

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

WOODLAND HILLS, Calif.--([BUSINESS WIRE](#))--Unico American Corporation (NASDAQ: UNAM) (“Unico,” the “Company”), announced today its consolidated financial results for the three months ended March 31, 2014. For the three months ended March 31, 2014, revenues were \$7.4 million and net income was \$0.6 million (\$0.11 diluted income per share) compared with revenues of \$7.9 million and net income of \$0.1 million (\$0.00 diluted income per share) for the three months ended March 31, 2013.

Stockholders’ equity was \$71.5 million as of March 31, 2014, or \$13.39 per common share including unrealized after-tax investment losses of \$0.001 million, compared to stockholders’ equity of \$70.9 million as of December 31, 2013, or \$13.27 per common share including unrealized after-tax investment losses of \$0.006 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 Crusader’s website at 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 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 Reports First Quarter 2014 Financial Results

Written by Australian Business

UNICO AMERICAN CORPORATION

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(\$ in thousands)

March 31

2014

(Unaudited)

ASSETS

Investments
Available for sale:

Fixed maturities, at fair value (amortized cost: March 31, 2014

\$11,745; December 31, 2013

\$ 11,743

\$

Short-term investments, at fair value

94,563

Total Investments

106,306

105,743

Cash

97

376

Accrued investment income

11

5

Receivables, net

5,099

5,157

Reinsurance recoverable:

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

Paid losses and loss adjustment expenses	21	184
Unpaid losses and loss adjustment expenses	4,281	4,428
Deferred policy acquisition costs	3,668	3,636
Property and equipment, net	10,168	10,170
Deferred income taxes	1,446	1,373
Other assets		1,414
Total Assets	\$	132,961

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Unpaid losses and loss adjustment expenses		43,133
Unearned premiums	15,133	15,261
Advance premium and premium deposits	490	465
Income taxes payable	144	-
Accrued expenses and other liabilities		2,563

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

Total Liabilities \$ 61,463

Commitments and contingencies

STOCKHOLDERS' EQUITY

Common stock, no par – authorized 10,000,000 shares; issued and outstanding shares

\$ 3,714 \$

Accumulated other comprehensive loss (1)

Retained earnings 67,785

Total Stockholders' Equity \$ 71,498

Total Liabilities and Stockholders' Equity 132,961

UNICO AMERICAN CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

(In thousands, except per share)

March 31 2014	Three Months Ended	
		2013

REVENUES

Insurance Company Revenues			
Net premium earned	\$	6,388	\$
Investment income	31		121
Other income		256	
Total Insurance Company Revenues	6,675		7,045
Other Revenues from Insurance Operations			
Gross commissions and fees	735		882
Investment income	-		-
Finance fees earned	17		20
Other income		13	
Total Revenues		7,440	

EXPENSES

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

Losses and loss adjustment expenses	2,892		4,557
Policy acquisition costs	1,477		1,434
Salaries and employee benefits	1,282		1,263
Commissions to agents/brokers	44		61
Other operating expenses		839	
Total Expenses		6,534	
Income Before Taxes	906		56
Income Tax Expense		314	
Net Income	\$	592	\$

PER SHARE DATA:

Basic Earnings Per Share	\$	0.11	\$
Weighted Average Shares		5,341,147	5,341,147
Diluted Earnings Per Share	\$	0.11	\$
Weighted Average Shares		5,345,478	5,344,463

UNICO AMERICAN CORPORATION
 AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (UNAUDITED)
 (\$ in thousands)

March 31	For the Three Months Ended	
	2014	
Cash flows from operating activities:		
Net Income	\$	592
Adjustments to reconcile net income to net cash from operations		
Depreciation and amortization	138	53
Bond amortization, net	(1)
Non-cash stock based compensation	6	6
Changes in assets and liabilities		
Net receivables and accrued investment income	51	288
Reinsurance recoverable	(140)
Deferred policy acquisition costs	(32)
Other assets	120	36
Unpaid losses and loss adjustment expenses	(744)
Unearned premiums	(128)

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

Advance premium and premium deposits	25	(143)
Accrued expenses and other liabilities	209	(359)
Income taxes current/deferred	317	
Net Cash Provided by Operating Activities	413	
Cash flows from investing activities:		
Purchase of fixed maturity investments	-	(699)
Proceeds from maturity of fixed maturity investments	200	7,948
Net increase in short-term investments	(756))
Additions to property and equipment	(136))
Net Cash Used by Investing Activities	(692))
Cash flows from financing activities:		
Net Cash Provided (Used) by Financing Activities	-	

Unico American Corporation Reports First Quarter 2014 Financial Results

Written by Australian Business

Net (decrease) increase in cash	(279)
---------------------------------	------	---

Cash at beginning of period		376
-----------------------------	--	-----

Cash at End of Period	\$	97
-----------------------	----	----

Supplemental cash flow information

Cash paid during the period for:

Interest	-	-
----------	---	---

Income taxes	-	-
--------------	---	---