

AMERISAFE INC  
Form 10-Q  
May 02, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**  
**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2014**

**Commission file number: 001-12251**

**AMERISAFE, INC.**

**(Exact Name of Registrant as Specified in Its Charter)**

**Texas**  
**(State of Incorporation)**

**75-2069407**  
**(I.R.S. Employer**

**Identification Number)**

**2301 Highway 190 West, DeRidder, Louisiana**  
**(Address of Principal Executive Offices)**

**70634**  
**(Zip Code)**

**Registrant's telephone number, including area code: (337) 463-9052**

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 has submitted electronically and posted on its corporate Web site, 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  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  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

As of April 30, 2014, there were 18,674,459 shares of the Registrant's common stock, par value \$.01 per share, outstanding.

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**FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934. You should not place undue reliance on these statements. These forward-looking statements include statements that reflect the current views of our senior management with respect to our financial performance and future events with respect to our business and the insurance industry in general. Statements that include the words expect, intend, plan, believe, project, forecast, estimate, may, should, similar statements of a future or forward-looking nature identify forward-looking statements. Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, the following:

greater frequency or severity of claims and loss activity, including as a result of natural or man-made catastrophic events, than our underwriting, reserving or investment practices anticipate based on historical experience or industry data;

adverse developments in economic, competitive or regulatory conditions within the workers' compensation insurance industry;

decreased level of business activity of our policyholders caused by decreased business activity generally, and in particular in the industries we target;

developments in capital markets that adversely affect the performance of our investments;

the cyclical nature of the workers' compensation insurance industry;

general economic conditions, including recession, inflation, performance of financial markets, interest rates, unemployment rates and fluctuating asset values;

decreased demand for our insurance;

increased competition on the basis of types of insurance offered, premium rates, coverage availability, payment terms, claims management, safety services, policy terms, overall financial strength, financial ratings and reputation;

changes in regulations, laws, rates, or rating factors applicable to us, our policyholders or the agencies that sell our insurance;

loss of the services of any of our senior management or other key employees;

changes in the availability, cost or quality of reinsurance and the failure of our reinsurers to pay claims in a timely manner or at all;

changes in rating agency policies or practices;

changes in legal theories of liability under our insurance policies;

the effects of U.S. involvement in hostilities with other countries and large-scale acts of terrorism, or the threat of hostilities or terrorist acts; and

other risks and uncertainties described from time to time in the Company's filings with the Securities and Exchange Commission (SEC).

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this report, and under the caption "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate.

**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****AMERISAFE, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(in thousands, except share and per share data)**

	<b>March 31, 2014 (unaudited)</b>	<b>December 31, 2013</b>
<b>Assets</b>		
Investments:		
Fixed maturity securities held-to-maturity, at amortized cost (fair value \$575,175 and \$561,179 in 2014 and 2013, respectively)	\$ 548,612	\$ 536,583
Fixed maturity securities available-for-sale, at fair value (cost \$270,135 and \$244,409 in 2014 and 2013, respectively)	268,189	237,877
Equity securities available-for-sale, at fair value (cost \$3,447 and \$9,482 in 2014 and 2013, respectively)	3,682	9,302
Short-term investments	85,031	84,422
Other investments	10,820	10,591
Total investments	916,334	878,775
Cash and cash equivalents	106,860	123,077
Amounts recoverable from reinsurers	78,275	75,326
Premiums receivable, net of allowance	192,964	171,579
Deferred income taxes	32,806	33,645
Accrued interest receivable	11,345	11,242
Property and equipment, net	7,425	7,549
Deferred policy acquisition costs	21,091	19,171
Other assets	9,650	8,637
	\$ 1,376,750	\$ 1,329,001
<b>Liabilities and shareholders equity</b>		
Liabilities:		
Reserves for loss and loss adjustment expenses	\$ 636,191	\$ 614,557
Unearned premiums	177,428	164,296
Reinsurance premiums payable	1,727	607
Amounts held for others	36,617	35,739
Policyholder deposits	45,811	44,620
Insurance-related assessments	28,113	25,428
Accounts payable and other liabilities	29,650	26,940

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Payable for investments purchased	635	
	956,172	912,187
Shareholders' equity:		
Common stock:		
Voting \$0.01 par value authorized shares 50,000,000 in 2014 and 2013; 19,917,709 and 19,855,430 shares issued and 18,659,459 and 18,597,180 shares outstanding in 2014 and 2013, respectively	198	198
Additional paid-in capital	194,076	192,537
Treasury stock at cost (1,258,250 shares in 2014 and 2013)	(22,370)	(22,370)
Accumulated earnings	249,729	250,744
Accumulated other comprehensive loss, net	(1,055)	(4,295)
	420,578	416,814
	\$ 1,376,750	\$ 1,329,001

See accompanying notes.

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**AMERISAFE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except share and per share data)

(unaudited)

	Three Months Ended March 31,	
	2014	2013
<b>Revenues</b>		
Gross premiums written	\$ 105,703	\$ 99,123
Ceded premiums written	(3,339)	(4,481)
Net premiums written	\$ 102,364	\$ 94,642
Net premiums earned	\$ 89,233	\$ 79,709
Net investment income	6,708	6,670
Net realized gains on investments	101	24
Fee and other income	131	109
Total revenues	96,173	86,512
<b>Expenses</b>		
Loss and loss adjustment expenses incurred	61,285	56,001
Underwriting and certain other operating costs	7,963	7,068
Commissions	6,687	6,164
Salaries and benefits	6,721	5,645
Policyholder dividends	113	554
Total expenses	82,769	75,432
Income before income taxes	13,404	11,080
Income tax expense	2,855	2,229
Net income	10,549	8,851
Net income available to common shareholders	\$ 10,549	\$ 8,836
<b>Earnings per share</b>		
Basic	\$ 0.57	\$ 0.48
Diluted	\$ 0.56	\$ 0.47
<b>Shares used in computing earnings per share</b>		
Basic	18,531,926	18,281,353



Diluted	18,859,682	18,689,842
Extraordinary cash dividends declared per common share	\$ 0.50	\$
Cash dividends declared per common share	\$ 0.12	\$ 0.08

See accompanying notes.

Table of Contents**AMERISAFE, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(in thousands)

(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Net income	\$ 10,549	\$ 8,851
Other comprehensive income:		
Unrealized gain/(loss) on securities, net of tax	3,240	(545)
Comprehensive income	\$ 13,789	\$ 8,306

**AMERISAFE, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(in thousands, except share data)

(unaudited)

	<b>Common Stock</b>		<b>Treasury Stock</b>		<b>Additional Paid-In Capital</b>	<b>Accumulated Earnings</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amounts</b>				
Balance at December 31, 2013	19,855,430	\$ 198	(1,258,250)	\$ (22,370)	\$ 192,537	\$ 250,744	\$ (4,295)	\$ 416,814
Comprehensive income						10,549	3,240	13,789
Options exercised	61,167				600			600
Tax benefit from share-based payments					625			625
Restricted common stock issued	1,112							
Share-based compensation					314			314
Dividends to stockholders						(11,564)		(11,564)

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Balance at									
March 31, 2014	19,917,709	\$ 198	(1,258,250)	\$ (22,370)	\$ 194,076	\$ 249,729	\$ (1,055)	\$ 420,578	

See accompanying notes.

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## AMERISAFE, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Operating Activities</b>		
Net income	\$ 10,549	\$ 8,851
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	332	322
Net amortization of investments	3,765	2,928
Deferred income taxes	(906)	(885)
Net realized (gains) on investments	(101)	(24)
Share-based compensation	558	290
Changes in operating assets and liabilities:		
Premiums receivable, net	(21,385)	(25,197)
Accrued interest receivable	(103)	87
Deferred policy acquisition costs	(1,920)	(1,619)
Other assets	(1,241)	(860)
Reserves for loss and loss adjustment expenses	21,634	7,538
Unearned premiums	13,132	14,932
Reinsurance balances	(1,829)	2,675
Amounts held for others and policyholder deposits	2,069	3,124
Accounts payable and other liabilities	5,732	9,615
Net cash provided by operating activities	30,286	21,777
<b>Investing Activities</b>		
Purchases of investments held-to-maturity	(38,698)	(26,454)
Purchases of investments available-for-sale	(35,248)	(43,263)
Purchases of short-term investments	(44,920)	(47,603)
Proceeds from maturities of investments held-to-maturity	24,930	34,411
Proceeds from sales and maturities of investments available-for-sale	14,557	2,528
Proceeds from sales and maturities of short-term investments	43,369	41,338
Purchases of property and equipment	(208)	(144)
Net cash used in investing activities	(36,218)	(39,187)
<b>Financing Activities</b>		
Proceeds from stock option exercises	600	855
Tax benefit from share-based payments	625	642
Dividends to stockholders	(11,510)	(1,469)

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Net cash (used in)/provided by financing activities	(10,285)	28
Change in cash and cash equivalents	(16,217)	(17,382)
Cash and cash equivalents at beginning of period	123,077	92,676
Cash and cash equivalents at end of period	\$ 106,860	\$ 75,294

See accompanying notes.

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**AMERISAFE, INC. AND SUBSIDIARIES**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(unaudited)**

**Note 1. Basis of Presentation**

AMERISAFE, Inc. (the Company) is an insurance holding company incorporated in the state of Texas. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries: American Interstate Insurance Company (AIIC), Silver Oak Casualty, Inc. (SOCI), American Interstate Insurance Company of Texas (AIICTX), Amerisafe Risk Services, Inc. (RISK) and Amerisafe General Agency, Inc. (AGAI). AIIC and SOCI are property and casualty insurance companies organized under the laws of the state of Nebraska. AIICTX is a property and casualty insurance company organized under the laws of the state of Texas. In 2013, AIIC and SOCI were re-domesticated to Nebraska from Louisiana. RISK, a wholly owned subsidiary of the Company, is a claims and safety services company, currently servicing only affiliated insurance companies. AGAI, a wholly owned subsidiary of the Company, is a general agent for the Company. AGAI sells insurance, which is underwritten by AIIC, SOCI and AIICTX, as well as by nonaffiliated insurance carriers. The assets and operations of AGAI are not significant to that of the Company and its consolidated subsidiaries. The terms AMERISAFE, the Company, we, us or our refer to AMERISAFE, Inc. and its consolidated subsidiaries, as the context requires.

The Company provides workers' compensation insurance for small to mid-sized employers engaged in hazardous industries, principally construction, trucking, manufacturing, oil and gas, and agriculture. Assets and revenues of AIIC represent at least 95% of comparable consolidated amounts of the Company for each of 2014 and 2013.

In the opinion of management of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position, the results of operations and cash flows for the periods presented. The unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q under the Securities Exchange Act of 1934 and therefore do not include all information and footnotes to be in conformity with accounting principles generally accepted in the United States (GAAP). The results for the interim periods are not necessarily indicative of the results of operations that may be expected for the year. The unaudited condensed consolidated financial statements contained herein should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2013.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain prior year amounts have been reclassified to conform with the current year presentation.

**Note 2. Stock Options and Restricted Stock**

The Company has three equity incentive plans: the AMERISAFE 2005 Equity Incentive Plan (the 2005 Incentive Plan), the AMERISAFE 2010 Non-Employee Director Restricted Stock Plan (the 2010 Restricted Stock Plan) and the AMERISAFE 2012 Equity and Incentive Compensation Plan (the 2012 Incentive Plan). See Note 13 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.

for additional information regarding the Company's incentive plans.

In March 2013, the Company granted 4,312 shares of restricted common stock to four executive officers. The awards were made pursuant to the Company's 2012 Incentive Plan.

During the three months ended March 31, 2014, options to purchase 61,167 shares of common stock were exercised. During the three months ended March 31, 2013, options to purchase 95,000 shares of common stock were exercised. In connection with these exercises, the Company received \$0.6 million of stock option proceeds in the first three months of 2014 and \$0.9 million of stock option proceeds in the same period in 2013.

The Company recognized share-based compensation expense of \$0.6 million and \$0.3 million in the three months ended March 31, 2014 and 2013, respectively.

**Table of Contents****Note 3. Earnings Per Share**

The Company computes earnings per share (EPS) in accordance with Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) Topic 260, *Earnings Per Share*. Additionally, during 2013, the Company applied the two-class method in computing basic and diluted earnings per share as a result of the participating unvested common shares which contained nonforfeitable rights to dividends during this period. As of January 1, 2014, the Company no longer has participating unvested common shares which contain nonforfeitable rights to dividends and now applies the treasury stock method in computing basic and diluted earnings per share.

Under the two-class method, net income available to common and participating common shareholders is reduced by the amount of dividends declared in the current period and by the contractual amount of dividends that must be paid for the current period related to the Company's common and participating common shares. Participating common shares include unvested share-based payment awards that contain nonforfeitable rights to dividends, whether paid or unpaid. Any remaining undistributed earnings are allocated to the common and participating common shareholders to the extent that each security shares in earnings as if all of the earnings for the period had been distributed. The amount of earnings allocable to each security is divided by the number of outstanding shares of the security to which the earnings are allocated to determine the EPS for the security. In a period of loss, no losses are allocated to the participating common shareholders. Instead, all such losses are allocated to the common shareholders.

Basic EPS is calculated by dividing income available to common shareholders by the weighted-average number of common shares outstanding during the period. The diluted EPS calculation includes potential common shares assumed issued under the treasury stock method, which reflects the potential dilution that would occur if any outstanding options or warrants were exercised or restricted stock becomes vested, and includes the if converted method for participating securities if the effect is dilutive. We determine diluted EPS as the more dilutive result of either the treasury method or the two-class method.

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>(in thousands, except share</b>	
	<b>and</b>	
	<b>per share amounts)</b>	
<b><u>Basic EPS:</u></b>		
Net income, as reported	\$ 10,549	\$ 8,851
Less allocated income to unvested shares		15
Net income available to common shareholders basic	\$ 10,549	\$ 8,836
Basic weighted average common shares	18,531,926	18,281,353
Basic earnings per common share	\$ 0.57	\$ 0.48
<b><u>Diluted EPS:</u></b>		
Net income available to common shareholders diluted	\$ 10,549	\$ 8,836
<b>Diluted weighted average common shares:</b>		



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Weighted average common shares	18,531,926	18,281,353
Stock options and performance shares	327,756	408,489
Diluted weighted average common shares	18,859,682	18,689,842
Diluted earnings per common share	\$ 0.56	\$ 0.47

**Note 4. Investments**

The gross unrealized gains and losses on, and the amortized cost and fair value of, those investments classified as held-to-maturity at March 31, 2014 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
States and political subdivisions	\$ 368,697	\$ 19,970	\$ (303)	\$ 388,364
Corporate bonds	94,099	945	(74)	94,970
Commercial mortgage-backed securities	49,884	3,079		52,963
U.S. agency-based mortgage-backed securities	20,418	1,794		22,212
U.S. Treasury securities and obligations of U.S. government agencies	12,265	1,077	(6)	13,336
Asset-backed securities	3,249	214	(133)	3,330
Totals	\$ 548,612	\$ 27,079	\$ (516)	\$ 575,175

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The gross unrealized gains and losses on, and the cost or amortized cost and fair value of, those investments classified as available-for-sale at March 31, 2014 are summarized as follows:

	<b>Cost or Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
	<b>(in thousands)</b>			
<b>Fixed maturity:</b>				
States and political subdivisions	\$ 153,335	\$ 3,530	\$ (2,790)	\$ 154,075
Corporate bonds	106,789	503	(198)	107,094
U.S. agency-based mortgage-backed securities	10,011		(2,991)	7,020
<b>Total fixed maturity</b>	<b>270,135</b>	<b>4,033</b>	<b>(5,979)</b>	<b>268,189</b>
Other investments	10,000	820		10,820
Equity securities	3,447	261	(26)	3,682
<b>Totals</b>	<b>\$ 283,582</b>	<b>\$ 5,114</b>	<b>\$ (6,005)</b>	<b>\$ 282,691</b>

The gross unrealized gains and losses on, and the amortized cost and fair value of, those investments classified as held-to-maturity at December 31, 2013 are summarized as follows:

	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
	<b>(in thousands)</b>			
States and political subdivisions	\$ 381,674	\$ 18,634	\$ (1,153)	\$ 399,155
Corporate bonds	67,423	861	(41)	68,243
Commercial mortgage-backed securities	50,813	3,431		54,244
U.S. agency-based mortgage-backed securities	21,775	1,790		23,565
U.S. Treasury securities and obligations of U.S. Government agencies	11,514	1,002		12,516
Asset-backed securities	3,384	216	(144)	3,456
<b>Totals</b>	<b>\$ 536,583</b>	<b>\$ 25,934</b>	<b>\$ (1,338)</b>	<b>\$ 561,179</b>

The gross unrealized gains and losses on, and the cost or amortized cost and fair value of, those investments classified as available-for-sale at December 31, 2013 are summarized as follows:

<b>Cost or Amortized Cost</b>	<b>Gross Unrealized</b>	<b>Gross Unrealized</b>	<b>Fair Value</b>
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		<b>Gains</b>	<b>Losses</b>	
		<b>(in thousands)</b>		
<b>Fixed maturity:</b>				
States and political subdivisions	\$ 154,024	\$ 1,491	\$ (5,140)	\$ 150,375
Corporate bonds	80,344	445	(361)	80,428
U.S. agency-based mortgage-backed securities	10,041		(2,967)	7,074
<b>Total fixed maturity</b>	<b>244,409</b>	<b>1,936</b>	<b>(8,468)</b>	<b>237,877</b>
Other investments	10,000	591		10,591
Equity securities	9,482	387	(567)	9,302
<b>Totals</b>	<b>\$ 263,891</b>	<b>\$ 2,914</b>	<b>\$ (9,035)</b>	<b>\$ 257,770</b>

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A summary of the cost and fair value of investments in fixed maturity securities, classified as held-to-maturity at March 31, 2014, by contractual maturity, is as follows:

<b>Remaining Time to Maturity</b>	<b>Amortized</b>	
	<b>Cost Basis</b>	<b>Fair Value</b>
	<b>(in thousands)</b>	
Less than one year	\$ 55,114	\$ 55,575
One to five years	171,828	179,609
Five to ten years	127,493	136,840
More than ten years	120,626	124,646
U.S. agency-based mortgage-backed securities	20,418	22,212
Commercial mortgage-backed securities	49,884	52,963
Asset-backed securities	3,249	3,330
Total	\$ 548,612	\$ 575,175

A summary of cost and fair value of investments in fixed maturity securities, classified as available-for-sale at March 31, 2014, by contractual maturity, is as follows:

<b>Remaining Time to Maturity</b>	<b>Amortized</b>	
	<b>Cost Basis</b>	<b>Fair Value</b>
	<b>(in thousands)</b>	
Less than one year	\$ 41,459	\$ 41,542
One to five years	60,956	61,229
Five to ten years	15,939	16,289
More than ten years	141,770	142,109
U.S. agency-based mortgage-backed securities	10,011	7,020
Total	\$ 270,135	\$ 268,189

The following table summarizes the fair value and gross unrealized losses on securities, aggregated by major investment category and length of time that the individual securities have been in a continuous unrealized loss position:

<b>Less Than 12 Months</b>		<b>12 Months or Greater</b>		<b>Total</b>	
<b>Fair Value of Investments with Unrealized</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value of Investments with Unrealized</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value of Investments with Unrealized</b>	<b>Gross Unrealized Losses</b>

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	Losses		Losses (In thousands)		Losses	
<b>March 31, 2014</b>						
<b>Held-to-Maturity</b>						
Fixed maturity securities:						
Corporate bonds	\$ 24,290	\$ 74	\$	\$	\$ 24,290	\$ 74
States and political subdivisions	27,027	262	2,012	41	29,039	303
Asset-backed securities			1,866	133	1,866	133
U.S. Treasury securities and obligations of U.S. government agencies	3,387	6			3,387	6
<b>Total held-to-maturity securities</b>	<b>54,704</b>	<b>342</b>	<b>3,878</b>	<b>174</b>	<b>58,582</b>	<b>516</b>
<b>Available-for Sale</b>						
Fixed maturity securities:						
Corporate bonds	\$ 45,493	\$ 198	\$	\$	\$ 45,493	\$ 198
States and political subdivisions	43,605	1,371	12,247	1,419	55,852	2,790
U.S. agency-based mortgage-backed securities	1,324	423	5,695	2,568	7,019	2,991
Equity securities	461	26			461	26
<b>Total available-for-sale securities</b>	<b>90,883</b>	<b>2,018</b>	<b>17,942</b>	<b>3,987</b>	<b>108,825</b>	<b>6,005</b>
<b>Total</b>	<b>\$ 145,587</b>	<b>\$ 2,360</b>	<b>\$ 21,820</b>	<b>\$ 4,161</b>	<b>\$ 167,407</b>	<b>\$ 6,521</b>

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	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses
<b>December 31, 2013</b>						
<b>Held-to-Maturity</b>						
Fixed maturity securities:						
Corporate bonds	\$ 14,090	\$ 41	\$	\$	\$ 14,090	\$ 41
States and political subdivisions	54,895	1,147	311	6	55,206	1,153
Asset-backed securities			1,916	144	1,916	144
<b>Total held-to-maturity securities</b>	<b>68,985</b>	<b>1,188</b>	<b>2,227</b>	<b>150</b>	<b>71,212</b>	<b>1,338</b>
<b>Available-for Sale</b>						
Fixed maturity securities:						
Corporate bonds	\$ 29,691	\$ 361	\$	\$	\$ 29,691	\$ 361
States and political subdivisions	101,908	4,798	1,753	342	103,661	5,140
U.S. agency-based mortgage-backed securities	1,303	465	5,772	2,502	7,075	2,967
Equity securities	5,205	567			5,205	567
<b>Total available-for-sale securities</b>	<b>138,107</b>	<b>6,191</b>	<b>7,525</b>	<b>2,844</b>	<b>145,632</b>	<b>9,035</b>
<b>Total</b>	<b>\$ 207,092</b>	<b>\$ 7,379</b>	<b>\$ 9,752</b>	<b>\$ 2,994</b>	<b>\$ 216,844</b>	<b>\$ 10,373</b>