

Amtrust Financial Services, Inc.  
Form S-3ASR  
December 11, 2014  
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As filed with the Securities and Exchange Commission on December 11, 2014

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Form S-3**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**AmTrust Financial Services, Inc.**  
**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**59 Maiden Lane, 43<sup>rd</sup> Floor**

**04-3106389**  
**(I.R.S. Employer**  
**Identification Number)**

**New York, NY 10038**

**(212) 220-7120**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Stephen B. Ungar, Esq.**

**Senior Vice President, General Counsel and Secretary**

**59 Maiden Lane, 43<sup>rd</sup> Floor**

**New York, NY 10038**

**(212) 220-7120**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***COPIES TO:***

**Samir A. Gandhi**

**Sidley Austin LLP**

**787 Seventh Avenue**

**New York, New York 10019**

**(212) 839-5300**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest

reinvestment plans, check the following box.  x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  "

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.  x

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.  "

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  x Accelerated filer  "  
 Non-accelerated filer  " (Do not check if a smaller reporting company) Smaller reporting company  "

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount of Securities to be Registered <sup>(1)</sup>	Proposed Maximum Offering Price per Security <sup>(2)</sup>	Proposed Maximum Aggregate Offering Price <sup>(2)</sup>	Amount of Registration Fee <sup>(2)</sup>
2.75% Convertible Senior Notes due 2044 Common Stock, par value \$0.01 per share, issuable upon conversion of 2.75%	\$76,000,000 <sup>(3)</sup>	100%	\$76,000,000	\$8,832
Convertible Senior Notes due 2044	1,013,331 shares	(4)	(4)	(4)

<sup>(1)</sup> This registration statement registers the resale of (a) 2.75% Convertible Senior Notes due 2044 sold by AmTrust Financial Services, Inc. and (b) 1,013,331 shares of common stock, par value \$0.01 per share, of AmTrust Financial Services, Inc. issuable upon conversion of such 2.75% Convertible Senior Notes due 2044. There are being registered such additional and indeterminable number of shares of common stock as may be issuable due to adjustments for changes resulting from stock dividends, stock splits and similar changes.

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- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (3) Represents the aggregate principal amount of 2.75% Convertible Senior Notes due 2044 sold by AmTrust Financial Services, Inc. in private placements on December 11, 2014 that are covered by this registration statement.
- (4) No additional consideration will be received for shares of common stock, par value \$0.01 per share, of AmTrust Financial Services, Inc. issuable upon conversion of its 2.75% Convertible Senior Notes due 2044, and, therefore, no additional registration fee is required pursuant to Rule 457(i) under the Securities Act of 1933, as amended.

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**PROSPECTUS**

**AmTrust Financial Services, Inc.**

**\$76,000,000 Aggregate Principal Amount of 2.75% Convertible Senior Notes due 2044**

**Shares of Common Stock Issuable Upon Conversion**

**of the 2.75% Convertible Senior Notes due 2044**

We sold \$76,000,000 aggregate principal amount of 2.75% Convertible Senior Notes due 2044 ( notes ) to institutional buyers in a private transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act ). This prospectus relates to the resale, from time to time by the selling securityholders identified in this prospectus, of up to \$76,000,000 aggregate principal amount of the notes and any shares of common stock that may be issued upon conversion of the notes. We will not receive any proceeds from the sale of any of these securities that may be sold by the selling securityholders.

Holder s may convert their notes at any time prior to the close of business on the business day immediately preceding September 15, 2044 only under the following circumstances: (1) during any fiscal quarter commencing after December 31, 2015, if the daily VWAP of our common stock, for at least 20 trading days (whether or not consecutive) in the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is more than 130% of the conversion price of the notes in effect on each trading day; (2) during the five consecutive business day period following any five consecutive trading day period in which the trading price for the notes for each such trading day was less than 98% of the product of the then-current conversion rate multiplied by the last reported sale price of our common stock on such date; (3) upon the occurrence of specified corporate events or (4) if we call those notes for redemption. On or after September 15, 2044 until the close of business on the second scheduled trading day immediately preceding the stated maturity date, holders may surrender their notes for conversion at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, as described in this prospectus.

The initial conversion rate will be 13.3333 shares of our common stock for each \$1,000 principal amount of notes, which represents an initial conversion price of approximately \$75.00 per share (based on \$1,000 principal amount per note). Following certain corporate transactions that occur on or prior to December 15, 2018 or if we redeem the notes on or prior to December 15, 2018, we will increase the conversion rate for a holder that elects to convert its notes in connection with such corporate transaction or redemption.

We have the right, at our option, at any time on or before December 15, 2018, to redeem the notes at a redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to, but excluding, the date of redemption if the daily VWAP is greater than or equal to 130% of the then current conversion price for each of at least 20 trading days in the 30 consecutive trading days ending on, and including, the trading day prior to the mailing of the notice of redemption. We have the right, at our option, at any time after December 15, 2018, to redeem the notes at a redemption price payable in cash equal to the accreted amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, such redemption date.

The holders have the right, at their option, to require us to purchase the notes on December 15, 2024, at a purchase price equal to 100% of the principal amount of the notes to be purchased, together with accrued and unpaid interest thereon to, but excluding the purchase date.

If a fundamental change, as defined herein, occurs prior to the stated maturity date, holders may require us to purchase for cash all or any portion of their notes at a fundamental change purchase price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest to, but excluding, the fundamental change purchase date.

Our common stock is listed on the NASDAQ Global Select Market under the symbol AFSI. The last reported sale price of our common stock on the NASDAQ Global Select Market on December 10, 2014 was \$57.77 per share. There is no public market for the notes, and we do not intend to list the notes on any national securities exchange or automated quotation system.

The selling securityholders may sell the securities covered by this prospectus either directly or through underwriters, broker-dealers or agents and in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale or at negotiated prices. If these securities are sold through underwriters, broker-dealers or agents, the selling securityholder will be responsible for underwriting discounts or commissions or agent's commissions.

**Investing in securities offered under this prospectus involves risks. For a discussion of the risks you should consider before deciding to purchase these securities, please see the section entitled Risk Factors, beginning on page 12 of this prospectus.**

**Neither the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is December 11, 2014.**

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*References in this prospectus to we, us, our, the Company or AmTrust or other similar terms refer to AmTrust Financial Services, Inc. and its consolidated subsidiaries, unless we state otherwise or the context indicates otherwise. Additionally, in this prospectus, unless otherwise stated or the context otherwise requires, references to dollars or \$ are to the lawful currency of the United States.*

## **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf registration process, the selling securityholders may, from time to time, sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with certain terms of the securities that may be offered and sold by the selling securityholders. Each time the selling securityholders offer securities, the selling securityholders may provide a prospectus supplement that will contain certain specific information about the terms of that offering and the securities being offered thereby. The summary in this prospectus and in any prospectus supplement does not describe every aspect of the securities and is subject to and qualified in its entirety by reference to all applicable provisions of the documents relating to the securities offered. These documents are or will be filed as exhibits to or incorporated by reference in the registration statement. The applicable prospectus supplement may also add, update or change information contained in this prospectus. Therefore, if there is any inconsistency between the information contained or incorporated by reference into this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement (including any information incorporated by reference therein). You should read this prospectus and the applicable prospectus supplement together with the additional information described under the headings **Where You Can Find More Information** and **Incorporation of Certain Information by Reference** in this prospectus in their entirety. In particular, you should review the information under the heading **Risk Factors** included in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Reports on Form 10-Q for the three months ended March 31, 2014, June 30, 2014 and September 30, 2014, each of which is incorporated by reference herein.

The registration statement that contains this prospectus, and the exhibits to the registration statement, contain additional information about us and the securities that the selling securityholders may offer under this prospectus. This prospectus and accompanying prospectus supplement(s) will describe the material terms of any exhibits to the registration statement that are material to the offering. The registration statement and exhibits can be read on the SEC's website or at the SEC office mentioned under the heading **Where You Can Find More Information** in this prospectus.

We may include agreements as exhibits to the registration statement of which this prospectus forms a part. In reviewing such agreements, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties:

should not be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures would not necessarily be reflected in the agreement;



may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors in the securities; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement, are subject to more recent developments and therefore may no longer be accurate.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, any prospectus supplement and the documents incorporated by reference herein and therein contain certain forward-looking statements within the meaning of Private Securities Litigation Reform Act of 1995 that are intended to be covered by the safe harbors created thereby. When we use words such as believe, expect, anticipate, predict, estimate, intend, plan, project, seek, potential, possible, could, might, may, should, continue, will likely result or similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include the plans and objectives of management for future operations, including those relating to future growth of our business activities and availability of funds, and are based on current expectations that involve assumptions that are difficult or impossible to predict accurately, many of which are beyond our control. There can be no assurance that actual developments will be those anticipated by us. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion or incorporation by reference of such statements in this prospectus should not be considered as a representation by us or any other person that our objectives or plans or other matters described in any forward-looking statement will be achieved. Actual results may differ materially from those expressed or implied in these statements as a result of significant risks and uncertainties, including, but not limited to, non-receipt of expected payments from insureds or reinsurers, changes in interest rates, a downgrade in the financial strength ratings of our insurance subsidiaries, the effect of the performance of financial markets on our investment portfolio, the amounts, timing and prices of any share repurchases made by us under our share repurchase program, our estimates of the fair value of our life settlement contracts, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the cost and availability of reinsurance coverage, the effects of emerging claim and coverage issues, changes in the demand for our products, our degree of success in integrating acquired businesses, the effect of general economic conditions, state and federal legislation, regulations and regulatory investigations into industry practices, risks associated with conducting business outside the United States, developments relating to existing agreements, disruptions to our business relationships with Maiden Holdings, Ltd., National General Holding Corp., ACP Re, Ltd., or third party agencies and warranty administrators, difficulties with technology or breaches in data security, heightened competition, changes in pricing environments, and changes in asset valuations. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected, will be discussed in our Forms 10-K, 10-Q and 8-K incorporated by reference herein and in prospectus supplements and other offering materials.

The projections and statements in this prospectus speak only as of the date of this prospectus, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law, and all subsequent written and oral forward-looking statements attributable to us or individuals acting on our behalf are expressly qualified in their entirety by this paragraph. If one or more risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we projected. Any forward-looking statements included or incorporated by reference in this prospectus reflect our current view with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth, strategy and liquidity. Readers are cautioned not to place undue reliance on the forward-looking statements which speak only as of the dates of the documents in which such statements were made.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and periodic reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at its Public Reference Room at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov> or from our website at <http://www.amtrustgroup.com>. Our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and our committee charters are also available on our website at <http://www.amtrustgroup.com> or in print upon written request addressed to our corporate Secretary, AmTrust Financial Services, Inc., 59 Maiden Lane, 43<sup>rd</sup> Floor, New York, New York 10038. However, the information on our website does not constitute a part of, nor is it incorporated by reference in, this prospectus.

This prospectus is part of a registration statement on Form S-3 filed by us with the SEC under the Securities Act. As permitted by the SEC, this prospectus does not contain all the information in the registration statement filed with the SEC. For a more complete understanding of this offering, you should refer to the complete registration statement, including the exhibits thereto, on Form S-3 that may be obtained as described above.

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

In this prospectus, we incorporate by reference the information that we file with the SEC. This allows us to disclose important information to you by referring you to those documents rather than repeating them in full in this prospectus. The information incorporated by reference in this prospectus contains important business and financial information. The information incorporated by reference is considered to be part of this prospectus and later information filed with the SEC will update or supersede this information.

We incorporate by reference the information contained in the documents listed below (other than information that is deemed not to be filed):

our Annual Report on Form 10-K for the year ended December 31, 2013;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014 and September 30, 2014;

our Current Reports on Form 8-K filed with the SEC on January 2, 2014, January 7, 2014, March 3, 2014, April 14, 2014, May 5, 2014, May 23, 2014, July 1, 2014, July 24, 2014, September 12, 2014, September 16, 2014, September 17, 2014, December 1, 2014 and December 11, 2014; and

the description of our common stock set forth in our Form 8-A filed with the SEC on November 9, 2006 and our Registration Statement on Form S-1/A (File No. 333-134960) filed with the SEC on November 8, 2006 and declared effective by the SEC on November 9, 2006, including any amendment or report filed for the purpose of updating that description.

We also incorporate by reference any future filings filed with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the filing of this registration statement and, in

the case of any particular offering of securities, until such offering of securities is terminated (other than information in such documents that is deemed not to be filed). Our future filings with the SEC will automatically update and supersede any inconsistent information in this prospectus and in our other SEC filings and such outdated or inconsistent information will no longer be regarded as part of this prospectus.

Nothing in this prospectus shall be deemed to incorporate information furnished but not filed with the SEC pursuant to Item 2.02 or 7.01 of Form 8-K.

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You may request a copy of any of these filings, at no cost, by writing or calling us at the following phone number or postal address:

Stephen B. Ungar

Senior Vice President, General Counsel and Secretary

AmTrust Financial Services, Inc.

59 Maiden Lane, 43<sup>rd</sup> Floor

New York, NY 10038

Telephone Number: 212-220-7120

You should rely only on the information contained or incorporated by reference in this prospectus, any related prospectus supplement or any free writing prospectus we have prepared or authorized for use with respect to a particular offering of securities under this prospectus. We have not, and the selling securityholders have not, authorized anyone to provide you with different or additional information and, accordingly, you should not rely on any such information if it is provided to you. We are not, and the selling securityholders are not, making an offer to sell, or the solicitation of an offer to buy, any of these securities in any jurisdiction where an offer or sale is not permitted. You should not assume that the information contained in this prospectus or any related prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus or any related prospectus supplement, as the case may be, or that the information incorporated by reference herein and therein is accurate as of any date other than the date of the relevant report or other document in which such information is contained.

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**SUMMARY**

*The information below is only a summary of more detailed information included elsewhere or incorporated by reference in this prospectus. This summary does not contain all the information that you should consider before making a decision to invest in the securities offered under this prospectus. The other information is important, so please read this entire prospectus, as well as the information incorporated by reference herein, carefully. In particular, you should review the information under the heading Risk Factors beginning on page 12 in this prospectus and included in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Reports on Form 10-Q for the three months ended March 31, 2014, June 30, 2014 and September 30, 2014.*

**OUR COMPANY**

AmTrust Financial Services, Inc. is a Delaware corporation that was acquired by its principal shareholders in 1998 and began trading on the NASDAQ Global Select Market on November 13, 2006. We underwrite and provide property and casualty insurance in the United States and internationally to niche customer groups that we believe are generally underserved within the broader insurance market.

Our business model focuses on achieving superior returns and profit growth with the careful management of risk. We pursue these goals through geographic and product diversification, as well as an in-depth understanding of our insured exposures. Our product mix includes, primarily, workers compensation, extended warranty and other commercial property/casualty insurance products. Our workers compensation and property/casualty insurance policyholders in the United States are generally small and middle market businesses. Our extended warranty customers are manufacturers, distributors and retailers of commercial and consumer products. We have also built a strong and growing distribution of extended warranty and specialty risk products, including liability and other property/casualty products, in Europe. The majority of our products are sold through independent third-party brokers, agents, retailers or administrators. Our strategy is to target small to middle size customer markets throughout the U.S. and Europe where our proprietary technology platform enables us to efficiently manage the high volume of policies and claims that result from serving large numbers of small policyholders and warranty contract holders. The technology we have developed offers a level of service that is a competitive advantage in these high volume, lower risk markets by enhancing our ability to service, underwrite and adjudicate claims. Additionally, our ability to maintain and analyze high volumes of loss data over a long historical period allows us to better manage and forecast the underlying risk inherent in the portfolio. Since our inception in 1998, we have grown both organically and through an opportunistic acquisition strategy. We believe we approach acquisitions conservatively, and our strategy is to take relatively modest integration and balance sheet risk. Our acquisition activity has involved the purchase of companies, renewal rights to established books of insurance portfolios, access to distribution networks and the hiring of established teams of underwriters with expertise in our specialty lines.

We are committed to driving long-term shareholder value and industry-leading returns on equity by continuing to execute on our lower risk, lower volatility business model and leveraging technology to help maintain a more efficient cost structure, consistently generate solid underwriting profits and ensure strong customer service and retention rates. Additionally, we are focused on further enhancing our economies of scale by opportunistically expanding our geographic reach and product set, growing our network of agents and other distributors, developing new client relationships and executing our acquisition strategy. We are also focused on maintaining our disciplined approach to capital management while maximizing an appropriate risk-adjusted return on our growing investment portfolio. We continue to carefully monitor and maintain appropriate levels of reserves and seek to minimize our reinsurance recoverable exposure in order to maintain a strong balance sheet. We intend to expand our business and capital base to take advantage of profitable growth opportunities while



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maintaining or improving our A.M. Best ratings. Our principal operating subsidiaries are rated A (Excellent) by A.M. Best Company ( A.M. Best ), which is the third highest of 16 rating levels.

**CORPORATE AND OTHER INFORMATION**

Our principal executive offices are located at 59 Maiden Lane, 43<sup>rd</sup> Floor, New York, New York 10038, and our telephone number at that location is (212) 220-7120.

Our website address is <http://www.amtrustgroup.com>. Our internet website and the information contained therein or connected thereto are not intended to be incorporated by reference into this prospectus.

This prospectus refers to brand names, trademarks, service marks and trade names of us and other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective holders.

**THE OFFERING**

*The following is a brief summary of the terms of this offering and the notes. We provide the following summary solely for your convenience. This summary is not a complete description of this offering or the notes. You should read the full text and more specific details contained elsewhere in this prospectus. With respect to the discussion of the terms of the notes on the cover page, in this section and in the section entitled Description of the Notes, the words AmTrust, we, our, us and the company refer only to AmTrust Financial Services, Inc. and not to any of its subsidiaries. For a more detailed description of the notes, see Description of the Notes in this prospectus. Unless otherwise indicated, when we refer to the principal amount of the notes, we are referring to \$1,000 principal amount at maturity of the notes (and not the accreted amount of the notes on any particular date) and when we refer to the conversion price per \$1,000 principal amount of notes, we are referring to \$1,000 principal amount of the notes at maturity (and not the accreted amount of the notes on any particular date) divided by the applicable conversion rate.*

Issuer	AmTrust Financial Services, Inc., a Delaware corporation.
Notes Offered	\$76,000,000 aggregate principal amount of 2.75% Convertible Senior Notes due 2044.
Maturity Date	December 15, 2044, unless earlier purchased or redeemed by us or converted.
Interest Rate	2.75% per year. Interest will accrue from the date of issuance (which is scheduled for December 15, 2014) or from the most recent date to which interest has been paid or duly provided for, and will be payable semiannually in arrears on June 15 and December 15 of each year, beginning on June 15, 2015.



Contingent Interest

Beginning with the six-month interest period commencing December 15, 2021, we will pay contingent interest during any six-month interest period if the market price of the notes for each of the 20 trading days ending on the second trading day immediately preceding the first day of the applicable six-month interest period equals or exceeds 130% of the principal amount of the notes.

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During any six-month period when contingent interest shall be payable, the contingent interest payable per \$1,000 principal amount of the notes will equal 0.25% of the average of the market prices for \$1,000 principal amount of notes during the 20 consecutive trading day period ending on the second trading day immediately preceding the first day of the applicable six-month interest period.

**Ranking**

The notes will be our senior unsecured obligations and will rank:

senior in right of payment to any future indebtedness we may have that is expressly subordinated in right of payment to the notes;

equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated, including amounts outstanding under our credit facilities (as defined herein);

effectively subordinate in right of payment to any of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness; and

structurally subordinate to all existing and future indebtedness (including trade payables) of our subsidiaries, as well as to any of our existing or future indebtedness that may be guaranteed by any of our subsidiaries (to the extent of any such guarantee).

As of September 30, 2014, we had \$30.5 million of secured indebtedness outstanding and our subsidiaries had \$10.4 billion of outstanding indebtedness and other liabilities, \$6.9 million of which was secured indebtedness of one of our subsidiaries to third parties, to which the notes would have ranked structurally subordinate. As of such date, our total consolidated indebtedness was \$592.3 million. This \$592.3 million does not include \$168.0 million aggregate principal amount of a loan made by Maiden Insurance to AII (as defined herein) in connection with a reinsurance agreement between the two parties that requires Maiden Insurance to provide sufficient collateral to secure its proportionate share of AII's obligations. This amount is accounted for as a note payable on our balance sheet.

The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise.

Use of Proceeds

We will not receive any proceeds from any sales of notes or the common stock, if any, issuable upon conversion thereof from time to time by any selling securityholder named in this prospectus or in a prospectus supplement. The proceeds from the offering are solely for the account of the selling securityholders.

Conversion Rights

Holders may convert their notes at their option prior to the close of business on the business day immediately preceding September 15, 2044, but only under the following circumstances:

during any fiscal quarter commencing after December 31, 2014 (and only during such fiscal quarter), if the daily VWAP of our

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common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;

during the five consecutive business day period after any five consecutive trading day period (the measurement period) in which the trading price (as defined herein) per \$1,000 principal amount of notes for each trading day of such measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such trading day;

if those notes have been called for redemption as described under Description of the Notes Conversion Rights Conversions Upon Notice of Redemption; or

upon the occurrence of specified corporate events described under Description of the Notes Conversion Rights Conversion Upon Specified Corporate Events.

On or after September 15, 2044, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances.

The conversion rate will initially equal 13.3333 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$75.00 per share of common stock), subject to adjustment as described in this prospectus.

In addition, following the occurrence of a make-whole fundamental change (as defined herein) on or prior to December 15, 2018 or the delivery by us of a notice of redemption for a redemption date occurring on or prior to December 15, 2018, we will, in certain circumstances, increase the conversion rate for a holder that converts its notes in connection with such make-whole fundamental change or such redemption. See Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change or Certain Redemptions. You will not receive any additional cash payment representing accrued and unpaid interest, if any, upon conversion of a note, except in limited circumstances. Instead, interest

will be deemed to be paid by the cash, shares of our common stock or a combination of cash and shares of our common stock paid or delivered, as the case may be, to you upon conversion of a note. See Description of the Notes Conversion Rights General.

Settlement Upon Conversion

We may elect to deliver to holders in full satisfaction of our conversion obligation:

solely shares of our common stock, together with cash in lieu of fractional shares, which we refer to as a physical settlement ;

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solely cash without any delivery of shares of our common stock, which we refer to as a cash settlement ; or

a combination of cash and shares of our common stock, together with cash in lieu of fractional shares, which we refer to as a combination settlement.

The amount of cash, if we elect cash settlement, or the amount of cash and the number of shares of our common stock, if any, if we elect a combination settlement, will be based on a daily conversion value (as defined herein) for each of the 25 consecutive trading days during the cash settlement averaging period (as defined herein).

We will from time to time make an election with respect to the settlement method, which election shall be effective until we provide notice of an election of a different settlement method. We initially elect combination settlement and a specified dollar amount (as defined herein) of \$1,000. If we choose to elect a different settlement method in the future, we will provide to all holders of the notes, the trustee and the conversion agent a notice of the newly chosen settlement method and the effective date of such newly chosen method. We may not change a settlement method after the 30th scheduled trading day preceding the maturity date or, with respect to notes converted in connection with a redemption, after we have provided a notice of redemption of the notes. Prior to the 30th scheduled trading day preceding the maturity date of the notes, we will have the right to irrevocably elect combination settlement with a specified dollar amount of \$1,000. Following such irrevocable election, we will not have the right to change the settlement method. See Description of the Notes Conversion Rights Settlement Upon Conversion.

Sinking Fund

None.

Optional Redemption

On or before December 15, 2018, we may redeem all or part of the notes if the daily VWAP of our Common Stock is greater than or equal to 130% of the conversion price for at least 20 trading days during any 30 consecutive trading day period at a redemption price equal to the principal amount of the notes to be redeemed, plus accrued but unpaid interest. If we elect to redeem all or part of the notes on or prior to December 15, 2018, the conversion rate for any notes converted in connection with such redemption will be increased as set forth under Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change or

Certain Redemptions.

After December 15, 2018, we may at our option redeem all or part of the notes at a redemption price equal to the accreted amount of the notes to be redeemed, plus accrued but unpaid interest.

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Fundamental Change	If we undergo a fundamental change (as defined under Description of the Notes Purchase Rights of Holders Fundamental Change Permits Holders to Require Us to Purchase Notes ), you may require us to purchase for cash all or part of your notes. The fundamental change purchase price will equal 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date.
Purchase Rights of Holders on Specified Date	Holders may require us to purchase all or a portion of their notes on December 15, 2024 for a repurchase price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, up to but not including the date of purchase, payable in cash. See Description of the Notes Purchase Rights of Holders Purchase Rights of Holders on Specified Date.
Events of Default	Except as described under Description of the Notes Events of Default, if an event of default with respect to the notes occurs, holders may, upon satisfaction of certain conditions, accelerate the principal amount of the notes plus accrued and unpaid interest. In addition, the principal amount of the notes plus accrued and unpaid interest will automatically become due and payable in the case of certain types of bankruptcy or insolvency events of default involving us.
Book-Entry Form	The notes will be issued in book-entry form and will be represented by one or more permanent global certificates deposited with, or on behalf of, DTC and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Registration Rights; Additional Interest	The notes covered by this prospectus, and the shares of common stock, if any, issuable upon conversion thereof, will be entitled to certain registration rights and we will, in certain circumstances, be required to pay additional interest on the notes. See Description of the Notes Registration Rights; Additional Interest.
No Prior Market	The notes are a new issue of securities and there is no existing market for the notes, and we do not intend to list the notes on any national securities exchange. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. Future trading prices of the notes will depend on many factors, including the market price of our common stock, prevailing interest rates, our operating results and the



market for similar securities.

No Listing

We do not intend to apply for listing of the notes on any securities exchange. Our common stock is listed on The NASDAQ Global Select Market under the symbol AFSI.

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Certain U.S. Federal Income Tax Consequences	For a discussion of certain U.S. federal income tax consequences relating to the purchase, ownership and disposition of the notes and the shares of our common stock into which the notes are convertible, see Certain U.S. Federal Income Tax Consequences.
Trustee, Paying Agent and Conversion Agent	The Bank of New York Mellon Trust Company, N.A.
Risk Factors	See Risk Factors beginning on page 12 for a discussion of factors that should be considered before investing in the notes.

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**RISK FACTORS**

Investing in the securities offered under this prospectus involves risk. You should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus, including the risk factors incorporated by reference from our most recent Annual Report on Form 10-K, as updated by our Quarterly Reports on Form 10-Q and other SEC filings, before investing in these securities. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference into this prospectus. These risks could materially affect our business, results of operations or financial condition and cause the value of the securities offered under this prospectus to decline.

**Risks Related to the Notes and our Common Stock**

*The notes are effectively subordinated to any of our existing and future secured debt and structurally subordinated to the liabilities of our subsidiaries.*

The notes will be our general unsecured obligations and will rank equally in right of payment with our other existing and future senior unsecured indebtedness and senior in right of payment to any of our indebtedness that is contractually subordinated to the notes. As of September 30, 2014, our total consolidated indebtedness was \$592.3 million. This \$592.3 million does not include \$168.0 million aggregate principal amount of a loan made by Maiden Insurance Company, Ltd. ( Maiden Insurance ) to our subsidiary, AmTrust International Insurance, Ltd. ( AII ) in connection with a reinsurance agreement between the two parties that requires Maiden Insurance to provide sufficient collateral to secure its proportionate share of AII s obligations. This amount is accounted for as a note payable on our balance sheet. The notes will also be effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. As of September 30, 2014, we had \$30.5 million of secured indebtedness outstanding. The provisions of the indenture governing the notes will not prohibit us from incurring additional secured indebtedness in the future. Consequently, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to us, the holders of any secured indebtedness will be entitled to proceed directly against the collateral securing such indebtedness. Therefore, such collateral will not be available for satisfaction of any amounts owed under our unsecured indebtedness, including the notes, until such secured indebtedness is satisfied in full.

Our subsidiaries will not guarantee the notes. Accordingly, the notes will also be structurally subordinated to all existing and future unsecured and secured liabilities and preferred equity of our subsidiaries. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to any such subsidiary, we, as a common equity owner of such subsidiary, and, therefore, holders of our debt, including holders of the notes, will be subject to the prior claims of such subsidiary s creditors and preferred equity holders. As of September 30, 2014, our subsidiaries had \$10.4 billion of outstanding indebtedness and other liabilities, \$6.9 million of which was secured indebtedness of one of our subsidiaries to third parties, and no outstanding preferred equity. The provisions of the indenture governing the notes will not prohibit our subsidiaries from incurring additional indebtedness or issuing preferred equity in the future.

*The notes are subject to redemption prior to the maturity date.*

The notes will be subject to redemption prior the maturity date as described under Description of the Notes Optional Redemption. While holders may be entitled to convert their notes at an increased conversion rate in connection with a redemption of the notes, our obligation to increase the conversion rate for the notes applies only with respect to redemptions of the notes on or prior to December 15, 2018.

***Our significant level of indebtedness could limit cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the notes.***

We have a significant amount of indebtedness. As of September 30, 2014, our total consolidated indebtedness was \$592.3 million. This \$592.3 million does not include \$168.0 million aggregate principal

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amount of a loan made by Maiden Insurance to AII in connection with a reinsurance agreement between the two parties that requires Maiden Insurance to provide sufficient collateral to secure its proportionate share of AII's obligations. This amount is accounted for as a note payable on our balance sheet. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our business, results of operations and financial condition, including:

increasing our vulnerability to adverse economic and industry conditions;

limiting our ability to obtain additional financing;

requiring the dedication of portions of our cash flow from operations to service our indebtedness, thereby reducing the amount of our cash flow available for other purposes;

limiting our flexibility in planning for, or reacting to, changes in our business;

restricting our operational flexibility due to restrictive covenants that will limit our ability to explore certain business opportunities, dispose of assets and take other actions;

increasing dilution experienced by our existing stockholders as a result of the conversion of the notes into shares of common stock; and

placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

As of September 30, 2014, our annual debt service obligation on our outstanding indebtedness was approximately \$32.0 million. We may be unable to maintain sufficient cash reserves, our business may not generate cash flow from operations at levels sufficient to permit us to pay principal, premium, if any, and interest on our indebtedness, or our cash needs may increase. If we are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments, or if we failed to comply with the various requirements of our credit facilities, these notes, our 6.125% notes due 2023, or any indebtedness that we have incurred or may incur in the future, we would be in default, which would permit the holders of the affected notes or other indebtedness to accelerate the maturity of such notes or other indebtedness and could cause defaults under our credit facilities or our other notes and indebtedness. Any default under these notes, our credit facilities or any indebtedness that we have incurred or may incur in the future could have a material adverse effect on our business, results of operations and financial condition.

***We may not have the ability to raise the funds necessary to finance any required purchases of the notes upon the occurrence of a fundamental change, which would constitute an event of default under our indenture.***

If a fundamental change (as defined under Description of the Notes Purchase Rights of Holders Fundamental Change Permits Holders to Require Us to Purchase Notes ) occurs, you will have the right, at your option, to require us to purchase for cash any or all of your notes, or any portion of the principal amount thereof such that the principal

amount that remains outstanding of each note purchased in part equals \$1,000 or an integral multiple of \$1,000 in excess thereof. The fundamental change purchase price will equal 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date. However, we may not have sufficient funds at the time we are required to purchase the notes surrendered therefor and we may not be able to arrange necessary financing on acceptable terms, if at all.

We have not established a sinking fund for payment of the notes, nor do we anticipate doing so. In addition, our ability to purchase the notes may be limited by law, by regulatory authority or we may in the future enter into credit agreements or other agreements that may contain provisions prohibiting redemption or repurchase of the notes under certain circumstances, or may provide that a designated event constitutes an event of default under that agreement. If a fundamental change occurs at a time when we are prohibited from purchasing the notes, we could seek a waiver from the holders of these notes or attempt to refinance these notes. If we were not able to

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obtain consent, we would not be permitted to purchase the notes. Our failure to purchase tendered notes would constitute an event of default under the indenture governing the notes, which might constitute a default under the terms of our other indebtedness.

***Our revenues and results of operations may fluctuate as a result of factors beyond our control, which may cause volatility in the price of our shares to common stock, and consequently could materially and adversely affect the trading price of the notes.***

Our common stock is listed on The NASDAQ Global Select Market under the symbol AFSI. Our performance, as well as the risks discussed herein, government or regulatory action, tax laws, interest rates and general market conditions could have a significant impact on the future market price of our common stock, which could materially and adversely affect the trading price of the notes. Some of the factors that could negatively affect our share price or result in fluctuations in the price of our common stock include:

actual or anticipated variations in our quarterly results of operations;

changes to our earnings estimates or publications of research reports about us or the industry;

rising level of claims costs, changes in the frequency or severity of claims or new types of claims and new or changing judicial interpretations relating to the scope of insurance company liability;

the financial stability of our third-party reinsurers, changes in the level of reinsurance capacity, termination of reinsurance arrangements and changes in our capital capacity;

increase in market interest rates that may lead purchasers of common stock to demand a higher yield;

changes in market valuations of other insurance companies;

adverse market reaction to any increased indebtedness we incur in the future;

fluctuations in interest rates or inflationary pressures and other changes in the investment environment that affect returns on invested assets;

changes to our creditworthiness;

the market for similar securities;

additions or departures of key personnel;

reaction to the sale or purchase of company stock by our principal stockholders or our executive officers;

changes in the economic environment in the markets in which we operate, including reduction in the business activities of our policyholders;

changes in tax law;

speculation in the press or investment community; and

general market, economic and political conditions.

If our revenues and results of operations fluctuate as a result of one or more of these developments, the price of our common stock may be volatile, which could materially and adversely affect the trading price of the notes. Further, because the notes are convertible into shares of our common stock, volatility or depressed market prices of our common stock could have a similar effect on the trading price of the notes. Holders who receive shares of our common stock upon conversion of the notes will also be subject to the risk of volatility and depressed market prices of our common stock.



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### ***Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our common stock price and the trading price of the notes.***

Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the Securities and Exchange Commission (the SEC) require an annual management assessment of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm attesting to the effectiveness of our internal control over financial reporting at the end of the fiscal year. If we fail to maintain the adequacy of our internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC. If we cannot in the future favorably assess, or our independent registered public accounting firm is unable to provide an unqualified attestation report on, the effectiveness of our internal control over financial reporting, investor confidence in the reliability of our financial reports may be adversely affected, which could have a material adverse effect on our stock price and the trading price of the notes.

### ***Our principal stockholders have the ability to control our business, which may be disadvantageous to other stockholders.***

Based on the number of shares outstanding as of September 30, 2014, Barry D. Zyskind, Michael Karfunkel, George Karfunkel and Leah Karfunkel (wife of Michael Karfunkel and sole trustee of the Michael Karfunkel 2005 Grantor Retained Annuity Trust), directly or indirectly, collectively own or control approximately 59% of our outstanding common stock. As a result, these stockholders, acting together, have the ability to control all matters requiring approval by our stockholders, including the election and removal of directors, amendments to our certificate of incorporation and bylaws, any proposed merger, consolidation or sale of all or substantially all of our assets and other corporate transactions. These stockholders may have interests that are different from other stockholders. In addition, we are a controlled company as defined in NASDAQ Listing Rule 5615(c). At present, a majority of the members of our board of directors are independent. As a controlled company, each of our board committees, except our audit committee, may include non-independent directors. The audit committee independence requirements imposed by the Sarbanes-Oxley Act of 2002 apply to us, and we have organized our audit committee to meet these requirements.

If we were to cease being a controlled company as a result of the issuance of common stock by us or dispositions of common stock beneficially held by Barry D. Zyskind, Michael Karfunkel, George Karfunkel and Leah Karfunkel, we would have to comply with the board committee independence requirements of the NASDAQ Global Select Market within specified periods, which would involve having an entirely independent compensation committee and nominating and corporate governance committees within one year after ceasing to be a controlled company. If we are unable to achieve compliance with these requirements, our common stock could be de-listed from The NASDAQ Global Select Market.

In addition, Michael Karfunkel and George Karfunkel, through entities that each of them controls, have entered into transactions with us and may from time to time in the future enter into other transactions with us. As a result, these individuals may have interests that are different from, or in addition to, their interest as our stockholders. Such transactions may adversely affect our results of operations or financial condition.

Our principal stockholders could delay or prevent an acquisition or merger of our company even if the transaction could benefit other stockholders. Moreover, this concentration of share ownership makes it impossible for other stockholders to replace directors and management without the consent of the controlling stockholders. In addition, this significant concentration of share ownership may adversely affect the price prospective buyers are willing to pay for

our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders, which could, in turn, materially and adversely affect the trading price of the notes.

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***The conditional conversion feature of the notes could result in your receiving less than the value of the cash, shares of our common stock or combination of cash and shares of our common stock into which a note would otherwise be convertible.***

Prior to the close of business on the business day immediately preceding September 15, 2044, the notes are convertible into, at our option, cash, shares of our common stock or a combination of cash and shares of our common stock only if specified conditions are met. If these specified conditions are not met, you will not be able to convert your notes until September 15, 2044, and you may not be able to receive the value of the consideration into which the notes would otherwise be convertible. Therefore, you may not be able to realize the appreciation, if any, in the value of our common stock after the issuance of the notes and prior to such date. In addition, the inability to freely convert may also adversely affect the trading price of the notes and your ability to resell the notes.

***The conditional conversion features of the notes, if triggered, may adversely affect our financial condition.***

If one of the conversion contingencies is triggered, holders of notes will be entitled to convert the notes at any time during specified periods. See Description of the Notes Conversion Rights. If one or more holders elect to convert their notes, we may be required to settle all or a portion of our conversion obligation through the payment of cash, which could adversely affect our liquidity and various aspects of our business (including our credit ratings and the trading price of the notes).

***The settlement feature of the notes may have adverse consequences.***

The settlement feature of the notes, as described under Description of the Notes Conversion Rights Settlement Upon Conversion, may:

result in holders receiving no shares upon conversion or fewer shares relative to the conversion value of the notes;

reduce our liquidity;

delay holders' receipt of the consideration due upon conversion; and

subject holders to the market risks of our shares before receiving any shares upon conversion.

That is, upon conversion of the notes, you will receive, at our election, cash, shares or a combination of cash and shares of our common stock. In the event that we elect cash settlement or combination settlement, the consideration that you will receive upon conversion will be based upon the volume weighted average prices of our common stock for each of the 25 trading days during the applicable cash settlement averaging period described under Description of the Notes Conversion Rights Settlement Upon Conversion. Accordingly, if the price of our common stock decreases during this period, the amount and/or value of consideration you receive will be adversely affected. See Description of the Notes Conversion Rights Settlement Upon Conversion.

***The conversion rate of the notes may not be adjusted for all dilutive events.***

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, certain dividends on our common stock, the issuance of certain rights, options or warrants to holders of our common stock, subdivisions or combinations of our common stock, certain distributions of assets, debt securities, capital stock or cash to holders of our common stock and certain tender or exchange offers, as described under Description of the Notes Conversion Rights Conversion Rate Adjustments. The conversion rate will not be adjusted for other events, such as a payment of certain dividends on our common stock or an issuance of our common stock for cash, that may adversely affect the trading price of the notes and the market price of our common stock. There can be no assurance that an event will not occur that is adverse to the interests of the holders of the notes and their value, but does not result in an adjustment to the conversion rate.

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***Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to purchase the notes.***

Upon the occurrence of a fundamental change (as defined under Description of the Notes Purchase Rights of Holders Fundamental Change Permits Holders to Require Us to Purchase Notes ), you will have the option to require us to repurchase all or any portion of your notes for cash. However, the definition of fundamental change is limited to specified corporate events and may not include other events that might adversely affect our financial condition or the trading price of the notes. For example, events such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to purchase the notes. In the event of any such events, the holders of the notes would not have the right to require us to purchase the notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting affect the trading price of the notes.

***The adjustment to the conversion rate for notes converted in connection with certain make-whole fundamental change transactions or in connection with a redemption of the notes, in each case, occurring on or prior to December 15, 2018 may not adequately compensate holders for the lost option time value of their notes as a result of any such transaction or redemption.***

If certain transactions that constitute a make-whole fundamental change occur on or prior to December 15, 2018, or if we elect to redeem the notes on or prior to December 15, 2018, under certain circumstances and subject to certain limitations, we will increase the conversion rate by a number of additional shares of our common stock. This increased conversion rate will apply only to holders who convert their notes in connection with any such transaction or redemption. The number of additional shares of our common stock will be determined based on the date on which the make-whole fundamental change transaction becomes effective or the redemption date, as the case may be, and the price paid (or deemed paid) per share of our common stock in such transaction or redemption, as described under Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection With a Make-Whole Fundamental Change or Certain Redemptions. While the increase in the conversion rate is designed to compensate holders for the lost option time value of the notes as a result of such transaction or redemption, the increase in the conversion rate is only an approximation of such lost value and may not adequately compensate holders for such loss. In addition, notwithstanding the foregoing, if the price paid (or deemed paid) for our common stock in the transaction or redemption is greater than \$175.00 per share or less than \$57.77 per share (in each case, subject to adjustment in accordance with the indenture), then we will not be required to adjust the conversion rate if you convert your notes in connection with such transaction. Moreover, in no event will the total number of shares of our common stock issuable upon the conversion of the notes exceed 17.3100 per \$1,000 principal amount of notes, subject to adjustment under certain circumstances.

Furthermore, the definition of make-whole fundamental change that will be contained in the indenture is limited to certain enumerated transactions. As a result, the make-whole fundamental change provisions of the indenture will not afford protection to holders of the notes in the event that other transactions occur that could adversely affect the option value of the notes. For example, transactions, such as a spin-off or sale of a subsidiary with volatile earnings, or a change in our subsidiaries lines of business, could significantly affect the trading characteristics of our common stock and thereby reduce the option value embedded in the notes without triggering a make-whole fundamental change.

Our obligation to increase the conversion rate upon certain make-whole fundamental change transactions could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.



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***The issuance of additional stock in connection with acquisitions or otherwise will dilute all other stockholdings and could affect the market price of our common stock and, therefore, the trading price of the notes.***

We have an aggregate of approximately 58.7 million shares of common stock that are authorized and unissued or held as treasury shares and not reserved for issuance under our option and compensation plans or under other convertible or derivative instruments, including the notes. We may issue all of these shares without any action or approval by our stockholders. The issuance of these unreserved shares in connection with acquisitions or otherwise, as well as any shares of our common stock issued in connection with the exercise of stock options, restricted stock units, under convertible or derivative instruments or otherwise would dilute the notional percentage ownership held by the investors who purchase our notes. In addition, we may issue a substantial number of shares of our common stock upon conversion of the notes. We cannot predict the size of the future issuances or the effect, if any, that they may have on the market price for our common stock.

***Future sales of our common stock in the public market or the issuance of securities senior to our common stock could adversely affect the market price of our common stock and, in turn, the trading price of the notes and our ability to raise funds in new stock offerings.***

We expect that the trading price of the notes will depend on a variety of factors, including, without limitation, the market price of our common stock. Sales by us or our stockholders of a substantial number of shares of our common stock in the public markets after the date of this prospectus and the concurrent transactions, or the perception that these sales might occur, could cause the market price of our common stock and the trading price of the notes to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity or equity-related securities. In addition, the market price of our common stock also could be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect to develop involving our common stock by holders of the notes. The hedging or arbitrage could, in turn, affect the trading price of the notes and/or the market price of any shares of our common stock that holders of the notes receive upon conversion of their notes.

We may issue shares of our common stock or equity securities senior to our common stock in the future for a number of reasons, including to finance our operations and business strategy, to adjust our ratio of debt-to-equity, to satisfy our obligations upon the exercise of options or for other reasons. In addition, we have filed registration statements covering approximately 8.6 million shares of common stock that are either issuable upon the exercise of outstanding options or reserved for future issuance pursuant to our stock plans as of September 30, 2014. No prediction can be made as to the effect, if any, that future sales or issuance of shares of our common stock or other equity securities, or the availability of shares of our common stock or such other equity securities for future sale or issuance, will have on the market price of our common stock or the trading price of the notes.

***We expect that the trading price of the notes will be significantly affected by changes in the market price of our common stock, the interest rate environment and our credit quality, each of which could change substantially at any time.***

We expect that the trading price of the notes will depend on a variety of factors, including, without limitation, the market price of our common stock, the interest rate environment and our credit quality. Each of these factors may be volatile, and may or may not be within our control.

Changes in interest rates, or expected future interest rates, during the term of the notes may affect the trading price of the notes. Because interest rates and interest rate expectations are influenced by a wide variety of factors, many of which are beyond our control, we cannot assure you that changes in interest rates or interest rate expectations will not

adversely affect the trading price of the notes.



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Furthermore, the trading price of the notes will likely be significantly affected by any change in our credit quality. Because our credit quality is influenced by a variety of factors, some of which are beyond our control, we cannot guarantee that we will maintain or improve our credit quality during the term of the notes. In addition, because we may choose to take actions that adversely affect our credit quality, such as incurring additional debt, there can be no guarantee that our credit quality will not decline during the term of the notes, which would likely negatively impact the trading price of the notes.

***There is currently no public market for the notes, and an active trading market may not develop for the notes. The failure of a market to develop for the notes could adversely affect the liquidity and value of your notes.***

The notes are a new issue of securities, and there is no existing market for the notes. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. A market may not develop for the notes, and there can be no assurance as to the liquidity of any market that may develop for the notes. If an active, liquid market does not develop for the notes, the market price and liquidity of the notes may be adversely affected. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, the market price of our common stock, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the notes will be subject to disruptions which may have a negative effect on the holders of the notes, regardless of our operating results, financial performance or prospects.

***Recent regulatory actions may adversely affect the trading price and liquidity of the notes.***

We expect that many investors in, and potential purchasers of, the notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the notes. Investors that employ a convertible arbitrage strategy with respect to convertible debt instruments typically implement that strategy by selling short the common stock underlying the convertible notes and dynamically adjusting their short position while they hold the notes. As a result, any specific rules regulating short selling of securities or other governmental action that interferes with the ability of market participants to effect short sales in our common stock could adversely affect the ability of investors in, or potential purchasers of, the notes to conduct the convertible arbitrage strategy that we believe they will employ, or seek to employ, with respect to the notes. This could, in turn, adversely affect the trading price and liquidity of the notes.

The SEC and other regulatory and self-regulatory authorities have implemented various rule changes and are expected to adopt additional rule changes in the future that may impact those engaging in short selling activity involving equity securities (including our common stock), including Rule 201 of SEC Regulation SHO, the Financial Industry Regulatory Authority, Inc.'s Limit Up-Limit Down program, market-wide circuit breaker systems that halt trading of stock for certain periods following specific market declines, and rules stemming from the enactment and implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Past regulatory actions, including emergency actions or regulations, have had a significant impact on the trading prices and liquidity of equity-linked instruments. Any governmental action that similarly restricts the ability of investors in, or potential purchasers of, the notes to effect short sales of our common stock could similarly adversely affect the trading price and the liquidity of the notes.

***The accounting method for convertible debt securities that may be settled in cash, such as the notes, could have a material effect on our reported financial results.***

In May 2008 (and effective for fiscal years beginning after December 15, 2008), the Financial Accounting Standards Board, which we refer to as FASB, issued FASB Staff Position No. APB 14-1, Accounting for

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Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement), which we refer to as FSB APB 14-1 (and which subsequently was codified under FASB Accounting Standards Codification ( ASC ) Section 470-20, Debt with Conversion and other Options). Under ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the notes is that the equity component is required to be included in the additional paid-in capital section of equity on our consolidated balance sheets and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the accretion of the discounted carrying value of the notes to their face amount over the terms of the notes. This could adversely affect our reported or future financial results, the market price of our common stock and the trading price of the notes. In addition, under certain circumstances, convertible debt instruments (such as the notes) that may be settled entirely or partly in cash are currently accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion of the notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of the notes exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of the notes, then our diluted earnings per share would be adversely affected.

***You may be subject to tax upon an adjustment to, or a failure to adjust, the conversion rate of the notes even though you do not receive a corresponding cash distribution.***

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of certain cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you may be deemed to have received for U.S. federal income tax purposes a taxable dividend to the extent of our earnings and profits without the receipt of any cash. In addition, a failure to adjust (or adjust adequately) the conversion rate after an event that increases your proportionate interest in us could be treated as a deemed taxable dividend to you. Such deemed dividend may be subject to U.S. federal withholding tax or backup withholding, which may be set off against subsequent payments of cash and common stock payable on the notes (or, in certain circumstances, against any payments on our common stock). See Description of the Notes Conversion Rights Conversion Rate Adjustments and Certain U.S. Federal Income Tax Consequences.

If a make-whole fundamental change event occurs on or prior to December 15, 2018 or we redeem the notes on or prior to December 15, 2018, under some circumstances, we will increase the conversion rate for notes converted in connection with such make whole fundamental change or redemption. Such increase may be treated as a distribution subject to U.S. federal income tax as a dividend. Such deemed dividend may be subject to U.S. federal withholding tax or backup withholding, which may be set off against payments on the notes or common stock. See Certain U.S. Federal Income Tax Consequences.

***U.S. holders will recognize income for U.S. federal income tax purposes significantly in excess of current cash payments on the notes.***

We and each holder of the notes agreed in the indenture to treat the notes, for U.S. federal income tax purposes, as contingent payment debt instruments. As a result of such treatment, U.S. holders (as defined below under Certain U.S. Federal Income Tax Consequences ) of the notes will be required to include original issue discount in gross income each year in excess of the stated interest payments and accruals on the notes for non-tax purposes (i.e., in excess of the

stated semi-annual regular interest payments and accruals and contingent interest payments) in that year. In addition, any gain recognized by a U.S. holder on the sale, exchange,

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repurchase, redemption, retirement or conversion of a note generally will be ordinary interest income; any loss generally will be ordinary loss to the extent of the interest previously included in income by the holder and, thereafter, capital loss. There is some uncertainty as to the proper application of the Treasury regulations governing contingent payment debt instruments and, if our treatment is successfully challenged by the Internal Revenue Service, with respect to the notes, it might be determined that, among other things, you should have accrued interest income at a lower or higher rate, or should have recognized capital gain or loss, rather than ordinary income or loss, upon the conversion or taxable disposition of such notes. See Certain U.S. Federal Income Tax Consequences.

***Applicable insurance laws regarding the change of control of our company and the indenture governing the notes may impede potential acquisitions that our stockholders might consider to be desirable.***

We are subject to state and foreign statutes and regulations that generally require that any person or entity desiring to acquire direct or indirect control of any of our insurance subsidiaries obtain prior regulatory approval. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control of our company, including through transactions, and in particular unsolicited transactions, that some or all of our stockholders might consider to be desirable.

***Certain provisions in the notes and the indenture could delay or prevent an otherwise beneficial takeover or takeover attempt of us and, therefore, the ability of holders to exercise their rights associated with a potential fundamental change or a make-whole fundamental change.***

Certain provisions in the notes and the indenture could make it more difficult or more expensive for a third party to acquire us. For example, if an acquisition event constitutes a fundamental change, holders of the notes will have the right to require us to purchase their notes in cash. In addition, if an acquisition event constitutes a make-whole fundamental change and such event occurs on or prior to December 15, 2018, we may be required to increase the conversion rate for holders who convert their notes in connection with such make-whole fundamental change. In any of these cases, and in other cases, our obligations under the notes and the indenture as well as provisions of our organizational documents and other agreements could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management. For additional information about our organizational documents and other agreements and their potential effect on transactions involving a change of control, see Description of Common Stock.

***The notes may not be rated or may receive a lower rating than anticipated.***

We do not intend to seek a rating on the notes. However, if one or more rating agencies rates the notes and assigns the notes a rating lower than the rating expected by investors, or reduces their rating in the future, the trading price of the notes and the market price of our common stock could be harmed.

In addition, the trading price of the notes is directly affected by market perceptions of our creditworthiness. Consequently, if a credit ratings agency downgrades or withdraws its rating of any of our debt, or puts us on credit watch, the trading price of the notes is likely to decline.

***If securities or industry analysts fail to continue publishing research about our business, if they change their recommendations adversely or if our results of operations do not meet their expectations, our stock price and trading volume could decline and the trading price of the notes may fall.***

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish

reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline and the trading price of the notes to fall. In addition, it is possible that in some future period our operating results will be below the expectations of securities analysts or

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investors. If one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline and the trading price of the notes could fall.

### ***We may be unable to pay dividends on our common stock.***

The ability of our insurance subsidiaries to pay dividends is regulated and under certain circumstances, restricted, pursuant to applicable law. If our insurance subsidiaries could not pay dividends, we may not, in turn, be able to pay dividends to shareholders. In addition, the terms of our junior subordinated debentures and our credit facilities limit, in some circumstances, our ability to pay dividends on our common stock, and future financing arrangements may include prohibitions on dividends or other restrictions. For these reasons, we may be unable to pay dividends on our common stock. As of December 31, 2013, our insurance subsidiaries collectively could pay dividends to us of \$473 million without prior regulatory approval. Any dividends paid by our subsidiaries would reduce their surplus.

We have a history of paying dividends to our shareholders when sufficient cash is available. However, future cash dividends will depend upon our results of operations, financial condition, cash requirements and other factors including the ability of our subsidiaries to make distributions to us, which ability is restricted in the manner discussed above. Also, we may be unable to continue to pay dividends even if the necessary financial conditions are met and if sufficient cash is available for distribution.

### ***The notes are not protected by financial or restrictive covenants.***

The indenture governing the notes will not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture governing the notes will not contain any covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving us except to the extent described under

Description of the Notes Recapitalizations, Reclassifications and Changes of Our Common Stock, Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection With a Make-Whole Fundamental Change or Certain Redemptions, Description of the Notes Purchase Rights of Holders Fundamental Change Permits Holders to Require Us to Repurchase Notes, and Description of the Notes Consolidation, Merger and Sale of Assets. Accordingly, under the indenture, we could enter into certain transactions, such as acquisitions, refinancings or recapitalizations that could affect our capital structure and the value of the notes and common stock but would not constitute a fundamental change or a make-whole fundamental change under the terms of the notes.

### ***Holders of the notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.***

Holders of the notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), until the time at which they become record holders of our common stock, but holders of the notes will be subject to all changes affecting our common stock. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date related to a holder's conversion of its notes (in the case of physical settlement), or the last trading day of the applicable cash settlement averaging period (in the case of combination settlement), such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock. In addition, because of the conditional conversion, and the settlement features of the notes, which would permit us to satisfy our obligation upon conversion solely in cash should we so elect to do so, you may not be able to convert your notes until September 15, 2044, and you may not receive any shares upon conversion.





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**USE OF PROCEEDS**

The selling securityholders will receive all the proceeds from the sale of the securities sold under this prospectus. We will not receive any proceeds from the sale of these securities.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The below table indicates our ratio of earnings to fixed charges for each of the nine months ended September 30, 2014 and 2013 and the years ended December 31, 2013, 2012, 2011, 2010 and 2009. We have derived these ratios from our historical consolidated financial statements. The following should be read in conjunction with our consolidated financial statements, including the notes thereto, and the other financial information included or incorporated by reference herein.

	<b>Nine Months Ended</b>		<b>Year Ended December 31,</b>				
	<b>September 30, 2014</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Ratio of Earnings to Fixed Charges <sup>(1)</sup>	11.6x	12.8x	12.0x	7.7x	10.0x	14.3x	8.7x

- <sup>(1)</sup> For the purpose of determining our ratio of earnings to fixed charges, earnings consists of (i) pre-tax income from continuing operations before adjustment for income or loss from equity investees, fixed charges, distributed income of equity investees and our share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges *less* (ii) capitalized interest and non-controlling interest in pre-tax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of interest expensed and capitalized, and amortized premiums, discounts and capitalized expenses related to indebtedness, and an estimate of the interest within rent expense.

**Table of Contents****SELLING SECURITYHOLDERS**

The following table sets forth information with respect to the selling securityholders, the notes and the common stock issuable upon conversion of the notes beneficially owned by each selling securityholder that may be offered pursuant to this prospectus. The information is based on information provided by or on behalf of the following selling securityholders to us in questionnaires and is as of the date specified by the securityholders in each questionnaire.

The number of shares of common stock issuable upon conversion of the notes shown in the table below assumes conversion of the full amount of notes held by each selling securityholder based on the initial conversion price of \$75.00 per share of common stock. This conversion price is subject to adjustment in certain events. Accordingly, the number of shares of common stock issuable upon conversion of the notes may increase or decrease from time to time. Information concerning other selling securityholders will be set forth in prospectus supplements from time to time, if required.

Name of Selling Securityholder	Principal Amount of Notes Beneficially Owned Prior to Offering <sup>(1)</sup>		Principal Amount of Notes Offered Hereby	Principal Amount of Notes to be Beneficially Owned After Offering <sup>(2)</sup>		Shares of Common Stock Beneficially Owned Prior to Offering <sup>(1)</sup>		Shares of Common Stock Offered Hereby <sup>(3)</sup>		Shares of Common Stock to be Beneficially Owned After Offering <sup>(2)</sup>	
	Number	Percentage <sup>(5)</sup>		Number	Percentage <sup>(5)</sup>	Number	Percentage <sup>(4)</sup>	Number	Percentage <sup>(6)</sup>		
Citadel Equity Fund Ltd. <sup>(7)</sup>	65,732,000	28.1	34,000,000	31,732,000	13.5	1,756,643	2.3	453,333	1,303,311	1.7	
Calamos Market Neutral Income Fund - Calamos Investment Trust <sup>(8)</sup>	7,821,000	3.3	3,000,000	4,821,000	2.1	226,221	*	40,000	186,221	*	
Lazard Rathmore Master Fund LP <sup>(9)</sup>	5,055,000	2.2	1,530,000	3,525,000	1.5	158,674	*	20,400	138,274	*	
HFR CA Lazard Rathmore Master Trust <sup>(9)</sup>	586,000	*	177,000	409,000	*	18,392	*	2,360	16,032	*	
Lyxor Lazard Rathmore Fund Limited <sup>(9)</sup>	2,161,000	*	654,000	1,507,000	*	67,807	*	8,720	59,087	*	
DBX Convertible Arbitrage 14 Fund <sup>(9)</sup>	518,000	*	157,000	361,000	*	16,255	*	2,093	14,162	*	
LMA SPC for and on behalf of the MAP 99 Segregated	2,951,000	1.3	893,000	2,058,000	*	92,611	*	11,907	80,704	*	

Portfolio <sup>(9)</sup>										
Highmark Limited, in respect of the segregated account										
Highmark Fixed Income 3 <sup>(9)</sup>	1,948,000	*	589,000	1,359,000	*	61,154	*	7,853	53,301	*
Pine River Convertibles Master Fund Ltd. <sup>(10)</sup>	27,816,000	11.9	13,750,000	14,066,000	6.0	758,606	1.0	183,333	575,273	*
Pine River Deerwood Fund Ltd <sup>(11)</sup>	1,412,000	*	500,000	912,000	*	43,980	*	6,667	37,313	*
Pine River Fixed Income Master Fund <sup>(12)</sup>	15,224,000	6.5	6,000,000	9,224,000	3.9	457,265	*	80,000	377,265	*
Pine River Master Fund <sup>(13)</sup>	19,705,000	8.4	9,750,000	9,955,000	4.2	537,155	*	130,000	407,155	*
Polygon Convertible Opportunity Master Fund <sup>(14)</sup>	14,664,000	6.3	5,000,000	9,664,000	4.1	440,012	*	66,667	373,345	*

\* Less than 1%.

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- (1) Because certain of the selling securityholders may have sold, transferred or otherwise disposed of all or a portion of their common stock or notes in transactions exempt from the registration requirements of the Securities Act since the date on which they provided the information presented in this table, this prospectus may not reflect the exact number of shares of common stock or notes held by each selling securityholder on the date of this prospectus. The maximum principal amount of notes that may be sold under this prospectus will not exceed \$76,000,000.
- (2) For purposes of this table, we have assumed that, after completion of the offering, none of the notes or shares issuable upon conversion thereof covered by this prospectus will be held by the selling securityholders. We have also assumed that the selling securityholders will not sell any notes or shares of common stock currently held by them and not covered by this prospectus.
- (3) Assumes no adjustments to the conversion price. See Description of the Notes Conversion Rights Conversion Rate Adjustments.
- (4) Calculated based on 75,024,409 shares of our common stock outstanding as of December 1, 2014.
- (5) Calculated based on \$234,257,000 aggregate principal amount of notes sold as of December 11, 2014.
- (6) Calculated based on 75,024,409 shares of our common stock outstanding as of December 1, 2014. In calculating this amount for each securityholder, we treated as outstanding the number of shares of our common stock issuable upon conversion of all of that securityholder's notes, but we did not assume conversion of any other securityholder's notes.
- (7) The selling securityholder has informed us that Citadel LLC has discretionary voting and investment authority over the securities owned by Citadel Equity Fund Ltd. Citadel LLC is controlled by Kenneth Griffin.
- (8) The selling securityholder has informed us that John Calamos Sr. and Gary Black exercise voting and investment power over the securities that the selling securityholder beneficially owns.
- (9) The selling securityholder has informed us that Lazard Asset Management LLC, as Investment Advisor for the selling securityholder, has voting and investment power over these securities.
- (10) The selling securityholder has informed us that Pine River Capital Management L.P. ( Pine River ) is the investment manager of Pine River Convertibles Master Ltd. Brian Taylor is the managing member of Pine River Capital Management LLC, an entity which is the general partner of Pine River. However, Mr. Taylor, Pine River and Pine River Capital Management LLC disclaim beneficial ownership in any of the securities owned by Pine River Convertibles Master Fund Ltd., other than to the extent of his or its pecuniary interest therein, and the foregoing shall not be deemed an admission that Mr. Taylor, Pine River or Pine River Capital Management LLC is the beneficial owner of such securities for purposes of Section 16 under the Exchange Act or for any other purpose.
- (11) The selling securityholder has informed us that Pine River is the investment manager of Pine River Deerwood Fund Ltd. Brian Taylor is the managing member of Pine River Capital Management LLC, an entity which is the general partner of Pine River. However, Mr. Taylor, Pine River and Pine River Capital Management LLC disclaim beneficial ownership in any of the securities owned by Pine River Deerwood Fund Ltd., other than to the extent of his or its pecuniary interest therein, and the foregoing shall not be deemed an admission that Mr. Taylor, Pine River or Pine River Capital Management LLC is the beneficial owner of such securities for purposes of Section 16 under the Exchange Act or for any other purpose.
- (12) The selling securityholder has informed us that Pine River is the investment manager of Pine River Fixed Income Master Fund Ltd. Brian Taylor is the managing member of Pine River Capital Management LLC, an entity which is the general partner of Pine River. However, Mr. Taylor, Pine River and Pine River Capital Management LLC disclaim beneficial ownership in any of the securities owned by Pine River Fixed Income Master Fund Ltd., other than to the extent of his or its pecuniary interest therein, and the foregoing shall not be deemed an admission that Mr. Taylor, Pine River or Pine River Capital Management LLC is the beneficial owner of such securities for purposes of Section 16 under the Exchange Act or for any other purpose.
- (13) The selling securityholder has informed us that Pine River is the investment manager of Pine River Master Fund Ltd. Brian Taylor is the managing member of Pine River Capital Management LLC, an entity which is the general

partner of Pine River. However, Mr. Taylor, Pine River and Pine River Capital Management LLC disclaim beneficial ownership in any of the securities owned by Pine River Master Fund Ltd., other than to the extent of his or its pecuniary interest therein, and the foregoing shall not be deemed an admission that Mr. Taylor, Pine River or Pine River Capital Management LLC is the beneficial owner of such securities for purposes of Section 16 under the Exchange Act or for any other purpose.

- (14) The selling securityholder has informed us that voting and investment control over the securities held by Polygon Convertible Opportunity Master Fund is shared by Polygon Management Ltd., TFG Asset Management L.P., Polygon Global Partners LP, Polygon Global Partners LLP and Mr. Michael Humphries, each of whom disclaims beneficial ownership of such securities.

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**DESCRIPTION OF THE NOTES**

We will issue the notes under a senior debt indenture, which we refer to as the base indenture, dated as of December 21, 2011, between us and The Bank of New York Mellon Trust Company, N.A., as trustee, which we refer to as the trustee, as supplemented by a supplemental indenture with respect to the notes to be dated as of the date of original issuance of the notes on December 15, 2014, which we refer to as the supplemental indenture. We refer to the base indenture and the supplemental indenture, collectively, as the indenture. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended, which we refer to as the Trust Indenture Act.

You may request a copy of the indenture from us as described under [Where You Can Find More Information](#).

The following description is a summary of the material provisions of the notes and (solely as it applies to the notes) the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the notes and the indenture, including the definitions of certain terms used in the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes.

For purposes of this description, references to [AmTrust](#), [we](#), [our](#) and [us](#) refer only to AmTrust Financial Services, Inc. and not to its subsidiaries.

**Unless otherwise indicated in this [Description of the Notes](#), when we refer to the principal amount of the notes, we are referring to \$1,000 principal amount at maturity of the notes (*and not the accreted amount of the notes on any particular date*) and when we refer to the conversion price per \$1,000 principal amount of notes, we are referring to \$1,000 principal amount of the notes at maturity divided by the applicable conversion rate.**

**General**

The notes:

will be our general unsecured, senior obligations;

will initially be limited to an aggregate principal amount of \$234,257,000 (of which \$76,000,000 aggregate principal amount may be sold pursuant to this prospectus. See [Selling Securityholders](#) );

will bear cash interest from the date of issuance at an annual rate of 2.75% payable on June 15 and December 15 of each year, beginning on June 15, 2015;

will be redeemable prior to maturity at our option as described below under [Optional Redemption](#) ;

will be subject to purchase by us at the option of the holders following a fundamental change (as defined below under [Purchase Rights of Holders](#) [Fundamental Change Permits Holders to Require Us to Purchase Notes](#) ), at a price equal to 100% of the principal amount of the notes to be purchased, plus accrued and

unpaid interest, if any, to, but excluding, the fundamental change purchase date;

will be subject to purchase by us at the option of the holders on December 15, 2024 (as described below under Purchase Rights of Holders Purchase Right of Holders on Specified Date ), at a price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the purchase date;

will mature on December 15, 2044, unless earlier converted, repurchased or redeemed;

will be issued in denominations of \$1,000 principal amount and integral multiples of \$1,000 principal amount in excess thereof; and

will be represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form. See Book-Entry, Settlement and Clearance.



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Subject to fulfillment of certain conditions and during the periods described below, the notes may be converted at a conversion rate initially equal to 13.3333 shares of common stock per \$1,000 principal amount of notes (equivalent to a conversion price of approximately \$75.00 per share of common stock). The conversion rate is subject to adjustment if certain events occur. See [Conversion Rate Adjustments](#) and [Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change or Certain Redemptions](#).

We will settle the conversions of notes by paying or delivering, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, as described under [Conversion Rights Settlement Upon Conversion](#). You will not be entitled to receive any separate cash payment for interest, if any, accrued and unpaid to the conversion date except under the limited circumstances described below.

The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise. The indenture, as it relates to the notes, will not contain any financial covenants and will not restrict us from paying dividends or issuing or repurchasing our other securities. Other than the restrictions described under [Consolidation, Merger and Sale of Assets](#) below and except for the provisions set forth under [Purchase Rights of Holders](#) [Fundamental Change Permits Holders to Require Us to Purchase Notes](#) and [Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change or Certain Redemptions](#), the indenture does not contain any covenants or other provisions designed to afford holders of the notes protection in the event we subsequently increase our borrowings substantially or engage in a transaction that substantially increases our debt to equity ratio (each of which would be an example of a highly leveraged transaction) or in the event of a decline in our credit rating for any reason, including as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may, without notice to or the consent of the holders, issue additional notes under the indenture with substantially the same terms as the notes offered hereby (other than with respect to (i) the date of issuance, (ii) the issue price, (iii) the amount of interest payable on the first interest payment date applicable thereto, (iv) transfer restrictions, if applicable, and (v) whether or not additional interest is payable thereon, if applicable (to the extent such additional notes are issued with a different CUSIP number than the notes)) in an unlimited aggregate principal amount; *provided* that no additional notes may be issued with the same CUSIP number as other notes unless it is so permitted in accordance with applicable law and such additional notes are fungible with such other notes for U.S. federal income tax purposes. We may also from time to time repurchase notes in open market purchases or negotiated transactions without giving prior notice to holders. Any notes purchased by us will be retired and no longer outstanding under the indenture.

We do not intend to list the notes on a national securities exchange or an interdealer quotation system.

The notes will not have the benefit of a sinking fund.

Except to the extent the context otherwise requires, we use the term [note](#) in this prospectus to refer to \$1,000 principal amount at maturity of notes. We use the term [common stock](#) in this prospectus to refer to our common stock, par value \$0.01 per share. References in this prospectus to a [holder](#) or [holders](#) of notes that are held through DTC are references to owners of beneficial interests in such notes, unless the context otherwise requires. However, we and the trustee will treat the person in whose name the notes are registered (Cede & Co., in the case of notes held through DTC) as the owner of such notes for all purposes.

Certain of the notes will be entitled to certain registration rights and we will, in certain circumstances, be required to pay additional interest on the notes that are registrable securities as defined in the indenture. See [Registration Rights; Additional Interest](#).



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### **Payments on the Notes; Paying Agent and Registrar; Transfer and Exchange**

We will pay principal of and interest on notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note. We will pay principal of any certificated notes at the office or agency designated by us for that purpose. We will pay interest on any certificated note by check mailed to the address of the registered holder of such note; provided, however, that we will pay interest to any holder of more than \$2,000,0000 aggregate principal amount of certificated notes by wire transfer in immediately available funds to an account within the United States designated by such holder in a written application delivered by such person to the trustee and the paying agent not later than the record date for the relevant interest payment, which application will remain in effect until such holder notifies the trustee and paying agent, in writing, to the contrary.

We have initially designated the trustee as our paying agent and registrar and its agency in New York, New York as a place where notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and we may act as paying agent or registrar.

A holder of notes in global form may transfer its notes in accordance with the applicable procedures of the depositary and the indenture. A holder of certificated notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. We are not required to transfer or exchange any note surrendered for conversion or repurchase upon a fundamental change.

### **Interest**

The notes will bear cash interest at a rate of 2.75% per year until maturity. Interest on the notes will accrue from the most recent date on which interest has been paid or duly provided for, or if no interest has been paid or duly provided for, December 15, 2014. Interest will be payable semiannually in arrears on June 15 and December 15 of each year, beginning on June 15, 2015.

Interest will be paid to the person in whose name a note is registered at the close of business on June 1 or December 1, as the case may be, immediately preceding the relevant interest payment date. Interest on the notes will be computed on the basis of a 360-day year composed of twelve 30- day months.

If any interest payment date, the maturity date, any fundamental change purchase date, purchase date, redemption date or conversion date of a note falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term business day means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

Unless the context otherwise requires, all references to interest in this prospectus include contingent interest, if any, payable as described under Contingent Interest, and additional interest, if any, payable as described under Registration Rights; Additional Interest and as the sole remedy relating to the failure to comply with our reporting obligations as described under Events of Default.

### **Contingent Interest**

Beginning with the six-month interest period commencing December 15, 2021, we will pay contingent interest during any six-month interest period if the market price of the notes for each of the 20 trading days

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ending on the second trading day immediately preceding the first day of the applicable six-month interest period equals or exceeds 130% of the principal amount of the notes (such interest is referred to as contingent interest ).

During any six-month period when contingent interest shall be payable, the contingent interest payable per \$1,000 principal amount of the notes will equal 0.25% of the average of the market prices for \$1,000 principal amount of notes during the 20 consecutive trading day period ending on the second trading day immediately preceding the first day of the applicable six-month interest period.

The market price of the notes on any date of determination means the average of the secondary market bid quotations obtained by the bid solicitation agent for \$5.0 million principal amount of the notes at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers we select; provided that, if three such bids cannot reasonably be obtained by the bid solicitation agent but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the bid solicitation agent, that one bid shall be used. If the bid solicitation agent cannot reasonably obtain at least one bid for \$5.0 million principal amount of the notes from a nationally recognized securities dealer, then the trading price per \$1,000 principal amount of notes will be deemed to equal the product of the last reported sale price of our common stock and the applicable conversion rate.

We will be the initial bid solicitation agent.

For purposes of this section, a six-month interest period shall be the period commencing on and including the interest payment date and ending on but excluding the next interest payment date.

We will notify holders of the notes prior to the beginning of any six-month interest period that they will be entitled to receive contingent interest during such six-month interest period.

## **Ranking**

The notes will be the direct unsecured obligations of AmTrust Financial Services, Inc. and will not be guaranteed by any of our subsidiaries. The notes will rank equally in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness, including amounts outstanding under our \$350 million syndicated credit facility and our £235 million letter of credit facility (the credit facilities ). The notes will be structurally subordinated to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, and will be effectively subordinated to any of our existing and future secured indebtedness, to the extent of the value of our assets that secure such indebtedness. The notes will also be structurally subordinated to any of our existing and future indebtedness that may be guaranteed by our subsidiaries, to the extent of any such guarantees. As of September 30, 2014, we had \$30.5 million of secured indebtedness outstanding and our subsidiaries had \$10.4 billion of outstanding indebtedness and other liabilities, \$6.9 million of which was secured indebtedness of one of our subsidiaries to third parties, to which the notes would have ranked structurally subordinate.

We are a holding company that transacts business through our operating subsidiaries. Our primary assets are the capital stock of these operating subsidiaries. Payments from our insurance company subsidiaries pursuant to management agreements and tax sharing agreements as well as fee income we generate from providing services to third parties, are our primary sources of funds to pay our direct expenses. Our ability to pay the interest on and principal of the notes when due will largely depend upon the surplus and earnings of our subsidiaries and their ability to pay dividends to us. Payment of dividends by our insurance subsidiaries is regulated by insurance laws of various states, and the laws of certain foreign countries in which we do business (Ireland, the United Kingdom and Bermuda), including laws establishing minimum solvency and liquidity thresholds, and could be subject to contractual

restrictions in the future, including those imposed by indebtedness we may incur in the future. As a result, at times, we may not be able to receive dividends from our insurance subsidiaries and may not receive dividends in amounts necessary to pay dividends on our capital stock. As of December 31, 2013, our insurance

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subsidiaries could pay dividends to us of \$473 million without prior regulatory approval. Any dividends paid by our subsidiaries would reduce their surplus. The inability of our operating subsidiaries to pay dividends and other permitted payments in an amount sufficient to enable us to meet our cash requirements at the holding company level would have a material adverse effect on our operations.

As of September 30, 2014, our total consolidated indebtedness was \$592.3 million. This \$592.3 million does not include \$168.0 million aggregate principal amount of a loan made by Maiden Insurance to AII in connection with a reinsurance agreement between the two parties that requires Maiden Insurance to provide sufficient collateral to secure its proportionate share of AII's obligations. This amount is accounted for as a note payable on our balance sheet. In the event of a bankruptcy, liquidation or dissolution of us, holders of the notes will participate ratably with all holders of our unsecured senior indebtedness and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets.

**Optional Redemption**

We shall have the right, at our option, at any time on or before December 15, 2018, to redeem all or, from time to time, any part of the notes at a redemption price payable in cash equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, such redemption date if the daily VWAP is greater than or equal to 130% of the then current conversion price for each of at least twenty (20) trading days in the thirty (30) consecutive trading days ending on, and including, the trading day prior to the mailing of the notice of redemption. If we elect to redeem all or part of the notes prior to December 15, 2018, the conversion rate for any notes converted in connection with such redemption will be increased as set forth under Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change or Certain Redemptions.

We shall have the right, at our option, at any time after December 15, 2018, to redeem all or, from time to time, any part of the notes at a redemption price payable in cash equal to the accreted amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, such redemption date. The accreted amount of the notes shall be the amount set forth in the following table per \$1,000 principal amount of notes, expressed as a percentage of the principal amount of the notes, as of the specified dates during the period from the closing date through the maturity date:

Period	Date	Accreted Price	
		As % of Par	Dollars
0.0	December 15, 2014	90.00%	\$ 900
0.5	June 15, 2015	90.48%	\$ 905
1.0	December 15, 2015	90.95%	\$ 910
1.5	June 15, 2016	91.43%	\$ 914
2.0	December 15, 2016	91.92%	\$ 919
2.5	June 15, 2017	92.40%	\$ 924
3.0	December 15, 2017	92.89%	\$ 929
3.5	June 15, 2018	93.38%	\$ 934
4.0	December 15, 2018	93.87%	\$ 939
4.5	June 15, 2019	94.37%	\$ 944
5.0	December 15, 2019	94.87%	\$ 949
5.5	June 15, 2020	95.37%	\$ 954

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6.0	December 15, 2020	95.87%	\$ 959
6.5	June 15, 2021	96.38%	\$ 964
7.0	December 15, 2021	96.89%	\$ 969
7.5	June 15, 2022	97.40%	\$ 974
8.0	December 15, 2022	97.91%	\$ 979
8.5	June 15, 2023	98.43%	\$ 984



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<b>Period</b>	<b>Date</b>	<b>Accreted Price</b>	
		<b>As % of Par</b>	<b>Dollars</b>
9.0	December 15, 2023	98.95%	\$ 990
9.5	June 15, 2024	99.47%	\$ 995
10.0	December 15, 2024	100.00%	\$ 1,000