

UNITED INSURANCE HOLDINGS CORP.

Form 10-Q

May 11, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

Commission File Number 000-52833

United Insurance Holdings Corp.

(Exact name of Registrant as specified in its charter)

Delaware

(State of Incorporation)

75-3241967

(IRS Employer Identification
Number)

360 Central Avenue, Suite 900

St. Petersburg, Florida 33701

(Address, including zip code, of principal executive offices)

727-895-7737

(Registrant's telephone number, including area code)

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, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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

As of May 11, 2011, 10,573,932 shares of common stock, par value \$0.0001 per share, were outstanding.

UNITED INSURANCE HOLDINGS CORP.

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Throughout this Form 10-Q, we present amounts rounded to the nearest thousand, except for share amounts, per share amounts, policy counts or where more specific language or context indicates a different presentation.

UNITED INSURANCE HOLDINGS CORP.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UNITED INSURANCE HOLDINGS CORP.

Condensed Consolidated Balance Sheets

	March 31, 2011 (Unaudited)	December 31, 2010
ASSETS		
Investments available for sale, at fair value:		
Fixed maturities (amortized cost of \$93,298 and \$50,984, respectively)	\$92,767	\$50,683
Equity securities (adjusted cost of \$3,569 and \$3,666, respectively)	3,686	3,615
Other long-term investments	300	300
Total investments	96,753	54,598
Cash and cash equivalents	47,112	71,644
Accrued investment income	744	414
Premiums receivable, net of allowances for credit losses of \$62 and \$61, respectively	10,574	7,825
Reinsurance recoverable on paid and unpaid losses	27,818	27,304
Prepaid reinsurance premiums	18,287	38,307
Deferred policy acquisition costs	10,966	9,342
Other assets	7,388	4,187
Total Assets	\$219,642	\$213,621
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$47,039	\$47,414
Unearned premiums	87,570	77,161
Reinsurance payable	604	14,982
Other liabilities	20,110	10,536
Notes payable	17,941	18,235
Total Liabilities	173,264	168,328
Commitments and contingencies (<u>Note 9</u>)		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued or outstanding for 2010 and 2009	—	—
Common stock, \$0.0001 par value; 50,000,000 shares authorized; 10,573,932 issued and outstanding for 2010 and 2009	1	1
Additional paid-in capital	75	75
Accumulated other comprehensive income	(255)	(216)
Retained earnings	46,557	45,433
Total Stockholders' Equity	46,378	45,293
Total Liabilities and Stockholders' Equity	\$219,642	\$213,621
See accompanying notes to unaudited condensed consolidated financial statements.		

UNITED INSURANCE HOLDINGS CORP.

Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended March 31,	
	2011	2010
REVENUE:		
Gross premiums written	\$50,775	\$35,567
Decrease (increase) in gross unearned premiums	(10,409)) 2,519
Gross premiums earned	40,366	38,086
Ceded premiums earned	(21,258)) (23,393)
Net premiums earned	19,108	14,693
Net investment income	534	1,048
Net realized losses	—	(14)
Other revenue	826	1,221
Total revenue	20,468	16,948
EXPENSES:		
Losses and loss adjustment expenses	8,384	12,469
Policy acquisition costs	6,544	6,455
Operating expenses	3,660	2,955
Interest expense	154	1,091
Total expenses	18,742	22,970
Income (loss) before income taxes	1,726	(6,022)
Provision for (benefit from) income taxes		