

ING U.S., Inc.
Form 10-Q
May 23, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _ to _

Commission File Number: _001-35897_

ING U.S., Inc.

(Exact name of registrant as specified in its charter)

Delaware

52-1222820

(State or other jurisdiction of incorporation or
organization)

(IRS Employer Identification No.)

230 Park Avenue

New York, New York

10169

(Address of principal executive offices)

(Zip Code)

(212) 309-8200

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 (1) 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 ☐

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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 ☒

Smaller reporting company ☐

(Do not check if a 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 ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At May 21, 2013 260,769,230 shares of Common Stock, \$.01 par value, were outstanding.

ING U.S., Inc.
Form 10-Q for the period ended March 31, 2013

	PAGE
PART I. FINANCIAL INFORMATION (UNAUDITED)	
Item 1. Financial Statements:	
<u>Condensed Consolidated Balance Sheets</u>	<u>4</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>6</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>7</u>
<u>Condensed Consolidated Statements of Changes in Shareholder's Equity</u>	<u>8</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>9</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>10</u>
Item 2. <u>Management's Discussion and Analysis of Results of Operations and Financial Condition</u>	<u>76</u>
Item 3. <u>Qualitative and Quantitative Disclosure About Market Risk</u>	<u>134</u>
Item 4. <u>Controls and Procedures</u>	<u>142</u>
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	<u>142</u>
Item 1A. <u>Risk Factors</u>	<u>142</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>143</u>
Item 3. <u>Defaults upon Senior Securities</u>	<u>144</u>
Item 5. <u>Other Information</u>	<u>144</u>
Item 6. <u>Exhibits</u>	<u>144</u>
<u>Signature</u>	<u>145</u>
<u>Exhibit Index</u>	<u>146</u>

NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Results of Operations and Financial Condition," contains statements which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to trends in operations and financial results and the business and products of ING U.S., Inc. (the "Company"), as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expressions. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on us. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control and many of which are subject to change. These uncertainties and contingencies could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company. Factors that could cause such differences include, but are not limited to, those discussed in Part I, Item 2. "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Part II, Item 1A. "Risk Factors" of this Form 10-Q as well as those discussed in "Risk Factors," "Management's Discussion and Analysis of Results of Operations and Financial Condition - Trends and Uncertainties" and "Business - Closed Blocks - Closed Blocks Variable Annuity" in the Company's Prospectus dated May 1, 2013, filed with the SEC pursuant to Rule 424(b)(1) under the Securities Act of 1933, as amended (the "Securities Act"), on May 3, 2013 (the "Prospectus").

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ING U.S., Inc.

Condensed Consolidated Balance Sheets

March 31, 2013 (Unaudited) and December 31, 2012

(In millions, except share data)

	March 31, 2013	December 31, 2012
Assets:		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$63,469.6 at 2013 and \$62,955.4 at 2012)	\$70,622.9	\$70,910.3
Fixed maturities, at fair value using the fair value option	2,675.8	2,771.3
Equity securities, available-for-sale, at fair value (cost of \$246.5 at 2013 and \$297.9 at 2012)	282.3	340.1
Short-term investments	2,992.1	5,991.2
Mortgage loans on real estate, net of valuation allowance of \$3.9 at 2013 and at 2012	8,949.4	8,662.3
Policy loans	2,204.4	2,200.3
Limited partnerships/corporations	468.5	465.1
Derivatives	2,077.0	2,374.5
Other investments	166.7	167.0
Securities pledged (amortized cost of \$1,656.7 at 2013 and \$1,470.0 at 2012)	1,774.7	1,605.5
Total investments	92,213.8	95,487.6
Cash and cash equivalents	2,787.7	1,786.8
Short-term investments under securities loan agreements, including collateral delivered	863.5	664.0
Accrued investment income	900.8	863.5
Reinsurance recoverable	7,151.0	7,379.3
Deferred policy acquisition costs, Value of business acquired	4,019.6	3,656.3
Sales inducements to contract holders	235.5	212.7
Goodwill and other intangible assets	341.8	348.5
Other assets	1,128.2	1,362.5
Assets related to consolidated investment entities:		
Limited partnerships/corporations, at fair value	2,980.7	2,931.2
Cash and cash equivalents	1,054.8	440.8
Corporate loans, at fair value using the fair value option	4,043.1	3,559.3
Other assets	31.2	34.3
Assets held in separate accounts	103,098.3	97,667.4
Total assets	\$220,850.0	\$216,394.2

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

ING U.S., Inc.

Condensed Consolidated Balance Sheets

March 31, 2013 (Unaudited) and December 31, 2012

(In millions, except share data)

	March 31, 2013	December 31, 2012
Liabilities and Shareholder's Equity:		
Future policy benefits	\$ 15,061.5	\$ 15,493.6
Contract owner account balances	70,813.6	70,562.1
Payables under securities loan agreement, including collateral held	1,348.8	1,509.8
Short-term debt	321.2	1,064.6
Long-term debt	3,440.8	3,171.1
Funds held under reinsurance agreements	1,170.8	1,236.6
Derivatives	1,670.6	1,944.2
Pension and other post-employment provisions	906.6	903.2
Current income taxes	13.2	11.7
Deferred income taxes	921.6	1,042.7
Other liabilities	1,231.3	1,604.2
Liabilities related to consolidated investment entities:		
Collateralized loan obligations notes, at fair value using the fair value option	4,448.1	3,829.4
Other liabilities	804.7	292.4
Liabilities related to separate accounts	103,098.3	97,667.4
Total liabilities	205,251.1	200,333.0
Shareholder's equity:		
Common stock (900,000,000 shares authorized, 230,079,120 issued and 230,000,000 outstanding, net of 79,120 of Treasury shares; \$0.01 par value per share)	2.3	2.3
Additional paid-in capital	22,909.9	22,917.6
Accumulated other comprehensive income	3,452.8	3,710.7
Retained earnings (deficit):		
Appropriated-consolidated investment entities	0.2	6.4
Unappropriated	(12,974.1) (12,762.1)