

NEWS RELEASE

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UNICO AMERICAN CORPORATION REPORTS SECOND QUARTER 2015 FINANCIAL RESULTS

Woodland Hills, CA, August 13, 2015 – Unico American Corporation. (NASDAQ – “UNAM”) (“Unico,” the “Company”), announced today its consolidated financial results for the three and six months ended June 30, 2015. For the three months ended June 30, 2015, revenues were \$8.3 million and net income was \$0.1 million (\$0.02 diluted income per share) compared with revenues of \$7.6 million and net income of \$0.3 million (\$0.05 diluted income per share) for the three months ended June 30, 2014. For the six months ended June 30, 2015, revenues were \$16.1 million and net loss was \$0.3 million (\$0.05 diluted loss per share) compared with revenues of \$15.1 million and net income of \$0.9 million (\$0.16 diluted income per share) for the six months ended June 30, 2014.

Stockholders’ equity was \$71.5 million as of June 30, 2015, or \$13.40 per common share including unrealized gains, net of tax, of \$0.05 million, compared to stockholders’ equity of \$71.8 million as of December 31, 2014, or \$13.44 per common share including unrealized after- tax investment gains of \$0.004 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.

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
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(\$ in thousands)

	June 30 2015 (Unaudited)	December 31 2014
<u>ASSETS</u>		
Investments		
Available for sale:		
Fixed maturities, at fair value (amortized cost: June 30, 2015 \$54,537; December 31, 2014 \$35,153)	\$54,612	\$35,159
Short-term investments, at fair value	<u>51,612</u>	<u>72,259</u>
Total Investments	106,224	107,418
Cash	366	309
Accrued investment income	59	43
Receivables, net	6,107	5,170
Reinsurance recoverable:		
Paid losses and loss adjustment expenses	342	201
Unpaid losses and loss adjustment expenses	5,485	5,163
Deferred policy acquisition costs	4,270	3,883
Property and equipment, net	10,616	10,510
Deferred income taxes	1,381	1,519
Other assets	<u>2,153</u>	<u>1,800</u>
Total Assets	<u>\$137,003</u>	<u>\$136,016</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>LIABILITIES</u>		
Unpaid losses and loss adjustment expenses	\$44,232	\$44,397
Unearned premiums	18,324	16,607
Advance premium and premium deposits	383	250
Accrued expenses and other liabilities	<u>2,539</u>	<u>2,986</u>
Total Liabilities	<u>\$65,478</u>	<u>\$64,240</u>
Commitments and contingencies		
<u>STOCKHOLDERS' EQUITY</u>		
Common stock, no par – authorized 10,000,000 shares; issued and outstanding shares 5,338,943 at June 30, 2015, and 5,341,147 at December 31, 2014	\$3,742	\$3,732
Accumulated other comprehensive income	50	4
Retained earnings	<u>67,733</u>	<u>68,040</u>
Total Stockholders' Equity	<u>\$71,525</u>	<u>\$71,776</u>
Total Liabilities and Stockholders' Equity	<u>\$137,003</u>	<u>\$136,016</u>

UNICO AMERICAN CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(\$ in thousands, except per share)

	Three Months Ended		Six Months Ended	
	<u>June 30</u>		<u>June 30</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>REVENUES</u>				
Insurance company operation:				
Net earned premium	\$7,328	\$6,485	\$14,293	\$12,873
Investment income	98	30	185	61
Other income	<u>168</u>	<u>340</u>	<u>242</u>	<u>596</u>
Total Insurance Company Operation	7,594	6,855	14,720	13,530
Other insurance operations:				
Gross commissions and fees	702	749	1,393	1,484
Finance fees earned	15	16	31	33
Other income	<u>2</u>	<u>2</u>	<u>2</u>	<u>15</u>
Total Revenues	<u>8,313</u>	<u>7,622</u>	<u>16,146</u>	<u>15,062</u>
<u>EXPENSES</u>				
Losses and loss adjustment expenses	4,634	3,648	9,527	6,540
Policy acquisition costs	1,600	1,471	3,093	2,948
Salaries and employee benefits	1,166	1,271	2,414	2,553
Commissions to agents/brokers	45	54	89	98
Other operating expenses	<u>686</u>	<u>776</u>	<u>1,431</u>	<u>1,614</u>
Total Expenses	<u>8,131</u>	<u>7,220</u>	<u>16,554</u>	<u>13,753</u>
Income (loss) before taxes	182	402	(408)	1,309
Income tax expense (benefit)	<u>70</u>	<u>132</u>	<u>(124)</u>	<u>447</u>
Net Income (Loss)	<u>\$112</u>	<u>\$270</u>	<u>\$(284)</u>	<u>\$862</u>
PER SHARE DATA:				
Basic				
Earnings (loss) per share	\$0.02	\$0.05	\$(0.05)	\$0.16
Weighted average shares	5,339,392	5,341,147	5,340,270	5,341,147
Diluted				
Earnings (loss) per share	\$0.02	\$0.05	\$(0.05)	\$0.16
Weighted average shares	5,342,944	5,345,082	5,340,270	5,345,280

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

	Six Months Ended <u>June 30</u>	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net Income (Loss)	\$(284)	\$862
Adjustments to reconcile net income to net cash from operations:		
Depreciation and amortization	234	278
Bond amortization, net	(9)	(2)
Non-cash stock based compensation	12	12
Changes in assets and liabilities:		
Net receivables and accrued investment income	(953)	(806)
Reinsurance recoverable	(463)	(125)
Deferred policy acquisitions costs	(387)	(162)
Other assets	(112)	296
Unpaid losses and loss adjustment expenses	(165)	270
Unearned premium	1,717	887
Advance premium and premium deposits	133	(6)
Accrued expenses and other liabilities	(447)	32
Income taxes current/deferred	<u>(128)</u>	<u>(82)</u>
Net Cash Provided (Used) by Operating Activities	<u>(852)</u>	<u>1,454</u>
Cash flows from investing activities:		
Purchase of fixed maturity investments	(21,324)	(100)
Proceeds from maturity of fixed maturity investments	1,949	400
Net decrease (increase) in short-term investments	20,647	(1,712)
Additions to property and equipment	<u>(340)</u>	<u>(314)</u>
Net Cash Provided (Used) by Investing Activities	<u>932</u>	<u>(1,726)</u>
Cash flows from financing activities:		
Repurchase of common stock	<u>(23)</u>	-
Net Cash Used by Financing Activities	<u>(23)</u>	-
Net increase (decrease) in cash	57	(272)
Cash at beginning of period	309	376
Cash at End of Period	<u>\$366</u>	<u>\$104</u>
Supplemental Cash Flow Information		
Cash paid during the period for:		
Interest	-	-
Income taxes	\$9	\$534