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## Assurant Inc., Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you. The question-and-answer session will be conducted electronically. (Operator Instructions)  
We will take our first question from John Nadel with Sterne, Agee.

**John Nadel - Sterne, Agee & Leach**

Good morning, everybody.

**Rob Pollock**

Good morning, John.

**John Nadel - Sterne, Agee & Leach**

A couple quick ones, if I could. So on Specialty Property, can we just talk a little bit more about the drivers here as it relates to what we should expect for premiums? So the loans track number is down, the insured values, at least if I look sequentially, are down for the first time that I can recall. It sounds like rates unlikely to be a real positive driver from here. And Mike mentioned reinsurance costs, "substantially higher". I'm wondering, just as it relates to that specific item, if your rate online, if you expect that to be substantially higher, or is it just absolute costs will be up because of the growth of the business. But overall, I mean, X some major change positively or negatively in loans tracked, should we just expect, I think we should, but maybe you could just comment. Should we just expect a general continued decline in earned premium in this segment from here forward?

**Rob Pollock**

Okay. John, if we look at the property business again, I think that the growth drivers have slowed, total insured value, etcetera. The big issue is if you look at the business, I would say we are in the late innings on both the REO business as well as the sub-prime business.

**John Nadel - Sterne, Agee & Leach**

Yes.

**Rob Pollock**

We did see an expansion in our placement rate in the prime portfolio.

**John Nadel - Sterne, Agee & Leach**

The prime, yes. Okay.

**Rob Pollock**

Again, this is a business we like. We obviously pointed out that we can win new clients when they go to RFP. We think we're well positioned to do that. And we are looking to expand into the similar product for auto. Obviously, there's not that many auto loans being generated these days, but we do see opportunities to expand on the platform.

**John Nadel - Sterne, Agee & Leach**

Yes. And don't take me wrong. I'm not arguing the validity of the business. I think it's a great business. I'm just trying to understand where we should expect it to go from here, in terms of size, not necessarily in terms of the returns. I think the returns are very solid, obviously. Maybe on the reinsurance costs, you can just hit that real quick.

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