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## Assurant, Inc. Q2 2008 Earnings Call

### Question-and-Answer Session

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[Operator Instructions]. Our first question is coming from Jukka Lipponen from KBW.

**Robert B. Pollock - President and Chief Executive Officer**

Good morning, Jukka.

**Jukka Lipponen - Keefe, Bruyette & Woods, Inc.**

Couple of questions: first of all, can you give us a little more color on this Brazil contract again. I don't know if I heard it correctly, but I guess you are setting up reserves, expecting or having these claims come in, but you are not sure yet whether these actually are valid claims?

**Unidentified Company Representative**

Sure. Craig, you want to comment on that?

**S. Craig Lemasters - President and CEO of Assurant Solutions**

Yes, absolutely. Let me give a little more detail, Jukka. As Mike mentioned, what specifically happened in the quarter we received a large number of late reported claims from one of the clients that we previously cancelled. And so this quarter we do believe we set up adequate reserves specific to those claims. Additionally we took that new information and set up our strengthened reserves for our future claims on the whole product line.

So again we are thoroughly reviewing each of these claims for validity before we pay any of them. In terms of ultimate resolution on this though, what we are doing is actively engage now in settlement discussions with each of the three clients that we are targeting to conclude by year end. And the goal of course this resolution is to finalize all prior and future liability within the amount that we've now reserved. And we'll keep you posted on the progress of that settlement or the settlement conversations.

But just a reminder: Rob mentioned it earlier. This is a product that's unique to Brazil, to not repeat in any other country and again remain we're absolutely committed as always to learn from the situation and continue to improve the overall risk management process that we employed. It's also important to know and I want to make sure, I am clear that with the exception of this product in Brazil our operation is progressing nicely its growing, its on plan and it really does remain an important part of our overall targeted international expansion strategy; so again we'll keep you updated on the progress of the settlement discussions.

**Jukka Lipponen - Keefe, Bruyette & Woods, Inc.**

And Greg can you give us a little more color in terms of the developing countries, the expense ratio continues to come down, where are we in terms of the profit contribution from those countries and then also what's the status in China?

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