

NEWS RELEASE

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UNICO AMERICAN CORPORATION REPORTS FIRST QUARTER 2015 FINANCIAL RESULTS

Woodland Hills, CA, May 14, 2015 – Unico American Corporation. (NASDAQ – “UNAM”) (“Unico,” the “Company”), announced today its consolidated financial results for the three months ended March 31, 2015. For the three months ended March 31, 2015, revenues were \$7.8 million and net loss was \$0.4 million (\$0.07 diluted loss per share) compared with revenues of \$7.4 million and net income of \$0.6 million (\$0.11 diluted income per share) for the three months ended March 31, 2014.

Stockholders’ equity was \$71.4 million as of March 31, 2015, or \$13.38 per common share including unrealized after-tax investment gains of \$0.06 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 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
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(\$ in thousands)

	March 31 <u>2015</u> (Unaudited)	December 31 <u>2014</u>
<u>ASSETS</u>		
Investments		
Available for sale:		
Fixed maturities, at fair value (amortized cost: March 31, 2015 \$44,553; December 31, 2014 \$35,153)	\$44,643	\$35,159
Short-term investments, at fair value	<u>62,111</u>	<u>72,259</u>
Total Investments	106,754	107,418
Cash	149	309
Accrued investment income	41	43
Receivables, net	5,508	5,170
Reinsurance recoverable:		
Paid losses and loss adjustment expenses	393	201
Unpaid losses and loss adjustment expenses	4,786	5,163
Deferred policy acquisition costs	4,058	3,883
Property and equipment, net	10,578	10,510
Deferred income taxes	1,395	1,519
Other assets	<u>1,894</u>	<u>1,800</u>
Total Assets	<u>\$135,556</u>	<u>\$136,016</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>LIABILITIES</u>		
Unpaid losses and loss adjustment expenses	\$43,485	\$44,397
Unearned premiums	17,266	16,607
Advance premium and premium deposits	390	250
Income taxes payable	9	-
Accrued expenses and other liabilities	<u>2,966</u>	<u>2,986</u>
Total Liabilities	<u>\$64,116</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 5,341,147 at March 31, 2015, and 5,341,147 at December 31, 2014	\$3,738	\$3,732
Accumulated other comprehensive income	59	4
Retained earnings	<u>67,643</u>	<u>68,040</u>
Total Stockholders' Equity	<u>\$71,440</u>	<u>\$71,776</u>
Total Liabilities and Stockholders' Equity	<u>\$135,556</u>	<u>\$136,016</u>

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

	Three Months Ended March 31	
	2015	2014
<u>REVENUES</u>		
Insurance Company Revenues		
Net premium earned	\$6,965	\$6,388
Investment income	88	31
Other income	<u>72</u>	<u>256</u>
Total Insurance Company Revenues	7,125	6,675
Other Revenues from Insurance Operations		
Gross commissions and fees	691	735
Finance fees earned	16	17
Other income	<u>-</u>	<u>13</u>
Total Revenues	<u>7,832</u>	<u>7,440</u>
<u>EXPENSES</u>		
Losses and loss adjustment expenses	4,894	2,892
Policy acquisition costs	1,493	1,477
Salaries and employee benefits	1,248	1,282
Commissions to agents/brokers	44	44
Other operating expenses	<u>744</u>	<u>839</u>
Total Expenses	<u>8,423</u>	<u>6,534</u>
Income (Loss) Before Taxes	(591)	906
Income Tax Expense (Benefit)	<u>(194)</u>	<u>314</u>
Net Income (Loss)	<u>\$(397)</u>	<u>\$592</u>
PER SHARE DATA:		
Basic		
Earnings (loss) per share	\$(0.07)	\$0.11
Weighted average shares	5,341,147	5,341,147
Diluted		
Earnings (loss) per share	\$(0.07)	\$0.11
Weighted average shares	5,341,147	5,345,478

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

	Three Months Ended March 31	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net Income (Loss)	\$(397)	\$592
Adjustments to reconcile net income to net cash from operations		
Depreciation and amortization	117	138
Bond amortization, net	(4)	(1)
Non-cash stock based compensation	6	6
Changes in assets and liabilities		
Net receivables and accrued investment income	(336)	51
Reinsurance recoverable	185	(140)
Deferred policy acquisition costs	(175)	(32)
Other assets	203	120
Unpaid losses and loss adjustment expenses	(912)	(744)
Unearned premiums	659	(128)
Advance premium and premium deposits	140	25
Accrued expenses and other liabilities	(20)	209
Income taxes current/deferred	<u>(193)</u>	<u>317</u>
Net Cash Provided (Used) by Operating Activities	<u>(727)</u>	<u>413</u>
Cash flows from investing activities:		
Purchase of fixed maturity investments	(10,145)	-
Proceeds from maturity of fixed maturity investments	749	200
Net decrease (increase) in short-term investments	10,148	(756)
Additions to property and equipment	<u>(185)</u>	<u>(136)</u>
Net Cash Provided (Used) by Investing Activities	<u>567</u>	<u>(692)</u>
Cash flows from financing activities:		
Net Cash Provided by Financing Activities	—	—
Net decrease in cash	(160)	(279)
Cash at beginning of period	<u>309</u>	<u>376</u>
Cash at End of Period	<u>\$149</u>	<u>\$97</u>
Supplemental cash flow information		
Cash paid during the period for:		
Interest	-	-
Income taxes	-	-