

UNICO AMERICAN CORP
Form 10-Q
August 13, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2010 or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 0-3978

UNICO AMERICAN CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

95-2583928
(I.R.S. Employee
Identification No.)

23251 Mulholland Drive, Woodland Hills, California 91364
(Address of Principal Executive Offices) (Zip Code)

(818) 591-9800
(Registrant's Telephone Number, Including Area Code)

No Change
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerator filer and large accelerator in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 13, 2010
Common Stock, \$0 Par value per share	5,316,454

PART 1 - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

UNICO AMERICAN CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30 2010 (Unaudited)	December 31 2009
ASSETS		
Investments		
Available for sale:		
Fixed maturities, at fair value (amortized cost: June 30, 2010 \$122,013,854; December 31, 2009 \$128,440,695)	\$ 126,339,816	\$ 132,595,483
Short-term investments, at cost	12,953,815	9,157,832
Total Investments	139,293,631	141,753,315
Cash	33,262	118,512
Accrued investment income	734,363	763,840
Premiums and notes receivable, net	4,379,418	4,364,747
Reinsurance recoverable:		
Paid losses and loss adjustment expenses	150,813	453,314
Unpaid losses and loss adjustment expenses	14,142,741	16,175,863
Deferred policy acquisition costs	4,681,201	4,955,636
Property and equipment (net of accumulated depreciation)	382,644	221,255
Deferred income taxes	605,558	633,191
Other assets	701,585	668,979
Total Assets	\$ 165,105,216	\$ 170,108,652
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Unpaid losses and loss adjustment expenses	\$ 66,921,494	\$ 71,585,408
Unearned premiums	17,473,646	18,811,415
Advance premium and premium deposits	1,088,635	1,034,052
Accrued expenses and other liabilities	5,213,832	5,362,437
Total Liabilities	\$ 90,697,607	\$ 96,793,312
STOCKHOLDERS' EQUITY		
Common stock, no par – authorized 10,000,000 shares; issued and outstanding shares 5,316,454 at June 30, 2010, and 5,306,204 at December 31, 2009	\$ 3,469,221	\$ 3,437,343
Accumulated other comprehensive income	2,855,135	2,742,160
Retained earnings	68,083,253	67,135,837
Total Stockholders' Equity	\$ 74,407,609	\$ 73,315,340
Total Liabilities and Stockholders' Equity	\$ 165,105,216	\$ 170,108,652

See notes to unaudited consolidated financial statements.

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UNICO AMERICAN CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2010	2009	2010	2009
REVENUES				
Insurance Company Revenues				
Premium earned	\$8,962,425	\$10,222,303	\$18,351,583	\$20,096,450
Premium ceded	1,873,791	2,359,124	3,820,722	4,614,112
Net premium earned	7,088,634	7,863,179	14,530,861	15,482,338
Investment income	907,400	1,143,324	1,845,658	2,367,184
Other income	175,159	196,228	355,285	400,538
Total Insurance Company Revenues	8,171,193	9,202,731	16,731,804	18,250,060
Other Revenues from Insurance Operations				
Gross commissions and fees	1,129,115	1,354,357	2,378,253	2,794,211
Investment income	1,079	1,008	2,139	1,275
Finance charges and fees earned	81,453	93,787	167,235	192,662
Other income	4,195	1,361		