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For Immediate Release

UNICO AMERICAN CORPORATION REPORTS RATING UPGRADE FOR ITS INSURANCE COMPANY OPERATION

Woodland Hills, California, January 28, 2009 - Unico American Corporation (NASDAQ - "UNAM") announced that A.M. Best Company has increased its Financial Strength Rating of Crusader Insurance Company to A- from B++ with a rating outlook of Stable. A.M. Best also upgraded its Issuer Credit Rating of Crusader to "a-" from "bbb+." Crusader Insurance Company is a wholly owned subsidiary of Unico.

Crusader's president, Cary Cheldin, said of the rating upgrade, "The timing is perfect because we are also celebrating our 25th year of operations in California. It is our staff's loyalty and diligence that caused our success. I am grateful for the recognition of their efforts and I feel privileged to work with them."

About Unico American Corporation

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 Crusader Insurance Company since 1985. For more information, please visit 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," "believe," "expect," "intend," "may," "plan", "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.