

MONY GROUP INC  
Form 10-Q  
May 15, 2003  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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

**For the quarterly period ended March 31, 2003**

.. **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: 1-14603**

**THE MONY GROUP INC.**

**(Exact name of Registrant as specified in its charter)**

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

**13-3976138**  
**(I.R.S. Employer**  
**Identification No.)**

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1740 Broadway

New York, New York 10019

(212) 708-2000

(Address, including zip code, and telephone number, including area code,  
of Registrant's principal executive offices)

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 7, 2003 there were 46,960,185 shares of the Registrant's common stock, par value \$0.01, outstanding.

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**FORWARD-LOOKING STATEMENTS**

The Company's management has made in this report, and from time to time may make in its public filings and press releases as well as in oral presentations and discussions, forward-looking statements concerning the Company's operations, economic performance, prospects and financial condition. Forward-looking statements include, among other things, discussions concerning the Company's potential exposure to market risks, as well as statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. The Company claims the protection afforded by the safe harbor for forward-looking statements as set forth in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to many risks and uncertainties. Actual results could differ materially from those anticipated by forward-looking statements due to a number of important factors including the following: the Company could have further venture capital losses; the Company could be subjected to further downgrades by rating agencies of the Company's senior debt ratings and the claims-paying and financial-strength ratings of the Company's insurance subsidiaries; the Company could be required to take a goodwill impairment charge relating to its investment in The Advest Group, Inc. if the market deteriorates further; the Company could have to accelerate amortization of deferred policy acquisition costs if market conditions continue to deteriorate; the Company could have to write off investments in certain securities if the issuer's financial condition deteriorates; actual death-claim experience could differ from the Company's mortality assumptions; the Company could have liability from as-yet-unknown litigation and claims; larger settlements or judgments than the Company anticipates could result in pending cases due to unforeseen developments; and changes in laws, including tax laws, could affect the demand for the Company's products. The Company does not undertake to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

**Table of Contents****PART I****FINANCIAL INFORMATION****ITEM 1: FINANCIAL STATEMENTS****THE MONY GROUP INC. AND SUBSIDIARIES****UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS**

As of March 31, 2003 and December 31, 2002

	March 31, 2003	December 31, 2002
	(\$ in millions)	
<b>ASSETS</b>		
Investments:		
Fixed maturity securities available-for-sale, at fair value	\$ 8,020.2	\$ 7,909.4
Trading account securities, at fair value	787.5	726.7
Equity securities available-for-sale, at fair value	245.2	249.0
Mortgage loans on real estate	1,829.0	1,877.4
Policy loans	1,204.0	1,212.5
Real estate to be disposed of	19.5	26.8
Real estate held for investment	181.0	180.2
Other invested assets	131.2	110.8
	<u>12,417.6</u>	<u>12,292.8</u>
Cash and cash equivalents	481.2	378.5
Accrued investment income	213.4	207.5
Debt service coverage account (Note 1):		
Sub-account OB	68.9	64.7
Sub-account CBB	0.3	9.4
Amounts due from reinsurers	675.2	695.2
Premiums receivable	6.7	7.3
Deferred policy acquisition costs	1,245.3	1,226.4
Other assets	843.2	854.0
Separate account assets	4,025.1	4,140.6
	<u>\$ 19,976.9</u>	<u>\$ 19,876.4</u>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Future policy benefits	\$ 7,966.5	\$ 7,949.9
Policyholders' account balances	2,891.1	2,779.7
Other policyholders' liabilities	263.9	289.2
Amounts due to reinsurers	67.4	67.7
Securities sold, not yet purchased, at fair value	614.9	586.8

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Accounts payable and other liabilities	954.2	875.3
Short term debt	7.0	7.0
Long term debt	876.3	876.3
Current federal income taxes payable	87.4	95.5
Deferred federal income taxes	223.1	212.9
Separate account liabilities	4,022.1	4,137.6
	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<b>17,973.9</b>	<b>17,877.9</b>
	<u>          </u>	<u>          </u>
<b>Commitments and contingencies (Note 5)</b>		
Common stock, \$0.01 par value; 400 million shares authorized; 51.3 and 51.2 million shares issued at March 31, 2003 and December 31, 2002, respectively; 47.0 and 46.9 million shares outstanding at March 31, 2003 and December 31, 2002, respectively		
	0.5	0.5
Capital in excess of par	1,769.1	1,761.5
Treasury stock at cost: 4.3 million shares at March 31, 2003 and December 31, 2002	(137.7)	(137.7)
Retained earnings	322.5	314.9
Accumulated other comprehensive income	56.0	59.9
Unamortized restricted stock compensation	(7.4)	(0.6)
	<u>          </u>	<u>          </u>
<b>Total shareholders' equity</b>	<b>2,003.0</b>	<b>1,998.5</b>
	<u>          </u>	<u>          </u>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 19,976.9</b>	<b>\$ 19,876.4</b>
	<u>          </u>	<u>          </u>

See accompanying notes to unaudited interim condensed consolidated financial statements.

**Table of Contents****THE MONY GROUP INC. AND SUBSIDIARIES****UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
AND COMPREHENSIVE INCOME****For the Three-month Periods Ended March 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
	(\$ in millions, except share data and per share amounts)	
<b>Revenues:</b>		
Premiums	\$ 166.8	\$ 164.4
Universal life and investment-type product policy fees	53.0	49.0
Net investment income	175.1	187.4
Net realized gains (losses) on investments	16.6	(2.4)
Group Pension Profits (Note 4)		7.7
Retail brokerage and investment banking revenues	94.6	93.1
Other income	37.0	38.2
	<u>543.1</u>	<u>537.4</u>
<b>Benefits and Expenses:</b>		
Benefits to policyholders	196.3	190.7
Interest credited to policyholders' account balances	33.9	27.9
Amortization of deferred policy acquisition costs	31.0	32.8
Dividends to policyholders	61.9	61.5
Other operating costs and expenses	213.2	203.4
	<u>536.3</u>	<u>516.3</u>
Income from continuing operations before income taxes	6.8	21.1
Income tax expense	1.5	6.8
Income from continuing operations	5.3	14.3
Discontinued operations: Income from real estate to be disposed of, net of income tax expense of \$1.2 million	2.3	
Net income	<u>7.6</u>	<u>14.3</u>
Other comprehensive loss, net	(3.9)	(16.3)
Comprehensive income/(loss)	<u>\$ 3.7</u>	<u>\$ (2.0)</u>
<b>Per Share Data:</b>		
Basic income per share from continuing operations	<u>\$ 0.11</u>	<u>\$ 0.30</u>
Basic income per share from discontinued operations	<u>\$ 0.05</u>	<u>\$</u>

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Basic net income per share	\$ 0.16	\$ 0.30
	<u>          </u>	<u>          </u>
Diluted income per share from continuing operations	\$ 0.11	\$ 0.29
	<u>          </u>	<u>          </u>
Diluted income per share from discontinued operations		