

UNIVERSAL INSURANCE HOLDINGS, INC.  
Form 10-Q  
August 10, 2010

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 June 30, 2010

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 000-20848

UNIVERSAL INSURANCE HOLDINGS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

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

1110 W. Commercial Blvd., Suite 100, Fort Lauderdale, Florida 33309  
(Address of principal executive offices)

(954) 958-1200  
(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 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

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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: 39,166,033 shares of common stock, par value \$0.01 per share, outstanding on August 4, 2010.

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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 June 30, 2010 and the related condensed consolidated statements of operations for the six-month and three month periods ended June 30, 2010 and 2009 and cash flows for each of the six-month periods ended June 30, 2010 and 2009. 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

August 9, 2010

## PART I -- FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

UNIVERSAL INSURANCE HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

ASSETS	(Unaudited)	
	June 30, 2010	December 31, 2009
Cash and cash equivalents	\$262,444,768	\$192,924,291
Investments		
Fixed maturities available for sale, at fair value	60,447,710	41,389,008
Equity securities available for sale, at fair value	77,477,064	73,408,002
Real estate, net	4,335,589	3,289,893
Prepaid reinsurance premiums	233,086,613	200,294,241
Reinsurance recoverables	63,235,510	91,816,433
Premiums receivable, net	49,351,405	37,363,110
Receivable from securities	14,669,988	6,259,973
Other receivables	2,629,577	5,068,367
Income taxes recoverable	-	3,211,874
Property and equipment, net	1,197,645	1,245,858
Deferred policy acquisition costs, net	14,041,890	9,464,624
Deferred income taxes	12,853,266	11,894,289
Other assets	1,020,164	617,337
Total assets	\$796,791,189	\$678,247,300

## LIABILITIES AND STOCKHOLDERS' EQUITY

## LIABILITIES:

Unpaid losses and loss adjustment expenses	\$128,903,761	\$127,197,753
Unearned premiums	355,735,699	278,370,544
Advance premium	20,058,953	17,078,558
Accounts payable	4,822,714	3,172,626
Bank overdraft	22,573,228	20,297,061
Reinsurance payable, net	86,815,057	73,104,595
Income taxes payable	3,786,298	368,968
Dividend payable to shareholder	3,916,724	-
Payable for securities	3,821,527	-
Other accrued expenses	18,855,334	20,750,385
Long-term debt	23,897,059	24,632,353
Total liabilities	673,186,354	564,972,843

## STOCKHOLDERS' EQUITY:

Cumulative convertible preferred stock, \$.01 par value	1,077	1,087
Authorized shares - 1,000,000		
Issued shares - 107,690 and 108,640		
Outstanding shares - 107,690 and 108,640		

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Minimum liquidation preference - \$287,240 and \$288,190		
Common stock, \$.01 par value	408,772	402,146
Authorized shares - 55,000,000		
Issued shares - 40,877,087 and 40,214,884		
Outstanding shares - 39,166,033 and 37,774,765		
Treasury shares, at cost - 1,711,054 and 1,809,119 shares	(7,389,416 )	(7,948,606 )
Common stock held in trust, at cost - 0 and 631,000 shares	-	(511,110 )
Additional paid-in capital	37,802,927	36,666,914
Accumulated other comprehensive (loss) income, net of taxes	(403,247 )	563,654
Retained earnings	93,184,722	84,100,372
Total stockholders' equity	123,604,835	113,274,457
Total liabilities and stockholders' equity	\$796,791,189	\$678,247,300

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(Unaudited)  
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