

AMERICAN NATIONAL INSURANCE CO /TX/  
Form 10-Q  
May 04, 2012

**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, 2012

or

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
Commission File No. 001- 34280

**American National Insurance Company**

(Exact name of registrant as specified in its charter)

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**Texas**  
(State or other jurisdiction of  
incorporation or organization)

**74-0484030**  
(I.R.S. Employer  
Identification No.)

**One Moody Plaza**

**Galveston, Texas 77550-7999**

(Address of principal executive offices) (Zip Code)

**(409) 763-4661**

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  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

As of April 30, 2012, there were 26,836,591 shares of the registrant's voting common stock, \$1.00 par value per share, outstanding.

AMERICAN NATIONAL INSURANCE COMPANY

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**PART I FINANCIAL INFORMATION**

## ITEM 1. FINANCIAL STATEMENTS

**AMERICAN NATIONAL INSURANCE COMPANY****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited and in thousands, except for share and per share data)

	March 31, 2012	December 31, 2011 (As Adjusted)
<b>ASSETS</b>		
Fixed maturity, bonds held-to-maturity, at amortized cost (Fair Value \$9,985,192 and \$9,857,691)	\$ 9,317,000	\$ 9,251,972
Fixed maturity, bonds available-for-sale, at fair value (Amortized cost \$4,215,877 and \$4,135,610)	4,497,509	4,381,607
Equity securities, at fair value (Cost \$694,656 and \$710,679)	1,095,736	1,006,080
Mortgage loans on real estate, net of allowance	2,973,035	2,925,482
Policy loans	392,633	393,195
Investment real estate, net of accumulated depreciation of \$210,459 and \$202,180	480,516	470,222
Short-term investments	228,213	345,330
Other invested assets	126,472	109,514
<b>Total investments</b>	<b>19,111,114</b>	<b>18,883,402</b>
Cash and cash equivalents	100,867	102,114
Investments in unconsolidated affiliates	244,394	241,625
Accrued investment income	217,062	213,984
Reinsurance recoverables	380,197	405,033
Prepaid reinsurance premiums	67,348	68,785
Premiums due and other receivables	288,938	280,031
Deferred policy acquisition costs	1,301,550	1,320,693
Property and equipment, net	80,021	77,909
Current tax receivable	4,767	17,150
Other assets	134,811	131,403
Separate account assets	798,171	747,867
<b>Total assets</b>	<b>\$ 22,729,240</b>	<b>\$ 22,489,996</b>
<b>LIABILITIES</b>		
Future policy benefits:		
Life	\$ 2,614,387	\$ 2,599,224
Annuity	766,118	748,675
Accident and health	73,333	74,829
Policyholders' account balances	11,555,101	11,506,504
Policy and contract claims	1,318,866	1,340,651
Unearned premium reserve	809,660	797,398
Other policyholder funds	281,861	288,910
Liability for retirement benefits	253,869	257,602
Current portion of long-term notes payable	45,371	46,387
Long-term notes payable	12,500	12,507
Deferred tax liabilities, net	76,199	21,851
Other liabilities	368,708	397,353
Separate account liabilities	798,171	747,867
<b>Total liabilities</b>	<b>18,974,144</b>	<b>18,839,758</b>

**STOCKHOLDERS EQUITY**

Common stock, \$1.00 par value, - Authorized 50,000,000 Issued 30,832,449 and 30,832,449, Outstanding 26,836,591 and 26,821,284 shares	30,832	30,832
Additional paid-in capital	1,426	
Accumulated other comprehensive income	238,754	159,403
Retained earnings	3,570,095	3,545,546
Treasury stock, at cost	(98,287)	(98,490)
<b>Total American National stockholders equity</b>	<b>3,742,820</b>	<b>3,637,291</b>
Noncontrolling interest	12,276	12,947
<b>Total stockholders equity</b>	<b>3,755,096</b>	<b>3,650,238</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 22,729,240</b>	<b>\$ 22,489,996</b>

*See accompanying notes to the unaudited consolidated financial statements.*

## AMERICAN NATIONAL INSURANCE COMPANY

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited and in thousands, except for per share data)

	Three months ended March 31,	
	2012	2011 (As Adjusted)
<b>PREMIUMS AND OTHER REVENUE</b>		
Premiums		
Life	\$ 66,451	\$ 66,386
Annuity	28,412	19,490
Accident and health	57,054	58,644
Property and casualty	273,169	291,314
Other policy revenues	48,047	49,131
Net investment income	255,696	239,072
Realized investments gains (losses)	9,808	22,031
Other-than-temporary impairments	(2,837)	
Other income	6,875	5,805
<b>Total premiums and other revenues</b>	<b>742,675</b>	<b>751,873</b>
<b>BENEFITS, LOSSES AND EXPENSES</b>		
Policyholder Benefits		
Life	83,823	76,687
Annuity	39,245	29,973
Claims incurred		
Accident and health	44,675	41,607
Property and casualty	187,552	215,511
Interest credited to policyholders' account balances	124,864	106,391
Commissions for acquiring and servicing policies	95,514	109,635
Other operating expenses	101,993	122,261
Change in deferred policy acquisition costs	1,638	(11,457)
<b>Total benefits, losses and expenses</b>	<b>679,304</b>	<b>690,608</b>
<b>Income (loss) before federal income tax and equity in earnings/losses of unconsolidated affiliates</b>	<b>63,371</b>	<b>61,265</b>
Less: Provision (benefit) for federal income taxes		
Current	7,287	14,318
Deferred	9,696	2,067
<b>Total provision (benefit) for federal income taxes</b>	<b>16,983</b>	<b>16,385</b>
Equity in earnings (losses) of unconsolidated affiliates, net of tax	(1,881)	1,861
<b>Net income (loss)</b>	<b>44,507</b>	<b>46,741</b>
Less: Net income (loss) attributable to noncontrolling interest, net of tax	(709)	(787)
<b>Net income (loss) attributable to American National Insurance Company and Subsidiaries</b>	<b>\$ 45,216</b>	<b>\$ 47,528</b>
<b>Amounts available to American National Insurance Company common stockholders</b>		
Earnings per share:		
Basic	\$ 1.70	\$ 1.79
Diluted	1.69	1.78

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Weighted average common shares outstanding	26,565,164	26,559,643
Weighted average common shares outstanding and dilutive potential common shares	26,758,955	26,690,498

*See accompanying notes to the unaudited consolidated financial statements.*

**AMERICAN NATIONAL INSURANCE COMPANY****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Unaudited and in thousands)

	<b>Three months ended March 31, 2012</b>	<b>2011 (As Adjusted)</b>
Net income (loss) attributable to American National Insurance Company and Subsidiaries	\$ 45,216	\$ 47,528
Other comprehensive income (loss), net of tax		
Change in net unrealized gain (loss) on securities	76,531	25,877
Foreign currency transaction and translation adjustments	152	159
Defined benefit plan adjustment	2,668	(65)
<b>Total other comprehensive income (loss)</b>	<b>79,351</b>	<b>25,971</b>
<b>Total comprehensive income (loss) attributable to American National Insurance Company and Subsidiaries</b>	<b>\$ 124,567</b>	<b>\$ 73,499</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY**

(Unaudited and in thousands, except for per share data)

	<b>Three months ended March 31, 2012</b>	<b>2011 (As Adjusted)</b>
<b>Common Stock</b>		
Balance at beginning and end of the period	\$ 30,832	\$ 30,832
<b>Additional Paid-In Capital</b>		
Balance as of January 1,		