

ASSURANT INC  
Form 10-Q/A  
November 14, 2006  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q/A**  
**AMENDMENT NO.1**

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**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the quarterly period ended June 30, 2006

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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**Assurant, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction)

of incorporation)

**001-31978**  
(Commission File Number)

**One Chase Manhattan Plaza, 41st Floor**

**New York, New York 10005**

**(212) 859-7000**

**39-1126612**  
(I.R.S. Employer

Identification No.)

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(Address, including zip code, and telephone number, including  
area code, of Registrant's Principal Executive Offices)

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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  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

The number of shares of the registrant's Common Stock outstanding at August 1, 2006 was 126,269,272.

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## ASSURANT, INC.

## QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2006

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<b>EXPLANATORY NOTE</b>	

This Amendment No. 1 on Form 10-Q/A is being filed for the purpose of amending Items 1 and 4 of Part I of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 of Assurant, Inc. (the "Company") to reflect the restatement of the Company's Unaudited Interim Consolidated Statements of Cash Flows for the six months ended June 30, 2006 and 2005, as described in Footnote 2 to the Unaudited Interim Consolidated Financial Statements included in this Form 10-Q/A. All other Items of the original filing on Form 10-Q made on August 9, 2006 are unaffected by the changes to the Unaudited Interim Consolidated Statements of Cash Flows and such Items have not been included in this Amendment. Information in this Form 10-Q/A is generally stated as of June 30, 2006 and does not reflect any subsequent information or events other than the restatement of the Unaudited Interim Consolidated Statements of Cash Flows. More current information with respect to the Company is contained within its Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, and other filings with the Securities and Exchange Commission.

**Table of Contents****Assurant, Inc. and Subsidiaries****Consolidated Balance Sheet (unaudited)****At June 30, 2006 and December 31, 2005**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2006</b>	<b>2005</b>
	<b>(in thousands except number of shares)</b>	
<b>Assets</b>		
Investments:		
Fixed maturities available for sale, at fair value (amortized cost - \$8,968,986 in 2006 and \$8,668,595 in 2005)	\$ 8,866,664	\$ 8,961,778
Equity securities available for sale, at fair value (cost - \$757,602 in 2006 and \$694,977 in 2005)	730,382	693,101
Commercial mortgage loans on real estate, at amortized cost	1,252,612	1,212,006
Policy loans	59,149	61,043
Short-term investments	239,149	427,474
Collateral held under securities lending	605,939	610,662
Other investments	542,015	549,759
<b>Total investments</b>	<b>12,295,910</b>	<b>12,515,823</b>
Cash and cash equivalents	663,501	855,569
Premiums and accounts receivable, net	512,016	454,789
Reinsurance recoverables	3,949,569	4,447,810
Accrued investment income	133,299	128,150
Tax receivable	24,855	3,868
Deferred income taxes, net	53,302	
Deferred acquisition costs	2,176,079	2,022,308
Property and equipment, at cost less accumulated depreciation	274,670	267,720
Goodwill	805,254	804,864
Value of businesses acquired	143,255	151,512
Other assets	246,867	240,605
Assets held in separate accounts	3,253,839	3,472,435
<b>Total assets</b>	<b>\$ 24,532,416</b>	<b>\$ 25,365,453</b>

See the accompanying notes to the consolidated financial statements

**Table of Contents****Assurant, Inc. and Subsidiaries****Consolidated Balance Sheet (unaudited)****At June 30, 2006 and December 31, 2005**

	June 30, 2006 (in thousands except number of shares)	December 31, 2005
<b>Liabilities</b>		
Future policy benefits and expenses	\$ 6,742,776	\$ 6,664,854
Unearned premiums	4,049,636	3,851,614
Claims and benefits payable	3,490,444	3,875,223
Commissions payable	264,994	301,209
Reinsurance balances payable	81,168	129,547
Funds held under reinsurance	51,993	78,578
Deferred gain on disposal of businesses	268,356	287,212
Obligation under securities lending	605,939	610,662
Accounts payable and other liabilities	1,158,026	1,351,196
Deferred income taxes, net		47,514
Debt	971,731	971,690
Mandatorily redeemable preferred stock	23,160	24,160
Liabilities related to separate accounts	3,253,839	3,472,435
<b>Total liabilities</b>	<b>\$ 20,962,062</b>	<b>\$ 21,665,894</b>
Commitments and contingencies (note 10)	\$	\$
<b>Stockholders equity</b>		
Common stock, par value \$.01 per share, 800,000,000 shares authorized, 142,841,938 and 142,563,829 shares issued, 127,278,688 and 130,591,834 shares outstanding at June 30, 2006 and December 31, 2005, respectively	\$ 1,428	\$ 1,426
Additional paid-in capital	2,885,081	2,880,329
Retained earnings	1,297,249	1,006,910
Unamortized restricted stock compensation (127,601 shares at December 31, 2005)		(2,829)
Accumulated other comprehensive (loss) income	(39,997)	219,499
Treasury stock, at cost; 15,401,194 and 11,844,394 shares at June 30, 2006 and December 31, 2005, respectively	(573,407)	(405,776)
<b>Total stockholders equity</b>	<b>3,570,354</b>	<b>3,699,559</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 24,532,416</b>	<b>\$ 25,365,453</b>

See the accompanying notes to the consolidated financial statements

**Table of Contents****Assurant, Inc. and Subsidiaries****Consolidated Statement of Operations (Unaudited)****Three and Six Months Ended June 30, 2006 and 2005**

	Three Months Ended June 30, 2006		Six Months Ended June 30, 2006	
	2005		2005	
	(in thousands except number of shares and per share amounts)			
<b>Revenues</b>				
Net earned premiums and other considerations	\$ 1,685,322	\$ 1,623,239	\$ 3,357,975	\$ 3,255,133
Net investment income	180,438	177,018	373,000	341,218
Net realized gains/(losses) on investments	2,272	4,079	(2,180)	4,571
Amortization of deferred gain on disposal of businesses	10,022	11,784	18,855	23,647
Fees and other income	71,036	58,183	131,222	112,088
<b>Total revenues</b>	<b>1,949,090</b>	<b>1,874,303</b>	<b>3,878,872</b>	<b>3,736,657</b>
<b>Benefits, losses and expenses</b>				
Policyholder benefits	874,204	924,011	1,763,883	1,867,535
Amortization of deferred acquisition costs and value of business acquired	284,781	227,095	570,164	442,541
Underwriting, general and administrative expenses	542,627	519,784	1,039,676	1,031,131
Interest expense	15,315	15,314	30,630	30,628
<b>Total benefits, losses and expenses</b>	<b>1,716,927</b>	<b>1,686,204</b>	<b>3,404,353</b>	<b>3,371,835</b>
Income before income taxes and cumulative effect of change in accounting principle	232,163	188,099	474,519	364,822
Income taxes	81,027	60,475	162,458	122,800
Net income before cumulative effect of change in accounting principle	151,136	127,624	312,061	242,022
Cumulative effect of change in accounting principle			1,547	
<b>Net Income</b>	<b>\$ 151,136</b>	<b>\$ 127,624</b>	<b>\$ 313,608</b>	<b>\$ 242,022</b>
<b>Earnings per share:</b>				
<i>Basic</i>				
Net income before cumulative effect of change in accounting principle	\$ 1.18	\$ 0.93	\$ 2.42	\$ 1.74
Cumulative effect of change in accounting principle			0.01	
<b>Net income</b>	<b>\$ 1.18</b>	<b>\$ 0.93</b>	<b>\$ 2.43</b>	<b>\$ 1.74</b>
<i>Diluted</i>				
Net income before cumulative effect of change in accounting principle	\$ 1.16	\$ 0.92	\$ 2.38	\$ 1.73
Cumulative effect of change in accounting principle			0.01	
<b>Net income</b>	<b>\$ 1.16</b>	<b>\$ 0.92</b>	<b>\$ 2.39</b>	<b>\$ 1.73</b>
Dividends per share	\$ 0.10	\$ 0.08	\$ 0.18	\$ 0.15

**Share Data:**

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Weighted average shares outstanding used in per share calculations	128,488,126	137,700,163	129,239,104	138,712,723
Plus: Dilutive securities	1,839,508	1,319,225	1,958,041	1,317,326
Weighted average shares used in diluted per share calculations	130,327,634	139,019,388	131,197,145	140,030,049

See the accompanying notes to the consolidated financial statements

**Table of Contents****Assurant, Inc. and Subsidiaries****Consolidated Statement of Changes in Stockholders' Equity (unaudited)**

From December 31, 2005 through June 30, 2006

	Accumulated							Shares of Common Stock Issued
	Common Stock	Additional Paid-in Capital	Retained Earnings	Unamortized Restricted Stock Compensation (in thousands except number of shares)	Other Comprehensive Income (Loss)	Treasury Stock	Total	
Balance, December 31, 2005	\$ 1,426	\$ 2,880,329	\$ 1,006,910	\$ (2,829)	\$ 219,499	\$ (405,776)	\$ 3,699,559	142,563,829
Stock Plan Exercises	2	(2,315)		2,829			516	278,109
Stock Plan compensation expense		6,392					6,392	
Tax benefit of exercise of stock options		675					675	
Dividends			(23,269)				(23,269)	
Acquisition of Treasury Shares						(167,631)	(167,631)	
Comprehensive income:								
Net income			313,608				313,608	
Other comprehensive income:								
Net change in unrealized gains/(losses) on securities, net of taxes					(275,620)		(275,620)	
Foreign currency translation, net of taxes					16,124		16,124	
Total other comprehensive income							(259,496)	
Total Comprehensive income:							54,112	
Balance, June 30, 2006	\$ 1,428	\$ 2,885,081	\$ 1,297,249	\$	\$ (39,997)	\$ (573,407)	\$ 3,570,354	142,841,938

See the accompanying notes to the consolidated financial statements



**Table of Contents****Assurant, Inc. and Subsidiaries****Consolidated Statement of Cash Flows (unaudited)****Six Months Ended June 30, 2006 and 2005**

	<b>Six Months Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>
	<b>Restated</b>	<b>Restated</b>
	<b>(in thousands)</b>	
<b>Net cash provided by operating activities</b>	\$ 311,557	\$ 183,878
<b>Investing activities</b>		
Sales of:		
Fixed maturities available for sale	1,033,280	783,822
Equity securities available for sale	143,411	53,226
Property and equipment	1,359	88
Maturities, prepayments, and scheduled redemptions of:		
Fixed maturities available for sale	331,667	417,509
Purchases of:		
Fixed maturities available for sale	(1,820,858)	(1,455,190)
Equity securities available for sale	(168,640)	(113,992)
Property and equipment	(24,541)	(21,824)
Subsidiary, net of cash received(1)	47,514	
Change in commercial mortgage loans on real estate	(39,618)	(51,760)
Change in short term investments	188,937	42,675
Change in other invested assets	(11,468)	(11,630)
Change in policy loans	1,944	866
Change in collateral held under securities lending	4,723	(46,611)
<b>Net cash (used in) investing activities</b>	<b>(312,290)</b>	<b>(402,821)</b>
<b>Financing activities</b>		
Repayment of mandatorily redeemable preferred stock	(1,000)	
Issuance of common stock	516	2,145
Excess tax benefits from stock-based payment arrangements	675	
Acquisition of treasury stock	(163,496)	(115,284)
Dividends paid	(23,269)	(20,800)
Change in obligation under securities lending	(4,723)	46,611
Commercial paper issued	39,962	39,959
Commercial paper repaid	(40,000)	(40,000)
<b>Net cash (used in) financing activities</b>	<b>(191,335)</b>	<b>(87,369)</b>
Change in cash and cash equivalents	(192,068)	(306,312)
Cash and cash equivalents at beginning of period	855,569	807,082
Cash and cash equivalents at end of period	\$ 663,501	\$ 500,770

(1) This relates to the acquisition of Safeco Financial Institution Solutions, Inc. acquired on May 1, 2006.  
See the accompanying notes to the consolidated financial statements



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### **Assurant, Inc. and Subsidiaries**

#### **Notes to Consolidated Financial Statements (Unaudited)**

##### **Six Months Ended June 30, 2006 and 2005**

#### **1. Nature of Operations**

Assurant, Inc. (formerly, Fortis, Inc.) (the Company) is a holding company whose subsidiaries provide specialized insurance products and related services in North America and selected international markets. Prior to the Initial Public Offering (the IPO) on February 5, 2004, Fortis, Inc. was incorporated in Nevada and was indirectly wholly owned by Fortis N.V. of the Netherlands and Fortis SA/NV of Belgium (collectively, Fortis) through their affiliates, including their wholly owned subsidiary, Fortis Insurance N.V.

In connection with the IPO, Fortis, Inc. was merged into Assurant, Inc., a Delaware corporation, which was formed solely for the purpose of the redomestication of Fortis, Inc. After the merger, Assurant, Inc. became the successor to the business, operations and obligations of Fortis, Inc. Assurant, Inc. is traded on the New York Stock Exchange under the symbol AIZ.

Through its operating subsidiaries, the Company provides creditor-placed homeowners insurance, manufactured housing homeowners insurance, debt protection administration, credit insurance, warranties and extended service contracts, individual health and small employer group health insurance, group dental insurance, group disability insurance, group life insurance and pre-funded funeral insurance.

#### **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 footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair statement of the financial statements have been included. Certain prior period amounts have been reclassified to conform to the 2006 presentation.

Dollar amounts are in thousands, except for number of shares and per share amounts.

The 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.

Operating results for the three and six months ended June 30, 2006 are not necessarily indicative of the results that may be expected for the year ending December 31, 2006. The accompanying 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, 2005.

#### *Restatement of Interim Consolidated Statements of Cash Flows (unaudited)*

The Interim Consolidated Statements of Cash Flows (unaudited) for the six months ended June 30, 2006 and 2005 has been restated to reflect the following:

1. Changes in the net receivable/payable from unsettled investment purchases and sales, previously classified within adjustments to reconcile net income to net cash provided by (used in) operating activities, have been reclassified to cash flows from investing activities, to the extent such balances pertained to investments classified as available for sale.
2. Changes in the acquisition of treasury shares to reflect the unsettled purchases previously classified within adjustment to reconcile net income to net cash provided by (used in) operating activities, have been reclassified to cash flows from financing activities.

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As a result of the restatements to correct these errors, previously reported cash flows provided by (used in) operating activities, cash flows provided by (used in) investing activities, and cash flows provided by (used in) financing activities were increased or reduced for the six months ended June 30, 2006 and 2005 as follows:

	Six Months Ended		
	June 30, 2006		
	As Previously Reported	Impact of Restatement	As Restated
Net cash provided by operating activities	\$ 170,113	\$ 141,444	\$ 311,557
Net cash (used in) investing activities	(166,711)	(145,579)	(312,290)
Net cash (used in) financing activities	(195,470)	4,135	(191,335)
Change in cash and cash equivalents	(192,068)		(192,068)
Cash and cash equivalents at beginning of period	855,569		855,569
Cash and cash equivalents at end of period	\$ 663,501	\$	\$ 663,501

	Six Months Ended		
	June 30, 2005		
	As Previously Reported	Impact of Restatement	As Restated
Net cash provided by operating activities	\$ 194,167	\$ (10,289)	\$ 183,878
Net cash (used in) investing activities	(407,698)	4,877	(402,821)
Net cash (used in) financing activities	(92,781)	5,412	(87,369)
Change in cash and cash equivalents	(306,312)		(306,312)
Cash and cash equivalents at beginning of period	807,082		807,082
Cash and cash equivalents at end of period	\$ 500,770	\$	\$ 500,770

The restatements had no impact on the total change in cash and cash equivalents within the Unaudited Interim Consolidated Statements of Cash Flows or on the Unaudited Interim Consolidated Statements of Operations or Unaudited Interim Consolidated Balance Sheet.

### 3. Recent Accounting Pronouncements and Change in Accounting Principle

On January 1, 2006, the Company adopted Statement of Financial Accounting Standards ( FAS ) No. 123 (revised 2004), *Share-Based Payment* ( FAS 123R ) which replaces Statement of Financial Accounting Standards No. 123, *Share-Based Payment* and supersedes Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*. FAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The pro forma disclosures previously permitted under FAS 123 are no longer an alternative to financial statement recognition. Under FAS 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost, and the transition method to be used at date of adoption. The Company adopted FAS 123R using the modified prospective method which requires that compensation expense be recorded for all unvested stock options at the beginning of the first quarter of adoption of FAS 123R. The adoption of FAS 123R did not have a material impact on the Company's consolidated financial statements. See Note 5 for further information regarding the adoption of FAS 123R.

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**Assurant, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements (Unaudited)**

**Six Months Ended June 30, 2006 and 2005**

On January 1, 2006, the Company adopted FAS No. 154, *Accounting Changes and Error Corrections, a replacement of APB Opinion No. 20, Accounting Changes, and Statement No. 3, Reporting Accounting Changes in Interim Financial Statements* ( FAS 154 ). FAS 154 changes the accounting and reporting of a change in accounting principle. Prior to FAS 154, the majority of voluntary changes in accounting principles were required to be recognized as a cumulative effect adjustment within net income during the period of the change. FAS 154 requires retrospective application to prior period financial statements unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. The adoption of FAS 154 did not have a material effect on our consolidated financial position or results of operations.

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109* ( FIN 48 ). This Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Interpretation is effective for fiscal years beginning after December 15, 2006 and, therefore, the Company is required to adopt FIN 48 by the first quarter of 2007. The Company is currently evaluating the requirements of FIN 48 and the potential impact on the Company's financial statements.

The Company adopted FAS 142, *Goodwill and Other Intangible Assets*, on January 1, 2002 ( FAS 142 ). As part of the adoption of FAS 142, the Company is required to test goodwill for impairment on at least an annual basis. The Company performs annual goodwill impairment testing during the fourth quarter of each year based on actual data through October 1<sup>st</sup>. The April 1, 2006 changes to segment reporting (see note 9) required the Company to perform an additional impairment test on the Assurant Preeed, Assurant Solutions and Assurant Specialty Property segments. The Company's impairment test concluded that goodwill is not impaired.

**4. Debt**

In February 2004, the Company issued two series of senior notes with an aggregate principal amount of \$975,000. The Company received net proceeds from this transaction of \$971,537, which represents the principal amount less the discount. The discount will be amortized over the life of the notes.

The interest expense incurred related to the senior notes was \$15,047 for the three months ended June 30, 2006 and 2005, respectively, and \$30,094 for the six months ended June 30, 2006 and 2005, respectively. The Company made an interest payment of \$30,094 on February 15, 2006.

In March 2004, the Company established a \$500,000 commercial paper program, which is available for working capital and other general corporate purposes. This program is backed up by a \$500,000 senior revolving credit facility. On February 7, 2006 and May 8, 2006 the Company used \$20,000 and \$20,000, respectively, from the commercial paper program for general corporate purposes, which was repaid on February 14, 2006 and May 15, 2006, respectively. There were no amounts relating to the commercial paper program outstanding at June 30, 2006. The Company did not use the revolving credit facility during the six months ended June 30, 2006 and no amounts are currently outstanding.

The revolving credit facility contains restrictive covenants. The terms of the revolving credit facility also require that the Company maintain certain specified minimum ratios and thresholds. The Company is in compliance with all covenants and the Company maintains all specified minimum ratios and thresholds.

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**Assurant, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements (Unaudited)**

**Six Months Ended June 30, 2006 and 2005**

**5. Stock Based Compensation**

**Stock Based Incentive Plan**

Prior to January 1, 2006, the Company accounted for stock based compensation plans in accordance with the provisions of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ( APB 25 ), which required compensation expense for compensatory plans to be recognized based on the intrinsic value of the award. Effective January 1, 2006, the Company adopted the recognition provisions of Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ( FAS 123R ) using the modified prospective transition method and, therefore, has not restated results for prior periods. Under this transition method, stock-based compensation costs are recognized based on the grant date fair value, in accordance with FAS 123R, for new awards granted after January 1, 2006 as well as any unvested portion of awards granted prior to January 1, 2006. For the six months ended June 30, 2006, the Company recognized compensation costs net of a 5% per year forfeiture rate on a pro-rated basis over the remaining vesting period.

FAS 123R requires that a one time cumulative adjustment be made at the adoption date to record an estimate of future forfeitures on outstanding awards. This adjustment is the amount of compensation cost recorded prior to the adoption of FAS 123R related to outstanding awards that are not expected to vest, based on an estimate of forfeitures as of the FAS 123R adoption date. The cumulative adjustment, net of taxes, had a positive impact of \$1,547 on the consolidated results of operations of the Company for the six months ended June 30, 2006.

Also in connection with the adoption of FAS 123R, the Company reclassified \$2,829 of Unamortized Restricted Stock Compensation (contra-equity account) outstanding at December 31, 2005 to additional paid in capital. Under FAS 123R, an equity instrument is not recorded to stockholders' equity until the related compensation expense is recorded over the requisite vesting period of the award. Prior to the adoption of FAS 123R, and in accordance with APB 25, the Company recorded the full fair value of all issued but unvested Restricted Stock to additional paid in capital with an offsetting amount to Unamortized Restricted Stock Compensation (contra-equity account) which represented the amount of compensation costs not yet recognized for Restricted Stock.

**Director s Compensation Plan**

The Company s Director s Compensation Plan permits the issuance of up to 500,000 shares of the Company s common stock to Non-Employee Directors. Under this Plan, each Non-Employee Director shall receive annual compensation in the form of both common stock and Stock Appreciation Rights ( SARs ) equal to \$60 each. Awards to a Non-Employee Director vest immediately and must be held for 5 years subsequent to the date of grant or settlement, or one year post-resignation. The compensation expense recorded related to shares issued under the Director s Plan was \$565 and \$445 for the three and six months ended June 30, 2006 and 2005, respectively.

**Long-Term Incentive Plan ( LTIP )**

The 2004 Long-Term Incentive Plan provides for the granting of up to 10,000,000 shares of the Company s common stock to employees and officers under the Assurant Long Term Incentive Plan ( ALTIP ), Business Value Rights ( BVR ) and CEO Equity Grants Plan.

The ALTIP authorizes the granting of Restricted Stock and SARs, subject to approval by the Compensation Committee, which is made up of members of the Board of Directors. Restricted Stock grants under the ALTIP are made annually and vest pro ratably over a three year period. Unearned compensation, representing the market value of the shares at the date of issuance, is charged to earnings over the vesting period. SARs grants under the ALTIP are also made annually and have a three year cliff vesting period and a five year contractual life. SARs not exercised prior to the end of the contractual life are automatically exercised on that date.

**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005**

The BVR plan authorizes the granting of SARs, subject to the approval of the Compensation Committee or their designee. SARs grants under this plan are made annually and have a three year cliff vesting period and a three year contractual life, at the end of which the rights are automatically exercised.

The CEO Equity Grants Plan authorizes the granting of Restricted Stock, limited to 100,000 shares per year, subject to the approval of the CEO as authorized by the Compensation Committee. Restricted Stock grants under this plan have variable vesting schedules and grant dates.

All shares awarded under the LTIP vest and are exercised net of taxes at the option of the participants.

***Restricted Stock***

A summary of the Company's outstanding Restricted Stock as of June 30, 2006, is presented below:

		<b>Weighted-Average</b>	
		<b>Grant-Date</b>	
	<b>Shares</b>	<b>Fair Value</b>	
Shares outstanding at December 31, 2005	127,601	\$	32.86
Grants	96,327		49.36
Vests	(48,390)		31.07
Forfeitures	(13,482)		29.97
Shares outstanding at June 30, 2006	162,056	\$	43.44

The compensation expense recorded related to Restricted Stock was \$909 and \$79 for the three months ended June 30, 2006 and 2005, respectively, and \$1,520 and \$159 for the six months ended June 30, 2006 and 2005, respectively. The related total income tax benefit recognized was \$318 and zero for the three months ended June 30, 2006 and 2005, respectively, and \$531 and zero for the six months ended June 30, 2006 and 2005, respectively.

As of June 30, 2006, there was \$5,435 of unrecognized compensation cost related to outstanding Restricted Stock. That cost is expected to be recognized over a weighted-average period of 1.7 years. The total fair value of shares vested during the three months ended June 30, 2006 and 2005 was \$1,296 and zero, respectively, and \$2,231 and \$580 for the six months ended June 30, 2006 and 2005, respectively.

***Stock Appreciation Rights***

On April 7, 2005, the Company approved an amendment to the Long-Term Incentive Plan. The amendment, which was effective June 30, 2005, amended SARs from rights that paid appreciation to participants in the form of cash to rights that pay appreciation to participants in the form of Company stock.

**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005**

A summary of the Company's SARs as of June 30, 2006, is presented below:

		Weighted Average	Weighted Average	Aggregate
	Rights	Exercise Price	Remaining Contractual Term	Intrinsic Value
SARs outstanding, December 31, 2005	5,981,397	\$ 27.40		
Grants	1,400,377	49.25		
Exercises	(379,907)	24.92		
Forfeitures and adjustments	(174,995)	32.24		
SARs outstanding, June 30, 2006	6,826,872	\$ 31.89	5.0	\$ 113,886
SARs exercisable at June 30, 2006	2,844,200	\$ 24.51	5.3	\$ 67,941

The fair value of each SARs outstanding was estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatilities for awards issued during the six months ended June 30, 2005 were based on the median historical stock price volatility of a peer group of insurance companies. Expected volatilities for awards issued during the six months ended June 30, 2006 were based on the median historical stock price volatility of a peer group of insurance companies and implied volatilities from traded options on the Company's stock. The expected term for rights granted under the previous plan that were converted on June 30, 2005 was assumed to be the optimal term from the employee's perspective under the Black-Scholes Model. The expected term for grants made subsequent to the June 30, 2005 conversion was assumed to equal the average of the vesting period of the right and the full contractual term of the right. The risk-free rate for periods within the contractual life of the option was based on the U.S. Treasury yield curve in effect at the time of grant.

**For awards granted during the**

	six months ended June 30, 2006	2005
Expected Volatility	20.25%-22.85%	27.19%
Risk Free Interest Rates	4.77%-4.89%	3.69%
Dividend Yield	0.65%	0.89%
Expected Life	3.00-3.88	3.75

There were 1,400,377 SARs granted during the three and six month periods ended June 30, 2006. The compensation expense recorded related to SARs was \$3,728 and \$6,678 for the three and six months ended June 30, 2006, respectively, and the related income tax benefit recognized was \$1,274 and \$2,306 for the three and six months ended June 30, 2006, respectively. Total compensation expense includes expense for SARs granted to the Board of Directors, which vest immediately.

The total intrinsic value of SARs options exercised during the six months ended June 30, 2006 was \$8,406. As of June 30, 2006, there was approximately \$25,402 of unrecognized compensation cost related to outstanding SARs. That cost is expected to be recognized over a weighted-average period of 1.6 years.

**Executive 401K Plan**

During the first six months of 2005, the Company purchased 12,900 treasury shares for \$438 via a Rabbi Trust which was allocated to the Assurant Stock fund. Effective September 2005, the Assurant Stock Fund was dissolved and the Company's stock will no longer be offered to



participants of the Executive 401K Plan.

**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005*****Employee Stock Purchase Plan***

The Company's Employee Stock Purchase Plan ( ESPP ), authorizes the issuance of up to 5,000,000 shares to employees who are participants in the Plan. The ESPP allows eligible employees to contribute, through payroll deductions, up to 15% of their after-tax compensation in each offering period toward the purchase of Company shares. There are two offering periods during the year (January 1 through June 30 and July 1 through December 31) and shares are purchased at the end of each offering period at 90% of the lower of the closing price of Company's stock on the first or last day of the offering period. Prior to January 1, 2006, participants' contribution was limited to a maximum of \$6 per offering period. The ESPP was amended in November 2005 to increase the maximum contribution to \$7.5 per offering period, or \$15 per year.

The ESPP is offered to individuals who are scheduled to work at least 20 hours per week and at least five months per year, have been continuously employed for at least six months by the start of the offering period, are not temporary employees (employed less than 12 months), and have not been on a leave of absence for more than 90 days immediately preceding the offering period. Participants must be employed on the last day of the offering period in order to purchase Company shares under the ESPP. The maximum number of shares that can be purchased each offering period is 5,000 shares per employee.

In January 2006, the Company issued 73,992 shares to employees at a price of \$32.59 for the offering period of July 1 through December 31, 2005, relating to the ESPP. In January 2005, the Company issued 71,860 shares at a price per share of \$23.67 for the offering period of July 1 through December 31, 2004, relating to the ESPP.

In July 2006, the Company issued 78,575 shares to employees at a price per share of \$39.66 for the offering period of January 1 through June 30, 2006, relating to the ESPP. In July 2005, the Company issued 77,017 shares at a price per share of \$27.63 for the offering period of January 1 through June 30, 2005, relating to the ESPP.

The compensation expense recorded related to the ESPP was \$257 and \$574 for the three and six months ended June 30, 2006, respectively. Prior to the adoption of FAS 123R, the Company accounted for ESPP in accordance with APB 25 as non-compensatory plan, and accordingly did not record any compensation expense.

The fair value of each award under ESPP was estimated at the beginning of each offering period using the Black-Scholes option-pricing model and the assumptions in the following table. 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.

	<b>For awards issued during the</b>	
	<b>six months ended June 30,</b>	
	<b>2006</b>	<b>2005</b>
Expected Volatility	21.09%	15.90%
Risk Free Interest Rates	3.35%	1.63%
Dividend Yield	0.88%	1.06%
Expected Life	0.5	0.5

**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005*****Pro-Forma Disclosure***

The following pro forma information of net income and net income per share amounts were determined as if the Company had accounted for SARs and the ESPP Plan under the fair value method of FAS 123 for the three and six months ended June 30, 2005. This disclosure is not equivalent to the impact of FAS 123R.

	<b>For the</b>	<b>For the</b>
	<b>Three Months</b>	<b>Six Months</b>
	<b>Ended June 30,</b>	<b>Ended June 30,</b>
	<b>2005</b>	<b>2005</b>
Net income as reported	\$ 127,624	\$ 242,022
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	5,796	16,637
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(21,450)	(32,047)
Pro forma net income	\$ 111,970	\$ 226,612
Earnings per share as reported:		
Basic		
Diluted	\$ 0.93	\$ 1.74
	\$ 0.92	\$ 1.73
Pro forma earnings per share:		
Basic		
Diluted	\$ 0.81	\$ 1.63
	\$ 0.81	\$ 1.62

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Assurant, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Unaudited)

Six Months Ended June 30, 2006 and 2005

**6. Stock Repurchase**

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

Period	Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares
			Purchased as Part of Publicly Announced Program
<b>in 2006</b>			
January	450,200	44.33	450,200
February	416,600	44.49	416,600
March	550,000	46.38	550,000
April	475,000	48.86	475,000
May	475,000	49.90	475,000
June	1,190,000	47.67	1,190,000
<b>Total</b>	<b>3,556,800</b>	<b>\$ 47.13</b>	<b>3,556,800</b>

For the six months ended June 30, 2006, the Company repurchased 3,556,800 shares of the Company's outstanding common stock at a cost of \$167,631 and has \$228,109 remaining to purchase shares pursuant to the November 11, 2005 publicly announced repurchase program.

**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005****7. Earnings Per Common Share**

The following table presents the weighted average common shares used in calculating basic earnings per common share and those used in calculating diluted earnings per common share for each income category presented below.

	Three months ended June 30, 2006		Six months ended June 30, 2006	
	2005		2005	
	(in thousands except number of shares and per share amounts)			
<b>Numerator</b>				
Net income before cumulative effect of change in accounting principle	\$	151,136	\$	127,624
Cumulative effect of change in accounting principle (Note 5)			\$	312,061
				\$ 242,022
				1,547
Net income	\$	151,136	\$	127,624
			\$	313,608
				\$ 242,022
<b>Denominator</b>				
Weighted average shares outstanding used in basic per share calculations		128,488,126		137,700,163
Incremental common shares from assumed:				129,239,104
SARs		1,749,120		1,239,224
Executive 401K plan				32,250
Restricted stock		54,400		21,532
ESPP		35,988		26,219
				84,680
Weighted average shares used in diluted per share calculations		130,327,634		139,019,388
				131,197,145
				140,030,049
<b>Earnings per share:</b>				
<i>Basic</i>				
Net income before cumulative effect of change in accounting principle	\$	1.18	\$	0.93
Cumulative effect of change in accounting principle				2.42
Net income	\$	1.18	\$	0.93
				\$ 1.74
				0.01
				2.43
				\$ 1.74
<i>Diluted</i>				
Net income before cumulative effect of change in accounting principle	\$	1.16	\$	0.92
Cumulative effect of change in accounting principle				2.38
Net income	\$	1.16	\$	0.92
				\$ 2.39
				\$ 1.73
				0.01
				2.39
				\$ 1.73

Restricted shares totaling 32,139 and 75,742 for the three months ended June 30, 2006 and 2005, respectively, and 94,130 and 75,742 for the six months ended June 30, 2006 and 2005, respectively, were outstanding but were anti-dilutive and thus not included in the computation of diluted EPS under the treasury method. Average SARs totaling 698,939 for the three and six months ended June 30, 2006 were also outstanding but were anti-dilutive and thus not included in the computation of diluted EPS under the treasury method.



**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005****8. Retirement and Other Employee Benefits**

The components of net periodic benefit 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, 2006 and 2005 were as follows:

	Qualified Pension Benefits For the three months		Nonqualified Pension Benefits (1) For the three months		Retirement Health Benefits For the three months	
	ended June 30,		ended June 30,		ended June 30,	
	2006	2005	2006	2005	2006	2005
Service cost	\$ 4,961	\$ 4,575	\$ 465	\$ 452	\$ 698	\$ 629
Interest cost	5,459	5,065	1,316	1,259	771	781
Expected return on plan assets	(7,135)	(6,565)			(283)	(267)
Amortization of prior service cost	764	764	165	175	333	327
Amortization of net loss	1,996	1,766	904	993		
One Time Settlement Charge under FAS 88			609			
Net periodic benefit cost	\$ 6,045	\$ 5,605	\$ 3,459	\$ 2,879	\$ 1,519	\$ 1,470

	Qualified Pension Benefits For the six months		Nonqualified Pension Benefits (1) For the six months		Retirement Health Benefits For the six months	
	ended June 30,		ended June 30,		ended June 30,	
	2006	2005	2006	2005	2006	2005
Service cost	\$ 9,861	\$ 9,060	\$ 915	\$ 981	\$ 1,398	\$ 1,195
Interest cost	10,734	10,116	2,616	2,503	1,596	1,559
Expected return on plan assets	(14,160)	(12,554)			(558)	(413)
Amortization of prior service cost	1,539	1,528	340	350	658	654
Amortization of net loss	4,071	3,405	1,829	1,820		
One Time Settlement Charge under FAS 88			609			
Net periodic benefit cost	\$ 12,045	\$ 11,555	\$ 6,309	\$ 5,654	\$ 3,094	\$ 2,995

(1) The Company's nonqualified plans are unfunded.

During the first six months of 2006, the Company contributed \$6,500, \$3,744 and \$546 to the qualified pension benefits plan, nonqualified pension benefits plan and the retirement health benefits plan, respectively. The Company expects to contribute \$23,700 to its pension benefit plans and \$1,500 to its retirement health benefit plan for the full year 2006.

**9. Segment Information**

On April 1, 2006, the Company separated Assurant Solutions business segment into two business segments: Assurant Solutions and Assurant Specialty Property. In addition, concurrent with the creation of the new Assurant Solutions and Assurant Specialty Property segments, the Company realigned the PreNeed segment under the new Assurant Solutions segment. The segment income statement for the three and six months ended June 30, 2005 and the segment assets for the year ended December 31, 2005 have been recast to reflect the new segment reporting structure.

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In connection with the segment changes described above, the Company transferred the run-off Asbestos business previously in the Assurant Solutions segment to the Corporate & Other segment. The transfer of this business is consistent with the Company's policy of managing run-off business in the Corporate & Other segment.

The Company has five reportable segments, which are defined based on the nature of the products and services offered: Assurant Solutions, Assurant Specialty Property, Assurant Health, Assurant Employee Benefits, and Corporate & Other. Assurant Solutions provides credit insurance, including life, disability and unemployment, debt protection administration services, warranties and extended service contracts and life insurance policies and annuity products that provide benefits to fund pre-arranged funerals. Assurant Specialty Property provides creditor-placed homeowners insurance and manufactured housing homeowners insurance. Assurant Health provides individual, short-term and small group health insurance. Assurant Employee Benefits provides employee and employer paid dental, disability, and life insurance products and related services. Corporate & Other includes



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**Assurant, Inc. and Subsidiaries**

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activities of the holding company, financing and interest expenses, net realized gains (losses) on investments, interest income earned from short-term investments held and additional costs associated with excess of loss reinsurance programs reinsured and ceded to certain subsidiaries in the London market between 1995 and 1997. Corporate & Other also includes the amortization of deferred gains associated with the sales of Fortis Financial Group and Long-Term Care through reinsurance agreements.

The Company evaluates performance of the operating business segments based on segment income after-tax excluding realized gains (losses) on investments. The Company determines reportable segments in a manner consistent with the way the Company organizes for purposes of making operating decisions and assessing performance.

**Table of Contents****Assurant, Inc. and Subsidiaries****Notes to Consolidated Financial Statements (Unaudited)****Six Months Ended June 30, 2006 and 2005**

The following tables summarize selected financial information by segment:

	Three Months Ended June 30, 2006					Consolidated
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	
<b>Revenues</b>						
Net earned premiums and other considerations	\$ 592,182	\$ 290,972	\$ 519,587	\$ 282,581	\$	\$ 1,685,322
Net investment income	98,951	17,923	17,110	38,744	7,710	180,438
Net realized gains on investments					2,272	2,272
Amortization of deferred gain on disposal of businesses					10,022	10,022
Fees and other income	39,525	13,587	10,250	7,547	127	71,036
<b>Total revenues</b>	<b>730,658</b>	<b>322,482</b>	<b>546,947</b>	<b>328,872</b>	<b>20,131</b>	<b>1,949,090</b>
<b>Benefits, losses and expenses</b>						
Policyholder benefits	247,208	110,474	321,322	195,195	5	874,204
Amortization of deferred acquisition costs and value of business acquired	212,671	59,541	6,374	6,195		284,781
Underwriting, general and administrative expenses	211,758	62,828	156,645	95,632	15,764	542,627
Interest expense					15,315	15,315
<b>Total benefits, losses and expenses</b>	<b>671,637</b>	<b>232,843</b>	<b>484,341</b>	<b>297,022</b>	<b>31,084</b>	<b>1,716,927</b>
<b>Segment income (loss) before income tax</b>	<b>59,021</b>	<b>89,639</b>	<b>62,606</b>	<b>31,850</b>	<b>(10,953)</b>	<b>232,163</b>
Income taxes	21,873	30,363	21,590	11,260	(4,059)	81,027
<b>Segment income (loss) after tax</b>	<b>\$ 37,148</b>	<b>\$ 59,276</b>	<b>\$ 41,016</b>	<b>\$ 20,590</b>	<b>\$ (6,894)</b>	
<b>Net Income</b>						<b>\$ 151,136</b>

	Three Months Ended June 30, 2005					Consolidated
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	
<b>Revenues</b>						
Net earned premiums and other considerations	\$ 554,829	\$ 207,696	\$ 544,294	\$ 316,420	\$	\$ 1,623,239
Net investment income	100,107	14,843	17,170	38,274	6,624	177,018
Net realized gains on investments					4,079	4,079
Amortization of deferred gain on disposal of businesses					11,784	11,784
Fees and other income	30,574	10,168	10,270	6,993	178	58,183
<b>Total revenues</b>	<b>685,510</b>	<b>232,707</b>	<b>571,734</b>	<b>361,687</b>	<b>22,665</b>	<b>1,874,303</b>
<b>Benefits, losses and expenses</b>						
Policyholder benefits	269,284	72,294	333,101	241,537	7,795	924,011
Amortization of deferred acquisition costs and value of business acquired	167,330	46,997	7,584	5,184		227,095
Underwriting, general and administrative expenses	185,969	61,233	155,801	99,843	16,938	519,784

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Interest expense					15,314	15,314
Total benefits, losses and expenses	622,583	180,524	496,486	346,564	40,047	1,686,204
<b>Segment income (loss) before income tax</b>	62,927	52,183	75,248	15,123	(17,382)	188,099
Income taxes	20,535	17,970	25,881	5,311	(9,222)	60,475
<b>Segment income (loss) after tax</b>	\$ 42,392	\$ 34,213	\$ 49,367	\$ 9,812	\$ (8,160)	
<b>Net Income</b>						\$ 127,624

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	Six Months Ended June 30, 2006					Consolidated
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	
<b>Revenues</b>						
Net earned premiums and other considerations	\$ 1,162,570	\$ 543,721	\$ 1,042,992	\$ 608,692	\$	\$ 3,357,975
Net investment income	196,033	34,713	41,111	79,583	21,560	373,000
Net realized losses on investments					(2,180)	(2,180)
Amortization of deferred gain on disposal of businesses					18,855	18,855
Fees and other income	73,695	23,045	19,976	14,379	127	131,222
<b>Total revenues</b>	<b>1,432,298</b>	<b>601,479</b>	<b>1,104,079</b>	<b>702,654</b>	<b>38,362</b>	<b>3,878,872</b>
<b>Benefits, losses and expenses</b>						
Policyholder benefits	495,588	180,933	646,723	440,634	5	1,763,883
Amortization of deferred acquisition costs and value of business acquired	430,378	114,037	13,473	12,276		570,164
Underwriting, general and administrative expenses	388,929	117,421	312,258	188,665	32,403	1,039,676
Interest expense					30,630	30,630
<b>Total benefits, losses and expenses</b>	<b>1,314,895</b>	<b>412,391</b>	<b>972,454</b>	<b>641,575</b>	<b>63,038</b>	<b>3,404,353</b>
<b>Segment income (loss) before income tax</b>	<b>117,403</b>	<b>189,088</b>	<b>131,625</b>	<b>61,079</b>	<b>(24,676)</b>	<b>474,519</b>
Income taxes	40,508	65,368	45,513	21,304	(10,235)	162,458
<b>Segment income (loss) after tax</b>	<b>\$ 76,895</b>	<b>\$ 123,720</b>	<b>\$ 86,112</b>	<b>\$ 39,775</b>	<b>\$ (14,441)</b>	<b>\$ 312,061</b>
<b>Cumulative effect of change in accounting principle</b>						<b>1,547</b>
<b>Net income</b>						<b>\$ 313,608</b>

**As of June 30, 2006**

<b>Segment Assets:</b>						
Segments assets, excluding goodwill	\$ 10,284,736	\$ 2,095,451	\$ 1,492,308	\$ 2,933,983	\$ 6,920,684	\$ 23,727,162
Goodwill						805,254
<b>Total Assets</b>						<b>\$ 24,532,416</b>

	Six Months Ended June 30, 2005					Consolidated
	Solutions	Specialty Property	Health	Employee Benefits	Corporate & Other	
<b>Revenues</b>						

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Net earned premiums and other considerations	\$ 1,090,181	\$ 408,790	\$ 1,093,820	\$ 662,342	\$	\$ 3,255,133
Net investment income	186,303	29,824	34,875	76,257	13,959	341,218
Net realized gains on investments					4,571	4,571
Amortization of deferred gain on disposal of businesses					23,647	23,647
Fees and other income	59,663	18,361	20,601	13,182	281	112,088
<b>Total revenues</b>	<b>1,336,147</b>	<b>456,975</b>	<b>1,149,296</b>	<b>751,781</b>	<b>42,458</b>	<b>3,736,657</b>
<b>Benefits, losses and expenses</b>						
Policyholder benefits	528,958	143,038	678,469	509,275	7,795	1,867,535
Amortization of deferred acquisition costs and value of business acquired	323,156	92,988	16,507	9,890		442,541
Underwriting, general and administrative expenses	387,143	110,362	303,641	192,154	37,831	1,031,131
Interest expense					30,628	30,628
<b>Total benefits, losses and expenses</b>	<b>1,239,257</b>	<b>346,388</b>	<b>998,617</b>	<b>711,319</b>	<b>76,254</b>	<b>3,371,835</b>
<b>Segment income (loss) before income tax</b>	<b>96,890</b>	<b>110,587</b>	<b>150,679</b>	<b>40,462</b>	<b>(33,796)</b>	<b>364,822</b>
Income taxes	31,064	38,082	51,639	14,271	(12,256)	122,800
<b>Segment income after tax</b>	<b>\$ 65,826</b>	<b>\$ 72,505</b>	<b>\$ 99,040</b>	<b>\$ 26,191</b>	<b>\$ (21,540)</b>	
<b>Net Income</b>						<b>\$ 242,022</b>

As of December 31, 2005

<b>Segment Assets:</b>						
Segments assets, excluding goodwill	\$ 10,457,115	\$ 2,262,901	\$ 1,452,878	\$ 2,898,472	\$ 7,489,223	\$ 24,560,589
Goodwill						804,864
Total Assets						\$ 25,365,453

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**Six Months Ended June 30, 2006 and 2005**

**10. Commitments and Contingencies**

In the normal course of business, letters of credit are issued primarily to support reinsurance arrangements. These letters of credit are supported by commitments with financial institutions. The Company had \$33,839 of letters of credit outstanding as of June 30, 2006.

The Company is regularly involved in litigation in the ordinary course of business, both as a defendant and as a plaintiff. The Company may from time to time be subject to a variety of legal and regulatory actions relating to the Company's current and past business operations. While the Company cannot predict the outcome of any pending or future litigation, examination or investigation, and although no assurances can be given the Company does not believe that any pending matter will have a material adverse effect individually or in the aggregate, on the Company's financial condition or results of operations.

The Solutions segment is subject to a number of pending actions, primarily in the State of Mississippi, many of which allege that the Company's credit insurance products were packaged and sold with lenders' products without buyer consent. The judicial climate in Mississippi is such that the outcome of these cases is extremely unpredictable. The Company has been advised by legal counsel that the Company has meritorious defenses to all claims being asserted against the Company. The Company believes, based on information currently available, that the amounts it has accrued are adequate.

In addition, one of the Company's subsidiaries, American Reliable Insurance Company (ARIC), participated in certain excess of loss reinsurance programs in the London market and, as a result, reinsured certain personal accident, ransom and kidnap insurance risks from 1995 to 1997. ARIC and a foreign affiliate ceded a portion of these risks to retrocessionaires. ARIC ceased reinsuring such business in 1997. However, certain risks continued beyond 1997 due to the nature of the reinsurance contracts written. ARIC and some of the other reinsurers involved in the programs are seeking to avoid certain treaties on various grounds, including material misrepresentation and non-disclosure by the ceding companies and intermediaries involved in the programs. Similarly, some of the retrocessionaires are seeking avoidance of certain treaties with ARIC and the other reinsurers and some reinsureds are seeking collection of disputed balances under some of the treaties. The disputes generally involve multiple layers of reinsurance, and allegations that the reinsurance programs involved interrelated claims spirals devised to disproportionately pass claims losses to higher-level reinsurance layers. Many of the companies involved in these programs, including ARIC, are currently involved in negotiations, arbitrations and/or litigation between multiple layers of retrocessionaires, reinsurers, ceding companies and intermediaries, including brokers, in an effort to resolve these disputes.

Many of the disputes involving ARIC and an affiliate, Bankers Insurance Company Limited (BICL), relating to the 1995 and 1997 program years, were resolved by settlement or arbitration in 2005. As a result of the settlements and an arbitration (in which ARIC did not prevail) additional information became available in 2005, and based on management's best estimate, the Company increased its reserves and recorded a total pre-tax charge of \$61,943 for the year ended December 31, 2005. Negotiations, arbitrations and litigation are still ongoing or will be scheduled for the remaining disputes. On February 28, 2006 there was a settlement relating to the 1996 program. Loss accruals previously established relating to the 1996 program were adequate. The Company believes, based on information currently available, that the amounts accrued for currently outstanding disputes are adequate. However, the inherent uncertainty of arbitrations and lawsuits, including the uncertainty of estimating whether any settlements the Company may enter into in the future would be on favorable terms, makes it difficult to predict the outcomes with certainty.

The Company was notified on August 26, 2004 that a former employee is being investigated by the criminal division of the Internal Revenue Service (IRS) for responses he made to questions he was asked by the IRS relating to an approximately \$18,000 tax reserve taken by the Company in 1999. Recently, counsel for the employee was notified by the IRS that the matter was closed in February 2006 with no action taken.

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**Assurant, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements (Unaudited)**

**Six Months Ended June 30, 2006 and 2005**

As part of ongoing, industry-wide investigations, the Company has received various subpoenas and requests from the United States Securities and Exchange Commission and the United States Attorney for the Southern District of New York seeking the production of various documents. The areas of inquiry addressed to the Company include certain loss mitigation products and documents relating to the use of finite risk insurance. The Company is cooperating fully with these investigations and is complying with these requests.

Based on the Company's investigation to date into this matter, the Company has concluded that there was a verbal side agreement with respect to one of the Company's reinsurers under its catastrophic reinsurance program. While management believes that the difference resulting from the appropriate alternative accounting treatment would be immaterial to the Company's financial position or results of operations, regulators may reach a different conclusion. In 2004 and 2003, premiums ceded to this reinsurer were \$2,600 and \$1,500, respectively, and losses ceded were \$10,000 and \$0, respectively. This contract expired in December of 2004 and was not renewed.

The Audit Committee of the Company's Board of Directors, with the assistance of independent counsel has completed its initial investigation of the matter raised by the subpoenas and continues to respond to inquiries from the regulatory agencies. The Audit Committee has not found any wrongdoing on the part of any current officers of the Company. The Company has enhanced its internal controls regarding reinsurance and these controls are being appropriately monitored to ensure their effectiveness.

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**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

The Company's Chief Executive Officer and Chief Financial Officer had previously evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act of 1934, as of June 30, 2006. This included an evaluation of disclosure controls and procedures applicable to the period covered by and existing through the original filing of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006. Based on that review, the Company's Chief Executive Officer and Chief Financial Officer had previously concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that information the Company is required to disclose in its reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported accurately including, without limitation, ensuring that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. In connection with this filing on Form 10-Q/A, the Chief Executive Officer and Chief Financial Officer reevaluated our disclosure controls and procedures and concluded they were effective as of June 30, 2006 as described above. In reaching this conclusion, management considered the impact of the restatement described in Note 2 to the financial statements included in this filing.

**Internal Control over Financial Reporting**

No material weaknesses were identified at June 30, 2006. During the quarter ending June 30, 2006, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



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**PART II**

**OTHER INFORMATION**

**Item 6. Exhibits.**

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](http://www.assurant.com).

**Exhibit**

<b>Number</b>	<b>Exhibit Description</b>
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.

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**SIGNATURES**

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

ASSURANT, INC.

Date: November 14, 2006

By: /s/ Robert B. Pollock  
Name: *Robert B. Pollock*  
Title: *President and Chief Executive Officer*

Date: November 14, 2006

By: /s/ P. Bruce Camacho  
Name: *P. Bruce Camacho*  
Title: *Executive Vice President and Chief Financial Officer*