

CONSECO INC

FORM 8-K (Current report filing)

Filed 02/06/98 for the Period Ending 02/04/98

Address	11825 N PENNSYLVANIA ST CARMEL, IN 46032
Telephone	3178176100
CIK	0000719241
SIC Code	6321 - Accident and Health Insurance
Industry	Insurance (Life)
Sector	Financial
Fiscal Year	12/31

CONSECO INC

FORM 8-K (Unscheduled Material Events)

Filed 2/6/1998 For Period Ending 2/4/1998

Address	11825 N PENNSYLVANIA ST CARMEL, Indiana 46032
Telephone	317-817-6100
CIK	0000719241
Industry	Insurance (Life)
Sector	Financial
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: February 4, 1998

CONSECO, INC.

State of Incorporation:
Indiana

Commission File Number IRS Employer Id. Number
No. 1-9250 No. 35-1468632

Address of Principal Executive Offices:
11825 North Pennsylvania Street
Carmel, Indiana 46032

Telephone No.
(317) 817-6100

CONSECO, INC. AND SUBSIDIARIES

ITEM 5. OTHER EVENTS.

On February 4, 1998, Conseco, Inc. ("Conseco") announced the offering of \$250.0 million of 6.4 percent Notes (the "Notes") due February 10, 2003. The Notes were priced at 99.928 percent of par to yield 6.417 percent. Interest is paid semi-annually on February 10 and August 10 of each year. The Notes are redeemable in whole or in part at the option of Conseco at any time, at a redemption price equal to the sum of (a) the greater of: (i) 100 percent of the principal amount; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date, computed by discounting such payments, in each case, to the redemption date on a semi-annual basis at the treasury rate (as defined in the Notes) plus 25 basis points, plus (b) accrued and unpaid interest on the principal amount thereof to the date of redemption. The Notes are unsecured and rank pari passu with all other unsecured and unsubordinated obligations of Conseco.

Proceeds from the offering of approximately \$248.0 million (after original issue discount and other associated costs) will be used by Conseco for the repayment of a portion of the bank debt incurred to finance the acquisition of Washington National Corporation and for the repayment of commercial paper.

CONSECO, INC. AND SUBSIDIARIES

ITEM 7(c). EXHIBITS.

- 12.1 Computation of Ratios of Earnings to Fixed Charges, Preferred Dividends and Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts

CONSECO, INC. AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 6, 1998

CONSECO, INC.

By: /s/ ROLLIN M. DICK

Rollin M. Dick
Executive Vice President
and Chief Financial Officer

Computation of Ratio of Earnings to Fixed Charges,
Preferred Dividends and Distributions on Company-Obligated Mandatorily
Redeemable Preferred Securities of Subsidiary Trusts
(Dollars in millions)

	Year Ended December 31,					Nine Months Ended September 30,	
	1992	1993	1994	1995	1996	1996	1997
Pretax income from operations:							
Net income.....	\$169.5	\$ 297.0	\$150.4	\$ 220.4	\$ 252.4	\$ 174.5	\$ 395.9
Add income tax expense.....	124.6	223.1	111.0	87.0	179.8	134.1	261.8
Add extraordinary charge on extinguishment of debt.....	5.3	11.9	4.0	2.1	26.5	18.6	6.2
Add minority interest.....	30.6	78.2	59.0	109.0	34.9	25.8	37.9
Less equity in undistributed earnings of CCP Insurance, Inc.....	(15.8)	(36.6)	(23.8)	-	-	-	-
Less equity in undistributed earnings of Western National Corp.....	-	-	(37.2)	-	-	-	-
Less equity in undistributed earnings of Life Re.....	(11.3)	-	-	-	-	-	-
Pretax income.....	302.9	573.6	263.4	418.5	493.6	353.0	701.8
Add fixed charges:							
Interest expense on annuities and financial products.....	506.8	408.5	134.7	585.4	668.6	445.9	518.0
Interest expense on long-term debt, including amortization.....	46.2	58.0	59.3	119.4	108.1	84.6	76.0
Interest expense on investment borrowings.....	8.8	10.6	7.7	22.2	22.0	15.1	17.7
Other8	.6	.9	1.0	.9	.7	.6
Portion of rental(1).....	2.0	3.9	6.2	6.9	8.0	5.8	6.8
Fixed charges.....	564.6	481.6	208.8	734.9	807.6	552.1	619.1
Adjusted earnings.....	\$867.5	\$1,055.2	\$472.2	\$1,153.4	\$1,301.2	\$905.1	\$1,320.9
Ratio of earnings to fixed charges.....	1.54X	2.19X	2.26X	1.57X	1.61X	1.64X	2.13X
Ratio of earnings to fixed charges, excluding interest on annuities and financial products	6.24X	8.85X	4.55X	3.80X	4.55X	4.32X	7.94X
Fixed charges.....	\$564.6	\$481.6	\$208.8	\$ 734.9	\$ 807.6	\$552.1	\$619.1
Add dividends on preferred stock (multiplied by the rate of pretax income to income before minority interest and extraordinary charge).....	13.1	34.6	33.2	36.0	62.3	48.5	37.0
Adjusted fixed charges.....	\$577.7	\$ 516.2	\$242.0	\$ 770.9	\$ 869.9	\$600.6	\$656.1
Adjusted earnings.....	\$867.5	\$1,055.2	\$472.2	\$1,153.4	\$1,301.2	\$905.1	\$1,320.9
Ratio of earnings to fixed charges and preferred dividends.....	1.50X	2.04X	1.95X	1.50X	1.50X	1.51X	2.01X
Ratio of earnings to fixed charges and preferred dividends, excluding interest on annuities and financial products.....	5.09X	6.00X	3.14X	3.06X	3.14X	2.97X	5.81X

(continued on following page)

CONSECO, INC. AND SUBSIDIARIES

Computation of Ratio of Earnings to Fixed Charges,
Preferred Dividends and Distributions on Company-Obligated Mandatorily
Redeemable Preferred Securities of Subsidiary Trusts, continued
(Dollars in millions)

	Year Ended December 31,					Nine Months Ended September 30,	
	1992	1993	1994	1995	1996	1996	1997
Adjusted fixed charges.....	\$577.7	\$ 516.2	\$242.0	\$ 770.9	\$ 869.9	\$600.6	\$656.1
Add distributions on Company-obligated mandatorily redeemable preferred securities of subsidiary trusts.....	-	-	-	-	5.6	-	53.2
Fixed charges.....	\$577.7	\$ 516.2	\$242.0	\$ 770.9	\$ 875.5	\$600.6	\$709.3
Adjusted earnings.....	\$867.5	\$1,055.2	\$472.2	\$1,153.4	\$1,301.2	\$905.1	\$1,320.9
Ratio of earnings to fixed charges, preferred dividends and distributions on Company-obligated mandatorily redeemable preferred securities of subsidiary trusts.....	1.50X	2.04X	1.95X	1.50X	1.49X	1.51X	1.86X
Ratio of earnings to fixed charges, preferred dividends and distributions on Company-obligated mandatorily redeemable preferred securities of subsidiary trusts, excluding interest on annuities and financial products....	5.09X	6.00X	3.14X	3.06X	3.06X	2.97X	4.20X

(1) Interest portion of rental is assumed to be 33 percent.

End of Filing

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