for all Property and Warranty	Ultimate cost of claims occurring in 2014	Change in cost of claims occurring in 2014
3% higher	$ 718,756	$ 41,260
2% higher	$ 704,867	$ 27,371
1% higher	$ 691,114	$ 13,618
Base scenario	$ 677,496	$
1% lower	$ 663,878	$ (13,618)
2% lower	$ 650,125	$ (27,371)
3% lower	$ 636,236	$ (41,260)

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 $30,036 (before reinsurance) and $27,085 (net of reinsurance) at December 31, 2014. 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. Estimated gross profits include the impact of unrealized gains or losses on investments as if these gains or losses had been realized, with corresponding credits or charges included in AOCI. 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.

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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 5 to the Consolidated Financial Statements included elsewhere in this report and Item 1A Risk Factors Risks Related to our Company 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, 2014	December 31, 2013
Reinsurance recoverables	$ 7,254,585	$ 5,752,134

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 $4,549,699 and $3,680,176 at December 31, 2014 and 2013, 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:

	2014	2013
Ceded future policyholder benefits and expense	$ 4,052,976	$ 3,355,706
Ceded unearned premium	1,587,583	1,283,674
Ceded claims and benefits payable	1,283,510	1,053,640
Ceded paid losses	330,516	59,114
Total	$ 7,254,585	$ 5,752,134

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 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.

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 8 to our consolidated financial statements.

As of December 31, 2013, the Company had a cumulative valuation allowance of $16,474 against deferred tax assets of international subsidiaries. During Twelve Months 2014, the Company recognized a cumulative income tax expense of $1,690 primarily related to operating losses of international subsidiaries. As of December 31, 2014, the Company has a cumulative valuation allowance of $18,164 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.

In determining whether the deferred tax asset is realizable, the Company weighed all available evidence, both positive and negative. We considered all sources of taxable income available to realize the asset, including the future reversal of existing temporary differences, future taxable income exclusive of reversing temporary differences, carry forwards and tax-planning strategies.

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 $841,239 and $784,561 of our $31,562,466 and $29,714,689 of total assets as of December 31, 2014 and 2013, 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,	
	2014	**2013**
Assurant Solutions	$ 539,653	$ 496,201
Assurant Specialty Property	301,586	288,360
Assurant Health		
Assurant Employee Benefits		
Total	$ 841,239	$ 784,561

For the 2014 impairment test, we compared each reporting unit s estimated fair value with its net book value (Step 1). For both the Assurant Solutions and Assurant Specialty Property reporting units, goodwill was deemed not to be impaired because their estimated fair values exceeded their net book values. No further testing was necessary.

The following describes the valuation methodologies used in the Step 1 test 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.

Following the 2014 Step 1 test, the Company concluded that the estimated fair value of the Assurant Solutions reporting unit exceeded its net book value by 25.4%, while the Assurant Specialty Property reporting unit exceeded its net book value by 33.3%.

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%.

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. In undertaking our qualitative assessment of the Assurant Specialty Property reporting unit in 2013, 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. If, after assessing the totality of events or circumstances, an entity determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then it is required to perform a Step 1test.

Based on our qualitative assessment, having considered the factors in totality, we determined that it was not necessary to perform a Step 1 test for Assurant Specialty Property and that it was more-likely-than-not that the fair value of Assurant Specialty Property continued to exceed its net book value at year-end 2013.

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 250 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, 2014. Likewise, a reduction of 1,280 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,

2014. It would take more significant movements in our estimates and assumptions in order for Assurant Specialty Property s estimated fair value to be less than its net book value.

We evaluated the significant assumptions used to determine the estimated fair values of Assurant Solutions and Assurant Specialty Property, both individually and in the aggregate, and concluded they are reasonable.

However, should the operating results of either reporting 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 and Assurant Specialty Property.

Had the net book value exceeded its estimated fair value in the Step 1 test, we would have then performed 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.

Recent Accounting Pronouncements Adopted

On December 31, 2014, the Company adopted the amended guidance on reporting discontinued operations and disclosures of disposals of components of an entity. To qualify as a discontinued operation under the amended guidance, a component or group of components must represent a strategic shift that has (or will have) a major effect on an entity s operations and financial results. The amended guidance includes expanded disclosures for discontinued operations and requires comparative balance sheet presentation. New disclosures are also required for disposals of individually significant components that do not qualify as discontinued operations. The adoption of this amended guidance did not impact the Company s financial position or results of operations.

On January 1, 2014, the Company adopted the new guidance on 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 adoption of this new presentation guidance did not impact the Company s financial position or results of operations.

On January 1, 2014, the Company adopted the other expenses guidance that addresses 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 Company s adoption of this guidance impacts the results of our Assurant Health and Assurant Employee Benefits segments. For the calendar year ended December 31, 2014, the Company ratably recorded $25,723 in underwriting, general and administrative expenses in the consolidated statements of operations, and paid, in full, the final assessment during the third quarter of 2014.

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance on revenue recognition. The amended guidance affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. Insurance contracts are within the scope of other standards and

therefore are specifically excluded from the scope of the amended revenue recognition guidance. The core principle of the amended guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To

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achieve the core principle, the entity applies a five-step process outlined in the amended guidance. The amended guidance also includes a cohesive set of disclosure requirements. The amended guidance is effective for interim and annual periods beginning after December 15, 2016 and early adoption is not permitted. Therefore, the Company is required to adopt the guidance on January 1, 2017. An entity can choose to apply the amended guidance using either the full retrospective approach or a modified retrospective approach. The Company is currently evaluating the requirements of the revenue recognition guidance as it relates to its non-insurance contract revenue and the potential impact on the Company s financial position and results of operations.

Results of Operations

Assurant Consolidated

Overview

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

	For the Years Ended December 31,		
	2014	**2013**	**2012**
Revenues:			
Net earned premiums	$ 8,632,142	$ 7,759,796	$ 7,236,984
Net investment income	656,429	650,296	713,128
Net realized gains on investments	60,783	34,525	64,353
Amortization of deferred gains on disposal of businesses	(1,506)	16,310	18,413
Fees and other income	1,033,805	586,730	475,392
Total revenues	10,381,653	9,047,657	8,508,270
Benefits, losses and expenses:			
Policyholder benefits	4,405,333	3,675,532	3,655,404
Selling, underwriting and general expenses (1)	5,173,788	4,504,691	4,034,809
Interest expense	58,395	77,735	60,306
Total benefits, losses and expenses	9,637,516	8,257,958	7,750,519
Income before provision for income taxes	744,137	789,699	757,751
Provision for income taxes	273,230	300,792	274,046
Net income	$ 470,907	$ 488,907	$ 483,705

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

Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

Net income decreased $18,000, or 4%, to $470,907 for Twelve Months 2014 from $488,907 for Twelve Months 2013. The decrease was primarily related to lower net income at Assurant Specialty Property, a net loss at Assurant Health and a $19,400 (after-tax) loss associated with a divested business. Please see Note 4 to the Consolidated Financial Statements for further information. These items were partially offset by improved results in our Assurant Solutions and Assurant Employee Benefits segments, lower expenses in the Corporate and Other segment, an increase in net realized gains on investments and a favorable change in tax liabilities, including a $20,753 one-time tax benefit related to the conversion of the Canadian branch operations of certain U.S. subsidiaries to foreign corporate entities. Please see Note 8 to the Consolidated Financial Statements for further information.

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.

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Assurant Solutions

Overview

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

	For the Years Ended December 31,		
	2014	2013	2012
Revenues:			
Net earned premiums	$ 3,128,868	$ 2,783,758	$ 2,579,220
Net investment income	382,640	376,245	396,681
Fees and other income	667,852	400,370	314,072
Total revenues	4,179,360	3,560,373	3,289,973
Benefits, losses and expenses:			
Policyholder benefits	1,027,469	895,504	840,133
Selling, underwriting and general expenses (4)	2,830,058	2,474,259	2,267,986
Total benefits, losses and expenses	3,857,527	3,369,763	3,108,119
Segment income before provision for income taxes	321,833	190,610	181,854
Provision for income taxes	102,885	65,458	58,101
Segment net income	$ 218,948	$ 125,152	$ 123,753
Net earned premiums:			
Domestic:			
Credit	$ 160,794	$ 166,417	$ 165,765
Service contracts	1,631,339	1,372,314	1,260,578
Other (1)	73,254	82,864	62,298
Total Domestic	1,865,387	1,621,595	1,488,641
International:			
Credit	318,104	380,683	425,078
Service contracts	850,454	685,039	556,207
Other (1)	33,830	29,918	28,316
Total International	1,202,388	1,095,640	1,009,601
Preneed	61,093	66,523	80,978
Total	$ 3,128,868	$ 2,783,758	$ 2,579,220
Fees and other income:			
Domestic:			
Debt protection	$ 30,938	$ 29,100	$ 27,912
Service contracts	424,259	206,130	139,636
Other (1)	8,344	6,920	4,039

Total Domestic	463,541	242,150	171,587
International	97,265	51,873	38,840
Preneed	107,046	106,347	103,645
Total	$ 667,852	$ 400,370	$ 314,072
Gross written premiums (2):			
Domestic:			
Credit	$ 316,815	$ 387,038	$ 390,648
Service contracts	3,112,526	2,090,160	1,799,577
Other (1)	88,298	106,256	113,067
Total Domestic	3,517,639	2,583,454	2,303,292
International:			
Credit	879,526	964,236	1,002,347
Service contracts	826,046	780,393	722,251
Other (1)	63,211	47,932	44,721
Total International	1,768,783	1,792,561	1,769,319
Total	$ 5,286,422	$ 4,376,015	$ 4,072,611
Preneed (face sales)	$ 969,784	$ 1,007,915	$ 863,734
Combined ratio (3):			
Domestic	93.3%	97.9%	98.9%
International	101.5%	102.8%	104.8%

(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, 2014 Compared to the Year Ended December 31, 2013

Net Income

Segment net income increased $93,796, or 75%, to $218,948 for Twelve Months 2014 from $125,152 for Twelve Months 2013. The increase was primarily driven by improved results in our domestic mobile business, reflecting growth in mobile subscribers, contributions from ongoing client marketing programs, continued favorable loss experience and expense savings in our domestic credit and domestic service contract businesses.

Total Revenues

Total revenues increased $618,987, or 17%, to $4,179,360 for Twelve Months 2014 from $3,560,373 for Twelve Months 2013. The increase was primarily driven by higher net earned premiums in our domestic and international service contract businesses. The increase in domestic service contract business reflects continued growth in mobile subscribers, growth at a large client due to increased subscribers and price increases as well as higher contributions from vehicle service contracts due to increased sales from new and existing dealers. The increase in international service contracts is due to growth in mobile subscribers. Fees and other income increased $267,482 primarily driven by mobile client marketing programs and from the Lifestyle Service Group (LSG) acquisition in October 2013.

Gross written premiums increased $910,407, or 21%, to $5,286,422 for Twelve Months 2014 from $4,376,015 for Twelve Months 2013. Gross written premiums from our domestic service contract business increased $1,022,366 primarily driven by growth in mobile subscribers. Gross written premiums from our international service contract business increased $45,653 primarily due to growth in the number of global mobile subscribers, the LSG acquisition and new and existing clients in Latin America. This increase was partially offset by the unfavorable impact of changes in foreign exchange rates, primarily in Latin America and Canada.

Preneed face sales decreased $38,131, or 4%, to $969,784 for Twelve Months 2014 from $1,007,915 for Twelve Months 2013. This decrease was mostly attributable to a change in product offerings and a client s temporary operational change. On June 25, 2014, we extended our exclusive distribution partnership with SCI, for an additional 10 years, through September 29, 2024.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $487,764, or 14%, to $3,857,527 for Twelve Months 2014 from $3,369,763 for Twelve Months 2013. Policyholder benefits increased $131,965 primarily related to the LSG acquisition partially offset by favorable loss experience in our domestic mobile business. Selling, underwriting and general expenses increased $355,799. Commissions, taxes, licenses and fees, of which amortization of DAC is a component, increased $82,828 due to higher net earned premiums in our domestic service contract and domestic mobile business. General expenses increased $272,971 primarily due to increased administration expenses directly related to growth in our domestic mobile business and expenses related to the LSG acquisition. These items were partially offset by expense savings in our domestic

credit and domestic service contract businesses.

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.

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.

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Assurant Specialty Property

Overview

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

	For the Years Ended December 31,		
	2014	**2013**	**2012**
Revenues:			
Net earned premiums	$ 2,506,097	$ 2,380,044	$ 2,054,041
Net investment income	101,908	98,935	103,327
Fees and other income	301,048	133,135	98,621
Total revenues	2,909,053	2,612,114	2,255,989
Benefits, losses and expenses:			
Policyholder benefits	1,085,339	890,409	949,157
Selling, underwriting and general expenses	1,305,286	1,068,273	844,288
Total benefits, losses and expenses	2,390,625	1,958,682	1,793,445
Segment income before provision for income taxes	518,428	653,432	462,544
Provision for income taxes	176,671	229,846	157,593
Segment net income	$ 341,757	$ 423,586	$ 304,951
Net earned premiums:			
Homeowners (lender-placed and voluntary)	$ 1,743,965	$ 1,678,172	$ 1,418,061
Manufactured housing (lender-placed and voluntary)	237,576	226,058	207,675
Other (1)	524,556	475,814	428,305
Total	$ 2,506,097	$ 2,380,044	$ 2,054,041
Ratios:			
Loss ratio (2)	43.3%	37.4%	46.2%
Expense ratio (3)	46.5%	42.5%	39.2%
Combined ratio (4)	85.2%	77.9%	83.3%

(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

In January 2015, the New York Department of Financial Services (NYDFS) issued regulations regarding tracking costs associated with lender placed insurance rates. We are currently assessing the new regulations, however, at this time we believe that they will not have a material financial impact on our lender-placed insurance business.

As previously disclosed, on March 21, 2013, the Company and two of its wholly owned subsidiaries, American Security Insurance Company (ASIC) and American Bankers Insurance Company of Florida (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, which were approved in August 2014. The changes to the program affect annual lender-placed hazard and real estate owned policies issued in the State of New York, which accounted for approximately $120,000 and $101,000 of Assurant Specialty Property s net earned premiums for Twelve Months 2014 and Twelve Months 2013, respectively.

On October 7, 2013, the Company reached an agreement with the Florida Office of Insurance Regulation to file for a 10% reduction in lender-placed hazard insurance rates in Florida. The rates have been filed and approved, and were effective for new and renewing policies starting in the first quarter of 2014. As part of the agreement, ASIC eliminated commissions and client quota-share reinsurance arrangements to meet new requirements of lender-placed insurance providers in Florida. ASIC recorded approximately $283,000 and $547,000 of direct earned premiums in Florida for Twelve Months 2014 and Twelve Months 2013, respectively, for the type of policies that are subject to the rate reduction.

At the federal level, in early 2013, the Consumer Financial Protection Bureau published mortgage servicing guidelines that incorporate certain requirements mandated by the Dodd-Frank Act. In addition, the Federal Housing Finance Agency (FHFA) issued new mortgage servicer guidelines, which became effective in June 2014, that eliminated lender-placed insurance-related commissions and client quota share arrangements on properties securing government-sponsored entity loans. At the directive of the FHFA, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation each issued bulletins in December 2013 implementing these mortgage servicer guidelines.

Lender-placed insurance products accounted for 71% and 73% of net earned premiums for Twelve Months 2014 and Twelve Months 2013, respectively. The approximate corresponding contributions to the segment net income in these periods were 73% and 87%, 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, 2014 Compared to the Year Ended December 31, 2013

Net Income

Segment net income decreased $81,829, or 19%, to $341,757 for Twelve Months 2014 from $423,586 for Twelve Months 2013. The decrease is primarily due to lower placement and premium rates and higher non-catastrophe losses in our lender-placed insurance business. Twelve Months 2013 results included a $14,000 (non-tax deductible) regulatory settlement with the NYDFS.

Total Revenues

Total revenues increased $296,939, or 11%, to $2,909,053 for Twelve Months 2014 from $2,612,114 for Twelve Months 2013. The increase was primarily due to growth in lender-placed homeowners insurance net earned premiums, as well as fee income from the acquisitions of Field Asset Services (FAS) and StreetLinks. Growth in lender-placed homeowners insurance was primarily due to the previously disclosed discontinuation of a client quota share reinsurance agreement and loan portfolios added in 2013 and was partially offset by the impact of lower placement and premium rates.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $431,943 or 22%, to $2,390,625 for Twelve Months 2014 from $1,958,682 for Twelve Months 2013. The loss ratio increased to 43.3% for Twelve Months 2014 from 37.4% for Twelve Months 2013 due to higher non-catastrophe losses from severe weather, high severity fire claims and lower premium rates from the new lender-placed homeowners insurance product. Reportable

catastrophe losses for Twelve Months 2014 were $28,410 compared to reportable catastrophe losses for Twelve Months 2013 of $29,503. 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 expense ratio increased to 46.5% for Twelve Months 2014 from 42.5% for Twelve Months 2013 primarily due to growth in fee-based businesses. Twelve Months 2013 included a $14,000 (non-tax deductible) regulatory settlement with the NYDFS.

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.

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Assurant Health

Overview

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

	For the Years Ended December 31,		
	2014	**2013**	**2012**
Revenues:			
Net earned premiums	$ 1,945,452	$ 1,581,407	$ 1,589,459
Net investment income	35,369	36,664	64,308
Fees and other income	40,016	29,132	30,518
Total revenues	2,020,837	1,647,203	1,684,285
Benefits, losses and expenses:			
Policyholder benefits	1,575,633	1,169,075	1,174,108
Selling, underwriting and general expenses	495,818	435,550	421,070
Total benefits, losses and expenses	2,071,451	1,604,625	1,595,178
Segment income before provision for income taxes	(50,614)	42,578	89,107
Provision for income taxes	13,134	36,721	37,107
Segment net (loss) income	$ (63,748)	$ 5,857	$ 52,000
Net earned premiums:			
Individual	$ 1,544,968	$ 1,174,141	$ 1,178,878
Small employer group	400,484	407,266	410,581
Total	$ 1,945,452	$ 1,581,407	$ 1,589,459
Insured lives by product line:			
Individual	829	780	663
Small employer group	138	127	109
Total	967	907	772
Ratios:			
Loss ratio (1)	81.0%	73.9%	73.9%
Expense ratio (2)	25.0%	27.0%	26.0%
Combined ratio (3)	104.3%	99.6%	98.5%

(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

Most provisions of the Affordable Care Act have now taken effect. 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 insurance industry could materially reduce the profitability of certain of our businesses or render them unprofitable in this report.

Because all individuals now have a guaranteed right to purchase health insurance policies, the Affordable Care Act introduced new and significant premium stabilization programs in 2014: reinsurance, risk adjustment, and risk corridor (together, the 3 Rs). These programs, discussed in further detail below, are meant to mitigate the potential adverse impact to individual health insurers as a result of Affordable Care Act provisions that became effective January 1, 2014.

Reinsurance

This is a transitional program for 2014-2016, with decreasing benefit over the three years. All commercial individual and group medical health plans are required to contribute to the funding of the program. Only individual health plans that are compliant with the essential health benefits of the Affordable Care Act are eligible to receive benefits from the program.

We are required to make contributions, which are recorded quarterly, based on both our Affordable Care Act and non-Affordable Care Act business. Contributions based on our non-Affordable Care Act business are included in selling, underwriting and general expenses and contributions based on our Affordable Care Act business are included as ceded premiums. Recoveries are recorded quarterly as ceded policyholder benefits and reflect the anticipated experience of our Affordable Care Act plans based on our analysis of current and historical claim data.

For the Twelve Months 2014, we recorded reinsurance contributions of $5,894 and reinsurance recoveries of $276,980 in our consolidated statements of operations. As of December 31, 2014, we recorded reinsurance contributions payable of $5,894 and reinsurance recoverables of $276,980 on our consolidated balance sheets. Both contributions and recoveries for the 2014 program are scheduled to be settled in 2015.

Risk adjustment

This is a permanent program to transfer funds between health insurers based on the average health risk scores of their Affordable Care Act insured populations. Insurers with below-average risk scores will contribute into the pool. Insurers with above-average risk scores will receive payments out of the pool.

Risk scores are evaluated at the state, market, and legal entity level for Affordable Care Act-compliant policies. Risk adjustment amounts payable and receivable are reflected as adjustments to net earned premiums, and are recorded quarterly based on our current estimated loss experience of our Affordable Care Act business.

Based on the demographics of our Affordable Care Act population, extensive analytical evaluations, current and historical claim data as well as other internal and external data sources, external market studies and other published data, we believe that our average risk scores will be significantly higher than the industry averages.

For the Twelve Months 2014, we recorded net risk adjustment premiums of $121,888 in our consolidated statements of operations, and we carried net risk adjustment receivables of $121,888 on our consolidated balance sheets. Risk transfer payments and receipts for the 2014 program are scheduled to be settled in 2015.

Risk corridor

This is a temporary risk-sharing program for 2014-2016. Based on ratios of allowable costs to target costs as defined by the Affordable Care Act, health insurers will make payments to the Department of Health and Human Services (HHS) or receive funds from HHS. Because Assurant Health did not participate in any public insurance marketplaces for 2014, risk corridors have no impact on our 2014 operations. Because the reinsurance and risk-adjustment programs are brand new and historical results are not available, estimates of amounts receivable from them are subject to considerable uncertainty. Actual amounts received may vary substantially from our estimates.

Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

Net (Loss) Income

Segment results decreased $69,605, or 1,188%, to a net loss of $63,748 for Twelve Months 2014 from net income of $5,857 for Twelve Months 2013. The decrease was primarily attributable to increased claims from the new Affordable Care Act qualified policies, reflecting the guaranteed issue requirements and the health profiles of many first-time buyers, as well as a higher non-deductible expenses and reform fees related to the Affordable Care Act. These items were partially offset by estimated recoveries from Affordable Care Act risk mitigation programs.

Total Revenues

Total revenues increased $373,634, or 23%, to $2,020,837 for Twelve Months 2014 from $1,647,203 for Twelve Months 2013. Net earned premiums from our individual medical business increased $370,827, or 32%, due to growth in individual major medical product sales, and estimated recoveries from the Affordable Care Act s risk adjustment program.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $466,826, or 29%, to $2,071,451 for Twelve Months 2014 from $1,604,625 for Twelve Months 2013. Policyholder benefits increased $406,558, or 35%, and the benefit loss ratio increased to 81.0% from 73.9%. The increases in policyholder benefits and the benefit loss ratio were primarily attributable to higher volumes of individual business and higher loss experience on individual Affordable Care Act medical policies. Selling, underwriting and general expenses increased $60,268, or 14%, due to higher commissions on new sales and health reform fees. Fourth quarter 2013 included $4,589 of severance expense.

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.

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Assurant Employee Benefits

Overview

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

	For the Years Ended December 31,		
	2014	2013	2012
Revenues:			
Net earned premiums	$ 1,051,725	$ 1,014,587	$ 1,014,264
Net investment income	117,192	117,853	128,485
Fees and other income	24,204	23,434	28,468
Total revenues	1,193,121	1,155,874	1,171,217
Benefits, losses and expenses:			
Policyholder benefits	716,892	715,656	693,067
Selling, underwriting and general expenses	399,548	388,159	390,042
Total benefits, losses and expenses	1,116,440	1,103,815	1,083,109
Segment income before provision for income taxes	76,681	52,059	88,108
Provision for income taxes	28,000	17,506	30,049
Segment net income	$ 48,681	$ 34,553	$ 58,059
Net earned premiums:			
Group disability	$ 409,028	$ 403,286	$ 409,757
Group dental	392,502	383,223	394,413
Group life	200,285	192,392	188,246
Group supplemental and vision products	49,910	35,686	21,848
Total	$ 1,051,725	$ 1,014,587	$ 1,014,264
Voluntary	$ 441,479	$ 393,969	$ 368,576
Employer-paid and other	610,246	620,618	645,688
Total	$ 1,051,725	$ 1,014,587	$ 1,014,264
Ratios:			
Loss ratio (1)	68.2%	70.5%	68.3%
Expense ratio (2)	37.1%	37.4%	37.4%

(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, 2014 Compared to the Year Ended December 31, 2013

Net Income

Segment net income increased $14,128, or 41%, to $48,681 for Twelve Months 2014 from $34,553 for Twelve Months 2013. The increase was primarily attributable to favorable loss experience in all major product lines.

Total Revenues

Total revenues increased $37,247, or 3%, to $1,193,121 for Twelve Months 2014 from $1,155,874 for Twelve Months 2013. Net earned premiums growth was driven by voluntary products which increased $47,510, or 12%, partially offset by declines in employer paid products.

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Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $12,625, or 1%, to $1,116,440 for Twelve Months 2014 from $1,103,815 for Twelve Months 2013. The loss ratio decreased to 68.2% from 70.5% driven by favorable experience in all major product lines. The expense ratio remained relatively consistent at 37.1% for Twelve Months 2014 compared with 37.4% for Twelve Months 2013.

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

Net Income

Segment net income decreased $23,506 or 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 $15,343 or 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 2013 compared to Twelve Months 2012.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $20,706 or 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%.

Corporate and Other

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

For the Years Ended December 31,

	2014	2013	2012
Revenues:			
Net investment income	$ 19,320	$ 20,599	$ 20,327
Net realized gains on investments	60,783	34,525	64,353
Amortization of deferred gain on disposal of businesses	(1,506)	16,310	18,413
Fees and other income	685	659	3,713
Total revenues	79,282	72,093	106,806
Benefits, losses and expenses:			
Policyholder benefits		4,888	(1,061)
Selling, underwriting and general expenses	143,078	138,450	111,423
Interest expense	58,395	77,735	60,306
Total benefits, losses and expenses	201,473	221,073	170,668
Segment loss before benefit for income taxes	(122,191)	(148,980)	(63,862)
Benefit for income taxes	(47,460)	(48,739)	(8,804)
Segment net loss	$ (74,731)	$ (100,241)	$ (55,058)

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Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

Net Loss

Segment net loss decreased $25,510 or 25%, to $74,731 for Twelve Months 2014 compared with a net loss of $100,241 for Twelve Months 2013. The decrease is primarily due to a $20,753 one-time tax benefit related to the conversion of the Canadian branch operations of certain U.S. subsidiaries to foreign corporate entities, a $17,068 (after-tax) change in net realized gains on investments, lower employee-related costs and impact of expense reduction initiatives. These items were partially offset by a $19,400 (after-tax) loss on an asset held for sale.

Total Revenues

Total revenues increased $7,189 or 10%, to $79,282 for Twelve Months 2014 compared with $72,093 for Twelve Months 2013. The increase in revenues is mainly due to an $26,258 increase in net realized gains on investments partially offset by a decrease of $17,816 in amortization of deferred gain on disposal of businesses (amortization of deferred gain). The reduction in the amortization of deferred gain is related to a change in estimate for the recognition of a deferred gain associated with FFG that we previously sold through reinsurance.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased $19,600 or 9%, to $201,473 in Twelve Months 2014 compared with $221,073 in Twelve Months 2013. Interest expense declined $19,340 primarily due to repayment of the 2004 Senior Notes with an aggregate principal amount of $500,000 on February 18, 2014. Included in selling, underwriting and general expenses is a $21,526 loss on an asset held for sale. Excluding this item, Twelve Months 2014 had lower selling, underwriting and general expenses compared with Twelve Months 2013 primarily due to lower employee-related costs and impact of expense reduction initiatives.

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

Net Loss

Segment net loss increased $45,183 or 82%, 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 or 33%, 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 or 30%, 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.

Investments

The Company had total investments of $14,131,452 and $14,244,015 as of December 31, 2014 and December 31, 2013, respectively. For more information on our investments see Note 5 to the Consolidated Financial Statements included elsewhere in this report.

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The following table shows the credit quality of our fixed maturity securities portfolio as of the dates indicated:

Fixed Maturity Securities by Credit Quality (Fair Value)	As of December 31, 2014		December 31, 2013	
Aaa / Aa / A	$ 7,314,208	65.0%	$ 7,214,256	63.9%
Baa	3,255,505	28.9%	3,316,035	29.4%
Ba	432,203	3.8%	523,175	4.6%
B and lower	261,258	2.3%	238,409	2.1%
Total	$ 11,263,174	100.0%	$ 11,291,875	100.0%

Major categories of net investment income were as follows:

	Years Ended December 31, 2014	2013	2012
Fixed maturity securities	$ 522,309	$ 530,144	$ 553,668
Equity securities	28,014	27,013	24,771
Commercial mortgage loans on real estate	73,959	76,665	79,108
Policy loans	2,939	3,426	3,204
Short-term investments	1,950	2,156	4,889
Other investments	34,527	20,573	54,581
Cash and cash equivalents	18,556	14,679	15,323
Total investment income	682,254	674,656	735,544
Investment expenses	(25,825)	(24,360)	(22,416)
Net investment income	$ 656,429	$ 650,296	$ 713,128

Net investment income increased $6,133, or 1%, to $656,429 for 2014 from $650,296 for 2013. The increase for the period was primarily related to $12,353 in additional investment income from real estate joint venture partnerships and $3,195 in additional investment income related to the loss recovery on certain mortgage-backed securities as a result of a trust settlement agreement. Excluding the investment income from the real estate joint venture partnerships and the trust settlement agreement, net investment income decreased $9,415, primarily reflecting lower investment yields.

Net investment income decreased $62,832, or 9%, 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.

The net unrealized gain position increased to $1,279,606 as of December 31, 2014, compared to $812,388 as of December 31, 2013 primarily due to a decrease in Treasury yields offset by an increase in credit spreads.

As of December 31, 2014, the Company owned $184,860 of securities guaranteed by financial guarantee insurance companies. Included in this amount was $174,850 of municipal securities, whose credit rating was A+ with the guarantee, but would have had a rating of A 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, 2014 and 2013. At December 31, 2014 and 2013, the securities include general obligation and revenue bonds issued by states, cities, counties, school districts and similar issuers, including $270,107 and $234,640, 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, 2014 and 2013, revenue bonds account for 51% and 53% 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, 2014, approximately 76%, 10%, and 5% of the foreign government securities were held in the Canadian government/provincials and the governments of Brazil and Germany, respectively. 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. No other country represented more than 3% of our foreign government securities as of December 31, 2014 and 2013, respectively.

The Company has European investment exposure in its corporate fixed maturity and equity securities of $1,060,655 with a net unrealized gain of $116,975 at December 31, 2014 and $1,082,129 with a net unrealized gain of $78,126 at December 31, 2013. Approximately 22% and 25% of the corporate European exposure is held in the financial industry at December 31, 2014 and 2013, respectively. Our largest European country exposure represented approximately 5% and 6% of the fair value of our corporate securities as of December 31, 2014 and 2013, 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 the energy sector in its corporate fixed maturity securities of $992,012 with a net unrealized gain of $89,590 at December 31, 2014 and $996,901 with a net unrealized gain of $78,667 at December 31, 2013. Approximately 89% and 87% of the energy exposure is rated as investment grade as of December 31, 2014 and 2013, respectively.

The Company has exposure to sub-prime and related mortgages within our fixed maturity security portfolio. At December 31, 2014, approximately 3% of the residential mortgage-backed holdings had exposure to sub-prime mortgage collateral. This represented approximately 0.2% of the total fixed income portfolio and 1% of the total unrealized gain position. Of the securities with sub-prime exposure, approximately 11% 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.

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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, 2014 and 2013, our collateral held under securities lending, of which its use is unrestricted, was $95,985 and $95,215, 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 $95,986 and $95,206, 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 (loss) and is included as part of AOCI. All securities with unrealized losses have been in a continuous loss position for less than 12 months as of December 31, 2014. All securities were in an unrealized gain position as of December 31, 2013. 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 21, 2014, A.M. Best affirmed the financial strength ratings for the legal entities of Assurant s businesses with a stable outlook. At that time, A.M. Best also affirmed the Company s debt rating of bbb with a positive outlook. On July 31, 2014, Moody s Investor Services (Moody s) affirmed the Senior Debt rating of Baa2 with a stable outlook for Assurant, Inc. At that time, Moody s also affirmed the financial strength ratings of A2 with a stable outlook for American Security Insurance Company and American Bankers Insurance Company of Florida. In addition, Moody s also affirmed American Bankers Life Assurance Company of Florida and Union Security Insurance Company s financial strength ratings of A3 with a stable outlook. Moody s downgraded the financial strength ratings from Baa1 to Baa2 for Time Insurance Company and John Alden Life Insurance Company due to pressures on earnings and concerns about the impact of the Affordable Care Act but, revised their outlook from negative to stable for these two entities. On July 1, 2014, Standard and Poor s (S&P) affirmed the Senior Debt rating of BBB+ with a stable outlook for Assurant, Inc. In addition, S&P affirmed the financial strength ratings of Assurant s rated entities with a stable outlook. 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 2015, the maximum amount of dividends our U.S. domiciled insurance subsidiaries could pay, under applicable laws and regulations without prior regulatory approval, is approximately $476,000.

Liquidity

As of December 31, 2014, we had $561,456 in holding company capital. We use the term holding company capital to represent cash and other liquid marketable securities held at Assurant, Inc., out of a total of $785,626, 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 $561,456 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 and amounts used for acquisitions, made to the holding company from its operating companies were $453,485, $607,295, and $581,908 for the years ended December 31, 2014, 2013, and 2012, 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 2014, 2013 and 2012 we made share repurchases and paid dividends to our stockholders of $295,765, $472,308 and $472,103, respectively. We expect 2015 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 9, 2015, our Board of Directors declared a quarterly dividend of $0.27 per common share payable on March 9, 2015 to stockholders of record as of February 23, 2015. We paid dividends of $0.27 per common share on December 15, 2014 to stockholders of record as of December 1, 2014, $0.27 per common share on September 9, 2014 to stockholders of record as of August 25, 2014, and $0.27 per common share on June 10, 2014 to stockholders of record as of May 27, 2014. This represents an 8 percent increase above the quarterly dividend of $0.25 per common share paid on March 10, 2014 to stockholders of record as of February 24, 2014. 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 15, 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, 2014, we repurchased 3,298,490 shares of our outstanding common stock at a cost of $218,204, exclusive of commissions. As of December 31, 2014, $486,670 remained under the total repurchase authorization. The timing and the amount of future repurchases will depend on market conditions, our financial condition, results of operations, liquidity 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.

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, 2014, the Assurant Pension Plan s funded percentage was 135% 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 2014. The 2014 funded measure will

also be used to determine restrictions, if any, that can occur during the first nine months of 2015. Due to the funding status of the Assurant Pension Plan in 2014, no restrictions will exist before October 2015 (the time that the January 1, 2015 actuarial valuation needs to be completed). Also, based on the estimated funded status as of January 1, 2015, we do not anticipate any restrictions on benefits for the remainder of 2015.

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The Assurant Pension Plan was under-funded by $28,956 and over-funded by $18,078 (based on the fair value of the assets compared to the projected benefit obligation) on a GAAP basis at December 31, 2014 and 2013, respectively. This equates to an 97% and 102% funded status at December 31, 2014 and 2013, respectively. The change in funded status is mainly due to a decrease in the discount rate and a change in the mortality rates 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 2014, we contributed $30,000 in cash to the Assurant Pension Plan. We expect to contribute up to $43,000 in cash to the Assurant Pension Plan over the course of 2015. See Note 21 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 2015 projected benefit expense would result in a change of $3,000 for the Assurant Pension Plan and the various non-qualified pension plans and no impact on the retirement health benefit plan. The impact of a 25 basis point change in the expected return on assets assumption on the 2015 projected benefit expense would result in a change of $2,000 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 $400,000 senior revolving credit facility, of which $395,740 was available at December 31, 2014, due to $4,260 of outstanding letters of credit related to this program.

On September 16, 2014, we entered into a five-year unsecured $400,000 revolving credit agreement (2014 Credit Facility) with a syndicate of banks arranged by JP Morgan Chase Bank, N.A. and Wells Fargo, N.A. The 2014 Credit Facility replaces our prior four-year $350,000 revolving credit facility (2011 Credit Facility), which was entered into on September 21, 2011 and was scheduled to expire in September 2015. The 2011 Credit Facility terminated upon the effectiveness of the 2014 Credit Facility. The 2014 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 $400,000 and is available until September 30, 2019, provided we are in compliance with all covenants. The 2014 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 2014 Credit Facility to $525,000 subject to certain conditions. No bank is obligated to provide commitments above their current share of the $400,000 facility.

We did not use the commercial paper program during the twelve months ended December 31, 2014 and 2013 and there were no amounts relating to the commercial paper program outstanding at December 31, 2014 and December 31, 2013. The Company made no borrowings using either the 2011 Credit Facility or the 2014 Credit Facility and no loans were outstanding at December 31, 2014.

The 2014 Credit Facility contains restrictive covenants, all of which were met as of December 31, 2014. 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

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base amount $3,317,000 plus (b) 25% of consolidated net income for each fiscal quarter (if positive) ending after June 30, 2014, plus (c) 25% of the net proceeds received by the Company from any capital contribution to, or issuance of any Capital Stock or Hybrid Securities received after June 30, 2014.

At December 31, 2014, our ratio of debt to total capitalization as calculated under the covenant was 20%, the consolidated Minimum Amount described in (ii) above was $3,365,481 and our actual consolidated adjusted net worth as calculated under the covenant was $4,778,526.

In the event of the breach of certain covenants all obligations under the 2014 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 issued 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 were $698,093, which represents the principal amount less the discount before offering expenses. The Company used the net proceeds of the 2013 Senior Notes for general corporate purposes, including to repay $500,000 of debt that matured in February 2014.

In addition, during 2014, 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.

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 $35,414, $59,414 and $60,306 for the years ended December 31, 2014, 2013, and 2012, respectively. There was $12,023 and $21,876 of accrued interest at December 31, 2014 and 2013, 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. The interest expense incurred related to the 2013 Senior Notes was $22,981 and $17,357 for the twelve months ended December 31, 2014 and 2013, respectively. There was $6,635 of accrued interest at December 31, 2014 and 2013, respectively. 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.

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,		
	2014	2013	2012
Net cash provided by (used in):			
Operating activities (1)	$ 313,782	$ 1,003,819	$ 673,215
Investing activities	63,889	(392,738)	(449,883)
Financing activities	(776,199)	196,699	(480,641)
Net change in cash	$ (398,528)	$ 807,780	$ (257,309)

(1) Includes effect of exchange rates changes and the reclassification of assets held for sale on cash and cash equivalents.

Cash Flows for the Years Ended December 31, 2014, 2013 and 2012.

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 $313,782 and $1,003,819 for the years ended December 31, 2014 and 2013, respectively. The decrease in cash provided by operating activities was primarily due to changes in the timing of payments and by amounts yet to be recovered under the 3 R s program, partially offset by increased net written premiums in Assurant Solutions, Assurant Health and Assurant Employee Benefits. For more information on the 3 R s, please refer to Assurant Health s Results of Operations section in this Item 7.

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.

Investing Activities:

Net cash provided by (used in) investing activities was $63,889 and $(392,738) for the years ended December 31, 2014 and 2013, respectively. The change in investing activities is primarily due to decreased purchases of fixed maturity securities and less cash spent on acquisitions and equity interests, partially offset by a decrease in sales of fixed maturity securities. For more information on acquisitions, please see Note 3 to the Consolidated Financial Statements contained elsewhere in the report.

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.

Financing Activities:

Net cash (used in) provided by financing activities was $(776,199) and $196,699 for the years ended December 31, 2014 and 2013, respectively. The cash used in financing activities during Twelve Months 2014 was primarily due to repayment of $467,330 of 2004 Senior Notes, which represents $500,000 in principal less

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amounts repurchased in 2013, and the payment of a contingent liability related to the acquisition of LSG. The cash provided by activities during Twelve Months 2013 was 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 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.

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

	For the Years Ended December 31,		
	2014	2013	2012
Income taxes paid	$ 247,771	$ 132,487	$ 289,850
Interest paid on debt	68,875	70,741	60,188
Common stock dividends	77,495	74,128	69,393
Total	$ 394,141	$ 277,356	$ 419,431

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, 2014, are detailed in the table below by maturity date as of the dates indicated:

	As of December 31, 2014				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual obligations :					
Insurance liabilities (1)	$ 22,217,185	$ 1,975,701	$ 1,812,682	$ 1,712,555	$ 16,716,247
Debt and related interest	1,949,844	54,813	109,625	446,500	1,338,906
Operating leases	126,251	30,587	44,422	27,970	23,272
Pension obligations and postretirement benefit	720,115	68,933	116,751	127,459	406,972
Commitments:					
Investment purchases outstanding:					
Commercial mortgage loans on real estate	26,959	26,959			
Capital contributions to real estate joint ventures	5,320	5,320			
Liability for unrecognized tax benefit	7,631		2,804	855	3,972
Total obligations and commitments	$ 25,053,305	$ 2,162,313	$ 2,086,284	$ 2,315,339	$ 18,489,369

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

Liabilities for future policy benefits and expenses of $9,483,672 and claims and benefits payable of $3,698,606 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 $17,871 and $17,343 of letters of credit outstanding as of December 31, 2014 and December 31, 2013, 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.

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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, 2014

	-100	-50	0	50	100
Total market value	$ 12,135,439	$ 11,692,341	$ 11,263,174	$ 10,853,281	$ 10,464,375
% Change in market value from base case	7.74%	3.81%	%	(3.64)%	(7.09)%
$ Change in market value from base case	$ 872,265	$ 429,167	$	$ (409,893)	$ (798,799)

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%	%	(3.49)%	(6.79)%
$ Change in market value from base case	$ 823,171	$ 409,703	$	$ (393,759)	$ (766,210)

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, 2014

	-100	-50	0	50	100
Portfolio yield	4.89%	4.94%	5.00%	5.06%	5.11%
Basis point change in portfolio yield	(0.11)%	(0.06)%	%	0.06%	0.11%

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)%	%	0.08%	0.16%

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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, 2014		December 31, 2013	
Rating	**Fair Value**	**Percentage of Total**	**Fair Value**	**Percentage of Total**
Aaa/Aa/A	$ 7,314,208	65%	$ 7,214,256	64%
Baa	3,255,505	29%	3,316,035	29%
Ba	432,203	4%	523,175	5%
B and lower	261,258	2%	238,409	2%
Total	$ 11,263,174	100%	$ 11,291,875	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 $7,254,585 and $5,752,134 of reinsurance recoverables as of December 31, 2014 and 2013, 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 $1,077,791 and $3,471,908 as of December 31, 2014 and $1,101,847 and $2,578,329 as of December 31, 2013, 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 backed by 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. 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 5% of Assurant preneed insurance policies, with reserves of $268,161 and $283,968 as of December 31, 2014 and 2013, 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, 2014 and 2013, respectively.

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 $1,590,224 and $1,522,517 of the total as of December 31, 2014 and 2013, 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, 2014

Foreign exchange spot rate at December 31, 2014, US Dollar to Canadian Dollar	**-10%**	**-5%**	**0**	**5%**	**10%**
Total market value	$ 11,104,148	$ 11,183,661	$ 11,263,174	$ 11,342,687	$ 11,422,200
% change of market value from base case	(1.41)%	(0.71)%	%	0.71%	1.41%
$ change of market value from base case	$ (159,026)	$ (79,513)	$	$ 79,513	$ 159,026

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)%	%	0.67%	1.35%
$ change of market value from base case	$ (152,258)	$ (76,129)	$	$ 76,129	$ 152,258

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, 2014

Foreign exchange daily average rate for the year ended December 31, 2014, US Dollar to Canadian Dollar	**-10%**	**-5%**	**0**	**5%**	**10%**
Net Income	$ 466,706	$ 468,807	$ 470,907	$ 473,007	$ 475,108
% change of net income from base case	(0.89)%	(0.45)%	%	0.45%	0.89%
$ change of net income from base case	$ (4,201)	$ (2,100)	$	$ 2,100	$ 4,201

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)%	%	0.31%	0.62%
$ change of net income from base case	$ (3,051)	$ (1,526)	$	$ 1,526	$ 3,051

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.

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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, 2014. 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, 2014 using criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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, 2014.

The effectiveness of the Company s internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

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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 2014 that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

Item 9B. ***Other Information***

None.

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PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information regarding executive officers in our upcoming 2015 Proxy Statement (2015 Proxy Statement) under the caption Executive Officers is incorporated herein by reference. The information regarding directors in the 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Proxy Statement under the captions Equity Compensation Plan Information, Security Ownership of Certain Beneficial Owners and Security Ownership of Directors and Executive Officers is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information in the 2015 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 2015 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:

	Page(s)
Consolidated Financial Statements of Assurant, Inc.	
Report of Independent Registered Public Accounting Firm	F-1
Assurant, Inc. Consolidated Balance Sheets at December 31, 2014 and 2013	F-2
Assurant, Inc. Consolidated Statements of Operations For Years Ended December 31, 2014, 2013 and 2012	F-3
Assurant, Inc. Statements of Comprehensive Income For Years Ended December 31, 2014, 2013 and 2012	F-4
Assurant, Inc. Consolidated Statements of Changes in Stockholders Equity At December 31, 2014, 2013 and 2012	F-5
Assurant, Inc. Consolidated Statements of Cash Flows For Years Ended December 31, 2014, 2013 and 2012	F-6
Assurant, Inc. Notes to Consolidated Financial Statements-December 31, 2014, 2013 and 2012	F-8

(a)2. *Consolidated Financial Statement Schedules*

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

Schedule I Summary of Investments other than Investments in Related Parties
Schedule II Parent Only Condensed Financial Statements
Schedule III Supplementary Insurance Information
Schedule IV Reinsurance
Schedule V Valuation and Qualifying Accounts

* 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.

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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).*

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Exhibit Number	Exhibit Description
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).*
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).*

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Exhibit Number	Exhibit Description
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 (incorporated by reference from Exhibit 10.31 to the Registrant s Form 10-K, originally filed on February 18, 2014).*

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