

EMC INSURANCE GROUP INC  
Form 8-K  
March 26, 2010

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 23, 2010

EMC INSURANCE GROUP INC.  
(Exact name of registrant as specified in its charter)

Iowa (State or other jurisdiction of incorporation)	0-10956 (Commission File Number)	42-6234555 (I.R.S. Employer Identification No.)
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717 Mulberry Street, Des Moines, Iowa  
(Address of principal executive offices)

50309  
(Zip Code)

(515) 345-2902  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

As a result of the Patient Protection and Affordable Care Act (H.R. 3590) signed into law on March 23, 2010 (the “Act”), beginning in 2011 the Registrant will no longer be able to claim a tax deduction for drug expenses that are reimbursed under the Medicare Part D retiree drug subsidy (RDS) program. Although this tax change does not take effect until 2011, the Registrant is required to recognize the financial impact in the period in which the Act was signed. Because retiree healthcare liabilities and the related deferred tax benefits are currently reflected in the Registrant’s financial statements, the change will result in a decrease in the Registrant’s earnings in the first quarter of 2010 of approximately \$800,000. This decrease in earnings reflects the anticipated decrease in the deferred tax asset that will occur as a result of the Act. The Registrant operating income guidance for 2010 is based on tax law in effect as of February 3, 2010 and does not include the impact of the Act.

The Private Securities Litigation Reform Act of 1995 provides issuers the opportunity to make cautionary statements regarding forward-looking statements. Accordingly, any forward-looking statement contained in this report is based on management’s current beliefs, assumptions and expectations of the Registrant’s future performance, taking into account all information currently available to management. These beliefs, assumptions and expectations can change as the result of many possible events or factors, not all of which are known to management. If a change occurs, the Registrant business, financial condition, liquidity, results of operations, plans and objectives may vary materially from those expressed in the forward-looking statements. The risks and uncertainties that may affect the actual results of the Registrant include, but are not limited to, the following:

- catastrophic events and the occurrence of significant severe weather conditions;
  - the adequacy of loss and settlement expense reserves;
  - state and federal legislation and regulations;
- changes in the property and casualty insurance industry, interest rates or the performance of financial markets and the general economy;
  - rating agency actions;
  - “other-than-temporary” investment impairment losses; and
- other risks and uncertainties inherent to the Registrant’s business, including those discussed under the heading “Risk Factors” in the Registrant’s Annual Report on Form 10-K.

Management intends to identify forward-looking statements when using the words “believe”, “expect”, “anticipate”, “estimate”, “project” or similar expressions. Undue reliance should not be placed on these forward-looking statements.

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SIGNATURES

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 hereunto duly authorized, on March 26, 2010.

EMC INSURANCE GROUP INC.  
Registrant

/s/ Bruce G. Kelley  
Bruce G. Kelley  
President & Chief Executive Officer

/s/ Mark E. Reese  
Mark E. Reese  
Senior Vice President and  
Chief Financial Officer

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