

AMERUS GROUP CO/IA
Form 424B5
August 01, 2005

The information in this prospectus supplement is not complete and may be changed. The prospectus supplement is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated July 29, 2005.

Prospectus Supplement to Prospectus dated July 15, 2005.

\$250,000,000

AmerUs Group Co.

% Senior Notes due 2015

We will pay interest on the notes on _____ 15 and _____ 15 of each year. The first such payment will be made on _____ 15, 2006. The notes mature on _____ 15, 2015. We may redeem the notes at any time at a redemption price described on page S-14 under the caption Description of the Notes Optional Redemption . The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000.

See Risk Factors beginning on page S-8 of this prospectus supplement and page 5 of the accompanying prospectus to read about important factors you should consider before buying the notes.

None of the Securities and Exchange Commission, any state securities commission, the Iowa Commissioner of Insurance or any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to AmerUs Group Co.	%	\$

The public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from August _____, 2005 and must be paid if the notes are delivered after August _____, 2005.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on August _____, 2005.

Goldman, Sachs & Co.

JPMorgan

Prospectus Supplement dated August _____, 2005.

ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only upon the information contained in this prospectus supplement, the accompanying prospectus and the documents they incorporate by reference. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement may add, update or change information contained or incorporated by reference in the accompanying prospectus. In addition, the information incorporated by reference in the accompanying prospectus may have added, updated or changed information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with any information in the accompanying prospectus (or any information incorporated therein by reference), this prospectus supplement will apply and will supersede such information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement, the accompanying prospectus and the documents they incorporate by reference in making your investment decision. You should also read and consider the additional information under the caption **Where You Can Find More Information**.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995.

Those statements include trend analyses and other information relative to markets for our products and trends in our operations or financial results as well as other statements that can be identified by the use of forward-looking language such as may, should, believes, expects, anticipates, plans, estimates, intends, projects, goals, objectives, or other similar expressions. Our actual results, performance or achievements could be materially different from the results expressed in, or implied by, those forward-looking statements. Those statements are subject to risks and uncertainties, including but not limited to the risks described in this prospectus supplement, the accompanying prospectus and other documents incorporated by reference. When considering those forward-looking statements, you should keep in mind the risks, uncertainties and other cautionary statements made in this prospectus supplement and the accompanying prospectus.

A variety of factors could cause our actual results to differ materially from the expected results expressed in the company's forward-looking statements, including those set forth in the risk factors and elsewhere in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference. Factors that may cause our actual results to differ materially from those we contemplate by the forward-looking statements include, among others, the following possibilities:

general economic conditions and other factors, including prevailing interest rate levels and stock and bond market performance, which may affect our ability to sell our products, the market value of our investments and the lapse rate and profitability of our policies;

our ability to achieve anticipated levels of operational efficiencies and cost-saving initiatives and to meet cash requirements based upon projected liquidity sources;

customer response to new products, distribution channels and marketing initiatives;

mortality, morbidity, and other factors which may affect the profitability of our insurance products;

our ability to develop and maintain effective risk management policies and procedures and to maintain adequate reserves for future policy benefits and claims;

changes in the federal income tax and other federal laws, regulations and interpretations, including federal measures that may significantly affect the insurance business including limitations on antitrust immunity, minimum solvency requirements, the applicability of federal laws to insurance products and changes to the tax advantages of life insurance and annuity products or programs with which they are used;

increasing competition in the sale of insurance and annuities and the recruitment of sales representatives;

regulatory changes, interpretations, initiatives or pronouncements, including those relating to the regulation of insurance companies and the regulation and sale of their products and the programs in which they are used;

our ratings and those of our subsidiaries by independent rating organizations which we believe are particularly important to the sale of our products;

the performance of our investment portfolios;

the impact of changes in standards of accounting;

our ability to integrate the business and operations of acquired entities;

expected protection products and accumulation products margins;

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the impact of anticipated investment transactions; and

litigation or regulatory investigations or examinations.

There can be no assurance that other factors not currently anticipated by us will not materially and adversely affect our business, financial condition, and results of operations. You are cautioned not to place undue reliance on any forward-looking statements made by us or on our behalf. Forward-looking statements speak only as of the date the statement was made. We undertake no obligation to update or revise any forward-looking statement.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). You may read and copy this information at the following location of the SEC:

Public Reference Room
100 F Street, N.E.
Room 1580
Washington, DC 20549

You may also obtain copies of this information at prescribed rates by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, like us, who file electronically with the SEC. The address of that site is www.sec.gov.

You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We incorporate by reference information into this prospectus supplement, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement. Any information contained in this prospectus supplement or any document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified, superseded or updated to the extent that information contained in this prospectus supplement or any subsequently filed document incorporated or deemed to be incorporated by reference in this prospectus supplement modifies, supersedes or updates such earlier information. Any information so modified, superseded or updated will not be deemed, except as so modified, superseded or updated, to constitute a part of this prospectus supplement. We incorporate by reference the documents listed below and all future documents that we file with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (other than current reports furnished under items 2.02 and 7.01 of Form 8-K).

Annual Report on Form 10-K for the fiscal year ended December 31, 2004;

Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2005 and June 30, 2005;

Annual Report on Form 11-K for the fiscal year ended December 31, 2004;

Current Reports filed on Form 8-K on February 10, 2005, February 17, 2005, May 4, 2005 and June 15, 2005; and

Proxy Statement for the Annual Meeting of Shareholders held on April 28, 2005.

You may request a copy of any filings referred to above, at no cost, by contacting us at the following address or telephone number: James A. Smallenberger, Senior Vice President and Secretary, AmerUs Group Co., 699 Walnut Street, Des Moines, Iowa 50309-3948, telephone number (515) 362-3600.

SUMMARY

This summary contains basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing in the notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the sections entitled Risk Factors, in this prospectus supplement and the accompanying prospectus and our financial statements and the notes thereto incorporated by reference into this prospectus supplement before making an investment decision. Unless otherwise indicated, all references in this prospectus supplement to the Company, we, our, us, or similar terms mean AmerUs Group Co. and its subsidiaries.

The Company

We are a holding company whose subsidiaries are primarily engaged in the business of marketing, underwriting and distributing a broad range of individual life, annuity and insurance deposit products to individuals and businesses in all 50 states, the District of Columbia and the U.S. Virgin Islands. We have two reportable operating segments: protection products and accumulation products. The primary offerings of the protection products segment are interest-sensitive whole life, term life, universal life and indexed life insurance policies. The primary offerings of the accumulation products segment are individual fixed annuities (comprised of traditional fixed annuities and indexed annuities) and funding agreements.

We were founded in 1896 as the mutual insurer Central Life Assurance Company. In 1996, we became the first mutual insurance holding company in the United States, or MIHC, a structure that allows mutuals to access the public equity markets, which we did in 1997 with our initial public offering. In 2000, we reorganized our MIHC structure through a full demutualization and became a 100% public stock company.

We have had positive organic growth in our businesses. We have also successfully executed a series of strategic acquisitions that have helped generate sales growth, as well as balance our product and geographic distribution. The following is a summary of these acquisitions and the benefits created:

In 1994, Central Life Assurance Company and American Mutual Life Insurance Co. merged, providing us with significant scale in our life insurance operations. The merger resulted in our becoming one of the 25 largest mutual insurers in America at that time.

In October 1997, the acquisition of Delta Life Corporation launched our annuity business. At the time of the acquisition, Delta Life had about \$2.0 billion in assets and specialized in single-premium deferred annuity and indexed annuity products.

In December 1997, we acquired AmVestors Financial Corporation, predecessor to AmerUs Annuity Group Co., which specialized in the sale of individual fixed annuity products. The acquisition further strengthened our presence in asset accumulation and retirement and savings markets.

In 2001, we acquired Indianapolis Life Insurance Company, an Indiana life insurance company, and its subsidiaries which had approximately \$6 billion in consolidated assets at the time of the acquisition. The acquisition allowed us to strengthen our life insurance business and ultimately provided us with a better balance of annuity and life insurance product sales.

Subsidiaries

We have four main direct subsidiaries: AmerUs Life Insurance Company, or ALIC, an Iowa life insurance company; AmerUs Annuity Group Co., or AAG, a Kansas corporation; AmerUs Capital

Management Group, Inc., or ACM, an Iowa corporation; and ILICo Holdings, Inc., an Indiana corporation.

AAG owns, directly or indirectly, two Kansas life insurance companies: American Investors Life Insurance Company, Inc., or American; and Financial Benefit Life Insurance Company, or FBL. On December 31, 2002, Delta Life and Annuity Company was merged into American.

ILICo Holdings, Inc., has one wholly-owned subsidiary, Indianapolis Life Insurance Company, or ILIC, an Indiana life insurance company. ILIC has two wholly-owned subsidiaries: Bankers Life Insurance Company of New York, or Bankers Life, a New York life insurance company; and IL Securities, Inc., an Indiana corporation. When used in this prospectus supplement, the term ILICo refers to ILICo Holdings, Inc. and its consolidated subsidiaries.

Organization as of July 29, 2005

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges for each of the periods indicated is set forth below. For purposes of computing these ratios, earnings consist of income from continuing operations before income taxes and fixed charges. Fixed charges consist of interest credited on annuity and universal life contracts and interest expense on debt and amortization of debt expense.

	For the Six Months Ended June 30,		For the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
Ratio of Earnings to Fixed Charges	1.44	1.36	1.40	1.40	1.19	1.33	1.28

We are an Iowa corporation. Our principal executive office is located at 699 Walnut Street, Des Moines, Iowa 50309-3948. Our telephone number is (515) 362-3600.

The Offering

Issuer	AmerUs Group Co.
Securities Offered	\$250,000,000 in aggregate principal amount of % Senior Notes due 2015.
Interest	The notes will bear interest at the rate of % per year, payable semiannually in arrears on 15 and 15 of each year, commencing on 15, 2006. See Description of the Notes.
Issue Price	% of principal amount per % note, plus accrued interest, if any, from August , 2005.
Optional Redemption	The notes may be redeemed at any time and from time to time, at our option, in whole or in part, as described in this prospectus supplement under the caption Description of the Notes Optional Redemption. The notes will not have the benefit of any sinking fund.
Ranking	The notes will be senior unsecured obligations of AmerUs Group Co. and will rank equally with all other senior unsecured indebtedness of AmerUs Group Co. However, we are a holding company and the notes will be effectively subordinated to all existing and future obligations of our subsidiaries. At June 30, 2005, our subsidiaries had approximately \$20.3 billion of indebtedness, including notes payable and policyowner liabilities, in addition to other liabilities, to which the notes would have been structurally subordinated.
Use of Proceeds	We intend to use the net proceeds from the sale of the notes to redeem the \$185,000,000 aggregate principal amount of the Company's 3.83% Optionally Convertible Equity-Linked Accreting Notes due March 6, 2032 (OCEANs), including the early redemption premium, to repay a portion of the outstanding borrowings under our unsecured \$200,000,000 credit facility and for general corporate purposes.
Additional Issuances	We may, at any time, create and issue further notes having the same terms as the notes. See Description of the Notes General.
Ratings	Our senior unsecured debt ratings are as follows: <div style="text-align: center;"> <p>Moody's Investor Services</p> <p>Standard & Poor's</p> <p>Fitch Ratings</p> <p>A.M. Best</p> </div> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.</p>

RISK FACTORS

Your investment in the notes involves certain risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the following discussion of risks and the discussion of risks under the caption Risk Factors in the accompanying prospectus before deciding whether an investment in the notes is suitable for you. The notes are not an appropriate investment for you if you are unsophisticated with respect to the significant terms of the notes or financial matters.

Risk Factors Relating to the Notes

We are a holding company and may not have access to the cash that is needed to make payment on the notes.

We conduct substantially all of our operations through our subsidiaries, but none of our subsidiaries is obligated to make funds available to us for payment on the notes. Accordingly, our ability to make payments on the notes depends upon the earnings of, and the distribution of funds from, our subsidiaries. Restrictions on our subsidiaries' ability to distribute cash to us could materially affect our ability to pay principal and interest on our indebtedness.

The terms of the notes and our other indebtedness do not restrict the ability of our subsidiaries to incur indebtedness that may restrict or prohibit our subsidiaries from distributing cash to us. We cannot assure you that the agreements governing the indebtedness of our subsidiaries will permit our subsidiaries to distribute sufficient cash to us to fund payments on the notes when due.

Creditors of our subsidiaries (including policyholders and trade creditors) will generally be entitled to payment from the assets of those subsidiaries before our subsidiaries can distribute cash to us. As a result, the notes will effectively be subordinated to the prior payment of all of the payment obligations (including amounts owed to policyholders and trade payables) of our subsidiaries.

At June 30, 2005, our subsidiaries had approximately \$20.3 billion of indebtedness, including notes payable and policyowner liabilities, in addition to other liabilities, to which the notes would have been structurally subordinated.

In addition, the ability of our insurance subsidiaries to distribute cash to us is subject to state insurance department regulations, which limit cash distributions to amounts determined by reference to operating results or surplus. If insurance regulators otherwise determine that a cash distribution to an affiliate would be detrimental to an insurance subsidiary's policyholders or creditors, because of the financial condition of the insurance subsidiary or otherwise, the regulators may block cash distributions to affiliates that would otherwise be permitted without prior approval.

An active trading market for the notes may not develop.

We cannot assure you that an active trading market for the notes will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their notes or the price at which holders of the notes will be able to sell their notes. Future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, the market for similar securities, our performance and other factors. We do not intend to apply for listing of the notes on any securities exchange or other market.

We cannot assure you as to the market price for the notes. If you are able to resell your notes, the price you receive will depend on many other factors that may vary over time, including:

the number of potential buyers;

the level of liquidity of the notes;

ratings of our insurance subsidiaries financial strength and claims paying ability published by major credit ratings agencies;

our financial performance;

the amount of total indebtedness we have outstanding;

the level, direction and volatility of market interest rates generally;

the market for similar securities;

the repayment and redemption features of the notes; and

the time remaining until your notes mature.

As a result of these and other factors, you may be able to sell your notes only at a price below that which you believe to be appropriate, including a price below the price you paid for them.

There is no limit on our ability to create additional notes.

Under the terms of the senior indenture under which the notes will be issued, we may from time to time without notice to, or the consent of, the holders of the notes, create and issue additional notes of a new or existing series, which notes, if of an existing series, will be equal in rank to the notes of that series in all respects (or in all respects except for the payment of interest accruing prior to the issue date of the new notes or except for the first payment of interest following the issue date of the new notes) so that the new notes may be consolidated and form a single series with such notes and have the same terms as to status, redemption or otherwise as such notes.

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USE OF PROCEEDS

AmerUs Group Co. expects to receive net proceeds from this offering of approximately \$247.7 million, after expenses and underwriters' discounts and commissions.

We intend to use the net proceeds from the sale of the notes (i) to redeem the \$185,000,000 aggregate principal amount of the Company's 3.83% OCEANs due March 6, 2032, including payment of the early redemption premium, which is equal to the present value, at the date of redemption, of all remaining 2% interest payments due on the OCEANs being redeemed, exclusive of interest accrued and unpaid, up to, but not including, the date of redemption, (ii) to repay a portion of the outstanding borrowings under our unsecured \$200,000,000 credit facility and (iii) for general corporate purposes. Amounts being repaid under our unsecured \$200,000,000 credit facility will be available for future borrowings.

At July 29, 2005, we had \$125,000,000 in outstanding borrowings under our unsecured \$200,000,000 credit facility. These outstanding borrowings, as of the date of this prospectus supplement, bear interest at 4.75% for the \$100,000,000 that we borrowed on June 13, 2005 to fund a portion of the repayment of our 6.95% Senior Notes due June 2005 and 4.8125% for the \$25,000,000 that we borrowed on July 5, 2005 for general corporate purposes.

CAPITALIZATION

The following table sets forth our historical and unaudited pro forma capitalization as of June 30, 2005, as adjusted to give effect to the issuance of the notes, redemption of the \$185,000,000 aggregate principal amount of the Company's OCEANs and repayment of a portion of the outstanding borrowings under our unsecured \$200,000,000 credit facility. See Use of Proceeds.

	At June 30, 2005	
	Actual	As Adjusted
	(In thousands)	
Notes payable	\$ 546,637	\$ 564,637
Stockholders' Equity:		
Common stock, no par value	44,570	44,570
Common stock, additional paid-in capital	1,206,088	1,206,088
Accumulated other comprehensive income	128,440	128,440
Unearned compensation	(2,389)	(2,389)
Retained earnings	528,966	528,966
Treasury stock, at cost	(188,161)	(188,161)
Total stockholders' equity	1,717,514	1,717,514
Total capitalization	\$ 2,264,151	\$ 2,282,151

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected historical consolidated financial information for AmerUs Group Co. The selected historical consolidated financial information as of and for the years ended December 31, 2004 and 2003 has been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2004, the selected historical consolidated financial information as of and for the year ended December 31, 2002 has been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2002, the selected historical consolidated financial information as of and for the years ended December 31, 2001 and 2000 has been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2001, and the selected historical consolidated financial information as of and for the six months ended June 30, 2005 and 2004 has been derived from the unaudited interim consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2005. This selected consolidated financial information should be read in conjunction with and is qualified by reference to these financial statements and the related notes. The following consolidated statements of income and consolidated balance sheet data have been prepared in conformity with GAAP.

	For the Six Months Ended June 30,		For the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001(A)	2000
	(Unaudited)						
	(Dollars in millions, except for per share amounts)						
Consolidated Income Statement Data:							
Revenues:							
Insurance premiums	\$ 123.5	\$ 134.5	\$ 267.7	\$ 297.2	\$ 351.3	\$ 305.9	\$ 266.2
Product charges	113.7	103.8	220.5	181.4	144.5	146.1	99.9
Net Investment income	545.8	508.2	1,037.4	1,001.9	1,001.3	873.2	699.5
Realized/unrealized gains (losses) on investments	(42.7)	(44.6)	18.1	131.3	(149.9)	(90.6)	(29.0)
Other income	23.8	23.9	71.4	68.3	68.5	45.7	35.0
Total revenues	764.1	725.8	1,615.1	1,680.1	1,415.7	1,280.3	1,071.6
Benefits and expenses							
Policyowner benefits	413.8	406.8	888.7	953.9	879.8	757.5	627.4
Total insurance and other expenses	166.8	177.7	385.0	358.4	316.4	278.6	224.5
Dividends to policyowners	51.9	36.4	81.1	98.4	104.9	98.9	74.3
Total benefits and expenses	632.5	620.9	1,354.8	1,410.7	1,301.1	1,135.0	926.2
	131.6	104.9	260.3	269.4	114.6	145.3	145.4

Income from continuing operations

Interest expense	16.0	16.3	32.1	30.2	25.5	26.0	29.7
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Income before tax expense and minority interest

	115.6	88.6	228.2	239.2	89.1	119.3	115.7
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Income tax expense	18.5	10.1	39.0	78.6	28.3	39.5	42.5
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Minority interest							21.7
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Net income from continuing operations

	97.1	78.5	189.2	160.6	60.8	79.8	51.5
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Discontinued operations (net of tax):

Income from discontinued operations				1.8	2.1	1.3	0.3
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Gain on sale of discontinued operations		3.9	3.9				
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Net income before cumulative effect of change in accounting for derivatives

	97.1	82.4	193.1	162.4	62.9	81.1	51.8
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Cumulative effect of change in accounting for derivatives, net of tax		(0.5)	(0.5)	(1.3)		(8.2)	
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Net income	\$ 97.1	\$ 81.9	\$ 192.6	\$ 161.1	\$ 62.9	\$ 72.9	\$ 51.8
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Net income from continuing operations per share