ASSURANT INC
Form 10-Q
August 02, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2016
OR
¨ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from to
Assurant, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-31978	39-1126612
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

28 Liberty Street, 41st Floor
New York, New York 10005
(212) 859-7000
(Address, including zip code, and telephone number, including area code, of Registrant's Principal Executive Offices)
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 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.

Large accelerated filer x	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 Exchange Act). YES ¨ NO x
The number of shares of the registrant's Common Stock outstanding at July 29, 2016 was 60,204,445.

ASSURANT, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2016
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Amounts are presented in United States of America ("U.S.") dollars and all amounts are in thousands, except number of shares and per share amounts.

Assurant, Inc.
Consolidated Balance Sheets (unaudited)
At June 30, 2016 and December 31, 2015

	June 30, 2016	December 31, 2015
	(in thousands except number of shares and per share amounts)	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value (amortized cost - $8,709,444 in 2016 and $9,470,795 in 2015)	$ 9,744,199	$ 10,215,328
Equity securities available for sale, at fair value (cost - $382,168 in 2016 and $450,563 in 2015)	434,506	500,057
Commercial mortgage loans on real estate, at amortized cost	620,185	1,151,256
Policy loans	40,349	43,858
Short-term investments	498,281	508,950
Other investments	623,977	575,323
Total investments	11,961,497	12,994,772
Cash and cash equivalents	1,232,674	1,288,305
Premiums and accounts receivable, net	1,218,299	1,260,717
Reinsurance recoverables	8,727,343	7,470,403
Accrued investment income	111,985	129,743
Deferred acquisition costs	3,001,603	3,150,934
Property and equipment, at cost less accumulated depreciation	327,861	298,414
Tax receivable	—	24,176
Goodwill	834,173	833,512
Value of business acquired	36,628	41,154
Other intangible assets, net	250,419	277,163
Other assets	387,288	469,005
Assets held in separate accounts	1,714,443	1,798,104
Total assets	$ 29,804,213	$ 30,036,402
Liabilities		
Future policy benefits and expenses	$ 9,748,406	$ 9,466,694
Unearned premiums	6,298,466	6,423,720
Claims and benefits payable	3,276,722	3,896,719
Commissions payable	357,912	393,260
Reinsurance balances payable	132,878	132,728
Funds held under reinsurance	105,475	94,417
Deferred gain on disposal of businesses	439,268	92,327
Accounts payable and other liabilities	1,876,015	2,049,810
Tax payable	81,302	—
Debt	1,165,255	1,164,656
Liabilities related to separate accounts	1,714,443	1,798,104
Total liabilities	25,196,142	25,512,435
Commitments and contingencies (Note 16)		

Stockholders' equity		
Common stock, par value $0.01 per share, 800,000,000 shares authorized, 60,612,310 and 65,850,386 shares outstanding at June 30, 2016 and December 31, 2015, respectively	1,502	1,497
Additional paid-in capital	3,150,911	3,148,409
Retained earnings	5,181,375	4,856,674
Accumulated other comprehensive income	327,254	118,549
Treasury stock, at cost; 89,263,289 and 83,523,031 shares at June 30, 2016 and December 31, 2015, respectively	(4,052,971)	(3,601,162)
Total stockholders' equity	4,608,071	4,523,967
Total liabilities and stockholders' equity	$ 29,804,213	$ 30,036,402

See the accompanying notes to the consolidated financial statements

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Assurant, Inc.
Consolidated Statements of Operations (unaudited)
Three and Six Months Ended June 30, 2016 and 2015

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in thousands except number of shares and per share amounts)			
Revenues				
Net earned premiums	$1,202,224	$2,138,258	$2,617,462	$4,297,820
Fees and other income	328,305	323,609	685,995	603,171
Net investment income	119,820	167,786	255,527	320,059
Net realized gains on investments, excluding other-than-temporary impairment losses	21,679	11,999	184,045	18,524
Total other-than-temporary impairment losses	(53)	—	(364)	(3,208)
Portion of net (gain) loss recognized in other comprehensive income, before taxes	—	—	(337)	638
Net other-than-temporary impairment losses recognized in earnings	(53)	—	(701)	(2,570)
Amortization of deferred gain on disposal of businesses	125,818	3,242	173,414	6,500
Gain on pension plan curtailment	—	—	29,578	—
Total revenues	1,797,793	2,644,894	3,945,320	5,243,504
Benefits, losses and expenses				
Policyholder benefits	400,814	1,267,714	944,630	2,478,441
Amortization of deferred acquisition costs and value of business acquired	342,640	353,883	676,982	722,886
Underwriting, general and administrative expenses	803,595	969,494	1,720,954	1,891,403
Interest expense	15,232	13,778	29,735	27,556
Total benefits, losses and expenses	1,562,281	2,604,869	3,372,301	5,120,286
Income before provision for income taxes	235,512	40,025	573,019	123,218
Provision for income taxes	66,163	7,236	183,352	40,385
Net income	$169,349	$32,789	$389,667	$82,833
Earnings Per Share				
Basic	$2.72	$0.48	$6.12	$1.20
Diluted	$2.70	$0.47	$6.06	$1.18
Dividends per share	$0.50	$0.30	$1.00	$0.57
Share Data				
Weighted average shares outstanding used in basic per share calculations	62,244,778	68,558,472	63,665,856	69,161,001
Plus: Dilutive securities	478,514	685,927	608,153	785,363
Weighted average shares used in diluted per share calculations	62,723,292	69,244,399	64,274,009	69,946,364

See the accompanying notes to the consolidated financial statements

Assurant, Inc.
Consolidated Statements of Comprehensive Income (unaudited)
Three and Six Months Ended June 30, 2016 and 2015

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in thousands)			
Net income	$169,349	$32,789	$389,667	$82,833
Other comprehensive income (loss):				
Change in unrealized gains on securities, net of taxes of $(62,503), $116,577, $(77,339) and $88,228, respectively	115,940	(223,064)	145,812	(165,605)
Change in other-than-temporary impairment gains, net of taxes of $(104), $152, $571 and $632, respectively	192	(281)	(1,059)	(1,175)
Change in foreign currency translation, net of taxes of $(46), $(712), $(1,655) and $1,943, respectively	(14,524)	20,151	(2,664)	(45,800)
Pension plan curtailment and amortization of pension and postretirement unrecognized net periodic benefit cost, net of taxes of $(219), $(1,409), $(35,870) and $(2,818), respectively	406	2,616	66,616	5,232
Total other comprehensive income (loss)	102,014	(200,578)	208,705	(207,348)
Total comprehensive income (loss)	$271,363	$(167,789)	$598,372	$(124,515)

See the accompanying notes to the consolidated financial statements

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Assurant, Inc.
Consolidated Statement of Stockholders' Equity (unaudited)
From December 31, 2015 through June 30, 2016

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
	(in thousands)					
Balance at December 31, 2015	$1,497	$3,148,409	$4,856,674	$ 118,549	$(3,601,162)	$4,523,967
Stock plan exercises	5	(19,067)	—	—	—	(19,062)
Stock plan compensation	—	13,650	—	—	—	13,650
Change in tax benefit from share-based payment arrangements	—	7,919	—	—	—	7,919
Dividends	—		(64,966)	—	—	(64,966)
Acquisition of common stock	—	—	—	—	(451,809)	(451,809)
Net income	—	—	389,667	—	—	389,667
Other comprehensive income	—	—	—	208,705	—	208,705
Balance, June 30, 2016	$1,502	$3,150,911	$5,181,375	$ 327,254	$(4,052,971)	$4,608,071

See the accompanying notes to the consolidated financial statements

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Assurant, Inc.
Consolidated Statements of Cash Flows (unaudited)
Six Months Ended June 30, 2016 and 2015

	Six Months Ended June 30,	
	2016	2015
	(in thousands)	
Net cash used in operating activities	$(301,705)	$168,896
Investing activities		
Sales of:		
Fixed maturity securities available for sale	1,270,337	1,219,007
Equity securities available for sale	152,472	96,541
Other invested assets	15,798	40,831
Property and equipment and other	223	3,407
Subsidiary, net of cash transferred (2)	857,799	65,002
Commercial mortgage loans on real estate (4)	268,833	—
Maturities, calls, prepayments, and scheduled redemption of:		
Fixed maturity securities available for sale	420,050	394,341
Commercial mortgage loans on real estate	44,716	123,739
Purchases of:		
Fixed maturity securities available for sale	(2,018,397)	(1,459,405)
Equity securities available for sale	(134,493)	(122,710)
Commercial mortgage loans on real estate	(33,900)	(123,624)
Other invested assets	(38,818)	(9,344)
Property and equipment and other	(47,721)	(62,251)
Subsidiary, net of cash transferred (3)	(19,735)	(11,571)
Equity interest (1)	—	(457)
Change in short-term investments	6,536	(101,146)
Change in policy loans	1,935	2,693
Change in collateral held/pledged under securities agreements	—	697
Net cash provided by investing activities	745,635	55,750
Financing activities		
Issuance of debt	249,625	—
Repayment of debt	(250,000)	—
Change in tax benefit from share-based payment arrangements	7,919	(1,488)
Acquisition of common stock	(445,601)	(187,752)
Dividends paid	(64,966)	(40,450)
Change in obligation under securities agreements	—	(697)
Net cash used in financing activities	(503,023)	(230,387)
Effect of exchange rate changes on cash and cash equivalents	(2,396)	(15,479)
Reversal of Cash included in business classified as held for sale	5,858	—
Change in cash and cash equivalents	(55,631)	(21,220)
Cash and cash equivalents at beginning of period	1,288,305	1,318,656
Cash and cash equivalents at end of period	$1,232,674	$1,297,436

(1) Relates to the purchase of equity interest in Iké Asistencia.
(2)

Relates to the sale of Assurant's Employee Benefits segment mainly through reinsurance transactions and supplemental and small group self-funded business.

(3) Relates primarily to the acquisition of Shipsurance, Mobile Defense and an immaterial acquisition and the purchase of renewal rights to the National Flood Insurance block of business of Nationwide Mutual Insurance Company.

(4) For further information see the Investment footnote (Note 7).

See the accompanying notes to the consolidated financial statements

Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(In thousands, except number of shares and per share amounts)

1. Nature of Operations

Assurant, Inc. (the “Company”) is a holding company whose subsidiaries globally provide risk management solutions, protecting where consumers live and the goods they buy.

The Company is traded on the New York Stock Exchange under the symbol "AIZ."

Through its operating subsidiaries, the Company provides mobile device protection and related services; vehicle protection; pre-funded funeral insurance; credit insurance; renters insurance; lender-placed homeowners insurance; mortgage valuation and field services and manufactured housing insurance.

As previously announced, the Company will substantially exit the health insurance market by the end of 2016 and sold its Assurant Employee Benefits segment on March 1, 2016 mainly through a series of reinsurance transactions with Sun Life Assurance Company of Canada, a subsidiary of Sun Life Financial Inc. (“Sun Life”). See Notes 4 and 5, respectively, for more information.

2. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. Accordingly, these statements do not include all of the information and notes required by GAAP for complete financial statements.

The interim financial data as of June 30, 2016 and for the three and six months ended June 30, 2016 and 2015 is unaudited; in the opinion of management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. The unaudited interim consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All inter-company transactions and balances are eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the 2016 presentation.

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”) introduced new and significant premium stabilization programs in 2014. These programs require the Company to record amounts to our consolidated financial statements based on assumptions and estimates that could materially change as experience develops until the Company exits the Health business and settles related receivables later in 2016.

Operating results for the three and six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

3. Recent Accounting Pronouncements

Adopted

On January 1, 2016 the Company adopted the amended guidance on presentation of debt issuance costs. This amended guidance requires that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liabilities, consistent with debt discounts or premiums, as compared to previous guidance that required capitalization as a deferred asset. The recognition and measurement guidance for debt issuance costs is not affected by the amendments. The adoption of this new presentation guidance did not impact the Company’s financial position or results of operations.

On January 1, 2016, the Company adopted the new consolidation guidance that affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. The adoption of this new consolidation guidance did not have an impact on the Company's financial position and results of operations.

Not Yet Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued amended guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, the amended guidance eliminates the probable initial recognition threshold, and, instead requires an entity to reflect the current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available for sale debt securities, credit losses are measured in a manner similar to current GAAP, however the amended guidance requires that credit losses be presented as an allowance rather than as a write-down. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amended guidance is effective in fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Therefore, the Company is required to adopt the guidance on January 1, 2020. Early adoption is permitted as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the requirements of this amended credit losses guidance and the potential impact on the Company's financial position and results of operations.

In March 2016, the FASB issued amended guidance on employee share-based stock compensation. This amended guidance provides areas of simplification in several aspects of accounting for employee share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amended guidance is effective in fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Therefore, the Company is required to adopt the guidance on January 1, 2017. Early adoption is permitted in any interim or annual period. The Company is evaluating the requirements of this amended share-based stock compensation guidance and the potential impact on the Company's financial position and results of operations.

In February 2016, the FASB issued new guidance on leases. The new guidance will replace the current lease guidance. The new guidance requires that entities recognize the assets and liabilities associated with leases on the balance sheet and to disclose key information about leasing arrangements. The new guidance is effective in fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Therefore, the Company is required to adopt the guidance on January 1, 2019. Early adoption is permitted. The Company is evaluating the requirements of this new lease guidance and the potential impact on the Company's financial position and results of operations.

In January 2016, the FASB issued amended guidance on the measurement and classification of financial instruments. This amended guidance requires that all equity investments be measured at fair value with changes in fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). The amendments also require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the fair value option has been elected for financial liabilities. The amendments eliminate the requirement to disclose the methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost, however public business entities will be required to use the exit price when measuring the fair value of financial instruments measured at amortized cost for disclosure purposes. In addition, the new guidance requires financial assets and financial liabilities to be presented separately in the notes to the financial statements, grouped by measurement category and form of financial asset. The amended guidance is effective in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Therefore, the Company is required to adopt the guidance on January 1, 2018. For the provision related to presentation of financial liabilities, early adoption is permitted for financial statements that have not been previously issued. The Company is evaluating the requirements of this amended measurement and classification of financial instruments guidance and the potential impact on the Company’s financial position and results of operations.

In May 2014, the FASB issued amended guidance on revenue recognition. In March, April and May 2016, the FASB issued implementation amendments to the May 2014 amended revenue recognition guidance. The amended guidance, including the implementation amendments (together, 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 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

Assurant, Inc.
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(In thousands, except number of shares and per share amounts)

disclosure requirements. In August 2015, the FASB issued guidance to defer the effective date of the revenue recognition guidance. The amended guidance is effective for interim and annual periods beginning after December 15, 2017 and earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. Therefore, the Company is required to adopt the guidance on January 1, 2018. An entity can choose to apply the amended guidance using either the full retrospective approach or a modified retrospective approach. The Company is 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.

4. Reorganization

On June 7, 2015, the Company concluded its comprehensive review of strategic alternatives for the Assurant Health business segment and decided to sharpen its focus on housing and lifestyle specialty protection products and services. The Company expects to substantially complete its exit from the health insurance market by the end of 2016. As part of this process, Assurant reinsured its supplemental and small-group self-funded lines of business and sold certain legal entities to National General Holdings Corp. ("National General"), effective October 1, 2015.

The following table presents information regarding exit-related charges, commencing with those taken in the second quarter of 2015:

	Severance and retention	Long-lived asset impairments and contract and lease terminations	Other transaction costs	Total
Balance at January 1, 2015	$—	$ —	$ —	$—
Charges	—	—	—	—
Cash payments	—	—	—	—
Balance at March 31, 2015	$—	$ —	$ —	$—
Charges	14,435	22,307	4,996	41,738
Non-cash adjustment	—	(21,247)	(2,947)	(24,194)
Cash payments	—	—	—	—
Balance at June 30, 2015	$ 14,435	$ 1,060	$ 2,049	$ 17,544
Charges	20,927	13	5,795	26,735
Cash payments	(10,728)	(168)	(4,338)	(15,234)
Balance at September 30, 2015	$ 24,634	$ 905	$ 3,506	$ 29,045
Charges	16,344	17	795	17,156
Cash payments	(4,413)	(152)	(3,808)	(8,373)
Balance at December 31, 2015	$ 36,565	$ 770	$ 493	$ 37,828
Charges	14,561	4,903	(47)	19,417
Cash payments	(16,181)	(136)	(436)	(16,753)
Balance at March 31, 2016	$ 34,945	$ 5,537	$ 10	$ 40,492
Charges	6,383	(32)	7	6,358
Cash payments	(15,489)	(214)	(17)	(15,720)

Balance at June 30, 2016	$25,839	$ 5,291	$ —	$31,130
Amount expected to be incurred, including charges to date	$82,752	$ 27,208	$ 11,546	$121,506
Premium deficiency charges				$182,627
Total amount expected to be incurred, including charges to date				$304,133

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Amounts in the above table are primarily included in underwriting, general and administrative expenses on the Consolidated Statements of Operations.

The total amount expected to be incurred is an estimate that is subject to change as facts and circumstances evolve. For instance, severance and retention estimates could change if employees previously identified for separation resign from the Company before the date through which they are required to be employed in order to receive severance and retention benefits.

The premium deficiency reserve liability decreased from $91,574 at March 31, 2016 to $79,422 at June 30, 2016. The decrease is consistent with the estimate of second quarter utilization expected at March 31, 2016.

Future cash payments, for these exit-related charges, are expected to be substantially complete by December 31, 2016.

5. Dispositions

On March 1, 2016, the Company completed the sale of its Assurant Employee Benefits segment through a series of transactions with Sun Life, for net cash consideration of $926,174 and contingent consideration of $16,000 related to specified account renewals. The transaction was primarily structured as a reinsurance arrangement, as well as the sale of certain legal entities that included ceding commission and other consideration. The reinsurance transaction does not extinguish the Company's primary liability on the policies issued or assumed by subsidiaries that are parties to the reinsurance agreements, thus any gains associated with the prospective component of the reinsurance transaction are deferred and amortized over the contract period, including contractual renewal periods, in proportion to the amount of insurance coverage provided. The Company also has an obligation to continue to write and renew certain policies for a period of time until Sun Life commences policy writing and renewal.

The Company was required to allocate the proceeds considering the relative fair value of the transaction components, including the sale of certain legal entities, the reinsurance for existing claims (accounted for as retroactive reinsurance) and reinsurance for inforce policies with remaining terms and future business (primarily accounted for as prospective reinsurance). As of the close date, the Company originally estimated a gain of $638,517 (which was subsequently increased to $640,497 in the second quarter 2016 based on closing adjustments) based on proceeds compared to the relative net assets transferred and other expenses incurred along with realized gains on invested assets transferred. Of this amount, $120,077 was recognized at the close of the transaction and $518,440 was required to be deferred. The total deferred gain amount will primarily be recognized as revenue over the contract period in proportion to the amount of insurance coverage provided, including estimated contractual renewals pursuant to rate guarantees. The Company recognized $122,835 and $167,428 of amortization of the deferred gain for the three and six months ended June 30, 2016, respectively. The total pre-tax gain recognized during the six months ended June 30, 2016 was $287,505.

Over half of the remaining $352,992 deferred gain related to this transaction as of June 30, 2016 is expected to be earned over the remainder of 2016 and over 90% is expected to be earned by the end of 2018. The ultimate amortization pattern will be dependent on a number of factors including the exact timing of when Sun Life commences directly writing and renewing policies and the sales and persistency on business the Company is obligated to write and renew in the interim.

Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(In thousands, except number of shares and per share amounts)

The following represents a summary of the pre-tax gain recognized in 2016 by transaction component, as well as the related classification within the financial statements:

Total expected gain, after adjustment	$640,497	
Transaction closing gains on March 1, 2016:		
Gain on sale of entities, net of transaction costs	$41,098	
Novations, resulting in recognized gains	60,913	(b)
Loss on retroactive reinsurance component, before realized gains	(128,661)	(c)
Net loss prior to realized gains on transferred securities supporting retroactive component	(26,650)	(a)
Realized gains on transferred securities supporting retroactive component	146,727	(c)
Net gain realized as of March 1, 2016	$120,077	
Deferred gain as of March 1, 2016, after adjustment	$520,420	
Amortization of deferred gain for the three months ended March 31, 2016	44,593	(d)
Amortization of deferred gain for the three months ended June 30, 2016	122,835	(d)
Deferred gain as of June 30, 2016	$352,992	(e)
Total net gains realized for 2016	$287,505	

(a) Amount classified within underwriting, general and administrative expenses within the Consolidated Statements of Operations.
(b) Novations of certain insurance policies directly to Sun Life allowed for immediate gain recognition.
(c) Reinsurance of existing claims liabilities requires retroactive accounting necessitating losses to be recognized immediately. However, upon transfer of the associated assets supporting the liabilities, the Company recognized realized gains which more than offset the retroactive losses. The Company was required to classify the realized gains as part of net realized gains on investments, within the Consolidated Statements of Operations.
(d) Amount classified as amortization of deferred gain on disposal of businesses within the Consolidated Statements of Operations.
(e) Amount classified as a component of the deferred gain on disposal of businesses within the Consolidated Balance Sheets.

The Company will review and evaluate the estimates affecting the deferred gain each period or when significant information affecting the estimates becomes known to the Company, and will adjust the prospective revenue to be recognized accordingly.

The Assurant Employee Benefits segment pretax income was $16,747 and $32,920 for the periods ending June 30, 2016 and 2015, respectively (excluding the aforementioned gains realized in 2016 which are included in the Corporate & Other segment).

6. Acquisitions

On July 1, 2016, the Company acquired 100% of American Title, Inc., a leader in title and valuation services for home equity lenders, for approximately $45,000 in cash, with a possible earn out payment based on future performance. The initial accounting for this acquisition is incomplete due to the timing of the acquisition date, thus the estimated range of outcomes for the contingent consideration and the total amount of other intangible assets and goodwill for Assurant Specialty Property is not yet available.

On March 14, 2016, the Company acquired certain renewal rights to the National Flood Insurance Program block of business of Nationwide Mutual Insurance Company. The estimated acquisition-date fair value of the consideration transferred totaled $20,329, which consists of an initial cash payment of $1,000 and an expected contingent payment of $19,329. The contingent consideration arrangement is based on future expected revenue. In connection with this asset acquisition, the Company recorded $20,329 of renewal rights intangible assets which are amortizable over a five-year period. The contingent payment may change over time, with any resulting adjustments required to be evaluated and recorded as adjustments through the income statement when a change in estimated payment is determined.

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7. Investments

The following tables show the cost or amortized cost, gross unrealized gains and losses, fair value and other-than-temporary impairment ("OTTI") of the Company's fixed maturity and equity securities as of the dates indicated:

	June 30, 2016				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	OTTI in AOCI (a)
Fixed maturity securities:					
U.S. government and government agencies and authorities	$165,841	$7,158	$(1)	$172,998	$—
States, municipalities and political subdivisions	526,189	48,884	—	575,073	—
Foreign governments	504,131	92,848	(297)	596,682	—
Asset-backed	2,877	1,245	(221)	3,901	1,197
Commercial mortgage-backed	43,858	780	—	44,638	—
Residential mortgage-backed	878,548	69,198	(67)	947,679	14,585
U.S. corporate	4,982,779	630,941	(13,220)	5,600,500	15,060
Foreign corporate	1,605,221	202,343	(4,836)	1,802,728	2,041
Total fixed maturity securities	$8,709,444	$1,053,397	$(18,642)	$9,744,199	$32,883
Equity securities:					
Common stocks	$12,329	$7,794	$(1)	$20,122	$—
Non-redeemable preferred stocks	369,839	45,611	(1,066)	414,384	—
Total equity securities	$382,168	$53,405	$(1,067)	$434,506	$—

	December 31, 2015				
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	OTTI in AOCI (a)
Fixed maturity securities:					
U.S. government and government agencies and authorities	$150,681	$3,891	$(537)	$154,035	$—
States, municipalities and political subdivisions	647,335	48,389	(94)	695,630	—
Foreign governments	497,785	65,188	(723)	562,250	—
Asset-backed	3,499	1,367	(204)	4,662	1,285
Commercial mortgage-backed	22,169	352	—	22,521	—
Residential mortgage-backed	953,247	48,676	(3,409)	998,514	15,343
U.S. corporate	5,429,783	513,254	(73,344)	5,869,693	15,705
Foreign corporate	1,766,296	164,295	(22,568)	1,908,023	2,180
Total fixed maturity securities	$9,470,795	$845,412	$(100,879)	$10,215,328	$34,513

Equity securities:					
Common stocks	$13,048	$6,623	$(7)	$19,664	$—
Non-redeemable preferred stocks	437,515	45,495	(2,617)	480,393	—
Total equity securities	$450,563	$52,118	$(2,624)	$500,057	$—

(a) Represents the amount of OTTI recognized in accumulated other comprehensive income ("AOCI"). Amount includes unrealized gains and losses on impaired securities relating to changes in the value of such securities subsequent to the impairment measurement date.

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The Company's 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 June 30, 2016 and December 31, 2015. At June 30, 2016 and December 31, 2015, the securities include general obligation and revenue bonds issued by states, cities, counties, school districts and similar issuers, including $265,348 and $319,654, 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 June 30, 2016 and December 31, 2015, revenue bonds account for 51% and 50% 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, 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 June 30, 2016, approximately 82%, 7% and 4% of the foreign government securities were held in the Canadian government/provincials and the governments of Brazil and Germany, respectively. At December 31, 2015, approximately 79%, 8% and 5% 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 the Company's foreign government securities as of June 30, 2016 and December 31, 2015.

The Company has European investment exposure in its corporate fixed maturity and equity securities of $732,886 with a net unrealized gain of $75,160 at June 30, 2016 and $888,923 with a net unrealized gain of $67,957 at December 31, 2015. Approximately 23% and 25% of the corporate European exposure is held in the financial industry at June 30, 2016 and December 31, 2015, respectively. The Company's largest European country exposure (the United Kingdom) represented approximately 4% and 5% of the fair value of the Company's corporate securities as of June 30, 2016 and December 31, 2015, respectively. Approximately 7% 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. The Company's international investments are managed as part of the 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 $638,143 with a net unrealized gain of $47,797 at June 30, 2016 and $779,720 with a net unrealized loss of $6,985 at December 31, 2015. Approximately 85% and 89% of the energy exposure is rated as investment grade as of June 30, 2016 and December 31, 2015, respectively.

The cost or amortized cost and fair value of fixed maturity securities at June 30, 2016 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because issuers of the securities may have the right to call or prepay obligations with or without call or prepayment penalties.

	Cost or Amortized Cost	Fair Value
Due in one year or less	$424,041	$429,125
Due after one year through five years	1,671,193	1,757,547
Due after five years through ten years	2,118,236	2,241,236

Due after ten years	3,570,691	4,320,073
Total	7,784,161	8,747,981
Asset-backed	2,877	3,901
Commercial mortgage-backed	43,858	44,638
Residential mortgage-backed	878,548	947,679
Total	$8,709,444	$9,744,199

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The following table summarizes the proceeds from sales of available-for-sale securities and the gross realized gains and gross realized losses that have been recognized in the statement of operations as a result of those sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Proceeds from sales	$606,531	$804,476	$2,874,248	$1,356,989
Gross realized gains (a)	14,667	13,912	190,984	26,255
Gross realized losses (b)	5,110	5,844	31,571	11,443

(a) Six months ended June 30, 2016 gross realized gains includes $150,701 related to the sale of Assurant Employee Benefits as described in Note 5.

(b) Six months ended June 30, 2016 gross realized losses includes $16,427 related to the sale of Assurant Employee Benefits as described in Note 5.

The following table sets forth the net realized gains (losses), including OTTI, recognized in the statement of operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net realized gains related to sales and other:				
Fixed maturity securities	$6,625	$6,746	$145,774	$12,259
Equity securities	3,337	1,080	13,143	1,954
Commercial mortgage loans on real estate	9,092	—	21,545	—
Other investments	2,625	4,173	3,583	4,311
Total net realized gains related to sales and other (a)	21,679	11,999	184,045	18,524
Net realized losses related to other-than-temporary impairments:				
Fixed maturity securities	(53)	—	(701)	(2,570)
Total net realized losses related to other-than-temporary impairments	(53)	—	(701)	(2,570)
Total net realized gains	$21,626	$11,999	$183,344	$15,954

(a) Six months ended June 30, 2016 net gains includes $146,727 related to the sale of Assurant Employee Benefits as described in Note 5.

Other-Than-Temporary Impairments

The Company follows the OTTI guidance, which requires entities to separate an OTTI of a debt security into two components when there are credit related losses associated with the impaired debt security for which the Company asserts that it does not have the intent to sell, and it is more likely than not that it will not be required to sell before recovery of its cost basis. Under the OTTI guidance, the amount of the OTTI related to a credit loss is recognized in earnings, and the amount of the OTTI related to other, non-credit factors (e.g., interest rates, market conditions, etc.) is recorded as a component of other comprehensive income. In instances where no credit loss exists but the Company intends to sell the security or it is more likely than not that the Company will have to sell the debt security prior to the anticipated recovery, the decline in market value below amortized cost is recognized as an OTTI in earnings. In periods after the recognition of an OTTI on debt securities, the Company accounts for such securities as if they had been purchased on the measurement date of the OTTI at an amortized cost basis equal to the previous amortized cost basis less the OTTI recognized in earnings. For debt securities for which OTTI was recognized in earnings, the difference between the new amortized cost basis and the cash flows expected to be collected will be accreted or amortized into net investment income.

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For the three and six months ended June 30, 2016, the Company recorded $53 and $364, respectively, of OTTI, of which $53 and $701, respectively, was related to both credit losses and securities the Company intends to sell and recorded as net OTTI losses recognized in earnings, with the remaining $337 related to all other factors and was recorded as an unrealized gain component of AOCI. There was no OTTI recorded for the three months ended June 30, 2015. For the six months ended June 30, 2015, the Company recorded $3,208 of OTTI, of which $2,570 was related to credit losses and recorded as net OTTI losses recognized in earnings, with the remaining $638 related to all other factors and recorded as an unrealized loss component of AOCI.
The following table sets forth the amount of credit loss impairments recognized within the results of operations on fixed maturity securities held by the Company as of the dates indicated, for which a portion of the OTTI loss was recognized in AOCI, and the corresponding changes in such amounts.

	Three Months Ended June 30,	
	2016	2015
Balance, March 31,	$30,981	$36,057
Reductions for increases in cash flows expected to be collected that are recognized over the remaining life of the security	(709)	(603)
Reductions for credit loss impairments previously recognized on securities which matured, paid down, prepaid or were sold during the period	(1,168)	(1,146)
Balance, June 30,	$29,104	$34,308

	Six Months Ended June 30,	
	2016	2015
Balance, January 1,	$32,377	$35,424
Additions for credit loss impairments recognized in the current period on securities previously impaired	554	—
Additions for credit loss impairments recognized in the current period on securities not previously impaired	—	2,570
Reductions for increases in cash flows expected to be collected that are recognized over the remaining life of the security	(1,318)	(1,075)
Reductions for credit loss impairments previously recognized on securities which matured, paid down, prepaid or were sold during the period	(2,509)	(2,611)
Balance, June 30,	$29,104	$34,308

The Company regularly monitors its investment portfolio to ensure investments that may be other-than-temporarily impaired are timely identified, properly valued, and charged against earnings in the proper period. The determination that a security has incurred an other-than-temporary decline in value requires the judgment of management. Assessment factors include, but are not limited to, the length of time and the extent to which the market value has been less than cost, the financial condition and rating of the issuer, whether any collateral is held, the intent and ability of the Company to retain the investment for a period of time sufficient to allow for recovery for equity securities and the intent to sell or whether it is more likely than not that the Company will be required to sell for fixed maturity securities. Inherently, there are risks and uncertainties involved in making these judgments. Changes in circumstances and critical assumptions such as a continued weak economy, a more pronounced economic downturn or unforeseen events which affect one or more companies, industry sectors, or countries could result in additional impairments in future periods for other-than-temporary declines in value. Any equity security whose price decline is deemed other-than-temporary is written down to its then current market value with the amount of the impairment reported as a realized loss in that period. The impairment of a fixed maturity security that the Company has the intent to sell or that it is more likely than not that the Company will be required to sell is deemed other-than-temporary and is written down to its market value at the balance sheet date with the amount of the impairment reported as a realized loss in that period. For all other-than-temporarily impaired fixed maturity securities that do not meet either of these two criteria, the Company is required to analyze its ability to recover the amortized cost of the security by calculating the net present value of projected future cash flows. For these other-than-temporarily impaired fixed maturity securities, the net amount recognized in earnings is equal to the difference between the amortized cost of the fixed maturity security and its net present value.

The Company considers different factors to determine the amount of projected future cash flows and discounting methods for corporate debt and residential and commercial mortgage-backed or asset-backed securities. For corporate debt securities, the split between the credit and non-credit losses is driven principally by assumptions regarding the amount and timing of projected future cash flows. The net present value is calculated by discounting the Company’s best estimate of projected future cash flows at the effective interest rate implicit in the security at the date of acquisition. For residential and commercial mortgage-backed and asset-backed securities, cash flow estimates, including prepayment assumptions, are based on data from widely accepted third-party data sources or internal estimates. In addition to prepayment assumptions, cash flow estimates vary based on assumptions regarding the underlying collateral including default rates, recoveries and changes in value. The net present value is calculated by discounting the Company’s best estimate of projected future cash flows at the effective interest rate implicit in the fixed maturity security prior to impairment at the balance sheet date. The discounted cash flows become the new amortized cost basis of the fixed maturity security.

In periods subsequent to the recognition of an OTTI, the Company generally accretes the discount (or amortizes the reduced premium) into net investment income, up to the non-discounted amount of projected future cash flows, resulting from the reduction in cost basis, based upon the amount and timing of the expected future cash flows over the estimated period of cash flows.

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The investment category and duration of the Company's gross unrealized losses on fixed maturity securities and equity securities at June 30, 2016 and December 31, 2015 were as follows:

	June 30, 2016					
	Less than 12 months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities:						
U.S. government and government agencies and authorities	$2,176	$(1)	$—	$—	$2,176	$(1)
Foreign governments	—	—	27,644	(297)	27,644	(297)
Asset-backed	—	—	991	(221)	991	(221)
Residential mortgage-backed	19,861	(58)	812	(9)	20,673	(67)
U.S. corporate	235,238	(3,543)	139,876	(9,677)	375,114	(13,220)
Foreign corporate	55,075	(1,479)	39,037	(3,357)	94,112	(4,836)
Total fixed maturity securities	$312,350	$(5,081)	$208,360	$(13,561)	$520,710	$(18,642)
Equity securities:						
Common stock	$339	$(1)	$—	$—	$339	$(1)
Non-redeemable preferred stocks	13,531	(337)	13,139	(729)	26,670	(1,066)
Total equity securities	$13,870	$(338)	$13,139	$(729)	$27,009	$(1,067)

	December 31, 2015					
	Less than 12 months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities:						
U.S. government and government agencies and authorities	$90,008	$(465)	$5,564	$(72)	$95,572	$(537)
States, municipalities and political subdivisions	6,881	(94)	—	—	6,881	(94)
Foreign governments	24,071	(347)	22,239	(376)	46,310	(723)
Asset-backed	—	—	1,136	(204)	1,136	(204)
Residential mortgage-backed	260,620	(3,179)	11,147	(230)	271,767	(3,409)
U.S. corporate	1,287,545	(65,631)	38,224	(7,713)	1,325,769	(73,344)
Foreign corporate	348,912	(19,616)	15,805	(2,952)	364,717	(22,568)
Total fixed maturity securities	$2,018,037	$(89,332)	$94,115	$(11,547)	$2,112,152	$(100,879)
Equity securities:						
Common stock	$623	$(7)	$—	$—	$623	$(7)
Non-redeemable preferred stocks	63,665	(1,632)	13,806	(985)	77,471	(2,617)
Total equity securities	$64,288	$(1,639)	$13,806	$(985)	$78,094	$(2,624)

Total gross unrealized losses represent approximately 4% and 5% of the aggregate fair value of the related securities at June 30, 2016 and December 31, 2015, respectively. Approximately 27% and 88% of these gross unrealized losses have been in a continuous loss position for less than twelve months at June 30, 2016 and December 31, 2015, respectively. The total gross unrealized losses are comprised of 232 and 884 individual securities at June 30, 2016 and December 31, 2015, respectively. In accordance with its policy described above, the Company concluded that for these securities an adjustment to its results of operations for other-than-temporary impairments of the gross unrealized losses was not warranted at June 30, 2016 and December 31, 2015. These conclusions were based on a detailed analysis of the underlying credit and expected cash flows of each security. As of June 30, 2016, the gross unrealized losses that have been in a continuous loss position for twelve months or more were concentrated in the Company’s corporate fixed maturity securities and in non-redeemable preferred stocks. The non-redeemable preferred stocks are perpetual preferred securities that have characteristics of both debt and equity securities. To evaluate these securities, the Company applies an impairment model similar to that used for the Company's fixed maturity securities. As of June 30, 2016, the Company did not intend to sell these securities and it was not more likely than not that the Company would be required to sell them and no underlying cash flow issues were noted. Therefore, the Company did not recognize an OTTI on those perpetual preferred securities that had been in a continuous unrealized loss position for twelve months or more. As of June 30, 2016, the Company did not intend to sell the fixed maturity securities and it was not more likely than not that the Company would be required to sell the securities before the anticipated recovery of their amortized cost basis. The gross unrealized losses are primarily attributable to widening credit spreads associated with an underlying shift in overall credit risk premium.

The Company has entered into commercial mortgage loans, collateralized by the underlying real estate, on properties located throughout the U.S. and Canada. At June 30, 2016, approximately 35% of the outstanding principal balance of commercial mortgage loans was concentrated in the states of California, New York, and Texas. Although the Company has a diversified loan portfolio, an economic downturn could have an adverse impact on the ability of its debtors to repay their loans. The outstanding balance of commercial mortgage loans range in size from $18 to $14,404 at June 30, 2016 and from $17 to $14,625 at December 31, 2015.

Credit quality indicators for commercial mortgage loans are loan-to-value and debt-service coverage ratios. Loan-to-value and debt-service coverage ratios are measures commonly used to assess the credit quality of commercial mortgage loans. The loan-to-value ratio compares the principal amount of the loan to the fair value of the underlying property collateralizing the loan, and is commonly expressed as a percentage. The debt-service coverage ratio compares a property’s net operating income to its debt-service payments and is commonly expressed as a ratio. The loan-to-value and debt-service coverage ratios are generally updated annually in the third quarter.

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The following summarizes the Company's loan-to-value and average debt-service coverage ratios as of the dates indicated:

	June 30, 2016			
Loan-to-Value	Carrying Value	% of Gross Mortgage Loans		Debt-Service Coverage Ratio
70% and less	$592,516	95.1	%	1.88
71 – 80%	16,585	2.7	%	1.13
81 – 95%	8,850	1.4	%	1.26
Greater than 95%	4,816	0.8	%	3.52
Gross commercial mortgage loans	622,767	100	%	1.87
Less valuation allowance	(2,582)			
Net commercial mortgage loans	$620,185			

	December 31, 2015			
Loan-to-Value	Carrying Value	% of Gross Mortgage Loans		Debt-Service Coverage Ratio
70% and less	$1,101,572	95.5	%	2.01
71 – 80%	39,080	3.4	%	1.19
81 – 95%	8,370	0.7	%	1.05
Greater than 95%	4,816	0.4	%	3.52
Gross commercial mortgage loans	1,153,838	100	%	1.98
Less valuation allowance	(2,582)			
Net commercial mortgage loans	$1,151,256			

All commercial mortgage loans that are individually impaired have an established mortgage loan valuation allowance for losses. An additional valuation allowance is established for incurred, but not specifically identified impairments. Changing economic conditions affect the Company's valuation of commercial mortgage loans. Changing vacancies and rents are incorporated into the discounted cash flow analysis that the Company performs for monitored loans and may contribute to the establishment of (or an increase or decrease in) a commercial mortgage loan valuation allowance for losses. In addition, the Company continues to monitor the entire commercial mortgage loan portfolio to identify risk. Areas of emphasis are properties that have exposure to specific geographic events, have deteriorating credits or have experienced a reduction in debt-service coverage ratio. During the six months ended June 30 2016, the Company did not establish or increase the valuation allowance based upon this analysis.

Commercial Mortgage Loan Securitization

On May 31, 2016, the Company transferred $259,741 of certain commercial mortgage loans on real estate into a trust. Upon transfer, the loans were securitized as a source of funding for the Company and as a means of transferring the economic risk of the loans to third parties. The securitized assets are legally isolated from the creditors of the Company and are not available to satisfy its obligations and were accounted for as a sale. The securitized assets can only be used to settle obligations of the trust. The Company does not have the power to direct the activities of the trust, nor does it provide guarantees or recourse to the trust other than standard representations and warranties. The Company retained interest in the trust in the form of subordinate securities issued by the trust. The trust is a variable interest entity ("VIE") that the Company does not consolidate.

The cash proceeds, including accrued investment income, from the securitization were $269,828, with a corresponding realized gain of $9,092. At closing, the Company purchased $30,822 of securities at fair value from the trust. As of June 30, 2016, the maximum loss exposure the Company has to the trust is $30,906. The Company calculates its maximum loss exposure based on the unlikely event that all the assets in the trust become worthless and the effect it would have on the Company’s consolidated balance sheets based upon its retained interest in the trust. The securities purchased from the trust are included within fixed maturity securities available for sale at fair value on the consolidated balance sheet and are part of the

Company’s ongoing other-than-temporary impairment review. See Note 8, Fair Values, Inputs, and Valuation Techniques for Financial Assets and Liabilities Disclosures for further description of the Company’s fair value inputs and valuation techniques.

Variable Interest Entities

A VIE is a legal entity which does not have sufficient equity at risk to allow the entity to finance its activities without additional financial support or in which the equity investors, as a group, do not have the characteristic of a controlling financial interest. The Company's investments in VIEs include private equity limited partnerships and real estate joint ventures. These investments are generally accounted for under the equity method and included in the consolidated balance sheets in other investments. The Company's maximum exposure to loss with respect to these investments is limited to the investment carrying amounts reported in the Company's consolidated balance sheet in addition to any required unfunded commitments. As of June 30, 2016, the Company's maximum exposure to loss is $231,364 in recorded carrying value and $64,928 in unfunded commitments. See Commercial Mortgage Loan Securitization section above for the disclosures relating to the commercial mortgage loan securitization trust.

8. Fair Value Disclosures

Fair Values, Inputs and Valuation Techniques for Financial Assets and Liabilities Disclosures

The fair value measurements and disclosures guidance defines fair value and establishes a framework for measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with this guidance, the Company has categorized its recurring basis financial assets and liabilities into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and takes into account factors specific to the asset or liability.

The levels of the fair value hierarchy are described below:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access.
- Level 2 inputs utilize other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly, for substantially the full term of the asset. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active and inputs other than quoted prices that are observable in the marketplace for the asset. The observable inputs are used in valuation models to calculate the fair value for the asset.
- Level 3 inputs are unobservable but are significant to the fair value measurement for the asset, and include situations where there is little, if any, market activity for the asset. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset.

The Company reviews fair value hierarchy classifications 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 following tables present the Company’s fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of June 30, 2016 and December 31, 2015. The amounts presented below for Other investments, Cash equivalents, Other assets, Assets and Liabilities held in separate accounts and Other liabilities differ from the amounts presented in the consolidated balance sheets because only certain investments or certain assets and liabilities within these line items are measured at estimated fair value. Other investments are comprised of investments in the Assurant Investment Plan, American Security Insurance Company Investment Plan, Assurant Deferred Compensation Plan, modified coinsurance arrangements and other derivatives. Other liabilities are comprised of investments in the Assurant Investment Plan and other derivatives. The fair value amount and the majority of the associated levels presented for Other investments and Assets and Liabilities held in separate accounts are received directly from third parties.

	June 30, 2016						
	Total	Level 1		Level 2		Level 3	
Financial Assets							
Fixed maturity securities:							
U.S. government and government agencies and authorities	$172,998	$—		$172,998		$—	
State, municipalities and political subdivisions	575,073	—		572,073		3,000	
Foreign governments	596,682	932		595,750		—	
Asset-backed	3,901	—		3,901		—	
Commercial mortgage-backed	44,638	—		13,629		31,009	
Residential mortgage-backed	947,679	—		947,679		—	
U.S. corporate	5,600,500	—		5,535,793		64,707	
Foreign corporate	1,802,728	—		1,774,085		28,643	
Equity securities:							
Common stocks	20,122	19,438		684		—	
Non-redeemable preferred stocks	414,384	—		412,084		2,300	
Short-term investments	498,281	223,017	b	275,264	c	—	
Other investments	287,103	66,495	a	219,751	c	857	d
Cash equivalents	726,424	699,356	b	27,068	c	—	
Other assets	8,251	—		7,954	e	297	e
Assets held in separate accounts	1,668,611	1,488,102	a	180,509	c	—	
Total financial assets	$13,367,375	$2,497,340		$10,739,222		$130,813	
Financial Liabilities							
Other liabilities	$92,499	$66,495	a	$26	e	$25,978	e
Liabilities related to separate accounts	1,668,611	1,488,102	a	180,509	c	—	
Total financial liabilities	$1,761,110	$1,554,597		$180,535		$25,978	

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Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(In thousands, except number of shares and per share amounts)

	December 31, 2015						
	Total	Level 1		Level 2		Level 3	
Financial Assets							
Fixed maturity securities:							
U.S. government and government agencies and authorities	$154,035	$—		$154,035		$—	
State, municipalities and political subdivisions	695,630	—		695,630		—	
Foreign governments	562,250	944		561,306		—	
Asset-backed	4,662	—		4,662		—	
Commercial mortgage-backed	22,521	—		22,317		204	
Residential mortgage-backed	998,514	—		998,514		—	
U.S. corporate	5,869,693	—		5,835,189		34,504	
Foreign corporate	1,908,023	—		1,879,381		28,642	
Equity securities:							
Common stocks	19,664	18,981		683		—	
Non-redeemable preferred stocks	480,393	—		478,143		2,250	
Short-term investments	508,950	453,335	b	55,615	c	—	
Other investments	253,708	62,076	a	189,407	c	2,225	d
Cash equivalents	908,936	907,248	b	1,688	c	—	
Other assets	1,320	—		886	e	434	e
Assets held in separate accounts	1,750,556	1,570,000	a	180,556	c	—	
Total financial assets	$14,138,855	$3,012,584		$11,058,012		$68,259	
Financial Liabilities							
Other liabilities	$89,765	$62,076	a	$6	e	$27,683	e
Liabilities related to separate accounts	1,750,556	1,570,000	a	180,556	c	—	
Total financial liabilities	$1,840,321	$1,632,076		$180,562		$27,683	

a. Mainly includes mutual funds.
b. Mainly includes money market funds.
c. Mainly includes fixed maturity securities.
d. Mainly includes fixed maturity securities and other derivatives.
e. Mainly includes other derivatives.

There were no transfers between Level 1 and Level 2 financial assets during either period. However, there were transfers between Level 2 and Level 3 financial assets during the periods, which are reflected in the "Transfers in" and "Transfers out" columns below. Transfers between Level 2 and Level 3 most commonly occur from changes in the availability of observable market information and re-evaluation of the observability of pricing inputs. Any remaining unpriced securities are submitted to independent brokers who provide non-binding broker quotes or are priced by other qualified sources.

Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
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(In thousands, except number of shares and per share amounts)

The following tables summarize the change in balance sheet carrying value associated with Level 3 financial assets and liabilities carried at fair value during the three and six months ended June 30, 2016 and 2015:

	Three Months Ended June 30, 2016						
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings (1)	Net unrealized gains (losses) included in other comprehensive income (2)	Purchases	Sales	Transfers in (3)	Balance, end of period
Financial Assets							
Fixed Maturity Securities							
States, municipalities and political subdivisions	$—	$ —	$ —	$ 3,600	$(600)	$—	$3,000
Commercial mortgage-backed	154	(291)	374	30,822	(50)	—	31,009
U.S. corporate	37,400	146	1,169	14,516	(930)	12,406	64,707
Foreign corporate	28,492	18	854	—	(721)		28,643
Equity Securities							
Non-redeemable preferred stocks	2,360	—	(60)	—	—	—	2,300
Other investments	1,552	(663)	(9)	—	(23)	—	857
Other assets	361	(64)	—	—	—	—	297
Financial Liabilities							
Other liabilities	(27,592)	1,614	—	—	—	—	(25,978)
Total level 3 assets and liabilities	$42,727	$ 760	$ 2,328	$ 48,938	$(2,324)	$ 12,406	$104,835

	Three Months Ended June 30, 2015						
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings (1)	Net unrealized (losses) gains included in other comprehensive income (2)	Purchases	Sales	Transfers out (3)	Balance, end of period
Financial Assets							
Fixed Maturity Securities							
Commercial mortgage-backed	$354	$ —	$ (3)	$ —	$(47)	$—	$304
U.S. corporate	96,798	(64)	(1,491)	6,523	(2,473)	(52,777)	46,516
Foreign corporate	4,192	640	(535)	—	(1,003)	—	3,294
Equity Securities							

Non-redeemable preferred stocks	2,060	—	60	—	—	—	2,120
Other investments	2,460	(33)	(11)	—	(35)	—	2,381
Other assets	944	(156)	—	—	—	—	788
Financial Liabilities							
Other liabilities	(26,181)	(2,473)	—	77	—	—	(28,577)
Total level 3 assets and liabilities	$80,627	$ (2,086)	$ (1,980)	$ 6,600	$(3,558)	$(52,777)	$26,826

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Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
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(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2016							
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings (1)	Net unrealized gains (losses) included in other comprehensive income (2)	Purchases	Sales	Transfers in (3)	Transfers out (3)	Balance, end of period
Financial Assets								
Fixed Maturity Securities								
States, municipalities and political subdivisions	$—	$ —	$ —	$ 3,600	$(600)	$—	$—	$3,000
Commercial mortgage-backed	204	(291)	373	30,822	(99)	—	—	31,009
U.S. corporate	34,504	278	1,380	22,616	(1,646)	12,406	(4,831)	64,707
Foreign corporate	28,642	31	694	—	(724)	—	—	28,643
Equity Securities								
Non-redeemable preferred stocks	2,250	—	50	—	—	—	—	2,300
Other investments	2,225	(1,299)	(20)	—	(49)	—	—	857
Other assets	434	(137)	—	—	—	—	—	297
Financial Liabilities								
Other liabilities	(27,683)	1,705	—	—	—	—	—	(25,978)
Total level 3 assets and liabilities	$40,576	$ 287	$ 2,477	$ 57,038	$(3,118)	$ 12,406	$(4,831)	$104,835

Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
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(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2015							
	Balance, beginning of period	Total (losses) gains (realized/ unrealized) included in earnings (1)	Net unrealized (losses) gains included in other comprehensive income (2)	Purchases	Sales	Transfers in (3)	Transfers out (3)	Balance, end of period
Financial Assets								
Fixed Maturity Securities								
Commercial mortgage-backed	$403	$—	$ (6)	$—	$(93)	$—	$—	$304
Residential mortgage-backed	4,645	—	—	—	—	—	(4,645)	—
U.S. corporate	100,133	(112)	(655)	6,523	(4,594)	2,130	(56,909)	46,516
Foreign corporate	4,142	680	(491)	—	(1,037)	—	—	3,294
Equity Securities								
Non-redeemable preferred stocks	2,000	—	120	—	—	—	—	2,120
Other investments	2,121	95	(15)	—	(56)	236	—	2,381
Other assets	807	(19)	—	—	—	—	—	788
Financial Liabilities								
Other liabilities	(25,233)	(3,421)	—	77	—	—	—	(28,577)
Total level 3 assets and liabilities	$89,018	$ (2,777)	$ (1,047)	$ 6,600	$(5,780)	$ 2,366	$(61,554)	$26,826

(1) Included as part of net realized gains on investments in the consolidated statement of operations.
(2) Included as part of change in unrealized gains on securities in the consolidated statement of comprehensive income.
(3) Transfers are primarily attributable to changes in the availability of observable market information and re-evaluation of the observability of pricing inputs.

Three different valuation techniques can be used in determining fair value for financial assets and liabilities: the market, income or cost approaches. The three valuation techniques described in the fair value measurements and disclosures guidance are consistent with generally accepted valuation methodologies. The market approach valuation techniques use prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. When possible, quoted prices (unadjusted) in active markets are used as of the period-end date (such as for mutual funds and money market funds). Otherwise, the Company uses valuation techniques consistent with the market approach including matrix pricing and comparables. Matrix pricing is a mathematical technique employed principally to value debt securities without relying exclusively on quoted prices for those securities but, rather, relying on the securities' relationship to other benchmark quoted securities. Market approach valuation techniques often use market multiples derived from a set of comparables. Multiples might lie in ranges with a different multiple for each comparable. The selection of where within the range the appropriate multiple falls requires judgment, considering both qualitative and quantitative factors specific to the measurement.

Income approach valuation techniques convert future amounts, such as cash flows or earnings, to a single present amount, or a discounted amount. These techniques rely on current market expectations of future amounts as of the period-end date. Examples of income approach valuation techniques include present value techniques, option-pricing models, binomial or lattice models that incorporate present value techniques and the multi-period excess earnings method.

Cost approach valuation techniques are based upon the amount that would be required to replace the service capacity of an asset at the period-end date, or the current replacement cost. That is, from the perspective of a market participant (seller), the price that would be received for the asset is determined based on the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

While not all three approaches are applicable to all financial assets or liabilities, where appropriate, the Company may use one or more valuation techniques. For all the classes of financial assets and liabilities included in the above hierarchy, excluding certain derivatives and certain privately placed corporate bonds, the Company generally uses the market valuation technique. For certain privately placed corporate bonds and certain derivatives, the Company generally uses the income valuation technique. For the periods ended June 30, 2016 and December 31, 2015, the application of the valuation technique applied to the Company's classes of financial assets and liabilities has been consistent.

Level 1 Securities

The Company's investments and liabilities classified as Level 1 as of June 30, 2016 and December 31, 2015, consisted of mutual funds and money market funds, foreign government fixed maturities and common stocks that are publicly listed and/or actively traded in an established market.

Level 2 Securities

The Company values Level 2 securities using various observable market inputs obtained from a pricing service. The pricing service prepares estimates of fair value measurements for the Company's 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 Company uses the following observable market inputs ("standard inputs"), listed in the approximate order of priority, in the pricing evaluation of Level 2 securities: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research data. Further details for Level 2 investment types follow:

United States Government and government agencies and authorities: U.S. government and government agencies and authorities securities are priced by the Company's pricing service utilizing standard inputs. Included in this category are U.S. Treasury securities which are priced using vendor trading platform data in addition to the standard inputs.

State, municipalities and political subdivisions: State, municipalities and political subdivisions securities are priced by the Company's pricing service using material event notices and new issue data inputs in addition to the standard inputs.

Foreign governments: Foreign government securities are primarily fixed maturity securities denominated in Canadian dollars which are priced by the Company's pricing service using standard inputs. The pricing service also evaluates each security based on relevant market information including relevant credit information, perceived market movements and sector news.

Commercial mortgage-backed, residential mortgage-backed and asset-backed: Commercial mortgage-backed, residential mortgage-backed and asset-backed securities are priced by the Company's pricing service using monthly payment information and collateral performance information in addition to the standard inputs. Additionally, commercial mortgage-backed securities and asset-backed securities utilize new issue data while residential mortgage-backed securities utilize vendor trading platform data.

Corporate: Corporate securities are priced by the Company's pricing service using standard inputs. Non-investment grade securities within this category are priced by the Company's pricing service using observations of equity and credit default swap curves related to the issuer in addition to the standard inputs. Certain privately placed corporate bonds are priced by a non-pricing service source using a model with observable inputs including, but not limited to, the credit rating, credit spreads, sector add-ons, and issuer specific add-ons.

Non-redeemable preferred stocks: Non-redeemable preferred stocks are priced by the Company's pricing service using observations of equity and credit default swap curves related to the issuer in addition to the standard inputs.
Short-term investments, other investments, cash equivalents, and assets/liabilities held in separate accounts: To price the fixed maturity securities in these categories, the pricing service utilizes the standard inputs.
Other assets: A non-pricing service source prices foreign exchange forwards using a pricing model which utilizes market observable inputs including foreign exchange spot rate, forward points and date to settlement.

Valuation models used by the pricing service can change period to period, depending on the appropriate observable inputs that are available at the balance sheet date to price a security. When market observable inputs are unavailable to the pricing service, the remaining unpriced securities are submitted to independent brokers who provide non-binding broker quotes or are priced by other qualified sources. If the Company cannot corroborate the non-binding broker quotes with Level 2 inputs, these securities are categorized as Level 3 securities.

Level 3 Securities

The Company's investments classified as Level 3 as of June 30, 2016 and December 31, 2015 consisted of fixed maturity and equity securities and derivatives. All of the Level 3 fixed maturity and equity securities are priced using non-binding broker quotes which cannot be corroborated with Level 2 inputs. Of the Company's total Level 3 fixed maturity and equity securities $5,859 and $304 were priced by a pricing service using single broker quotes due to insufficient information to provide an evaluated price as of June 30, 2016 and December 31, 2015, respectively. The single broker quotes are provided by market makers or broker-dealers who are recognized as market participants in the markets in which they are providing the quotes. The remaining $124,034 and $65,600 were priced internally using independent and non-binding broker quotes as of June 30, 2016 and December 31, 2015, respectively. The inputs factoring into the broker quotes include trades in the actual bond being priced, trades of comparable bonds, quality of the issuer, optionality, structure and liquidity. Significant changes in interest rates, issuer credit, liquidity, and overall market conditions would result in a significantly lower or higher broker quote. The prices received from both the pricing service and internally are reviewed for reasonableness by management and if necessary, management works with the pricing service or broker to further understand how they developed their price. Further details on Level 3 derivative investment types follow:

Other investments and other liabilities: The Company prices swaptions using a Black-Scholes pricing model incorporating third-party market data, including swap volatility data. The Company prices credit default swaps using non-binding quotes provided by market makers or broker-dealers who are recognized as market participants. Inputs factored into the non-binding quotes include trades in the actual credit default swap which is being priced, trades in comparable credit default swaps, quality of the issuer, structure and liquidity. The net option related to the investment in Iké is valued using an income approach; specifically, a Monte Carlo simulation option pricing model. The inputs to the model include, but are not limited to, the projected normalized earnings before interest, tax, depreciation, and amortization (EBITDA) and free cash flow for the underlying asset, the discount rate, and the volatility of and the correlation between the normalized EBITDA and the value of the underlying asset. Significant increases (decreases) in the projected normalized EBITDA relative to the value of the underlying asset in isolation would result in a significantly higher (lower) fair value.

Other assets: A non-pricing service source prices certain derivatives using a model with inputs including, but not limited to, the time to expiration, the notional amount, the strike price, the forward rate, implied volatility and the discount rate.

Management evaluates the following factors in order to determine whether the market for a financial asset is inactive. The factors include, but are not limited to:

- There are few recent transactions,
- Little information is released publicly,
- The available prices vary significantly over time or among market participants,
- The prices are stale (i.e., not current), and
- The magnitude of the bid-ask spread.

Illiquidity did not have a material impact in the fair value determination of the Company's financial assets.
The Company generally obtains one price for each financial asset. The Company performs a monthly analysis to assess if the evaluated prices represent a reasonable estimate of their fair value. This process involves quantitative and qualitative analysis and is overseen by investment and accounting professionals. Examples of procedures performed include, but are not limited to, initial and on-going review of pricing service methodologies, review of the prices received from the pricing service, review of pricing statistics and trends, and comparison of prices for certain securities with two different appropriate price sources for reasonableness. Following this analysis, the Company generally uses the best estimate of fair value based upon all available inputs. On infrequent occasions, a non-pricing service source may be more familiar with the market activity for a particular security than the pricing service. In these cases the price used is taken from the non-pricing service source. The

pricing service provides information to indicate which securities were priced using market observable inputs so that the Company can properly categorize the Company's financial assets in the fair value hierarchy.

For the net option, the Company performs a periodic analysis to assess if the evaluated price represents a reasonable estimate of the fair value for the financial liability. This process involves quantitative and qualitative analysis overseen by finance and accounting professionals. Examples of procedures performed include, but are not limited to, initial and on-going review of the pricing methodology and review of the projection for the underlying asset including the probability distribution of possible scenarios.

Disclosures for Non-Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company also measures the fair value of certain assets and liabilities on a non-recurring basis, generally on an annual basis, or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. These assets include commercial mortgage loans, goodwill and finite-lived intangible assets.

The Company utilizes both the income and market valuation approaches to measure the fair value of its reporting units when required. Under the income approach, the Company determined the fair value of the reporting units considering distributable earnings, which were estimated from operating plans. The resulting cash flows were then discounted using a market participant weighted average cost of capital estimated for the reporting units. After discounting the future discrete earnings to their present value, the Company estimated the terminal value attributable to the years beyond the discrete operating plan period. The discounted terminal value was then added to the aggregate discounted distributable earnings from the discrete operating plan period to estimate the fair value of the reporting units. Under the market approach, the Company derived the fair value of the reporting units based on various financial multiples, including but not limited to: price to tangible book value of equity, price to estimated 2014 earnings and price to estimated 2015 earnings, which were estimated based on publicly available data related to comparable guideline companies. In addition, financial multiples were also estimated from publicly available purchase price data for acquisitions of companies operating in the insurance industry. The estimated fair value of the reporting units was more heavily weighted towards the income approach because in the current economic environment the earnings capacity of a business is generally considered the most important factor in the valuation of a business enterprise. This fair value determination was categorized as Level 3 (unobservable) in the fair value hierarchy.

Fair Value of Financial Instruments Disclosures

The financial instruments guidance requires disclosure of fair value information about financial instruments, for which it is practicable to estimate such fair value. Therefore, it requires fair value disclosure for financial instruments that are not recognized or are not carried at fair value in the consolidated balance sheets. However, this guidance excludes certain financial instruments, including those related to insurance contracts and those accounted for under the equity method (such as partnerships).

For the financial instruments included within the following financial assets and financial liabilities, the carrying value in the consolidated balance sheets equals or approximates fair value. Please refer to the Fair Value Inputs and Valuation Techniques for Financial Assets and Liabilities Disclosures section above for more information on the financial instruments included within the following financial assets and financial liabilities and the methods and assumptions used to estimate fair value:

- Cash and cash equivalents
- Fixed maturity securities
- Equity securities

- Short-term investments
- Other investments
- Other assets
- Assets held in separate accounts
- Other liabilities
- Liabilities related to separate accounts

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In estimating the fair value of the financial instruments that are not recognized or are not carried at fair value in the consolidated balance sheets, the Company used the following methods and assumptions:

Commercial mortgage loans: the fair values of mortgage loans are estimated using discounted cash flow models. The model inputs include mortgage amortization schedules and loan provisions, an internally developed credit spread based on the credit risk associated with the borrower and the U.S. Treasury spot curve. Mortgage loans with similar characteristics are aggregated for purposes of the calculations.

Policy loans: the carrying value of policy loans reported in the consolidated balance sheets approximates fair value.

Other investments: Other investments include equity investments accounted for under the cost method, Certified Capital Company and low income housing tax credits, business debentures, credit tenant loans and social impact loans which are recorded at cost or amortized cost. The carrying value reported for these investments approximates fair value. Due to the nature of these investments, there is a lack of liquidity in the primary market which results in the holdings being classified as Level 3.

Policy reserves under investment products: the fair values for the Company’s policy reserves under investment products are determined using discounted cash flow analysis. Key inputs to the valuation include projections of policy cash flows, reserve run-off, market yields and risk margins.

Funds held under reinsurance: the carrying value reported approximates fair value due to the short maturity of the instruments.

Debt: the fair value of debt is based upon matrix pricing performed by the pricing service utilizing the standard inputs. The carrying value of the promissory note approximates fair value due to the short maturity of the instrument.

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The following tables disclose the carrying value, fair value amount and hierarchy level of the financial instruments that are not recognized or are not carried at fair value in the consolidated balance sheets:

	June 30, 2016				
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Financial Assets					
Commercial mortgage loans on real estate	$620,185	$658,901	$—	$—	$658,901
Policy loans	40,349	40,349	40,349	—	—
Other investments	29,243	29,243	—	—	29,243
Total financial assets	$689,777	$728,493	$40,349	$—	$688,144
Financial Liabilities					
Policy reserves under investment products (Individual and group annuities, subject to discretionary withdrawal) (1)	$670,445	$692,037	$—	$—	$692,037
Funds withheld under reinsurance	105,475	105,475	105,475	—	—
Debt	1,165,255	1,302,817	—	1,302,817	—
Total financial liabilities	$1,941,175	$2,100,329	$105,475	$1,302,817	$692,037

	December 31, 2015				
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Financial Assets					
Commercial mortgage loans on real estate	$1,151,256	$1,201,806	$—	$—	$1,201,806
Policy loans	43,858	43,858	43,858	—	—
Other investments	27,534	27,534	—	—	27,534
Total financial assets	$1,222,648	$1,273,198	$43,858	$—	$1,229,340
Financial Liabilities					
Policy reserves under investment products (Individual and group annuities, subject to discretionary withdrawal) (1)	$666,068	$676,586	$—	$—	$676,586
Funds withheld under reinsurance	94,417	94,417	94,417	—	—
Debt	1,164,656	1,250,602	—	1,250,602	—
Total financial liabilities	$1,925,141	$2,021,605	$94,417	$1,250,602	$676,586

(1) Only the fair value of the Company’s policy reserves for investment-type contracts (those without significant mortality or morbidity risk) are reflected in the table above.

Reinsurance Recoverables Credit Disclosures

A key credit quality indicator for reinsurance is the A.M. Best financial strength ratings of the reinsurer. The A.M. Best ratings are an independent opinion of a reinsurer's ability to meet ongoing obligations to policyholders. The A.M. Best ratings for new reinsurance agreements where there is material credit exposure are reviewed at the time of execution. The A.M. Best ratings for existing reinsurance agreements are reviewed on a periodic basis, at least annually. The A.M. Best ratings have not changed significantly since December 31, 2015.

An allowance for doubtful accounts for reinsurance recoverables is recorded on the basis of periodic evaluations of balances due from reinsurers (net of collateral), reinsurer solvency, management's experience and current economic conditions.

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The Company carries an allowance for doubtful accounts for reinsurance recoverables of $10,820 as of June 30, 2016 and December 31, 2015, respectively.

9. Debt

On March 28, 2013, the Company issued two series of senior notes with an aggregate principal amount of $700,000 (the “2013 Senior Notes”). The Company received net proceeds of $698,093 from this transaction, which represents the principal amount less the discount before offering expenses. The discount of $1,907 is being amortized over the life of the 2013 Senior Notes and is included as part of interest expense on the consolidated statements of operations. The first series is $350,000 in principal amount, bears interest at 2.50% per year and is payable in a single installment due March 15, 2018 and was issued at a 0.18% discount. The second series is $350,000 in principal amount, bears interest at 4.00% per year and is payable in a single installment due March 15, 2023 and was issued at a 0.37% discount. Interest on the 2013 Senior Notes is payable semi-annually on March 15 and September 15 of each year. The 2013 Senior Notes are unsecured obligations and rank equally with all of the Company’s other senior unsecured indebtedness. The Company may redeem each series of the 2013 Senior Notes in whole or in part at any time and from time to time before their maturity at the redemption price set forth in the Indenture. The 2013 Senior Notes are registered under the Securities Act of 1933, as amended.

The interest expense and related amortization incurred related to the 2013 Senior Notes was $5,947 and $5,747 for the three months ended June 30, 2016 and 2015, respectively, and $11,890 and $11,493 for the six months ended June 30, 2016 and 2015, respectively. There was $6,635 of accrued interest at both June 30, 2016 and 2015. The Company made interest payments on the 2013 Senior Notes of $11,375 on March 15, 2016 and 2015.

In February 2004, the Company issued two series of senior notes with an aggregate principal amount of $975,000 (the “2004 Senior Notes”). The Company received proceeds of $971,537 from this transaction, which represents the principal amount less the discount before offering expenses. The discount of $3,463 is being amortized over the life of the 2004 Senior Notes and is included as part of interest expense on the statements of operations. The first series was $500,000 in principal amount, issued at a 0.11% discount, bore interest at 5.63% per year and was repaid on February 18, 2014. The second series is $475,000 in principal amount, bears interest at 6.75% per year and is payable in a single installment due February 15, 2034 and was issued at a 0.61% discount. Interest on the 2004 Senior Notes is payable semi-annually on February 15 and August 15 of each year. The 2004 Senior Notes are unsecured obligations and rank equally with all of the Company’s other senior unsecured indebtedness. The 2004 Senior Notes are not redeemable prior to maturity. All of the holders of the 2004 Senior Notes exchanged their notes in May 2004 for new notes registered under the Securities Act of 1933, as amended.

The interest expense and related amortization incurred related to the 2004 Senior Notes was $8,057 and $8,032 for the three months ended June 30, 2016 and 2015, respectively, and $16,114 and $16,063 for the six months ended June 30, 2016 and 2015, respectively. There was $12,023 of accrued interest at both June 30, 2016 and 2015. The Company made interest payments on the 2004 Senior Notes of $16,031 on February 15, 2016 and 2015.

Promissory Note

On March 4, 2016, the Company entered into a private loan agreement in the form of a Promissory Note (the "Note") with a single financial institution, for an aggregate principal amount of $250,000. The Company received net proceeds of $249,625 from this transaction, which represented the principal amount less fees. Interest on the Note was a floating rate tied to LIBOR and was payable at least quarterly. The Note was payable in a single installment due March 3, 2017; however, terms of the agreement required that the Company promptly repay the loan with any dividends received from Union Security Insurance Company and Union Security Life Insurance Company of New

York, the Company's wholly owned subsidiaries that received the cash proceeds related to the sale of the Assurant Employee Benefits segment, or the issuance of debt or equity securities (other than in connection with employee benefit plans).

On June 2, 2016, the Company repaid $50,000 of the principal balance of the Note. Following the receipt of a dividend from Union Security Insurance Company on June 23, 2016, the Company made a final payment of $200,223, which represented the remaining principal amount plus accrued interest and fees.

The interest expense and related fee amortization incurred related to the Note was $1,228 for the three months ended June 30, 2016 and $1,731 for the six months ended June 30, 2016.

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Credit Facility

The Company’s commercial paper program requires the Company to maintain liquidity facilities either in an available amount equal to any outstanding notes from the commercial paper program or in an amount sufficient to maintain the ratings assigned to the notes issued from the commercial paper program. The Company’s subsidiaries do not maintain commercial paper or other borrowing facilities. This program is currently backed up by a $400,000 senior revolving credit facility, of which $395,960 was available at June 30, 2016, due to $4,040 of outstanding letters of credit related to this program.

On September 16, 2014, the Company entered into a five-year unsecured $400,000 revolving credit agreement, as amended by Amendment No. 1, dated as of March 5, 2015 (the “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 replaced the Company's prior four-year $350,000 revolving credit facility (the "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 2019, provided the Company is 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 the Company’s 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 share of the $400,000 facility.

The Company did not use the commercial paper program during the six months ended June 30, 2016 and 2015 and there were no amounts relating to the commercial paper program outstanding at June 30, 2016 and December 31, 2015. The Company made no borrowings using the 2014 Credit Facility and no loans are outstanding at June 30, 2016.

The 2014 Credit Facility contains restrictive covenants and requires that the Company maintain certain specified minimum ratios and thresholds. Among others, these covenants include maintaining a maximum debt to capitalization ratio and a minimum consolidated adjusted net worth. At June 30, 2016, the Company was in compliance with all covenants, minimum ratios and thresholds.

10. Accumulated Other Comprehensive Income

Certain amounts included in the consolidated statements of comprehensive income are net of reclassification adjustments. The following tables summarize those reclassification adjustments (net of taxes):

	Three Months Ended June 30, 2016				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at March 31, 2016	$(258,874)	$525,315	$21,183	$(62,384)	$ 225,240
Change in accumulated other comprehensive income (loss) before reclassifications	(14,524)	120,275	158	—	105,909
Amounts reclassified from accumulated other comprehensive income	—	(4,335)	34	406	(3,895)
Net current-period other comprehensive (loss)	(14,524)	115,940	192	406	102,014

income					
Balance at June 30, 2016	$(273,398)	$641,255	$21,375	$(61,978)	$ 327,254

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	Three Months Ended June 30, 2015				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at March 31, 2015	$(193,662)	$850,541	$25,700	$(133,582)	$ 548,997
Change in accumulated other comprehensive income (loss) before reclassifications	20,151	(216,522)	95	—	(196,276)
Amounts reclassified from accumulated other comprehensive income	—	(6,542)	(376)	2,616	(4,302)
Net current-period other comprehensive income (loss)	20,151	(223,064)	(281)	2,616	(200,578)
Balance at June 30, 2015	$(173,511)	$627,477	$25,419	$(130,966)	$ 348,419

	Six Months Ended June 30, 2016				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at December 31, 2015	$(270,734)	$495,443	$22,434	$(128,594)	$ 118,549
Change in accumulated other comprehensive income (loss) before reclassifications	(2,664)	246,281	(1,374)	85,029	327,272
Amounts reclassified from accumulated other comprehensive income	—	(100,469)	315	(18,413)	(118,567)
Net current-period other comprehensive (loss) income	(2,664)	145,812	(1,059)	66,616	208,705
Balance at June 30, 2016	$(273,398)	$641,255	$21,375	$(61,978)	$ 327,254

	Six Months Ended June 30, 2015				
	Foreign currency translation adjustment	Unrealized gains on securities	OTTI	Pension under-funding	Accumulated other comprehensive income
Balance at December 31, 2014	$(127,711)	$793,082	$26,594	$(136,198)	$ 555,767
Change in accumulated other comprehensive income (loss) before reclassifications	(45,800)	(155,127)	(2,470)	(1)	(203,398)
Amounts reclassified from accumulated other comprehensive income	—	(10,478)	1,295	5,233	(3,950)
Net current-period other comprehensive (loss) income	(45,800)	(165,605)	(1,175)	5,232	(207,348)
Balance at June 30, 2015	$(173,511)	$627,477	$25,419	$(130,966)	$ 348,419

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The following tables summarize the reclassifications out of accumulated other comprehensive income for the three and six months ended June 30, 2016 and 2015:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income Three Months Ended June 30, 2016	2015	Affected line item in the statement where net income is presented
Unrealized gains on securities	$ (6,669)	$ (10,064)	Net realized gains on investments, excluding other-than-temporary impairment losses
	2,334	3,522	Provision for income taxes
	$ (4,335)	$ (6,542)	Net of tax
OTTI	$ 53	$ (578)	Portion of net loss recognized in other comprehensive income, before taxes
	(19)	202	Provision for income taxes
	$ 34	$ (376)	Net of tax
Amortization of pension and postretirement unrecognized net periodic benefit cost:			
Amortization of prior service cost	$ —	$ (25)	(1)
Amortization of net loss	625	4,050	(1)
	625	4,025	Total before tax
	(219)	(1,409)	Provision for income taxes
	$ 406	$ 2,616	Net of tax
Total reclassifications for the period	$ (3,895)	$ (4,302)	Net of tax

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income Six Months Ended June 30, 2016	2015	Affected line item in the statement where net income is presented
Unrealized gains on securities	$ (154,567)	$ (16,120)	Net realized gains on investments, excluding other-than-temporary impairment losses
	54,098	5,642	Provision for income taxes
	(100,469)	(10,478)	Net of tax
OTTI	485	1,992	Portion of net loss recognized in other comprehensive income, before taxes
	(170)	(697)	Provision for income taxes
	$ 315	$ 1,295	Net of tax

Amortization of pension and postretirement unrecognized net periodic benefit cost:			
Amortization of prior service cost	$ —	$ (50)	(1)
Amortization of net loss	1,250	8,100	(1)
Gain on pension plan curtailment	(29,578)	—	Gain on pension plan curtailment
	(28,328)	8,050	Total before tax
	9,915	(2,817)	Provision for income taxes
	(18,413)	5,233	Net of tax
Total reclassifications for the period	$ (118,567)	$ (3,950)	Net of tax

(1) These accumulated other comprehensive income components are included in the computation of net periodic pension cost. See Note 14 - Retirement and Other Employee Benefits for additional information.

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11. Stock Based Compensation

Long-Term Equity Incentive Plan

Under the Assurant, Inc. Long-Term Equity Incentive Plan (“ALTEIP”), as amended and restated in May 2010, the Company is authorized to issue up to 5,300,000 new shares of the Company's common stock to employees, officers and non-employee directors. Under the ALTEIP, the Company may grant awards based on shares of its common stock, including stock options, stock appreciation rights (“SARs”), restricted stock (including performance shares), unrestricted stock, restricted stock units (“RSUs”), performance share units (“PSUs”) and dividend equivalents. All share-based grants are awarded under the ALTEIP.

The Compensation Committee of the Board of Directors (the “Compensation Committee”) awards PSUs and RSUs annually. RSUs and PSUs are promises to issue actual shares of common stock at the end of a vesting period or performance period. The RSUs granted to employees under the ALTEIP are based on salary grade and performance and vest one-third each year over a three-year period. RSUs granted to non-employee directors also vest one-third each year over a three-year period, however, issuance of vested shares is deferred until separation from Board service. RSUs receive dividend equivalents in cash during the restricted period and do not have voting rights during the restricted period. PSUs accrue dividend equivalents during the performance period based on a target payout, and will be paid in cash at the end of the performance period based on the actual number of shares issued. The fair value of RSUs is estimated using the fair market value of a share of the Company’s common stock at the date of grant. The fair value of PSUs is estimated using the Monte Carlo simulation model and is described in further detail below.

For the PSU portion of an award, the number of shares a participant will receive upon vesting is contingent upon the Company’s performance with respect to selected metrics, as identified below. The payout levels for 2016 awards can vary between 0% and 200% (maximum) of the target (100%) ALTEIP award amount and the payout levels for 2015 awards and prior can vary between 0% and 150% (maximum) of the target (100%) ALTEIP award amount, based on the Company’s level of performance against the selected metrics.

2016 PSU Performance Goals. The Compensation Committee established total shareholder return and net operating earnings per diluted share, excluding reportable catastrophe losses, as the two equally weighted performance measures for PSU awards in 2016. Total shareholder return is defined as appreciation in Company stock plus dividend yield to stockholders and will be measured by the performance of the Company relative to the S&P 500 Index over the three-year performance period. Net operating earnings per diluted share, excluding reportable catastrophe losses, is a Company-specific profitability metric and is defined as the Company’s net operating earnings, excluding reportable catastrophe losses, divided by the number of fully diluted shares outstanding at the end of the period. This metric is an absolute metric that is measured against a three-year cumulative target established by the Compensation Committee at the award date, and is not tied to the performance of peer companies.

2015 and prior PSU Performance Goals. The Compensation Committee established book value per share (“BVPS”) growth excluding AOCI, revenue growth and total stockholder return as the three performance measures for PSU awards in 2015 and prior. BVPS growth is defined as the year-over-year growth of the Company’s stockholders’ equity excluding AOCI divided by the number of fully diluted total shares outstanding at the end of the period. Revenue growth is defined as the year-over-year change in total revenues as disclosed in the Company’s annual statement of operations. Total stockholder return is defined as appreciation in Company stock plus dividend yield to stockholders. Payouts will be determined by measuring performance against the average performance of companies included in an insurance industry market index.

From 2009 to 2013, the Company used the A.M. Best U.S. Insurance Index to measure its relative performance ranking. In 2014, A.M. Best stopped publishing this index. As of January 1, 2014, the Company is using the S&P Total Market Index to measure the Company's performance for all outstanding PSU awards in 2015 and prior. Consistent with adjustments made to the A.M. Best U.S. Insurance Index, adjustments will be made to the S&P Total Market Index to exclude companies with revenues of less than $1,000,000 or that are not in the insurance or managed healthcare Global Industry Classification Standard codes. In addition, companies within the Company's compensation peer group, but not otherwise in the S&P Total Market Index, will be included. The adjusted S&P Total Market Index is substantially similar in composition to the previous A.M. Best U.S. Insurance Index.

Under the ALTEIP, the Company's Chief Executive Officer ("CEO") is authorized by the Board of Directors to grant common stock, restricted stock and RSUs to employees other than the executive officers of the Company (as defined in

Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). The Compensation Committee reviews these grants semi-annually. Restricted stock and RSUs granted under this program may have different vesting periods.

Restricted Stock Units

RSUs granted to employees and to non-employee directors were 62,116 and 54,576 for the three months ended June 30, 2016 and 2015, respectively, and 310,094 and 339,398 for the six months ended June 30, 2016 and 2015, respectively. The compensation expense recorded related to RSUs was $5,429 and $5,951 for the three months ended June 30, 2016 and 2015, respectively, and $8,799 and $10,459 for the six months ended June 30, 2016 and 2015, respectively. The related total income tax benefit was $1,899 and $2,082 for the three months ended June 30, 2016 and 2015, respectively, and $3,076 and $3,660 for the six months ended June 30, 2016 and 2015, respectively. The weighted average grant date fair value for RSUs granted during the six months ended June 30, 2016 and 2015 was $78.28 and $62.22, respectively.

As of June 30, 2016, there was $24,882 of unrecognized compensation cost related to outstanding RSUs. That cost is expected to be recognized over a weighted-average period of 1.51 years. The total fair value of RSUs vested during the three months ended June 30, 2016 and 2015 was $1,713 and $4,959, respectively, and $21,270 and $24,474 for the six months ended June 30, 2016 and 2015, respectively.

Performance Share Units

PSUs granted to employees were 10,182 for the three months ended June 30, 2016. No PSUs were granted to employees during the three months ended June 30, 2015. PSUs granted to employees were 258,646 and 355,688 for the six months ended June 30, 2016 and 2015, respectively. The compensation expense recorded related to PSUs was $1,387 and $1,266 for the three months ended June 30, 2016 and 2015, respectively, and $4,235 and $2,332 for the six months ended June 30, 2016 and 2015, respectively. The related total income tax benefit was $486 and $440 for the three months ended June 30, 2016 and 2015, respectively, and $1,478 and $813 for the six months ended June 30, 2016 and 2015, respectively. The weighted average grant date fair value for PSUs granted during the six months ended June 30, 2016 and 2015 was $80.82 and $61.82, respectively.

As of June 30, 2016, there was $26,163 of unrecognized compensation cost related to outstanding PSUs. That cost is expected to be recognized over a weighted-average period of 1.18 years.

The fair value of PSUs with market conditions was estimated on the date of grant using a Monte Carlo simulation model, which utilizes multiple variables that determine the probability of satisfying the market condition stipulated in the award. Expected volatilities for awards issued during the six months ended June 30, 2016 and 2015 were based on the historical stock prices of the Company’s stock and peer group. The expected term for grants issued during the six months ended June 30, 2016 and 2015 was assumed to equal the average of the vesting period of the PSUs. The risk-free rate was based on the U.S. Treasury yield curve in effect at the time of grant.

Employee Stock Purchase Plan

Under the Employee Stock Purchase Plan (“ESPP”), the Company is authorized to issue up to 5,000,000 new shares to employees who are participants in the ESPP. Eligible employees can purchase shares at a 10% discount applied to the lower of the closing price of the common stock on the first or last day of the offering period.

In January 2016, the Company issued 59,102 shares at a discounted price of $61.70 for the offering period of July 1, 2015 through December 31, 2015. In January 2015, the Company issued 65,302 shares at a discounted price of $59.65 for the offering period of July 1, 2014 through December 31, 2014.

In July 2016, the Company issued 45,649 shares at a discounted price of $70.67 for the offering period of January 1, 2016 through June 30, 2016. In July 2015, the Company issued 65,320 shares at a discounted price of $60.30 for the offering period of January 1, 2015 through June 30, 2015.

The compensation expense recorded related to the ESPP was $320 and $316 for the three months ended June 30, 2016 and 2015, respectively, and $640 and $632 for the six months ended June 30, 2015 and 2016, respectively.

The fair value of each award under the ESPP was estimated at the beginning of each offering period using the Black-Scholes option-pricing model. Expected volatilities are based on implied volatilities from traded options on the Company's stock and the historical volatility of the Company's stock. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is based on the current annualized dividend and share price as of the grant date.

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12. Stock Repurchase

The following table shows the shares repurchased during the periods indicated:

Period in 2016	Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Programs
January	1,147,337	$ 78.44	1,147,337
February	869,898	70.69	869,898
March	1,405,025	76.12	1,405,025
April	1,033,098	79.90	1,033,098
May	845,869	87.01	845,869
June	439,031	84.75	439,031
Total	5,740,258	$ 78.71	5,740,258

On November 15, 2013, and September 9, 2015, the Company’s Board of Directors authorized the Company to repurchase up to $600,000 and an additional $750,000, respectively, of its outstanding common stock.

During the six months ended June 30, 2016, the Company repurchased 5,740,258 shares of the Company’s outstanding common stock at a cost of $451,697, exclusive of commissions, leaving $500,406 remaining under the total repurchase authorization at June 30, 2016.

The timing and the amount of future repurchases will depend on market conditions, the Company's financial condition, results of operations, liquidity and other factors.

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13. Earnings Per Common Share

The following table presents net income, the weighted average common shares used in calculating basic earnings per common share ("EPS") and those used in calculating diluted EPS for each period presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Numerator				
Net income	$169,349	$32,789	$389,667	$82,833
Deduct dividends paid	(32,519)	(21,616)	(64,966)	(40,450)
Undistributed earnings	$136,830	$11,173	$324,701	$42,383
Denominator				
Weighted average shares outstanding used in basic earnings per share	62,244,778	68,558,472	63,665,856	69,161,001
Incremental common shares from:				
PSUs	431,575	621,327	561,214	720,763
ESPPs	46,939	64,600	46,939	64,600
Weighted average shares used in diluted earnings per share calculations	62,723,292	69,244,399	64,274,009	69,946,364
Earnings per common share - Basic				
Distributed earnings	$0.52	$0.30	$1.02	$0.57
Undistributed earnings	2.20	0.18	5.10	0.63
Net income	$2.72	$0.48	$6.12	$1.20
Earnings per common share - Diluted				
Distributed earnings	$0.52	$0.30	$1.01	$0.57
Undistributed earnings	2.18	0.17	5.05	0.61
Net income	$2.70	$0.47	$6.06	$1.18

Average PSUs totaling 2,909 and 2,944 for the three and six months ended June 30, 2016, respectively, were outstanding but were anti-dilutive and thus not included in the computation of diluted EPS under the treasury stock method. There were no anti-dilutive PSUs outstanding during the three and six months ended June 30, 2015.

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14. Retirement and Other Employee Benefits

The components of net periodic benefit (gain) cost for the Company’s qualified pension benefits plan, nonqualified pension benefits plan and retirement health benefits plan for the three and six months ended June 30, 2016 and 2015 were as follows:

	Qualified Pension Benefits			Nonqualified Pension Benefits (1)		Retirement Health Benefits	
	For the Three Months Ended June 30,			For the Three Months Ended June 30,		For the Three Months Ended June 30,	
	2016 Plan 1	2016 Plan 2	2015	2016	2015	2016	2015
Service cost	$—	$—	$9,750	$ 100	$ 1,125	$—	$625
Interest cost	3,400	3,500	9,050	925	1,350	875	950
Expected return on plan assets	(7,800)	(5,950)	(13,725)	—	—	(750)	(825)
Amortization of prior service cost	—	—	—	—	200	—	(225)
Amortization of net loss	—	325	3,325	300	725	—	—
Curtailment/settlement charge	—	—	—	—	400	—	—
Net periodic benefit (gain) cost	$(4,400)	$(2,125)	$8,400	$ 1,325	$ 3,800	$125	$525

	Qualified Pension Benefits			Nonqualified Pension Benefits (1)		Retirement Health Benefits	
	For the Six Months Ended June 30,			For the Six Months Ended June 30,		For the Six Months Ended June 30,	
	2016 Plan 1	2016 Plan 2	2015	2016	2015	2016	2015
Service cost	$—	$—	$19,500	$ 200	$ 2,250	$—	$1,250
Interest cost	6,800	7,000	18,100	1,850	2,700	1,750	1,900
Expected return on plan assets	(15,600)	(11,900)	(27,450)	—	—	(1,500)	(1,650)
Amortization of prior service cost	—	—	—	—	400	—	(450)
Amortization of net loss	—	650	6,650	600	1,450	—	—
Curtailment/settlement (gain) charge	(23,057)	—	—	(2,285)	800	(4,236)	—
Net periodic benefit (gain) cost	$(31,857)	$(4,250)	$16,800	$ 365	$ 7,600	$(3,986)	$1,050

(1) The Company’s nonqualified plan is unfunded.

Effective January 1, 2014, the Assurant Pension Plan (the "Plan"), Assurant Executive Pension Plan and Assurant Supplemental Executive Retirement Plan ("SERP") were closed to new hires. Effective January 1, 2016, the Plan was amended and split into two separate plans, the Assurant Pension Plan No. 1 (Plan No. 1) and the Assurant Pension Plan No. 2 (Plan No. 2). Plan No. 2 generally includes a subset of the terminated vested population and the total population who commenced distribution of their accrued benefit prior to January 1, 2016. Plan No. 1 generally covers all other eligible employees (including the active population as of January 1, 2016, the remainder of the terminated vested population and all Puerto Rico participants). Assets for both plans will remain in the Assurant, Inc. Pension Plan Trust.

Effective March 1, 2016, the Plan, the Assurant Executive Pension Plan, the SERP and the Retiree Medical Plan were amended such that no additional benefits will be earned after February 29, 2016. In connection with this amendment, the Company recorded a non-cash, curtailment gain of $29,578 in the first quarter 2016, which is included in the gain on pension plan curtailment caption in the consolidated statements of operations.

Also as a result of the curtailment, the Plan's funded status increased to $33,353 (based on the fair value of the assets compared to the accumulated benefit obligation) at June 30, 2016 from $(51,973) (based on the fair value of the assets compared to the projected benefit obligation) at December 31, 2015. This equates to a 104% and 94% funded status at June 30, 2016 and December 31, 2015, respectively. During the first six months of 2016, no cash was contributed to the Plan. Due to the Plan's current funded status, no additional cash is expected to be contributed to the Plan over the remainder of 2016.

During the first quarter of 2016, the Company announced that it will make a special, one-time contribution of three percent of eligible pay into the defined contribution plan for all active employees as of December 31, 2016. Employees whose employment ends between March 1 and December 30, 2016 due to death, total disability, retirement (as defined in the Plan) or as part of an involuntary termination without cause initiated by the Company are also eligible for this contribution. The Company had $11,540 accrued in connection with this special, one-time contribution as of June 30, 2016.

15. Segment Information

During 2016, the Company announced its plans to realign its lines of business under a newly created Chief Operating Officer position. The senior management team continues to work on the new organizational framework and corresponding operating structure. The presentation of the segments described below is expected to be modified accordingly and prior periods' presentations revised to conform to the new operating segments. The Company expects such changes to be in effect in 2017.

As previously announced, the Company will substantially exit the health insurance market by the end of 2016 and sold its Assurant Employee Benefits segment on March 1, 2016, mainly through a series of reinsurance transactions. For more information see Notes 4 and 5, respectively. As of June 30, 2016, the Company has five reportable segments, which are defined based on the nature of the products and services offered:

- Assurant Solutions: provides mobile device protection and related services; vehicle protection; pre-funded funeral insurance and credit insurance.
- Assurant Specialty Property: provides renters insurance; lender-placed homeowners insurance; mortgage valuation and field services and manufactured housing insurance.
- Corporate & Other: includes activities of the holding company, financing and interest expenses, net realized gains (losses) on investments and interest income earned from short-term investments held. Corporate & Other also includes the amortization of deferred gains associated with the sales of Fortis Financial Group, Long-Term Care and Assurant Employee Benefits through reinsurance agreements and other unusual and infrequent items, including the loss related to the sale of Assurant Employee Benefits.
- Assurant Health: includes amounts related to the previously announced exit from the health insurance market.
- Assurant Employee Benefits: includes the results of operations for the periods prior to its sale on March 1, 2016.

The Company evaluates performance of the operating segments (Assurant Solutions; Assurant Specialty Property and Corporate & Other) based on segment income (loss) after-tax. The Company determines reportable segments in a manner consistent with the way the Chief Operating Decision Maker makes operating decisions and assesses performance.

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The following tables summarize selected financial information by segment:

	Three Months Ended June 30, 2016				
	Solutions	Specialty Property	Health	Corporate & Other	Consolidated
Revenues					
Net earned premiums	$755,252	$451,318	$(4,346)	$ —	$ 1,202,224
Fees and other income	202,908	109,846	8,284	7,267	328,305
Net investment income	88,362	17,823	1,983	11,652	119,820
Net realized gains on investments	—	—	—	21,626	21,626
Amortization of deferred gain on disposal of businesses (1)	—	—	—	125,818	125,818
Total revenues	1,046,522	578,987	5,921	166,363	1,797,793
Benefits, losses and expenses					
Policyholder benefits	222,230	202,659	(24,075)	—	400,814
Amortization of deferred acquisition costs and value of business acquired	283,032	59,608	—	—	342,640
Underwriting, general and administrative expenses (2)	475,935	231,920	37,763	57,977	803,595
Interest expense	—	—	—	15,232	15,232
Total benefits, losses and expenses	981,197	494,187	13,688	73,209	1,562,281
Segment income (loss) before provision (benefit) for income tax	65,325	84,800	(7,767)	93,154	235,512
Provision (benefit) for income taxes	3,925	27,859	(2,341)	36,720	66,163
Segment income (loss) after tax	$61,400	$56,941	$(5,426)	$ 56,434	
Net income					$ 169,349

(1) Includes $122,835 related to the additional deferred gain related to the Assurant Employee Benefits sale on March 1, 2016.

(2) Corporate & Other includes a $16,672 intangible asset impairment charge related to trade names that will no longer be used or defended by the Company.

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Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(In thousands, except number of shares and per share amounts)

	Three Months Ended June 30, 2015					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums	$752,604	$532,022	$584,443	$269,189	$ —	$2,138,258
Fees and other income	178,578	106,128	17,047	6,460	15,396	323,609
Net investment income	99,976	25,443	7,014	30,020	5,333	167,786
Net realized gains on investments	—	—	—	—	11,999	11,999
Amortization of deferred gain on disposal of businesses	—	—	—	—	3,242	3,242
Total revenues	1,031,158	663,593	608,504	305,669	35,970	2,644,894
Benefits, losses and expenses						
Policyholder benefits	235,099	214,605	625,323	192,687	—	1,267,714
Amortization of deferred acquisition costs and value of business acquired	276,823	66,111	2,917	8,032	—	353,883
Underwriting, general and administrative expenses	437,917	252,495	158,608	88,241	32,233	969,494
Interest expense	—	—	—	—	13,778	13,778
Total benefits, losses and expenses	949,839	533,211	786,848	288,960	46,011	2,604,869
Segment income (loss) before provision (benefit) for income tax	81,319	130,382	(178,344)	16,709	(10,041)	40,025
Provision (benefit) for income taxes	20,504	42,848	(54,569)	5,441	(6,988)	7,236
Segment income (loss) after tax	$60,815	$87,534	$(123,775)	$11,268	$ (3,053)	
Net income						$32,789

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Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2016					
	Solutions	Specialty Property	Health	Employee Benefits (1)	Corporate & Other	Consolidated
Revenues						
Net earned premiums	$1,494,176	$920,927	$24,388	$177,971	$—	$2,617,462
Fees and other income	441,017	217,608	13,402	4,244	9,724	685,995
Net investment income	177,285	36,167	5,921	17,340	18,814	255,527
Net realized gains on investments (2)	—	—	—	—	183,344	183,344
Amortization of deferred gain on disposal of businesses (3)	—	—	—	—	173,414	173,414
Gain on pension plan curtailment	—	—	—	—	29,578	29,578
Total revenues	2,112,478	1,174,702	43,711	199,555	414,874	3,945,320
Benefits, losses and expenses						
Policyholder benefits	448,981	382,131	(4,963)	118,481	—	944,630
Amortization of deferred acquisition costs and value of business acquired	552,042	119,082	—	5,858	—	676,982
Underwriting, general and administrative expenses	977,145	473,354	90,718	58,469	121,268	1,720,954
Interest expense	—	—	—	—	29,735	29,735
Total benefits, losses and expenses	1,978,168	974,567	85,755	182,808	151,003	3,372,301
Segment income (loss) before provision (benefit) for income tax	134,310	200,135	(42,044)	16,747	263,871	573,019
Provision (benefit) for income taxes	25,776	66,843	(9,445)	6,277	93,901	183,352
Segment income (loss) after tax	$108,534	$133,292	$(32,599)	$10,470	$169,970	
Net income						$389,667
	As of June 30, 2016					
Segment assets:	$14,830,610	$3,632,142	$723,107	$—	$10,618,354	$29,804,213

(1) Assurant Employee Benefits amounts represent January and February results of operations prior to the sale on March 1, 2016.
(2) Includes $146,727 related to assets transferred to Sun Life as part of the Assurant Employee Benefits sale on March 1, 2016.
(3) Includes $167,428 related to the additional deferred gain related to the Assurant Employee Benefits sale on March 1, 2016.

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Assurant, Inc.
Notes to Consolidated Financial Statements (unaudited)
Three and Six Months Ended June 30, 2016 and 2015
(In thousands, except number of shares and per share amounts)

	Six Months Ended June 30, 2015					
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	Consolidated
Revenues						
Net earned premiums	$1,507,081	$1,060,468	$1,194,185	$536,086	$—	$4,297,820
Fees and other income	351,646	190,364	33,023	12,734	15,404	603,171
Net investment income	192,167	45,958	14,021	57,841	10,072	320,059
Net realized gains on investments	—	—	—	—	15,954	15,954
Amortization of deferred gain on disposal of businesses	—	—	—	—	6,500	6,500
Total revenues	2,050,894	1,296,790	1,241,229	606,661	47,930	5,243,504
Benefits, losses and expenses						
Policyholder benefits	450,647	419,208	1,230,086	378,500	—	2,478,441
Amortization of deferred acquisition costs and value of business acquired	541,855	158,180	7,190	15,661	—	722,886
Underwriting, general and administrative expenses	897,201	476,107	287,786	179,580	50,729	1,891,403
Interest expense	—	—	—	—	27,556	27,556
Total benefits, losses and expenses	1,889,703	1,053,495	1,525,062	573,741	78,285	5,120,286
Segment income (loss) before provision (benefit) for income tax	161,191	243,295	(283,833)	32,920	(30,355)	123,218
Provision (benefit) for income taxes	46,017	80,674	(76,089)	11,504	(21,721)	40,385
Segment income (loss) after tax	$115,174	$162,621	$(207,744)	$21,416	$(8,634)	
Net income						$82,833
	As of December 31, 2015					
Segment assets:	$14,356,484	$3,648,738	$1,437,032	$2,190,808	$8,403,340	$30,036,402

16. Commitments and Contingencies

In the normal course of business, letters of credit are issued primarily to support reinsurance arrangements in which the Company is the reinsurer. These letters of credit are supported by commitments under which the Company is required to indemnify the financial institution issuing the letter of credit if the letter of credit is drawn. The Company had $12,491 and $19,809 of letters of credit outstanding as of June 30, 2016 and December 31, 2015, respectively.

On January 16, 2015, the National Association of Insurance Commissioners (the "NAIC") authorized a multistate targeted market conduct examination regarding the Company's lender placed insurance products. Various underwriting companies, including American Security Insurance Company, are subject to the examination. At present, 44 jurisdictions are participating. The Company has cooperated in responding to requests for information and documents and has engaged in various communications with the examiners. The examination and discussions with the

examiners continue.
In addition, the Company is involved in a variety of litigation relating to its current and past business operations and, from time to time, it may 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 assert a variety of claims under a number of legal theories. The plaintiffs seek premium refunds and other relief. The Company continues to defend itself vigorously in these class actions. We have participated and may participate in settlements on terms that we consider reasonable given the strength of our defenses and other factors.

In July 2007 an Assurant subsidiary acquired Swansure Group, a privately held U.K. company, which owned D&D Homecare Limited (“D&D”). D&D was a packager of mortgages and certain insurance products, including Payment Protection Insurance (“PPI”) policies that, for a period of time, were underwritten by an Assurant subsidiary and sold by various alleged agents, including Carrington Carr Home Finance Limited (“CCHFL”), which is now in administration. In early 2014, as a result of consumer complaints alleging that CCHFL missold certain D&D-packaged PPI policies between August 8, 2003 and November 1, 2004, the U.K. Financial Ombudsman Service (“FOS”) requested that an Assurant subsidiary, Assurant Intermediary Limited (“AIL”), review complaints relating to CCHFL’s sale of such PPI policies. In February 2016, the FOS issued a final decision in favor of AIL’s challenge to the FOS’s jurisdiction on the CCHF population of cases.

The Company has accrued a liability for the legal and regulatory proceedings discussed above. However, the possible loss or range of loss resulting from such litigation and regulatory proceedings, if any, in excess of the amounts accrued is inherently unpredictable and uncertain. Consequently, no estimate can be made of any possible loss or range of loss in excess of the accrual. Although the Company cannot predict the outcome of any pending legal or regulatory action, or the potential losses, fines, penalties or equitable relief, if any, that may result, it is possible that such outcome could have a material adverse effect on the Company’s consolidated results of operations or cash flows for an individual reporting period. However, based on currently available information, management does not believe that the pending matters are likely to have a material adverse effect, individually or in the aggregate, on the Company’s financial condition.

17. Income Taxes

During the three months ended June 30, 2016, the Company recorded a net tax benefit of $18,000 in the Assurant Solutions segment. The tax benefit was driven by an international restructuring, in which there was a redemption of shares. For U.S. tax purposes, the redemption was treated as a dividend of the shares, attracted foreign tax credits and resulted in a tax benefit of $18,000.

During the three months ended June 30, 2015, the Company recorded a net tax benefit of $8,448 in the Assurant Solutions segment. The tax benefit was primarily a result of an international reorganization.

18. Catastrophe Bond Program

On June 26, 2013, certain of the Company's subsidiaries ("the Subsidiaries") entered into three reinsurance agreements with Ibis Re II Ltd. ("Ibis Re II") providing up to $185,000 of reinsurance coverage for protection against losses over a three-year period from individual hurricane events in Hawaii, Puerto Rico, and along the Gulf and Eastern Coasts of the United States. Ibis Re II financed the property catastrophe reinsurance coverage by issuing $185,000 in catastrophe bonds to unrelated investors (the “Series 2013-1 Notes”). The agreements expired in June 2016.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
(Dollar amounts in thousands, except number of shares and per share amounts)
This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) addresses the financial condition of Assurant, Inc. (which we refer to as “Assurant” or the "Company”) as of June 30, 2016, compared with December 31, 2015, and our results of operations for the three and six months ended June 30, 2016 and 2015. This discussion should be read in conjunction with our MD&A and annual audited consolidated financial statements for the year ended December 31, 2015 included in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the U.S. Securities and Exchange Commission (the “SEC”) and the unaudited consolidated financial statements for the three and six months ended June 30, 2016 and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Report"). The 2015 Annual Report on Form 10-K, this Report, and other documents related to the Company are available free of charge through the SEC website at www.sec.gov and through our website at www.assurant.com.

Some statements in this MD&A 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 use of words such as “will,” “may,” “anticipates,” “expects,” “estimates,” “projects,” “intends,” “plans,” “believes,” “target “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 premium rates or increases in expenses, including claims, commissions, fines, penalties or other expenses;
ii. loss of significant client relationships or business, distribution sources or contracts and reliance on a few clients;
iii. potential variations between the final risk adjustment amount and reinsurance amounts, as determined by the U.S. Department of Health and Human Services under the Affordable Care Act, and the Company's estimate;
iv. unfavorable outcomes in litigation and/or regulatory investigations that could negatively affect our results, business and reputation;
v. inability to execute strategic plans related to acquisitions, dispositions or new ventures;
vi. failure to adequately predict or manage benefits, claims and other costs;
vii. inadequacy of reserves established for future claims;
viii. current or new laws and regulations that could increase our costs and decrease our revenues;
ix. significant competitive pressures in our businesses;
x. failure to attract and retain sales representatives, key managers, agents or brokers;
xi. losses due to natural or man-made catastrophes;
xii. a decline in our credit or financial strength ratings (including the risk of ratings downgrades in the insurance industry);
xiii. deterioration in the Company’s market capitalization compared to its book value that could result in an impairment of goodwill;
xiv. risks related to our international operations, including fluctuations in exchange rates;
xv. data breaches compromising client information and privacy;

xvi. 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);
xvii. cyber security threats and cyber attacks;
xviii. failure to effectively maintain and modernize our information systems;
xix. uncertain tax positions and unexpected tax liabilities;
xx. risks related to outsourcing activities;
xxi. unavailability, inadequacy and unaffordable pricing of reinsurance coverage;
xxii. diminished value of invested assets in our investment portfolio (due to, among other things, volatility in financial markets; the global economic slowdown; credit, currency and liquidity risk; other than temporary impairments and increases in interest rates);
xxiii. insolvency of third parties to whom we have sold or may sell businesses through reinsurance or modified co-insurance;
xxiv. inability of reinsurers to meet their obligations;
xxv. credit risk of some of our agents in Assurant Specialty Property and Assurant Solutions;
xxvi. inability of our subsidiaries to pay sufficient dividends;
xxvii. failure to provide for succession of senior management and key executives; and
xxviii. cyclicality of the insurance industry.

For a more detailed discussion of the risk factors that could affect our actual results, please refer to “Item 1A-Risk Factors” and “Item 7-MD&A Critical Factors Affecting Results” in our 2015 Annual Report on Form 10-K and “Item 1A-Risk Factors” in the Quarterly Report on Form 10-Q for the three months ended March 31, 2016 (the "First Quarter Report").

General

During 2016, the Company announced its plans to realign its lines of business under a newly created Chief Operating Officer position. The senior management team continues to work on the new organizational framework and corresponding operating structure. The presentation of the segments described below is expected to be modified accordingly and prior periods' presentations revised to conform to the new operating segments. The Company expects such changes to be in effect in 2017.

As previously announced, the Company will substantially exit the health insurance market by the end of 2016 and sold its Assurant Employee Benefits segment on March 1, 2016, mainly through a series of reinsurance transactions. For more information see Notes 4 and 5, respectively, to the consolidated financial statements, included elsewhere in the Report. As of June 30, 2016, the Company has five reportable segments, which are defined based on the nature of the products and services offered:

•Assurant Solutions: provides mobile device protection and related services; vehicle protection; pre-funded funeral insurance and credit insurance.

•Assurant Specialty Property: provides renters insurance; lender-placed homeowners insurance; mortgage valuation and field services and manufactured housing insurance.

•Corporate & Other: includes activities of the holding company, financing and interest expenses, net realized gains (losses) on investments and interest income earned from short-term investments held. Corporate & Other also includes the amortization of deferred gains associated with the sales of Fortis Financial Group, Long-Term Care and Assurant Employee Benefits through reinsurance agreements and other unusual and infrequent items, including the loss related to the sale of Assurant Employee Benefits.

•Assurant Health: includes amounts related to the previously announced exit from the health insurance market.

•Assurant Employee Benefits: includes the results of operations for the periods prior to its sale on March 1, 2016.

The Company evaluates performance of the operating segments (Assurant Solutions; Assurant Specialty Property and Corporate & Other) based on segment income (loss) after-tax. The Company determines reportable segments in a manner consistent with the way the Chief Operating Decision Maker makes operating decisions and assesses performance.

The following discussion relates to the three and six months ended June 30, 2016 (“Second Quarter 2016” and "Six Months 2016") and the three and six months ended June 30, 2015 (“Second Quarter 2015” and "Six Months 2015").

Executive Summary

As previously announced, the Company concluded a comprehensive review of its portfolio and has sharpened its focus on specialty housing and lifestyle protection products and services. As a result, the Company will substantially exit the health insurance market by December 31, 2016 and, on March 1, 2016, the Company completed the sale, mainly through a series of reinsurance transactions, of its Assurant Employee Benefits segment to Sun Life Assurance Company of Canada, a subsidiary of Sun Life Financial Inc. (“Sun Life”), for net cash consideration of $926,174. For more information on the sale, see Note 5 to the consolidated financial statements, included elsewhere in this Report.

Consolidated net income increased $136,560, or 416%, to $169,349 for Second Quarter 2016, compared with $32,789 of net income for Second Quarter 2015. For Six Months 2016, net income increased $306,834, or 370%, to $389,667, compared with $82,833 for Six Months 2015. The increase in Second Quarter 2016 compared to Second Quarter 2015 was primarily due to lower losses and exit-related charges from the wind down of Assurant Health and the increase in the amortization of deferred gains due to the first quarter 2016 sale of Assurant Employee Benefits.

Assurant Solutions net income increased $585, or 1%, to $61,400 for Second Quarter 2016 from $60,815 for Second Quarter 2015. The increase was due to a larger tax benefit related to a redemption of shares in our international structure. Absent this item, segment net income declined, primarily due to lower service contract contributions from North American retail clients and the previously disclosed loss of a domestic tablet program.

Second Quarter 2016 net earned premiums and fees increased $26,978 compared with Second Quarter 2015 primarily due to an increase in covered mobile devices and growth in vehicle service contracts. Our vehicle service contracts business benefited from strong U.S. vehicle sales and a one-time contribution from a client. This was partially offset by declines in service contract revenue from certain North American retailers, the impact of the loss of the tablet program and foreign currency exchange volatility, particularly in Argentina.

Overall, we expect Assurant Solution's full year net income and net earned premiums and fees to increase from 2015 levels. We expect the increase in net income to be driven by increased revenue from new mobile programs, improved international profitability and savings from expense initiatives focused on legacy, run-off businesses. We expect 2016 results to be affected by foreign currency exchange volatility, lower service contract revenue from North American retail clients and continued declines in our credit insurance business.

Assurant Specialty Property net income decreased $30,593, or 35%, to $56,941 for Second Quarter 2016 from $87,534 for Second Quarter 2015 primarily due to the ongoing normalization of lender-placed homeowners insurance business, lower real-estate owned ("REO") policy volume, the previously disclosed loss of business and higher weather-related claims. The REO product is insurance we provide on foreclosed properties managed by our clients. Second Quarter 2016 results include $16,004 (after-tax) of reportable catastrophe losses, compared to $6,105 (after-tax) in Second Quarter 2015.

Net earned premiums and fees decreased $76,986 in Second Quarter 2016 compared with Second Quarter 2015, primarily due to lower placement and premium rates in the lender-placed homeowners insurance business, previously disclosed loss of client business as well as lower REO policies. Partially offsetting these items was growth in our multi-family housing and mortgage solutions businesses. Multi-family housing revenue increased due to growth in our affinity channels and property management network, while mortgage solutions fees grew due to increases in property preservation and default appraisal services.

In June 2016, we finalized our catastrophe reinsurance program, purchasing $1,400,000 of coverage while lowering our U.S. retention approximately 20% to $125,000, mainly due to declining exposure.

Overall, we expect Assurant Specialty Property’s full year 2016 net income and net earned premiums to decrease from 2015 levels, reflecting the ongoing normalization of our lender-placed insurance business. We expect the decline to be partially offset by contributions from multi-family housing and mortgage solutions businesses and increased efficiencies and expense savings initiatives. Overall results will be affected by catastrophe losses.

As mentioned above, the Company expects to substantially complete the process to exit the health insurance market by December 31, 2016. During the remainder of the exit process, we expect to incur $13,000 to $23,000 of additional exit-related charges, as well as certain overhead expenses that are excluded from the premium deficiency reserve accrual.

Critical Factors Affecting Results and Liquidity

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” and “Item 7—MD&A Critical Factors Affecting Results” in our 2015 Annual Report on Form 10-K and “Item 1A-Risk Factors” in the First Quarter Report.

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 debt and dividends on our common stock.

For the six months ended June 30, 2016, net cash used in operating activities, including the effect of exchange rate changes and the reclassification of assets held for sale, totaled $298,243; net cash provided by investing activities totaled $745,635 and net cash used in financing activities totaled $503,023. We had $1,232,674 in cash and cash equivalents as of June 30, 2016. Please see “—Liquidity and Capital Resources,” below for further details.

Critical Accounting Policies and Estimates

Our 2015 Annual Report on Form 10-K describes the accounting policies and estimates that are critical to the understanding of our results of operations, financial condition and liquidity. The accounting policies and estimation process described in the 2015 Annual Report on Form 10-K were consistently applied to the unaudited interim consolidated financial statements for Second Quarter 2016.

Results of Operations

Assurant Consolidated

Overview

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Net earned premiums	$1,202,224	$2,138,258	$2,617,462	$4,297,820
Fees and other income	328,305	323,609	685,995	603,171
Net investment income	119,820	167,786	255,527	320,059
Net realized gains on investments	21,626	11,999	183,344	15,954
Amortization of deferred gain on disposal of businesses	125,818	3,242	173,414	6,500
Gain on pension plan curtailment	—	—	29,578	—
Total revenues	1,797,793	2,644,894	3,945,320	5,243,504
Benefits, losses and expenses:				
Policyholder benefits	400,814	1,267,714	944,630	2,478,441
Selling, underwriting and general expenses	1,146,235	1,323,377	2,397,936	2,614,289
Interest expense	15,232	13,778	29,735	27,556
Total benefits, losses and expenses	1,562,281	2,604,869	3,372,301	5,120,286
Income before provision for income taxes	235,512	40,025	573,019	123,218
Provision for income taxes	66,163	7,236	183,352	40,385
Net income	$169,349	$32,789	$389,667	$82,833

The following discussion provides a general overall analysis of how the consolidated results were affected by our segments for Second Quarter 2016 and Six Months 2016 compared to Second Quarter 2015 and Six Months 2015, respectively. Please see the discussion that follows for each of these segments for a more detailed analysis of the fluctuations.

For the Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Net Income

Net income increased $136,560, or 416%, to $169,349 for Second Quarter 2016, compared with $32,789 of net income for Second Quarter 2015. The increase was primarily due to lower exit-related charges from the wind down of Assurant Health runoff operations and an increase in the amortization of deferred gain on disposal of businesses related to the transfer of assets and other items associated with the sale of our Assurant Employee Benefits segment, mainly through a series of reinsurance transactions, to Sun Life. For more information on the sale, see Note 5 to the consolidated financial statements, included elsewhere in this Report.

For the Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Net Income

Net income increased $306,834, or 370%, to $389,667 for Six Months 2016, compared with $82,833 of net income for Six Months 2015. The increase was primarily due to lower exit-related charges from the wind down of the Assurant Health runoff operations and an additional $108,804 (after-tax) in net realized gains on investments and a $108,494 (after-tax) increase in amortization of deferred gain on disposal of businesses, both related to the transfer of assets and other items associated with the sale of Assurant Employee Benefits segment, mainly through a series or reinsurance transactions, to Sun Life. For more information on the sale, see Note 5 to the consolidated financial statements, included elsewhere in this Report. In addition, Six Months 2016 includes a $19,226 (after-tax) one-time curtailment gain associated with our previously disclosed pension plan freeze, effective March 1, 2016. For more information on the pension plan freeze, see Note 14 to the consolidated financial statements, included elsewhere in this Report.

Assurant Solutions

Overview

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Net earned premiums	$755,252	$752,604	$1,494,176	$1,507,081
Fees and other income	202,908	178,578	441,017	351,646
Net investment income	88,362	99,976	177,285	192,167
Total revenues	1,046,522	1,031,158	2,112,478	2,050,894
Benefits, losses and expenses:				
Policyholder benefits	222,230	235,099	448,981	450,647
Selling, underwriting and general expenses	758,967	714,740	1,529,187	1,439,056
Total benefits, losses and expenses	981,197	949,839	1,978,168	1,889,703
Segment income before provision for income taxes	65,325	81,319	134,310	161,191
Provision for income taxes	3,925	20,504	25,776	46,017
Segment net income	$61,400	$60,815	$108,534	$115,174
Net earned premiums, fees and other:				
Global connected living	$616,268	$621,411	$1,278,447	$1,241,794
Global vehicle protection	196,557	145,550	362,445	290,270
Global preneed	43,216	44,017	85,944	84,726
Global credit and other	102,119	120,204	208,357	241,937
Total	$958,160	$931,182	$1,935,193	$1,858,727

For the Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Net Income

Segment net income increased $585, or 1%, to $61,400 for Second Quarter 2016 from $60,815 for Second Quarter 2015. The increase was due to a larger tax benefit related to a redemption of shares in our international structure. Absent this item, segment net income declined, primarily due to lower service contract contributions from North American retail clients and the previously disclosed loss of a domestic tablet program.

Total Revenues

Total revenues increased $15,364, or 1%, to $1,046,522 for Second Quarter 2016 from $1,031,158 for Second Quarter 2015. Net earned premiums increased $2,648 primarily due to growth from our domestic vehicle protection business, including a one time contribution from a large dealership client. This was partially offset by foreign currency exchange volatility and the loss of a domestic tablet program. Fees and other income increased $24,330, primarily driven by growth in mobile programs. Net investment income decreased $11,614, primarily due to $6,017 of lower investment income from real estate joint venture partnerships and lower invested assets and lower investment yields. A few significant clients continued to account for a substantial portion of segment revenues.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $31,358, or 3%, to $981,197 for Second Quarter 2016 from $949,839 for Second Quarter 2015. Policyholder benefits decreased $12,869, primarily due to improved results from a North American connected living retail client. Selling, underwriting and general expenses increased $44,227, mostly related to growth in our domestic vehicle protection business and domestic mobile programs. These items were partially offset by foreign currency exchange volatility and lower legal expenses.

For the Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Net Income

Segment net income decreased $6,640, or 6%, to $108,534 for Six Months 2016 from $115,174 for Six Months 2015. The decrease was primarily due to the loss of a domestic tablet program, lower service contract contributions from North American retail clients and an adjustment related to the amortization of deferred acquisition costs and policyholders benefits for an older block of preneed policies. These items were partially offset by the aforementioned larger net tax benefit, and growth in mobile programs globally.

Total Revenues

Total revenues increased $61,584, or 3%, to $2,112,478 for Six Months 2016 from $2,050,894 for Six Months 2015. Net earned premiums decreased $12,905 primarily due to foreign currency exchange volatility, the loss of a domestic tablet program and the continued run-off of our credit insurance business. These items were partially offset by growth from our domestic vehicle protection business. Fees and other income increased $89,371, primarily driven by global growth in mobile covered devices and programs in our global connected living business. A few significant clients continued to account for a substantial portion of segment revenues.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses increased $88,465, or 5%, to $1,978,168 for Six Months 2016 from $1,889,703 for Six Months 2015. Policyholder benefits decreased $1,666 primarily driven by improved results from a North American connected living retail client, partially offset by expansion of our international mobile business in Asia and Europe and an adjustment related to the amortization of policyholder benefits for an older block of preneed policies. Selling, underwriting and general expenses increased $90,131, mostly related to our domestic mobile protection programs and related services, growth in our domestic vehicle protection business and an adjustment related to the amortization of a deferred acquisition cost adjustment mentioned earlier. These items were partially offset by foreign currency exchange volatility and lower legal expenses.

Assurant Specialty Property

Overview

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Net earned premiums	$451,318	$532,022	$920,927	$1,060,468
Fees and other income	109,846	106,128	217,608	190,364
Net investment income	17,823	25,443	36,167	45,958
Total revenues	578,987	663,593	1,174,702	1,296,790
Benefits, losses and expenses:				
Policyholder benefits	202,659	214,605	382,131	419,208
Selling, underwriting and general expenses	291,528	318,606	592,436	634,287
Total benefits, losses and expenses	494,187	533,211	974,567	1,053,495
Segment income before provision for income taxes	84,800	130,382	200,135	243,295
Provision for income taxes	27,859	42,848	66,843	80,674
Segment net income	$56,941	$87,534	$133,292	$162,621
Net earned premiums, fees and other:				
Lender-placed insurance	$321,665	$412,841	$668,355	$826,927
Multi-family housing	78,355	70,372	155,370	133,026
Mortgage solutions	79,434	76,351	155,350	135,746
Manufactured housing and other	81,710	78,586	159,460	155,133
Total	$561,164	$638,150	$1,138,535	$1,250,832

Regulatory Matters

In January 2015, New York Department of Financial Services ("NYDFS") issued regulations regarding tracking costs associated with lender placed insurance rates. The Company reached an agreement with the NYDFS to file for a 6.2% reduction in lender-placed hazard insurance rates in New York. The rates have been filed and approved, and were effective for new and renewing policies starting February 1, 2016.

Lender-placed insurance products accounted for 69% and 75% of net earned premiums for Six Months 2016 and Six Months 2015, respectively. The approximate corresponding contributions to the segment net income in these periods were 64% and 70%. 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.

For the Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Net Income

Segment net income decreased $30,593, or 35%, to $56,941 for Second Quarter 2016 from $87,534 for Second Quarter 2015 primarily due to the ongoing normalization of lender-placed homeowners insurance business, lower REO policy volume, the previously disclosed loss of business and higher weather-related claims. The REO product is insurance we provide on foreclosed properties managed by our clients. Second Quarter 2016 results include $16,004 (after-tax) of reportable catastrophe losses, compared to $6,105 (after-tax) in Second Quarter 2015.

Total Revenues

Total revenues decreased $84,606, or 13%, to $578,987 for Second Quarter 2016 from $663,593 for Second Quarter 2015. The decrease was primarily due to lower lender-placed homeowners insurance net earned premiums and lower REO policy volume. The decline in lender-placed homeowners net earned premiums was primarily due to expected decline in placement rates, lower premium rates, and previously disclosed loss of client business. These items were partially offset by an increase in revenue from the multi-family housing and mortgage solutions businesses. A few significant clients continued to account for a substantial portion of segment revenues.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased $39,024, or 7%, to $494,187 for Second Quarter 2016 from $533,211 for Second Quarter 2015. Total policyholder benefits decreased $11,946 to $202,659 for Second Quarter 2016, compared with $214,605 for Second Quarter 2015. The decrease was primarily related to lower non-catastrophe losses, mainly due to lower exposure, partially offset by higher reportable catastrophe losses. Reportable catastrophe losses in Second Quarter 2016 were $24,622 compared with $9,393 in Second Quarter 2015. 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. Selling, underwriting and general expenses decreased $27,078 in Second Quarter 2016 compared with Second Quarter 2015 mainly due to savings from cost efficiency efforts.

For the Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Net Income

Segment net income decreased $29,329, or 18%, to $133,292 for Six Months 2016 from $162,621 for Six Months 2015 primarily due to the ongoing normalization of lender-placed homeowners insurance business, lower REO policy volume, the previously disclosed loss of business and higher weather-related claims. The REO product is insurance we provide on foreclosed properties managed by our clients.

Total Revenues

Total revenues decreased $122,088, or 9%, to $1,174,702 for Six Months 2016 from $1,296,790 for Six Months 2015. The decrease was primarily due to lower lender-placed homeowners insurance net earned premiums and lower REO policy volume. The decline in lender-placed homeowners net earned premiums was primarily due to expected decline in placement rates, lower premium rates, and previously disclosed loss of client business. These items were partially offset by an increase in revenues from the multi-family housing and mortgage solutions businesses. A few significant clients continued to account for a substantial portion of segment revenues.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased $78,928, or 7%, to $974,567 for Six Months 2016 from $1,053,495 for Six Months 2015. Total policyholder benefits decreased $37,077 to $382,131 for Six Months 2016 compared with $419,208 for Six Months 2015. The decrease was primarily related to favorable non-catastrophe losses due to lower claims frequency and severity, partially offset by increased reportable catastrophe losses. Reportable catastrophe losses for Six Months 2016 were $39,023 compared to $14,612 for Six Months 2015. 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. Selling, underwriting and general expenses decreased $41,851 in Six Months 2016 compared with Six Months 2015 mainly due to savings from cost efficiency efforts.

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Assurant Health

Overview

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Net earned premiums (1)	$(4,346)	$584,443	$24,388	$1,194,185
Fees and other income	8,284	17,047	13,402	33,023
Net investment income	1,983	7,014	5,921	14,021
Total revenues	5,921	608,504	43,711	1,241,229
Benefits, losses and expenses:				
Policyholder benefits (2)	(24,075)	625,323	(4,963)	1,230,086
Selling, underwriting and general expenses	37,763	161,525	90,718	294,976
Total benefits, losses and expenses	13,688	786,848	85,755	1,525,062
Segment loss before benefit for income taxes	(7,767)	(178,344)	(42,044)	(283,833)
Benefit for income taxes	(2,341)	(54,569)	(9,445)	(76,089)
Segment net loss	$(5,426)	$(123,775)	$(32,599)	$(207,744)
Net earned premiums:				
Individual	$(12,382)	$488,285	$9,496	$1,002,483
Small employer group	8,036	96,158	14,892	191,702
Total (1)	$(4,346)	$584,443	$24,388	$1,194,185

(1) Second Quarter 2016 amount is negative due to reduction of previously accrued risk adjustment premiums.

(2) Second Quarter 2016 and Six Months 2016 amounts are negative primarily due to a pharmacy rebate accrual and favorable claims development.

As previously announced, the Company concluded a comprehensive review of its portfolio and sharpened its focus on specialty housing and lifestyle protection products and services. As a result, the Company will substantially exit the health insurance market by the end of 2016. For more information, see Note 4 of the Notes to the consolidated financial statements included elsewhere in this Report.

The Affordable Care Act

Some provisions of the Affordable Care Act continue to affect our health insurance business, even though it is in run-off. 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 our 2015 Annual Report on Form 10-K and "Item 1A-Risk Factors" in the First Quarter 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 for individual health plans that are in compliance with the essential health benefits of the Affordable Care Act are insurers 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 Second Quarter 2016 and Six Months 2016, due to a change in estimate and following receipt of the final payment notifications for the 2015 risk mitigation programs from the Centers for Medicare and Medicaid Services ("CMS"), we reduced our reinsurance recoveries by $5,017 and $7,901, respectively, in our consolidated statements of operations. We did not record any reinsurance contributions for the Second Quarter 2016 and Six Months 2016. As of June 30, 2016, we have reinsurance contributions payable of $2,597 and reinsurance recoverables of $222,219 on our consolidated balance sheets. During Second Quarter 2016 and Six Months 2016, we collected $37,746 and $66,300, respectively, under the 2015 program.

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 contribute into the pool. Insurers with above-average risk scores receive payments out of the pool.

Risk scores are evaluated at the state, market, and legal entity level for policies that comply with the Affordable Care Act. 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 Second Quarter 2016 and Six Months 2016, following receipt of the final payment notifications for the 2015 risk mitigation programs from CMS, we recorded net risk adjustment premiums of $(23,095) and $(21,806), respectively, in our consolidated statements of operations, reflecting a change in our relative risk score. As of June 30, 2016, we carried net risk adjustment receivables, net of an allowance for adverse development, of $196,241 on our consolidated balance sheets. During Second Quarter 2016 and Six Months 2016, we collected $2,120 and $7,147, respectively, under the 2014 program. We did not collect any amounts under the 2015 program.

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 had no impact on our 2014 operations. Assurant Health began participating in the public insurance marketplaces for 2015. However, we have not recorded a net receivable for Second Quarter 2016 or Six Months 2016 because payments from HHS under this program are uncertain.

Estimates of amounts receivable from these programs are subject to considerable uncertainty and actual amounts received may vary substantially from our estimates.

For the Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Net Loss

Segment net loss was $5,426 for Second Quarter 2016 compared to a net loss of $123,775 for Second Quarter 2015. The relative difference was primarily attributable to the establishment of a premium deficiency reserve and exit related costs in Second Quarter 2015 due to the aforementioned decision to put the segment into runoff.

Total Revenues

Total revenues decreased to $5,921 for Second Quarter 2016 from $608,504 for Second Quarter 2015. Net earned premiums from our individual medical and our small employer group businesses decreased due to the decline in membership and sales as we exit the health insurance market.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased to $13,688 for Second Quarter 2016 from $786,848 for Second Quarter 2015. The decrease in policyholder benefits was attributable to the decrease of inforce policies as a result of the exit from the health insurance market including all of the individual Affordable Care Act medical policies which were terminated at the end of 2015. Selling, underwriting and general expenses decreased primarily due to lower commission expense resulting from the

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discontinuance of sales and decreased general expenses as we run-off the business. This decrease was partially offset by $6,383 of severance costs.

For the Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Net Loss

Segment net loss was $32,599 for Six Months 2016 compared to a net loss of $207,744 for Six Months 2015. The change was primarily due to the items noted above.

Total Revenues

Total revenues decreased to $43,711 for Six Months 2016 from $1,241,229 for Six Months 2015. Net earned premiums from our individual medical business decreased $992,987, while net earned premiums from our small employer group business decreased $176,810. The decrease for both products is due to the decline in membership and sales as we exit the health insurance market.

Total Benefits, Losses and Expenses

Total benefits, losses and expenses decreased to $85,755 for Six Months 2016 from $1,525,062 for Six Months 2015. Policyholder benefits decreased $1,235,049. The decrease in policyholders benefits was attributable to the decrease of inforce policies as a result of the exit from the health insurance market, including all of the individual Affordable Care Act medical policies which were terminated at the end of 2015. Selling, underwriting and general expenses decreased $204,258, due to decreased commission expense resulting from the discontinuance of sales and decreased general expenses as we run-off the business. This decrease was partially offset by $20,944 of severance costs.

Assurant Employee Benefits

Overview

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Net earned premiums	$—	$269,189	$177,971	$536,086
Fees and other income	—	6,460	4,244	12,734
Net investment income	—	30,020	17,340	57,841
Total revenues	—	305,669	199,555	606,661
Benefits, losses and expenses:				
Policyholder benefits	—	192,687	118,481	378,500
Selling, underwriting and general expenses	—	96,273	64,327	195,241
Total benefits, losses and expenses	—	288,960	182,808	573,741
Segment income before provision for income taxes	—	16,709	16,747	32,920
Provision for income taxes	—	5,441	6,277	11,504
Segment net income	$—	$11,268	$10,470	$21,416

On March 1, 2016, the Company sold its Assurant Employee Benefits segment to Sun Life Assurance Company of Canada, the wholly-owned subsidiary of Sun Life Financial Inc., for net cash considerations of $926,174 and contingent consideration of $16,000 related to specified account renewals. For more information on the sale see Note 5 to the consolidated financial statements, included elsewhere in this Report.

The amounts included in Six Months 2016 represent January and February 2016 results of operations, the period prior to the sale. All amounts related to the sale are included in the Corporate and Other segment, discussed later. Since this business has been sold and is no longer part of our ongoing operations a discussion of results for the periods presented has been excluded.

Assurant Corporate & Other

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Fees and other income	$7,267	$15,396	$9,724	$15,404
Net investment income	11,652	5,333	18,814	10,072
Net realized gains on investments	21,626	11,999	183,344	15,954
Amortization of deferred gain on disposal of businesses	125,818	3,242	173,414	6,500
Gain on pension plan curtailment	—	—	29,578	—
Total revenues	166,363	35,970	414,874	47,930
Benefits, losses and expenses:				
Selling, underwriting and general expenses	57,977	32,233	121,268	50,729
Interest expense	15,232	13,778	29,735	27,556
Total benefits, losses and expenses	73,209	46,011	151,003	78,285
Segment income (loss) before provision (benefit) for income taxes	93,154	(10,041)	263,871	(30,355)
Provision (benefit) for income taxes	36,720	(6,988)	93,901	(21,721)
Segment net income (loss)	$56,434	$(3,053)	$169,970	$(8,634)

For the Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Net Income (Loss)

Segment results improved $59,487, or 1,948%, to $56,434 for Second Quarter 2016 compared with $(3,053) for Second Quarter 2015. The improvement was primarily due to a $79,674 (after-tax) increase in amortization of deferred gain on disposal of businesses related to the sale, mainly through a series of reinsurance transactions, of our Assurant Employee Benefits segment. For more information on the sale see Note 5 to the consolidated financial statements included elsewhere in this Report. Partially offsetting this item was a $10,837 (after-tax) intangible asset impairment charge related to trade names that will no longer be used or defended by the Company.

Total Revenues

Total revenues increased $130,393, or 363%, to $166,363 for Second Quarter 2016 compared with $35,970 for Second Quarter 2015. The increase is primarily related to a $122,576 increase in amortization of deferred gain on disposal of business related to the sale of our Assurant Employee Benefits segment.

Total Benefits, Losses and Expenses

Total expenses increased $27,198, or 59%, to $73,209 for Second Quarter 2016 compared with $46,011 for Second Quarter 2015. The increase is primarily due to a $16,672 intangible asset impairment charge related to trade names that will no longer be used or defended by the Company. In addition, Second Quarter 2016 includes overhang expenses related to the sale of our Assurant Employee Benefits segment.

For the Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Net Income (Loss)

Segment results improved $178,604, or 2,069%, to $169,970 for Six Months 2016 compared with $(8,634) for Six Months 2015. The improvement was primarily due to an additional $108,804 (after-tax) in net realized gains on investments and a $108,494 (after-tax) increase in amortization of deferred gain on disposal of businesses, both related to the sale, mainly through a series of reinsurance transactions, of our Assurant Employee Benefits segment. For more information on the sale see Note 5 to the consolidated financial statements, included elsewhere in this Report. In addition, Six Months 2016 includes a $19,226 (after-tax) one-time curtailment gain associated with our previously disclosed pension plan freeze, effective March 1, 2016. Partially offsetting these items is a $17,323 (after-tax) loss on the sale of our Assurant Employee Benefits segment, an aforementioned $10,837 (after-tax) intangible asset impairment charge, employee-related benefit costs and overhang expenses

related to the sale of Assurant Employee Benefits segment. Six Months 2015 included a tax consolidating benefit that reversed over the course of 2015.

Total Revenues

Total revenues increased $366,944, or 766%, to $414,874 for Six Months 2016 compared with $47,930 for Six Months 2015. The increase is primarily related to an additional $167,390 in net realized gains on investments and a $166,914 increase in amortization of deferred gain on disposal of businesses, both related to the sale of our Assurant Employee Benefits segment. In addition, Six Months 2016 includes a $29,578 one-time curtailment gain associated with our pension plan freeze.

Total Benefits, Losses and Expenses

Total expenses increased $72,718, or 93%, to $151,003 for Six Months 2016 compared with $78,285 for Six Months 2015. The increase is primarily due to a $26,650 loss on the sale of Assurant Employee Benefits segment, mainly representing transaction fees incurred. Six Months 2016 includes a $16,672 intangible asset impairment charge, mentioned above. In addition, employee-related benefit costs increased in Six Months 2016 compared with Six Months 2015 and Six Months 2016 includes overhang expenses related to the sale of Assurant Employee Benefits segment.

Investments

The Company had total investments of $11,961,497 and $12,994,772 as of June 30, 2016 and December 31, 2015, respectively. Net unrealized gains on the Company's fixed maturity portfolio increased $290,222 during Six Months 2016, from $744,533 at December 31, 2015 to $1,034,755 at June 30, 2016. This increase was mainly due to a decrease in treasury yields and credit spreads. For more information on the Company's investments see Note 7 to the consolidated financial statements included elsewhere in this Report.

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

	As of			
Fixed Maturity Securities by Credit Quality (Fair Value)	June 30, 2016		December 31, 2015	
Aaa / Aa / A	$6,073,365	62.3 %	$6,326,800	61.9 %
Baa	3,035,139	31.2 %	3,309,719	32.4 %
Ba	421,103	4.3 %	389,349	3.8 %
B and lower	214,592	2.2 %	189,460	1.9 %
Total	$9,744,199	100.0%	$10,215,328	100.0%

Major categories of net investment income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Fixed maturity securities	$100,424	$123,792	$212,248	$247,283
Equity securities	5,939	7,594	12,681	14,805
Commercial mortgage loans on real estate	10,316	17,042	24,039	35,146
Policy loans	585	684	1,191	1,227
Short-term investments	1,435	462	2,066	881
Other investments	141	19,616	1,895	23,849
Cash and cash equivalents	5,441	4,414	10,463	8,495
Total investment income	124,281	173,604	264,583	331,686
Investment expenses	(4,461)	(5,818)	(9,056)	(11,627)
Net investment income	$119,820	$167,786	$255,527	$320,059

Net investment income decreased $47,966, or 29%, to $119,820 for Second Quarter 2016 from $167,786 for Second Quarter 2015. The decrease was primarily attributable to a $13,367 decrease in investment income from real estate joint ventures, lower investment yields and lower invested assets. Net investment income decreased $64,532, or 20%, to $255,527 for Six Months 2016 from $320,059 for Six Months 2015. This decrease was primarily attributable to a $13,969 decrease in investment income from real estate joint ventures, lower investment yields and lower invested assets.

As of June 30, 2016, the Company owned $145,401 of securities guaranteed by financial guarantee insurance companies. Included in this amount was $133,725 of municipal securities, whose credit rating was A+ with the guarantee, but would have had a rating of A without the guarantee.

The Company has exposure to sub-prime and related mortgages within the Company's fixed maturity security portfolio. At June 30, 2016, approximately 2% of the residential mortgage-backed holdings had exposure to sub-prime mortgage collateral. This represented less than 1% of the total fixed income portfolio and approximately 1% of the total unrealized gain position. Of the securities with sub-prime exposure, approximately 6% 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.

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 they 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 ou profitability and limit our growth" in our 2015 Annual Report on Form 10-K and "Item 1A-Risk Factors" in the First Quarter Report. Along with solvency regulations, the primary driver in determining the capital used for subsidiary dividends is the level of capital needed to maintain desired financial strength ratings from A.M. Best.

Regulators or rating agencies could become more conservative in their methodology and criteria, increasing capital requirements for our insurance subsidiaries. This in turn, could negatively affect our capital resources. As previously announced, the Company will exit the health insurance market and has sold its Assurant Employee Benefits segment on March 1, 2016, mainly through a series of reinsurance transactions with Sun Life. Following the sale of Assurant Employee Benefits, the following actions were taken by the rating agencies:

A.M. Best

- Removed ratings of Union Security Insurance Company and Union Security Life Insurance Company of New York from under review with negative implications and affirmed with a stable outlook.
- Ratings of Assurant's senior debt were upgraded from bbb to bbb+.
- Ratings of Assurant's commercial paper were upgraded from AMB-2 to AMB-1.
- Ratings of all other rated entities were affirmed with a stable outlook.

Moody's Investor Services ("Moody's")

- Rating of Union Security Insurance Company was affirmed and the outlook revised from developing to stable.
- All other ratings remain unchanged.

Standard and Poor's ("S&P")

- Rating of Union Security Insurance Company was upgraded from A- to A.
- Withdrew the ratings of John Alden Life Insurance Company and Time Insurance Company.
- All other ratings remain unchanged.

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" in our 2015 Annual Report on Form 10-K and "Item 1A- Risk Factors" in the First Quarter Report.

For 2016, the maximum dividends our U.S. domiciled insurance subsidiaries could pay without prior regulatory approval is approximately $564,000.

Liquidity

As of June 30, 2016, we had $725,272 in holding company capital. We use the term "holding company capital" to represent the portion of cash and other liquid marketable securities held at Assurant, Inc., out of a total of $900,589, that we are not otherwise holding for a specific purpose as of the balance sheet date. We can use such capital for stock repurchases, stockholder dividends, acquisitions, and other corporate purposes. $250,000 of the $725,272 of holding company capital is intended to serve as a buffer against remote risks (such as large-scale hurricanes). The $45,000 used to purchase American Title, Inc. on July 1, 2016, was excluded from the $725,272 since that amount was specifically held for that purchase as of June 30, 2016. For more information on the acquisition, see Note 6 to the consolidated financial statements, included elsewhere in this Report. Dividends or returns of capital, net of infusions, made to the holding company by its operating companies were $895,438 for Six Months 2016. The $895,438 includes approximately $604,000 of dividends from statutory insurance subsidiaries that received the cash proceeds related to the sale of the Assurant Employee Benefits segment. The sale of Assurant Employee Benefits is expected to ultimately provide approximately $1,000,000 to the holding company including net proceeds and capital releases. In 2015, dividends, net of infusions, made to the holding company from its operating companies were $174,579, and used primarily to pay expenses, to make interest payments on indebtedness, to make dividend payments to our stockholders, to fund acquisitions and to repurchase our shares.

In addition to paying expenses and making interest payments on indebtedness, our capital management strategy provides for several uses for 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. From time to time, the Company may also seek to purchase outstanding debt in open market repurchases or privately negotiated transactions. We made share repurchases and paid dividends to our stockholders of $516,775 and $378,819 during Six Months 2016 and the year ended December 31, 2015, respectively. We expect operating segment dividends, from Assurant Solutions and Assurant Specialty Property, to approximate segment net income, subject to the growth of the business, rating agency and regulatory capital requirements. We also expect approximately $475,000 in dividends from Assurant Health insurance subsidiaries for full year 2016, of which approximately $84,000 was received in Second Quarter 2016 and totaled approximately $149,000 for Six Months 2016, subject to ultimate development of claims, actual expenses needed to wind down operations, recoveries from Affordable Care Act risk mitigation payments and regulatory approval.

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. We use cash primarily to pay insurance claims, agent commissions, operating expenses and taxes. We generally invest our subsidiaries' excess funds 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 whether cash flows are sufficient to meet 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, we develop models 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.

We paid dividends of $0.50 per common share on June 14, 2016 to stockholders of record as of May 31, 2016. 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; legal, tax, regulatory and contractual restrictions on the payment of dividends; and other factors our Board of Directors deems relevant.

On September 9, 2015, our Board of Directors authorized the Company to repurchase up to an additional $750,000 of its outstanding common stock. During the six months ended June 30, 2016, we repurchased 5,740,258 shares of our outstanding common stock at a cost of $451,697, exclusive of commissions. As of June 30, 2016, $500,406 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 12 months, including the ability to pay interest on our debt and dividends on our common shares.

Retirement and Other Employee Benefits

For information on our retirement and other employee benefits see Note 14 to the consolidated financial statements, included elsewhere in this Report.

Debt

For information on our Senior Notes, Commercial Paper Program and Revolving Credit Facility see Note 9 to the consolidated financial statements, included elsewhere in this Report.

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 Six Months Ended June 30,	
Net cash (used in) provided by:	2016	2015
Operating activities (1)	$(298,243)	$153,417
Investing activities	745,635	55,750
Financing activities	(503,023)	(230,387)
Net change in cash	$(55,631)	$(21,220)

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

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 (used in) provided by operating activities was $(298,243) and $153,417 for Six Months 2016 and Six Months 2015, respectively. The increase in cash used by operating activities was primarily due to Assurant Health paying claims without any corresponding collection of premiums since this business in now in runoff and timing of other payments in the normal course of business.

Net cash provided by investing activities was $745,635 and $55,750 for Six Months 2016 and Six Months 2015, respectively. The increase in cash provided by investing activities was primarily due to the sale of the Assurant Employee Benefits segment, mainly through reinsurance transactions, to Sun Life and an increase in sales of commercial mortgage loans. See Note 7 to the consolidated financial statements for more information on the sale of commercial mortgage loans. These increases are partially offset by the purchase of fixed maturity securities.

Net cash used in financing activities was $503,023 and $230,387 for Six Months 2016 and Six Months 2015, respectively. The increase in cash used in financing activities was primarily due to an increase in the repurchase of our outstanding common stock.

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

	For the Six Months Ended June 30, 2016	2015
Interest paid on debt	$29,137	$27,406
Common stock dividends	64,966	40,450
Total	$94,103	$67,856

Letters of Credit

In the normal course of business, we issue letters for various purposes, including to support reinsurance agreements. These letters of credit are supported by commitments with financial institutions. We had $12,491 and $19,809 of letters of credit outstanding as of June 30, 2016 and December 31, 2015.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 3 of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our 2015 Annual Report on Form 10-K described our Quantitative and Qualitative Disclosures About Market Risk. There were no material changes to the assumptions or risks during Second Quarter 2016.

Item 4. 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(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of June 30, 2016. 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.

Internal Control over Financial Reporting

During the quarter ended June 30, 2016, we made no changes in our internal control over financial reporting pursuant to Rule 13a-15(f) or 15d-15(f) under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION
Item 1. 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 16 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 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. For discussion of potential risks or uncertainties affecting us, please refer to “Item 1A-Risk Factors” included in our 2015 Annual Report on Form 10-K and First Quarter 2016 Quarterly Report on Form 10-Q. There have been no material changes during Second Quarter 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
Repurchase of Equity Securities:
(Dollar amounts in thousands, expect number of shares and per share amounts)

Period in 2016	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Programs (1)	Approximate Dollar Value of Shares that May Yet be Repurchased Under the Programs (1)
January 1-31	1,147,337	$ 78.44	1,147,337	$ 862,125
February 1-29	869,898	70.69	869,898	800,645
March 1-31	1,405,025	76.12	1,405,025	693,717
April 1-30	1,033,098	79.90	1,033,098	611,195
May 1-31	845,869	87.01	845,869	537,609
June 1-30	439,031	84.75	439,031	500,406
Total	5,740,258	$ 78.71	5,740,258	$ 500,406

(1) Shares purchased pursuant to the November 15, 2013 publicly announced share repurchase authorization of up to $600,000 of outstanding common stock, which was increased by an authorization announced on September 9, 2015 for the repurchase of up to an additional $750,000 of outstanding common stock. See Note 12 of the Notes to the consolidated financial statements for a description of certain matters, which is incorporated herein by reference.

Item 6. Exhibits

Pursuant to the rules and regulations of the SEC, the Company has filed or incorporated by reference certain agreements as exhibits to this quarterly Report on Form 10-Q. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in the Company's public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe the Company's actual state of affairs at the date hereof and should not be relied upon.

The following exhibits either (a) are filed with this Report or (b) have previously been filed with the SEC and are incorporated herein by reference to those prior filings. Exhibits are available upon request at the investor relations section of our website at www.assurant.com. Our website is not a part of this Report and is not incorporated by reference in this Report.

10.1	Employment Letter Agreement, dated March 8, 2016, by and between Assurant, Inc. and Ajay Waghray. *
10.2	Form of Restricted Stock Unit Award Agreement for Time-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan, dated May 10, 2016. *
10.3	Employment Letter Agreement, dated April 26, 2016, by and between Assurant, Inc. and Richard Dziadzio. *
10.4	Restricted Stock Unit Award Agreement for Time-based Awards under the Assurant, Inc. Long Term Equity Incentive Plan, dated July 18, 2016, by and between Assurant, Inc. and Richard Dziadzio. *
10.5	Form of Assurant, Inc. Change in Control Agreement, dated May 13, 2016. *
10.6	Assurant, Inc. Amended and Restated Directors Compensation Plan, effective as of May 13, 2016. *
10.7	Retirement Agreement, dated June 29, 2016, by and between Assurant, Inc. and S. Craig Lemasters. *
12.1	Computation of Ratio of Consolidated Earnings to Fixed Charges.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.
32.1	Certification of Chief Executive Officer of Assurant, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer of Assurant, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statement of Changes in Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

* Management contract or compensatory plan

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

	ASSURANT, INC.	
Date: August 2, 2016	By:	/s/ ALAN B. COLBERG
	Name:	Alan B. Colberg
	Title:	President, Chief Executive Officer and Director
Date: August 2, 2016	By:	/s/ RICHARD S. DZIADZIO
	Name:	Richard S. Dziadzio
	Title:	Executive Vice President, Chief Financial Officer and Treasurer

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