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Assurant Inc. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

[Operator Instructions]. And your first question comes from the line Jukka Lipponen.

Jukka Lipponen - KBW

Good morning.

Robert B. Pollock - President and Chief Executive Officer

Good morning Jukka.

Jukka Lipponen - KBW

A couple of questions, I am sorry if I missed that I have to step out the call for a second but in solutions, the expenses in your developing countries so can you review how high were you running and how much high in sort of the normal run rate?

Michael J. Peninger - Executive Vice President; Interim Chief Financial Officer

Yes, they were 13 million... \$13.1 million Jukka and I talked in my comments about system expenses and we're adding staff in those countries and in marketing and in particular the expenses in China increased during the quarter because we're gaining some traction there I'll maybe let Craig add some fundamentals over there.

S. Craig Lemasters - President and Chief Executive Officer, Assurant Solutions

Jukka that compares a year ago third quarter to \$7.4 million, I believe \$10.1 million last quarter, and I talked about in the past one of our challenges as we expand in new countries its really the timing of our expense and our stands are really gear up for business versus that business coming on and that's what you're seeing now. So a lot of this is revolver a good news, where we see opportunity in some of these developing countries and are adding staff more quickly now and as Mike said spending money to get system work finalize. And then the final piece of it is the incremental spend in China and again that's all around the fact that we can gear up in the service contract business faster with re-insurance license which will still take some time. So we're really gearing up here for the services business in China.

Jukka Lipponen - KBW

And Gene the loss ratio Specialty Property after-tax moved up a few points sequentially, can you give us some color on what was going on there?

Gene Mergelmeyer - President and Chief Executive Officer, Assurant Specialty Property

Sure Jukka. In addition to the reportable cats this was a pretty active season in general. So, I'll remind you that we also had some smaller storms like Dolly, and say and actually some other isolate Ike [ph] or so related activities that could probable non-cat reportable cat loss ratio of business well.

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