

## Unico American Corporation Reports Third Quarter 2013 Financial Results

Written by Australian Business

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WOODLAND HILLS, Calif.--( [BUSINESS WIRE](#) )--Unico American Corporation (NASDAQ: UNAM) ("Unico," the "Company"), announced today its consolidated financial results for the three and nine months ended September 30, 2013. For the three months ended September 30, 2013, revenues were \$7.7 million and net loss was \$0.4 million (\$0.07 diluted loss per share) compared with revenues of \$8.2 million and net income of \$0.7 million (\$0.14 diluted income per share) for the three months ended September 30, 2012. For the nine months ended September 30, 2013, revenues were \$23.4 million and net loss was \$0.1 million (\$0.02 diluted loss per share) compared with revenues of \$24.8 million and net income of \$1.4 million (\$0.26 diluted income per share) for the nine months ended September 30, 2012.

As of September 30, 2013, the Company had cash and investments (at amortized cost) of \$107.3 million. \$13.8 million, or 13% of these investments were fixed maturity investments, and 51% of those fixed maturity investments were U.S. treasury securities. \$93.3 million, or 87% of these investments were in short term investments, and 98% of those short term investments were U.S. treasury bills.

Stockholders' equity was \$70.2 million as of September 30, 2013, or \$13.14 per common share including unrealized losses, net of tax, of \$0.002 million, compared to stockholders' equity of \$70.4 million as of December 31, 2012, or \$13.18 per common share including unrealized gains, net of tax, of \$0.1 million.

Headquartered in Woodland Hills, California, Unico is an insurance holding company that underwrites property and casualty insurance through its insurance company subsidiary; provides property, casualty, and health insurance through its agency subsidiaries; and through its other subsidiaries provides insurance premium financing and membership association services. Unico has conducted the majority of its operations through its subsidiary Crusader Insurance Company since 1985. For more information concerning Crusader Insurance Company, please visit the Crusader's Web site at [www.crusaderinsurance.com](http://www.crusaderinsurance.com)

*Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Certain statements contained herein that are not historical facts are forward-looking. These statements, which may be identified by forward-looking words or phrases such as "anticipate," "appears," "believe," "expect," "intend," "may," "should," and "would," involve risks and uncertainties, many of which are beyond the control of the Company. Such risks*

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*and uncertainties could cause actual results to differ materially from these forward-looking statements. Factors which could cause actual results to differ materially include underwriting actions not being effective, rate increases for coverages not being sufficient, premium rate adequacy relating to competition or regulation, actual versus estimated claim experience, regulatory changes or developments, unforeseen calamities, general market conditions, and the Company's ability to introduce new profitable products.*

Financial Tables Follow –

UNICO AMERICAN CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(\$ in thousands)

	September 30		December 31
2013	(	Unaudited	) 2012

## ASSETS

Investments  
Available for sale:

Fixed maturities, at fair value (amortized cost: September 30,	2013 \$13,798; December
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\$	13,798	\$
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Short-term investments, at fair value	93,322
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Total Investments	107,120	119
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Cash	164	161
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Accrued investment income	10	156
Receivables, net	5,828	5,7
Reinsurance recoverable:		
Paid losses and loss adjustment expenses	93	305
Unpaid losses and loss adjustment expenses	5,037	6,5
Deferred policy acquisition costs	3,798	3,7
Property and equipment, net	10,283	857
Deferred income taxes	1,688	1,8
Other assets		2,089
Total Assets	\$	136,110

### LIABILITIES AND STOCKHOLDERS' EQUITY

#### LIABILITIES

Unpaid losses and loss adjustment expenses		46,877
Unearned premiums	16,014	16,
Advance premium and premium deposits	524	756
Accrued expenses and other liabilities		2,512

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Total Liabilities	\$	65,927
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Commitments and contingencies

## STOCKHOLDERS' EQUITY

Common stock, no par – authorized 10,000,000 shares; issued		and outstanding shares
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\$	3,703	\$
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Accumulated other comprehensive income (loss)		121
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Retained earnings		66,480
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Total Stockholders' Equity	\$	70,183
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Total Liabilities and Stockholders' Equity	\$	136,110
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UNICO AMERICAN CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)  
(In thousands, except per share)

Three Months Ended

Nine Months Ended

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September 30  
2013

September 30

## REVENUES

### Insurance Company Revenues

Net premium earned	6,759	6,941
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Investment income	68	303
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Other income		41
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Total Insurance Company Revenues	6,868	7,385
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### Other Revenues from Insurance Operations

Gross commissions and fees	779	821
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Investment income	-	-
Finance charges and fees earned	19	19
Other income		17
Total Revenues		7,683

### EXPENSES

Losses and loss adjustment expenses	4,766	3,572
Policy acquisition costs	1,538	

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		1,660
Salaries and employee benefits	1,228	1,253
Commissions to agents/brokers	55	59
Other operating expenses		640
Total Expenses		8,227
Income (loss) before taxes	(544	)
Income tax expense (benefit)		(176

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Net Income (Loss)	\$	(368)
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## PER SHARE DATA:

Basic

Earnings (Loss) Per Share	\$	(0.07)
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Weighted average shares	5,341
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5,338

Diluted

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Earnings (Loss) Per Share	\$	(0.07)
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Weighted average shares	5,341	5,350
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UNICO AMERICAN CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)  
(\$ in thousands)

For the Nine Months Ended  
September 30  
2013

Cash flows from operating activities:		
Net income (loss)	\$	(110)

Adjustments to reconcile net income (loss) to net cash from operations		
Depreciation and amortization	161	91

Bond amortization, net	4	69
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Non-cash stock based compensation	17	17
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Changes in assets and liabilities

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Net receivables and accrued investment income	63	(306)
Reinsurance recoverable	1,759	209
Deferred policy acquisitions costs	(12	)
Other assets	(1,029	)
Unpaid losses and loss adjustment expenses	(2,908	)
Unearned premium	(16	)
Advance premium and premium deposits	(232	)
Accrued expenses and other liabilities	(528	)
Income taxes current/deferred		(154
Net Cash Used by Operating Activities		(2,985
Cash flows from investing activities:		
Purchase of fixed maturity investments	(3,149	)

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Proceeds from maturity of fixed maturity investments	22,791	44,635
Net increase in short-term investments	(7,066)	)
Acquisition of land and building	(9,000)	)
Additions to property and equipment		(587)
Net Cash Provided by Investing Activities		2,989
Cash flows from financing activities:		
Proceeds from exercise of stock options	-	15
Repurchase and adjustment of common stock	-	(226)
Dividends paid to stockholders	-	
Net Cash Used by Financing Activities	-	

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Net increase (decrease) in cash	4	(372)
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Cash at beginning of period		160
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Cash at End of Period

\$	164	
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Supplemental Cash Flow Information

Cash paid during the period for:

Interest

-

-

Income taxes

\$

159