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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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Title of each class</u>	<u>Outstanding at March 31, 2016</u>
Common Stock Class A, \$1.00 par value	950,968
Common Stock Class B, \$1.00 par value	23,798,815

Triple-S Management Corporation

FORM 10-Q

For the Quarter Ended March 31, 2016

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Part I – Financial Information

Item 1. Financial Statements

Triple-S Management Corporation
Condensed Consolidated Balance Sheets (Unaudited)
(dollar amounts in thousands, except share data)

	March 31, 2016	December 31, 2015
Assets		
Investments and cash:		
Securities available for sale, at fair value:		
Fixed maturities	\$ 1,180,889	\$ 1,133,645
Equity securities	293,985	197,071
Securities held to maturity, at amortized cost:		
Fixed maturities	2,929	2,929
Policy loans	8,132	7,901
Cash and cash equivalents	112,466	197,818
Total investments and cash	1,598,401	1,539,364
Premiums and other receivables, net	316,802	282,646
Deferred policy acquisition costs and value of business acquired	187,560	190,648
Property and equipment, net	72,221	73,953
Deferred tax asset	51,496	52,361
Goodwill	25,397	25,397
Other assets	67,981	41,776
Total assets	\$ 2,319,858	\$ 2,206,145
Liabilities and Equity		
Claim liabilities	\$ 525,066	\$ 491,765
Liability for future policy benefits	306,925	289,530
Unearned premiums	75,873	80,260
Policyholder deposits	180,980	179,287
Liability to Federal Employees' Health Benefits Program (FEHBP)	28,358	26,695
Accounts payable and accrued liabilities	219,941	176,910
Deferred tax liability	17,976	15,070
Long-term borrowings	36,417	36,827
Liability for pension benefits	64,406	62,945
Total liabilities	1,455,942	1,359,289
Stockholders' equity:		
Triple-S Management Corporation stockholders' equity		
Common stock Class A, \$1 par value. Authorized 100,000,000 shares; issued and outstanding 950,968 at March 31, 2016 and December 31, 2015, respectively	951	951
Common stock Class B, \$1 par value. Authorized 100,000,000 shares; issued and outstanding 23,798,815 and 24,047,755 shares at March 31, 2016 and December 31, 2015, respectively	23,799	24,048
Additional paid-in capital	77,081	83,438
Retained earnings	716,922	713,466
Accumulated other comprehensive income	45,834	25,623
Total Triple-S Management Corporation stockholders' equity	864,587	847,526
Non-controlling interest in consolidated subsidiary	(671)	(670)

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Total stockholders' equity	863,916	846,856
Total liabilities and equity	\$2,319,858	\$ 2,206,145

See accompanying notes to unaudited condensed consolidated financial statements.

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Triple-S Management Corporation

Condensed Consolidated Statements of Earnings (Unaudited)

(dollar amounts in thousands, except per share data)

	Three months ended	
	March 31,	
	2016	2015
Revenues:		
Premiums earned, net	\$738,534	\$532,558
Administrative service fees	5,083	29,123
Net investment income	11,358	10,918
Other operating revenues	812	1,153
Total operating revenues	755,787	573,752
Net realized investment gains (losses):		
Total other-than-temporary impairment losses on securities	-	(1,202)
Net realized gains, excluding other-than-temporary impairment losses on securities	58	7,415
Total net investment gains on sale of securities	58	6,213
Other income, net	875	1,759
Total revenues	756,720	581,724
Benefits and expenses:		
Claims incurred	626,694	432,430
Operating expenses	122,980	127,375
Total operating costs	749,674	559,805
Interest expense	1,882	2,182
Total benefits and expenses	751,556	561,987
Income before taxes	5,164	19,737
Income taxes	1,709	4,931
Net income	3,455	14,806
Less: Net loss attributable to non-controlling interest	1	30
Net income attributable to Triple-S Management Corporation	\$3,456	\$14,836
Earnings per share attributable to Triple-S Management Corporation		
Basic net income per share	\$0.14	\$0.56
Diluted net income per share	\$0.14	\$0.56

See accompanying notes to unaudited condensed consolidated financial statements.

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Triple-S Management Corporation

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(dollar amounts in thousands)

	Three months ended March 31,	
	2016	2015
Net income	\$ 3,455	\$ 14,806
Other comprehensive income (loss), net of tax:		
Net unrealized change in fair value of available for sale securities, net of taxes	19,577	1,794
Defined benefit pension plan:		
Actuarial loss, net	722	887
Prior service credit, net	(88)	(61)
Total other comprehensive income, net of tax	20,211	2,620
Comprehensive income	23,666	17,426
Comprehensive income attributable to non-controlling interest	1	30
Comprehensive income attributable to Triple-S Management Corporation	\$ 23,667	\$ 17,456

See accompanying notes to unaudited condensed consolidated financial statements.

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Triple-S Management Corporation

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(dollar amounts in thousands)

	2016	2015
Balance at January 1	\$847,526	\$858,558
Share-based compensation	1,421	1,883
Repurchase and retirement of common stock	(8,027)	(14,997)
Comprehensive income	23,667	17,456
Total Triple-S Management Corporation stockholders' equity	864,587	862,900
Non-controlling interest in consolidated subsidiary	(671)	(562)
Balance at March 31	\$863,916	\$862,338

See accompanying notes to unaudited condensed consolidated financial statements.

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Triple-S Management Corporation

Condensed Consolidated Statements of Cash Flows (Unaudited)

(dollar amounts in thousands)

	Three months ended March 31, 2016		2015	
Cash flows from operating activities:				
Net income	\$ 3,455		\$ 14,806	
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,700		4,174	
Net amortization of investments	1,936		1,533	
Additions to the allowance for doubtful receivables	1,531		5,554	
Deferred tax benefit	(2,435))	(379))
Net realized investment gain on sale of securities	(58))	(6,213))
Interest credited to policyholder deposits	1,195		899	
Share-based compensation	1,085		1,883	
(Increase) decrease in assets:				
Premium and other receivables, net	(35,687))	(11,567))
Deferred policy acquisition costs and value of business acquired	(685))	541	
Deferred taxes	162		(1,282))
Other assets	(26,485))	(25,267))
Increase (decrease) in liabilities:				
Claim liabilities	33,301		11,556	
Liability for future policy benefits	17,395		6,323	
Unearned premiums	(4,387))	(7,473))
Liability to FEHBP	1,663		1,114	
Accounts payable and accrued liabilities	35,574		42,574	

Net cash provided by operating activities	31,260	38,776
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Triple-S Management Corporation
Condensed Consolidated Statements of Cash Flows (Unaudited)
(dollar amounts in thousands)

	Three months ended March 31,	
	2016	2015
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Securities available for sale:		
Fixed maturities sold	\$90,328	\$139,115
Fixed maturities matured/called	699	30,320
Equity securities sold	11,257	28,566
Acquisition of investments:		
Securities available for sale:		
Fixed maturities	(118,039)	(126,895)
Equity securities	(92,956)	(11,973)
Increase in other investments	(182)	(1,549)
Net disbursements for policy loans	(231)	(137)
Net capital expenditures	(1,465)	(1,463)
Net cash (used in) provided by investing activities	(110,589)	55,984
Cash flows from financing activities:		
Change in outstanding checks in excess of bank balances	1,916	(2,428)
Repayments of long-term borrowings	(410)	(410)
Repurchase and retirement of common stock	(8,027)	(14,997)
Proceeds from policyholder deposits	3,403	3,047
Surrenders of policyholder deposits	(2,905)	(3,687)
Net cash used in financing activities	(6,023)	(18,475)
Net (decrease) increase in cash and cash equivalents	(85,352)	76,285
Cash and cash equivalents:		
Beginning of period	197,818	110,037
End of period	\$112,466	\$186,322

See accompanying notes to unaudited condensed consolidated financial statements.

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Triple-S Management Corporation
Notes to Condensed Consolidated Financial Statements
(dollar amounts in thousands, except per share data)
(unaudited)

(1) Basis of Presentation

The accompanying condensed consolidated interim financial statements prepared by Triple-S Management Corporation and its subsidiaries are unaudited. In this filing, the “Corporation”, the “Company”, “TSM”, “we”, “us” and “our” refer to Triple-S Management Corporation and its subsidiaries. The condensed consolidated interim financial statements do not include all of the information and the footnotes required by accounting principles generally accepted in the U.S. (GAAP) for complete financial statements. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2015.

In the opinion of management, all adjustments, consisting of a normal recurring nature necessary for a fair presentation of such condensed consolidated interim financial statements, have been included. The results of operations for the three months ended March 31, 2016 are not necessarily indicative of the results for the full year ending December 31, 2016.

(2) Recent Accounting Standards

On January 5, 2016, the FASB issued guidance to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. Among the many targeted improvements to U.S. GAAP are (1) requiring equity investments, except those accounted for under the equity method of accounting or those that result in consolidation of the investee, to be measured at fair value with changes in fair value recognized in net incomes; (2) simplifying the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment; (3) eliminating the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities; and (4) clarifying that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity’s other deferred tax assets. This guidance applies to all entities that hold financial assets or owe financial liabilities. For public companies, these amendments are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We are currently evaluating the impact the adoption of this guidance may have on the Company's consolidated financial statements.

On February 25, 2016, the FASB issued guidance to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. This guidance sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessors and lessees. It requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The guidance requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. This guidance is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We are currently evaluating the impact the adoption of this guidance may have on the Company's consolidated financial statements.

On March 30, 2016, the FASB issued guidance to reduce complexity in accounting standards. The areas for simplification involve several aspects of the accounting for share-based payment transactions, including (1) accounting for income taxes, (2) classification of excess tax benefits on the statement of cash flow, (3) forfeitures; (4) minimum statutory tax withholding requirements, (5) classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax withholding purposes; (6) the practical expedient for estimating the expected term, and (7) intrinsic value. For public companies, these amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. We are currently evaluating the impact the adoption of this guidance may have on the Company's consolidated financial statements.

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Triple-S Management Corporation

Notes to Condensed Consolidated Financial Statements

(dollar amounts in thousands, except per share data)

(unaudited)

Other than the accounting pronouncement disclosed above, there were no other new accounting pronouncements issued during the three months ended March 31, 2016 that could have a material impact on the Corporation's financial position, operating results or financials statement disclosures.

(3) Investment in Securities

The amortized cost for debt securities and cost for equity securities, gross unrealized gains, gross unrealized losses, and estimated fair value for available-for-sale and held-to-maturity securities by major security type and class of security at March 31, 2016 and December 31, 2015, were as follows:

	March 31, 2016			
	Amortized	Gross unrealized	Gross unrealized	Estimated
	cost	gains	losses	fair value
Securities available for sale:				
Fixed maturities:				
Obligations of government- sponsored enterprises	\$ 103,472	\$ 881	\$ -	\$ 104,353
U.S. Treasury securities and obligations of U.S.government instrumentalities	116,643	1,354	-	117,997
Obligations of the Commonwealth of Puerto Rico and its instrumentalities	25,636	782	-	26,418
Municipal securities	642,621	48,559	-	