SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

Filing Date: **1999-09-10** | Period of Report: **1999-06-30**
SEC Accession No. 0000719241-99-000030

(HTML Version on secdatabase.com)

FILER

CONSECO INC

CIK:**719241**| IRS No.: **351468632** | State of Incorp.:**IN** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **001-09250** | Film No.: **99709316**
SIC: **6321** Accident & health insurance

Mailing Address	Business Address
11825 N PENNSYLVANIA ST	*11825 N PENNSYLVANIA ST*
CARMEL IN 46032	*CARMEL IN 46032*
	3178176100

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

Form 10-Q/A

Amendment No. 1

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

For the quarterly period ended June 30, 1999

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

For the transition period from ______ to ______

Commission File Number 1-9250

Conseco, Inc.

Indiana	No. 35-1468632
State of Incorporation	IRS Employer Identification No.

11825 N. Pennsylvania Street Carmel, Indiana 46032	(317) 817-6100
Address of principal executive offices	Telephone

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes [X] No [ ]

Shares of common stock outstanding as of July 30, 1999: 327,054,211

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CONSECO, INC. AND SUBSIDIARIES

EXPLANATORY PARAGRAPH

This Form 10-Q/A amends the Form 10-Q filed by Conseco, Inc. on August 16, 1999, to correct the typographical error included in the captions in the chart at the end of page 9 of the Form 10-Q. The corrected caption refers to securitizations completed in the first six months of 1999. In accordance with the instructions for Form 10-Q/A, Item 1 is included herein in its entirety.

<TABLE>
<CAPTION>

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

CONSECO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(Dollars in millions)

ASSETS

	June 30, 1999	December 31, 1998

	June 30, 1999 (unaudited)	December 31, 1998
<S>	<C>	<C>
Investments:		
Actively managed fixed maturities at fair value (amortized cost: 1999 - $23,336.8; 1998 - $21,848.3)	$22,385.5	$21,827.3
Interest-only securities at fair value (amortized cost: 1999 - $1,518.6; 1998 - $1,313.6)	1,429.9	1,305.4
Equity securities at fair value (cost: 1999 - $456.8; 1998 - $373.0)	474.4	376.4
Mortgage loans	1,243.4	1,130.2
Policy loans	672.3	685.6
Other invested assets	1,129.8	1,259.8
Short-term investments	1,136.5	1,704.7
Assets held in separate accounts	1,180.0	899.4
Total investments	29,651.8	29,188.8
Accrued investment income	456.6	383.8
Finance receivables	4,011.0	3,299.5
Cost of policies purchased	2,453.2	2,425.2
Cost of policies produced	1,775.5	1,453.9
Reinsurance receivables	966.0	734.8
Goodwill	3,906.0	3,960.2
Cash held in segregated accounts for investors	895.3	843.7
Other assets	1,417.1	1,310.0
Total assets	$45,532.5	$43,599.9

</TABLE>

(continued on next page)

The accompanying notes are an integral part of the consolidated financial statements.

<TABLE>
<CAPTION>

CONSECO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET, continued
(Dollars in millions)

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 1999 (unaudited)	December 31, 1998
<S>	<C>	<C>
Liabilities:		
Liabilities for insurance and asset accumulation products:		
Interest-sensitive products	$17,379.4	$17,229.4
Traditional products	6,532.2	6,391.6
Claims payable and other policyholder funds	1,408.8	1,491.5
Unearned premiums	378.2	376.6
Liabilities related to separate accounts	1,180.0	899.4
Liabilities related to deposit products	938.2	541.7
Investor payables	895.3	843.7
Other liabilities	1,992.2	1,980.7
Income tax liabilities	18.8	197.1
Investment borrowings	1,349.3	956.2

Notes payable and commercial paper:		
Corporate	2,899.6	2,932.2
Finance	3,103.7	2,389.3
Total liabilities	38,075.7	36,229.4
Minority interest:		
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts	2,100.2	2,096.9
Shareholders' equity:		
Preferred stock	-	105.5
Common stock and additional paid-in capital (no par value, 1,000,000,000 shares authorized, shares issued and outstanding: 1999 - 326,730,615; 1998 - 315,843,609)	2,940.5	2,736.5
Accumulated other comprehensive loss (net of applicable deferred income taxes: 1999 - $(297.4); 1998 - $(16.3))	(547.3)	(28.4)
Retained earnings	2,963.4	2,460.0
Total shareholders' equity	5,356.6	5,273.6
Total liabilities and shareholders' equity	$45,532.5	$43,599.9

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

<TABLE>
<CAPTION>

CONSECO, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
(Dollars in millions except per share amounts)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Revenues:				
Insurance policy income	$1,020.0	$ 989.8	$2,027.4	$1,979.9
Net investment income	709.1	599.4	1,355.5	1,266.2
Gain on sale of finance receivables	226.0	127.6	425.8	271.3
Net investment gains (losses)	(22.9)	12.3	(21.9)	117.1
Fee revenue and other income	121.3	88.1	232.6	167.5
Total revenues	2,053.5	1,817.2	4,019.4	3,802.0
Benefits and expenses:				
Insurance policy benefits	920.5	886.6	1,810.2	1,841.0
Interest expense	125.5	108.9	236.1	215.3
Amortization	153.2	147.7	304.6	351.2
Other operating costs and expenses	347.2	309.8	653.9	609.7
Impairment charge	-	549.4	-	549.4
Nonrecurring charges	-	148.0	-	148.0

Total benefits and expenses	1,546.4	2,150.4	3,004.8	3,714.6
Income (loss) before income taxes, minority interest and extraordinary charge	507.1	(333.2)	1,014.6	87.4
Income tax expense (benefit)	179.3	(64.3)	359.5	105.9
Income (loss) before minority interest and extraordinary charge	327.8	(268.9)	655.1	(18.5)
Minority interest - distributions on Company-obligated mandatorily redeemable preferred securities of subsidiary trusts, net of income taxes	30.3	18.8	60.5	38.2
Income (loss) before extraordinary charge	297.5	(287.7)	594.6	(56.7)
Extraordinary charge on extinguishment of debt, net of income taxes	-	13.9	-	30.3
Net income (loss)	297.5	(301.6)	594.6	(87.0)
Less preferred stock dividends	-	2.2	.6	4.2
Net income (loss) applicable to common stock	$ 297.5	$ (303.8)	$ 594.0	$ (91.2)
Earnings (loss) per common share:				
Basic:				
Weighted average shares outstanding	323,576,000	310,326,000	322,111,000	309,648,000
Net income (loss) before extraordinary charge	$.92	$(.94)	$1.84	$(.19)
Extraordinary charge	-	.04	-	.10
Net income (loss)	$.92	$(.98)	$1.84	$(.29)
Diluted:				
Weighted average shares outstanding	331,201,000	310,326,000	331,155,000	309,648,000
Net income (loss) before extraordinary charge	$.90	$(.94)	$1.80	$(.19)
Extraordinary charge	-	.04	-	.10
Net income (loss)	$.90	$(.98)	$1.80	$(.29)

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

<TABLE>
<CAPTION>

CONSECO, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Dollars in millions)
(unaudited)

	Total	Preferred stock	Common stock and additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings
<S>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1999	$5,273.6	$105.5	$2,736.5	$ (28.4)	$2,460.0
Comprehensive income, net of tax:					
Net income	594.6				594.6
Change in unrealized depreciation of investments (net of applicable income tax					

benefit of $281.1)	(518.9)	-	-	(518.9)	-
Total comprehensive income	75.7				
Issuance of common shares	163.5	-	163.5	-	-
Tax benefit related to issuance of shares under stock option plans	24.4	-	24.4	-	-
Conversion of preferred stock into common shares	-	(105.5)	105.5	-	-
Cost of shares acquired	(89.4)	-	(89.4)	-	-
Dividends on common stock	(90.6)	-	-	-	(90.6)
Dividends on preferred stock	(.6)	-	-	-	(.6)
Balance, June 30, 1999	$5,356.6	$ -	$2,940.5	$(547.3)	$2,963.4
Balance, January 1, 1998	$5,213.9	$115.8	$2,619.8	$ 200.6	$2,277.7
Comprehensive loss, net of tax:					
Net loss	(87.0)	-	-	-	(87.0)
Change in unrealized appreciation of investments (net of applicable income tax benefit of $1.9)	(.3)	-	-	(.3)	-
Total comprehensive loss	(87.3)				
Conversion of preferred stock into common shares	-	(10.2)	10.2	-	-
Conversion of convertible debentures into common shares	16.3	-	16.3	-	-
Issuance of shares for stock options and for employee benefit plans	118.1	-	118.1	-	-
Tax benefit related to issuance of shares under stock option plans	41.8	-	41.8	-	-
Issuance of warrants in conjunction with financing transaction	7.7	-	7.7	-	-
Cost of shares acquired	(271.2)	-	(152.7)	-	(118.5)
Dividends on common stock	(70.4)	-	-	-	(70.4)
Dividends on preferred stock	(4.2)	-	-	-	(4.2)
Balance, June 30, 1998	$4,964.7	$105.6	$2,661.2	$ 200.3	$1,997.6

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

<TABLE>
<CAPTION>

CONSECO, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in millions)
(unaudited)

	Six months ended June 30, 1999	Six months ended June 30, 1998
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$ 594.6	$ (87.0)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Gain on sale of finance receivables	(425.8)	(271.3)
Points and origination fees received	243.2	110.2
Interest-only securities investment income	(91.5)	(59.8)
Cash received from interest-only securities	234.1	156.6
Servicing income	(81.1)	(67.0)
Cash received from servicing activities	86.1	78.2
Amortization and depreciation	344.2	382.3

Income taxes	176.7	(184.6)
Insurance liabilities	149.3	(7.4)
Accrual and amortization of investment income	(96.7)	(16.0)
Deferral of cost of policies produced and purchased	(386.8)	(405.8)
Nonrecurring and impairment charges	-	692.7
Minority interest	93.0	58.4
Extraordinary charge on extinguishment of debt	-	46.9
Net investment (gains) losses	21.9	(117.1)
Other	(34.6)	78.6
Net cash provided by operating activities before settlement of prior year taxes	826.6	387.9
Payment of taxes in settlement of prior years	(85.1)	-
Net cash provided by operating activities	741.5	387.9
Cash flows from investing activities:		
Sales of investments	8,620.5	15,704.9
Maturities and redemptions of investments	598.6	734.8
Purchases of investments	(10,687.2)	(16,254.3)
Cash received from the sale of finance receivables, net of expenses	6,810.3	5,299.6
Principal payments received on finance receivables	3,960.3	2,598.9
Finance receivables originated	(11,790.3)	(9,434.3)
Other	(76.5)	(87.4)
Net cash used by investing activities	(2,564.3)	(1,437.8)
Cash flows from financing activities:		
Issuance of notes payable and commercial paper	9,077.4	7,712.9
Issuance of common shares	101.5	103.0
Issuance of Company-obligated mandatorily redeemable preferred securities of subsidiary trusts	-	3.7
Payments on notes payable and commercial paper	(8,438.0)	(6,219.0)
Payments to repurchase equity securities	(29.5)	(236.0)
Investment borrowings	393.1	(209.9)
Amounts received for investments in deposit products	1,746.4	1,292.6
Withdrawals from deposit products	(1,425.7)	(1,410.5)
Distributions on Company-obligated mandatorily redeemable preferred securities of subsidiary trusts and common and preferred stock dividends	(170.6)	(130.1)
Net cash provided by financing activities	1,254.6	906.7
Net decrease in short-term investments	(568.2)	(143.2)
Short-term investments, beginning of period	1,704.7	1,154.7
Short-term investments, end of period	$ 1,136.5	$ 1,011.5

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

CONSECO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following notes should be read together with the notes to the consolidated financial statements included in the 1998 Form 10-K of Conseco, Inc. ("we", "Conseco" or the "Company").

BASIS OF PRESENTATION

Our unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring items, that are necessary to present fairly Conseco's financial position and results of operations on a basis consistent with that of our prior audited consolidated financial statements. As permitted by rules and regulations of the Securities and Exchange Commission applicable to quarterly reports on Form 10-Q, we have condensed or omitted certain information and disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP"). We have also reclassified certain amounts from the prior periods to conform to the 1999 presentation. Results for interim periods are not necessarily indicative of the results that may be expected for a full year.

Conseco is a financial services holding company operating throughout the United States. Our insurance subsidiaries develop, market and administer supplemental health insurance, annuity, individual life insurance, individual and group major medical insurance and other insurance products. Our finance subsidiaries originate, purchase, sell and service consumer and commercial finance loans. Conseco's operating strategy is to grow its business by focusing its resources on the development and expansion of profitable products and strong distribution channels, to seek to achieve superior investment returns through active asset management and to control expenses.

When we prepare financial statements in conformity with GAAP, we are required to make estimates and assumptions that significantly affect various reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. For example, we use significant estimates and assumptions in calculating values for the cost of policies produced, the cost of policies purchased, interest-only securities, servicing rights, goodwill, liabilities for insurance and deposit products, liabilities related to litigation, guaranty fund assessment accruals, gain on sale of finance receivables and deferred income taxes. If our future experience differs from these estimates and assumptions, our financial statements could be materially affected.

Consolidation issues. Our consolidated financial statements give retroactive effect to the merger (the "Green Tree Merger") with Green Tree Financial Corporation ("Green Tree") in a transaction accounted for as a pooling of interests (see "Green Tree Merger"). The pooling of interests method of accounting requires the restatement of all periods presented as if Conseco and Green Tree had always been combined. The consolidated statement of shareholders' equity therefore reflects the accounts of the Company as if the additional shares of Conseco common stock issued in the merger had been outstanding during all periods presented. We have eliminated intercompany transactions prior to the merger and we have made certain reclassifications to Green Tree's financial statements to conform to Conseco's presentation.

Our consolidated financial statements exclude the results of material transactions between us and our consolidated affiliates, or among our consolidated affiliates.

ADJUSTMENT TO ACTIVELY MANAGED FIXED MATURITY SECURITIES

We classify our fixed maturity securities into three categories: (i) "actively managed" (which we carry at estimated fair value); (ii) "trading" (which we carry at estimated fair value); and (iii) "held to maturity" (which we carry at amortized cost). We held $71.2 million of trading securities at June 30, 1999, which we included in other invested assets. We held no fixed maturity securities in the held to maturity category at June 30, 1999.

Net unrealized losses on actively managed fixed maturity investments included in shareholders' equity were as follows:

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
	(Dollars in millions)	
Unrealized losses on actively managed fixed maturity investments, net of unrealized gains	$(951.3)	$(21.0)
Adjustments to cost of policies purchased and cost of policies produced	186.5	10.4
Deferred income tax benefit	268.4	6.4
Other	(2.0)	(7.7)

Net unrealized losses on actively managed fixed maturity investments	$(498.4)	$(11.9)

</TABLE>

GREEN TREE MERGER

On June 30, 1998, we completed the Green Tree Merger. We issued a total of 128.7 million shares of Conseco common stock (including 5.0 million common equivalent shares issued in exchange for Green Tree's outstanding options), exchanging .9165 of a share of Conseco common stock for each share of Green Tree common stock. The Green Tree Merger constituted a tax-free exchange and was accounted for under the pooling of interests method. We restated all prior-period consolidated financial statements to include Green Tree as though it had always been a subsidiary of Conseco.

The results of operations for Conseco and Green Tree, separately and combined, for periods prior to the merger were as follows:

<TABLE>
<CAPTION>

	Three months ended June 30, 1998	Six months ended June 30, 1998
	(Dollars in millions)	
<S>	<C>	<C>
Revenues:		
Conseco	$1,533.1	$3,232.1
Green Tree	284.9	570.7
Elimination of intercompany revenues	(.8)	(.8)
Combined	$1,817.2	$3,802.0
Net income (loss):		
Conseco	$ 123.6 (1)	$ 274.7 (1)
Green Tree (including nonrecurring charges)	(422.4) (2)	(358.9)(2)
Elimination of intercompany net income	(2.8)	(2.8)
Combined	$ (301.6)	$ (87.0)

<FN>

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(1) Includes nonrecurring charges of $40.0 million (net of income taxes) related to the Green Tree Merger, including investment banking, accounting, legal and regulatory fees and other costs.

(2) Includes: (i) an impairment charge of $355.8 million (net of income taxes) to reduce the carrying value of the interest-only securities and servicing rights; and (ii) nonrecurring charges of $108.0 million (net of income taxes) related to the Green Tree Merger, including investment banking, accounting, legal and regulatory fees and other costs.

</FN>
</TABLE>

FINANCE RECEIVABLES AND INTEREST-ONLY SECURITIES

Finance receivables, summarized by type, were as follows:

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
	(Dollars in millions)	
<S>	<C>	<C>
Manufactured housing	$ 691.6	$ 798.8
Mortgage services	963.0	603.5
Consumer/credit card	731.3	587.3
Commercial	1,680.1	1,352.9
	4,066.0	3,342.5

Less allowance for doubtful accounts	55.0	43.0
Net finance receivables	$4,011.0	$3,299.5

</TABLE>

We pool and securitize substantially all of the finance receivables we originate. In a typical securitization, we establish a special-purpose entity for the limited purpose of purchasing the finance receivables. This special-purpose entity issues and sells interest-bearing securities that represent interests in the receivables, collateralized by the underlying pool of finance receivables. We, in turn, receive the proceeds from the sale of the securities, which are typically sold at the same amount as the principal balance of the receivables sold. We retain a residual interest, which represents the right to receive, over the life of the pool of receivables: (i) the excess of the principal and interest received on the receivables transferred to the special-purpose entity over the principal and interest paid to the holders of other interests in the securitization; and (ii) servicing fees.

In some securitizations, we also retain certain lower-rated securities that are senior in payment priority to the interest-only securities. Such retained securities had a fair market value and amortized cost of $661.7 million and $684.8 million, respectively, at June 30, 1999, and were classified as actively managed fixed maturity securities.

During the first six months of 1999 and 1998, the Company sold $7.2 billion and $5.4 billion, respectively, of finance receivables in various securitized transactions and recognized gains of $425.8 million and $271.3 million, respectively.

We record the interest-only security initially at a value representing an allocated portion of the cost basis of the finance receivables sold. We adjust this value to estimated fair value each quarter. We used the assumptions in the table below to determine the initial value of the interest-only securities related to new securitizations in the first six months of 1999. The difference between estimated fair value and the security's book value is included in unrealized depreciation of investments.

<TABLE>
<CAPTION>

<S>	Manufactured housing <C>	Home equity/ home improvement <C>	Consumer/ equipment <C>	Total <C>
	(Dollars in millions)			
Cumulative amounts:				
Interest-only securities at fair value	$ 745.1	$ 487.8	$ 197.0	$ 1,429.9
Principal balance of sold finance receivables (a)	22,356.8	9,337.6	3,852.5	35,546.9
Related to securitizations completed in the first six months of 1999:				
Weighted average stated customer interest rate on sold finance receivables (a) (b)	9.5%	11.5%	10.8%	
Expected weighted average annual constant prepayment rate as a percentage of principal balance of sold finance receivables (a) (c)	10.7%	28.1%	18.9%	
Expected nondiscounted credit losses as a percentage of principal balance of sold finance receivables (a) (c)	8.8%	3.2%	1.7%	
Weighted average discount rate used for determining the gain on sale of finance receivables	15.0%	15.0%	15.0%	

<FN>
(a) Excludes finance receivables sold in revolving-trust securitizations.
(b) The stated interest rate reflects reductions in rates due to collection

of points. Including such points, the effective yield on manufactured housing finance receivables was approximately 10.4 percent in the first six months of 1999.

(c) The valuation of interest-only securities is affected not only by the projected level of prepayments of principal and net credit losses, but also by the projected timing of such prepayments and net credit losses. Should such timing differ materially from our projections, it could have a material effect on the valuation of our interest-only securities.

</FN>
</TABLE>

We used a 14 percent weighted average interest rate to discount expected cash flows of the interest-only securities in determining the fair value on the balance sheet at June 30, 1999.

Credit quality was as follows:

<TABLE>
<CAPTION>

	June 30, 1999	June 30, 1998
<S>	<C>	<C>
60-days-and-over delinquencies as a percentage of managed finance receivables at period end	1.09%	1.03%
Net credit losses incurred during the last twelve months as a percentage of average managed finance receivables during the period	1.11%	1.09%
Repossessed collateral inventory as a percentage of managed finance receivables at period end	1.17%	.92%

</TABLE>

Activity in the interest-only securities account was as follows:

<TABLE>
<CAPTION>

	Six months ended June 30, 1999	Six months ended June 30, 1998
	(Dollars in millions)	
<S>	<C>	<C>
Balance, beginning of period	$1,305.4	$1,398.7
Additions resulting from securitizations during the period	347.6	312.5
Investment income	91.5	59.8
Cash received	(234.1)	(156.6)
Impairment change to reduce carrying value	-	(544.4)
Change in unrealized depreciation charged to shareholders' equity	(80.5)	(32.7)
Balance, end of period	$1,429.9	$1,037.3

</TABLE>

CONSECO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

EARNINGS PER SHARE

A reconciliation of income and shares used to calculate basic and diluted earnings per share is as follows:

<TABLE>
<CAPTION>

	Three months ended June 30,	Six months ended June 30,

	1999	1998	1999	1998
	(Dollars in millions and shares in thousands)			
Income:				
Income (loss) before extraordinary charge	$297.5	$(287.7)	$594.6	$(56.7)
Preferred stock dividends	-	2.2	.6	4.2
Income (loss) before extraordinary charge applicable to common ownership for basic earnings per share	297.5	(289.9)	594.0	(60.9)
Effect of dilutive securities:				
Preferred stock dividends	-	-	.6	-
Income (loss) before extraordinary charge applicable to common ownership and assumed conversions for diluted earnings per share	$297.5	$(289.9)	$594.6	$(60.9)
Shares:				
Weighted average shares outstanding for basic earnings per share	323,576	310,326	322,111	309,648
Effect of dilutive securities on weighted average shares:				
Stock options	2,552	-	3,100	-
Employee stock plans	2,031	-	2,018	-
Convertible securities	3,042	-	3,926	-
Dilutive potential common shares	7,625	-	9,044	-
Weighted average shares outstanding for diluted earnings per share	331,201	310,326	331,155	309,648

There were no dilutive common stock equivalents during the 1998 periods because of the net loss realized by the Company during such periods.

BUSINESS SEGMENTS

We manage our business operations through two segments: (i) finance; and (ii) insurance and fee-based.

Finance. We provide a variety of finance products, including: consumer loans for manufactured housing, home improvements, home equity and various consumer products; private label credit card programs; and commercial loans such as revolving credit agreements, asset-backed lending and equipment financing. These products are marketed both direct to the borrower and through intermediary channels such as dealers, vendors, contractors and retailers.

Insurance and fee-based. We provide supplemental health, annuity, life, and individual and group major medical products to a broad spectrum of customers through several distribution channels, including career agents, professional independent producers and direct contact.

Segment operating information was as follows:

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
	(Dollars in millions)			
Revenues:				
Insurance and fee-based segment:				
Insurance policy income	$1,020.0	$ 989.8	$2,027.4	$1,979.9
Net investment income	560.0	505.0	1,082.0	1,088.3
Fee and other revenue	33.7	26.0	62.4	46.8

Net investment gains (losses)	(22.9)	12.3	(21.9)	117.1
Total insurance and fee-based segment revenues	1,590.8	1,533.1	3,149.9	3,232.1
Finance segment:				
Net investment income	153.9	95.2	283.2	178.7
Gain on sale of finance receivables	226.0	127.6	425.8	271.3
Fee revenue and other income	87.6	62.1	170.2	120.7
Total finance segment revenues	467.5	284.9	879.2	570.7
Eliminations	(4.8)	(.8)	(9.7)	(.8)
Total revenues	2,053.5	1,817.2	4,019.4	3,802.0
Expenses:				
Insurance and fee-based segment:				
Insurance policy benefits	920.5	886.6	1,810.2	1,841.0
Amortization	152.4	147.7	303.0	351.2
Interest expense	16.6	18.2	28.4	37.1
Other operating costs and expenses	163.9	155.5	317.8	316.7
Total insurance and fee-based segment expenses	1,253.4	1,208.0	2,459.4	2,546.0
Finance segment:				
Interest expense	69.6	55.2	126.2	103.7
Other operating costs and expenses	172.5	150.6	322.4	285.5
Impairment charge	-	549.4	-	549.4
Nonrecurring charges	-	148.0	-	148.0
Total finance segment expenses	242.1	903.2	448.6	1,086.6
Not allocated to segments:				
Interest expense	44.1	36.3	91.2	75.3
Other operating cost and expenses	11.6	3.7	15.3	7.5
Total expenses not allocated to segments	55.7	40.0	106.5	82.8
Eliminations	(4.8)	(.8)	(9.7)	(.8)
Total expenses	1,546.4	2,150.4	3,004.8	3,714.6
Income (loss) before income taxes, minority interest and extraordinary charge:				
Insurance operations	337.4	325.1	690.5	686.1
Finance operations	225.4	(618.3)	430.6	(515.9)
Corporate interest and other expenses	(55.7)	(40.0)	(106.5)	(82.8)
Income (loss) before income taxes, minority interest and extraordinary charge	$ 507.1	$ (333.2)	$1,014.6	$ 87.4

</TABLE>

CONSECO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS

Our equity-indexed annuity products provide a guaranteed base rate of return and a higher potential return linked to the performance of the Standard &

Poor's 500 Index ("S&P 500 Index"). We buy Standard & Poor's 500 Index Call Options (the "S&P 500 Call Options") in an effort to hedge potential increases to policyholder benefits resulting from increases in the S&P 500 Index to which the product's return is linked. We include the cost of the S&P 500 Call Options in the pricing of these products. The values of these options fluctuate in relation to changes in policyholder account balances for these annuities. We reflect changes in the value of these options in net investment income. During the six months of 1999 and 1998, net investment income included $84.4 million and $72.0 million, respectively, related to these changes. Such investment income was substantially offset by increases to policyholder account balances. The value of the S&P 500 Call Options was $165.1 million at June 30, 1999. We classify such instruments as other invested assets. We defer the premiums paid to purchase the S&P 500 Call Options and amortize them to investment income over their terms. Such amortization was $43.4 million and $18.6 million during the first six months of 1999 and 1998, respectively.

For investment purposes, we entered into various interest-rate swap agreements having an aggregate notional principal amount of $2.0 billion at June 30, 1999. The agreements effectively exchange a fixed rate of interest on the notional amount for a floating rate. The agreements mature in various years through 2008 and have an average remaining life of 4.2 years (the average call date is 2.2 years). We mark such agreements to market each quarter, with the related gain (loss) classified as investment income in the consolidated statement of operations. At June 30, 1999, our interest-rate swap agreements had a fair value of $12.4 million.

If the counterparties of these financial instruments fail to meet their obligations, Conseco may have to recognize a loss. Conseco limits its exposure to such a loss by diversifying among several counterparties believed to be strong and creditworthy. At June 30, 1999, all of the counterparties were rated "A" or higher by Standard & Poor's Corporation.

In conjunction with certain sales of finance receivables, we provided guarantees aggregating approximately $1.7 billion at June 30, 1999. We believe the likelihood of a significant loss from such guarantees is remote.

REINSURANCE

The cost of reinsurance ceded totaled $232.7 million and $276.8 million in the first six months of 1999 and 1998, respectively. We deducted this cost from insurance policy income. Conseco is contingently liable for claims reinsured if the assuming company is unable to pay. Reinsurance recoveries netted against insurance policy benefits totaled $229.1 million and $238.0 million in the first six months of 1999 and 1998, respectively.

CORPORATE NOTES PAYABLE AND COMMERCIAL PAPER

Corporate notes payable and commercial paper (together with interest rates as of June 30, 1999) were as follows:

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
	(Dollars in millions)	
<S>	<C>	<C>
Commercial paper (5.39%)	$ 763.0	$ 784.4
Bank credit facilities (5.39%)	86.6	372.3
Notes payable (5.6%)	400.0	400.0
6.4% notes due 2001	550.0	550.0
6.4% notes due 2003	250.0	250.0
6.5% convertible subordinated notes due 2003	86.0	86.0
6.8% senior notes due 2005	250.0	250.0
7.6% senior notes due 2001	275.0	-
7.875% notes due 2000	150.0	150.0
8.125% senior notes due 2003	63.5	63.5
10.5% senior notes due 2004	24.5	24.5
Other	12.1	13.5

Total principal amount	2,910.7	2,944.2
Less unamortized net discount	11.1	12.0
Total	$2,899.6	$2,932.2

</TABLE>

Our current bank credit facilities allow us to borrow up to $2.5 billion, of which $1.5 billion may be borrowed until 2003 and $1.0 billion may be borrowed until September 1999. Actual borrowings at June 30, 1999, totaled $1,250.0 million (of which $1,163.4 million was used to finance the funding of finance receivables and is classified as finance notes payable - See "Changes in Finance Notes Payable"). The credit facility requires us to maintain various financial ratios, as defined in the agreement, including: (i) a debt-to-total capitalization ratio less than .45:1 (such ratio was .36:1 at June 30, 1999); and (ii) an interest coverage ratio greater than 2.0:1 during the period October 1, 1998 through September 30, 1999, greater than 2.25:1 for the period October 1, 1999 through September 30, 2001 and greater than 2.50:1 thereafter (such ratio was 4.89:1 for the period ended June 30, 1999). Our unsecured bank credit facilities are used to support our commercial paper program.

In June 1999, the Company issued $275.0 million of senior notes. Such notes are due June 21, 2001 and bear interest at 7.6 percent. The net proceeds were used to reduce amounts outstanding under our bank credit facilities and commercial paper program.

Borrowings under our commercial paper program averaged approximately $1,069.2 million during the first six months of 1999, at a weighted average interest rate of 5.14 percent.

CHANGES IN FINANCE NOTES PAYABLE

Notes payable (together with interest rates as of June 30, 1999) related to our financing activities were as follows:

<TABLE>
<CAPTION>

<S>	June 30, 1999 <C>	December 31, 1998 <C>
	(Dollars in millions)	
Bank credit facilities (5.39%)	$1,163.4	$ 877.7
Master repurchase agreements due on various dates in 1999 and 2000 (6.35%)	1,009.1	780.6
Credit facility collateralized by retained interests in securitizations due 2000 (7.16%)	500.0	300.0
10.25% senior subordinated notes due 2002	193.6	194.0
Medium term notes due October 1999 to April 2003 (6.58%)	238.7	238.7
Other	3.2	3.2
Total principal amount	3,108.0	2,394.2
Less unamortized net discount	4.3	4.9
Total	$3,103.7	$2,389.3

</TABLE>

As of June 30, 1999, we had $5.0 billion of master repurchase agreement capacity (of which $1,009.1 million was outstanding at June 30, 1999) with various investment banking firms, subject to the availability of eligible collateral. The agreements generally provide for one-year terms, which can be extended each quarter by mutual agreement of the parties for an additional year, based upon the financial performance of our finance segment.

CHANGES IN PREFERRED STOCK

In February 1999, we redeemed all $105.5 million (carrying value) of outstanding shares of Preferred Redeemable Increased Dividend Equity Securities, 7% PRIDES Convertible Preferred Stock ("PRIDES") in exchange for 5.9 million shares of Conseco common stock.

CHANGES IN COMMON STOCK

Changes in the number of shares of common stock outstanding were as follows (shares in thousands):

	Six months ended June 30, 1999	Six months ended June 30, 1998
Balance, beginning of period	315,844	310,012
Stock options exercised	4,718	6,389
Stock warrants exercised	-	862
Issuance of shares	3,115	-
Common shares converted from convertible subordinated debentures	-	540
Common shares converted from PRIDES	5,904	573
Common stock acquired under option exercise and repurchase programs	(2,900)	(5,989)
Shares issued under employee benefit and compensation plans	50	674
Shares returned by former executive due to recomputation of bonus	-	(698)
Balance, end of period	326,731	312,363

On June 30, 1999, we sold 3.1 million shares of our common stock to an unaffiliated party (the "Buyer") at the then-current market value of $29.0625 per share. Proceeds from the sale of $89.4 million (net of issuance costs of $1.1 million) were used to repay certain indebtedness of the Company. Simultaneous with the issuance of the common stock, we entered into a forward transaction with the Buyer to be settled at $29.0625 per share on or before December 15, 1999, in a method of our choosing (i.e., we may select cash settlement, transfer of net shares to or from the Buyer, or transfer of net cash to or from the Buyer). In the interim, we will make payments to the Buyer equivalent to a total fixed return of LIBOR plus 65 basis points for the length of time the forward transaction is outstanding.

RECENTLY ISSUED ACCOUNTING STANDARDS

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, ("SFAS 133") requires all derivative instruments to be recorded on the balance sheet at estimated fair value. Changes in the fair value of derivative instruments are to be recorded each period either in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, on the type of hedge transaction. We are required to implement the provisions of SFAS 133 for the year 2001. We are currently evaluating the impact of SFAS 133. At present, we believe it will not have a material effect on either our consolidated financial position or our results of operations.

LITIGATION

Green Tree has been served with various related lawsuits which were filed in the United States District Court for the District of Minnesota. These lawsuits were filed as purported class actions on behalf of persons or entities who purchased common stock or options of Green Tree during the alleged class periods that generally run from February 1995 to January 1998. One such action did not include class action claims. In addition to Green Tree, certain current and former officers and directors of Green Tree are named as defendants in one or more of the lawsuits. Green Tree and other defendants have obtained an order from the United States District Court for the District of Minnesota consolidating the lawsuits seeking class action status into two actions: one which pertains to a purported class of common stockholders and the other which pertains to a purported class of stock option traders. Plaintiffs in the lawsuits assert claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. In each case, plaintiffs allege that Green Tree and the other defendants violated federal securities laws by, among other things, making false and misleading statements about the current state and future prospects of Green Tree (particularly with respect to prepayment assumptions and performance of certain loan portfolios of Green Tree) which allegedly rendered Green Tree's financial statements false and misleading. The Company believes that the lawsuits are without merit and intends to defend such lawsuits vigorously. The ultimate outcome of these lawsuits cannot be predicted with certainty. Green Tree has filed motions, which are pending, to dismiss these lawsuits.

In addition, the Company and its subsidiaries are involved on an ongoing basis in lawsuits related to their operations. Although the ultimate outcome of certain of such matters cannot be predicted, such lawsuits currently pending against the Company or its subsidiaries are not expected, individually or in the aggregate, to have a material adverse effect on the Company's consolidated financial condition, cash flows or results of operations.

CONSOLIDATED STATEMENT OF CASH FLOWS

The following disclosures supplement our consolidated statement of cash flows:
<TABLE>
<CAPTION>

	Six months ended June 30, 1999	Six months ended June 30, 1998
	(Dollars in millions)	
<S>	<C>	<C>
Non-cash items not reflected in the consolidated statement of cash flows:		
Issuance of common stock under stock option and employee benefit plans........................	$ 2.1	$ 3.3
Tax benefit related to the issuance of common stock under employee benefit plans..............	24.4	41.8
Conversion of debt and preferred stock into common stock......................................	105.5	26.5
Shares returned by former executive due to recomputation of bonus............................	-	23.4
Issuance of stock warrants in conjunction with financing transaction.........................	-	7.7

</TABLE>

SIGNATURE

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

CONSECO, INC.

Dated: September 10, 1999 By: /s/ ROLLIN M. DICK

Rollin M. Dick
Executive Vice President and

Chief Financial Officer
(authorized officer and principal
financial officer)