

UNIVERSAL INSURANCE HOLDINGS, INC.

Form 10-Q

November 08, 2011

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-33251

UNIVERSAL INSURANCE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)
1110 W. Commercial Blvd., Fort Lauderdale, Florida 33309
(Address of principal executive offices)
(954) 958-1200
(Registrant's telephone number, including area code)

65-0231984
(I.R.S. Employer
Identification No.)

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 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 (§232.405 of this chapter) 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 the definitions of large accelerated filer and accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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: 39,992,769 shares of common stock, par value \$0.01 per share, outstanding on November 2, 2011.

Table of Contents

UNIVERSAL INSURANCE HOLDINGS, INC.

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

	Page No.
Item 1. <u>Financial Statements:</u>	
<u>Consolidated Balance Sheets as of September 30, 2011 and December 31, 2010 (unaudited)</u>	4
<u>Consolidated Statements of Income for the three and nine-month periods ended September 30, 2011 and 2010 (unaudited)</u>	5
<u>Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2011 and 2010 (unaudited)</u>	6
<u>Notes to Consolidated Financial Statements (unaudited)</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	27
Item 3. <u>Quantitative and Qualitative Disclosure about Market Risk</u>	43
Item 4. <u>Controls and Procedures</u>	45

PART II OTHER INFORMATION

Item 1. <u>Legal Proceedings</u>	46
Item 1A. <u>Risk Factors</u>	46
Item 5. <u>Other Information</u>	46
Item 6. <u>Exhibits</u>	46
<u>Signatures</u>	48

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Stockholders of

Universal Insurance Holdings, Inc. and Subsidiaries

Fort Lauderdale, Florida

We have reviewed the accompanying condensed consolidated balance sheet of **Universal Insurance Holdings, Inc. and Subsidiaries** as of September 30, 2011 and the related condensed consolidated statements of income for the three and nine-month periods ended September 30, 2011 and 2010 and cash flows for the nine-month periods ended September 30, 2011 and 2010. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ Blackman Kallick, LLP

Chicago, Illinois

November 8, 2011

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****UNIVERSAL INSURANCE HOLDINGS, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**

(in thousands, except per share data)

	As of September 30, 2011	As of December 31, 2010
ASSETS:		
Cash and cash equivalents	\$ 328,838	\$ 147,585
Investment securities, at fair value	153,476	224,532
Prepaid reinsurance premiums	251,342	221,086
Reinsurance recoverables	77,545	79,552
Reinsurance receivable, net	49,816	37,607
Premiums receivable, net	50,580	43,622
Receivable from securities	5,585	17,556
Other receivables	2,910	2,864
Property and equipment, net	6,597	5,407
Deferred policy acquisition costs, net	13,013	9,446
Deferred income taxes	24,120	13,448
Other assets	3,126	1,132
Total assets	\$ 966,948	\$ 803,837
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Unpaid losses and loss adjustment expenses	\$ 162,954	\$ 158,929
Unearned premiums	375,779	328,334
Advance premium	21,639	19,840
Accounts payable	4,287	3,767
Bank overdraft	34,914	23,030
Payable for securities	17,667	
Reinsurance payable, net	128,804	75,553
Income taxes payable	16,378	8,282
Dividends payable to shareholders	3,199	
Other accrued expenses	22,322	23,150
Long-term debt	22,059	23,162
Total liabilities	810,002	664,047
Commitments and Contingencies (Note 12)		
STOCKHOLDERS' EQUITY:		
Cumulative convertible preferred stock, \$.01 par value	1	1
Authorized shares - 1,000		
Issued shares - 108		
Outstanding shares - 108		
Minimum liquidation preference, \$2.66 per share		
Common stock, \$.01 par value	410	404

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Authorized shares - 55,000		
Issued shares - 41,010 and 40,407		
Outstanding shares - 39,993 and 39,388		
Treasury shares, at cost - 1,018 and 1,019	(3,102)	(3,109)