

KINGSTONE COMPANIES, INC.

Form 10-Q

November 12, 2015

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 September 30, 2015

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 0-1665

KINGSTONE COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

36-2476480

(I.R.S. Employer Identification
Number)

15 Joys Lane

Kingston, NY 12401

(Address of principal executive offices)

(845) 802-7900

(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 (§ 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or

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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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a 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 November 11, 2015, there were 7,335,110 shares of the registrant’s common stock outstanding.

KINGSTONE COMPANIES, INC.
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EXHIBIT 3(b)
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EXHIBIT 101.INS XBRL Instance Document
EXHIBIT 101.SCH XBRL Taxonomy Extension Schema
EXHIBIT 101.CAL XBRL Taxonomy Extension Calculation Linkbase
EXHIBIT 101.DEF XBRL Taxonomy Extension Definition Linkbase
EXHIBIT 101.LAB XBRL Taxonomy Extension Label Linkbase
EXHIBIT 101.PRE XBRL Taxonomy Extension Presentation Linkbase

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this Quarterly Report may not occur. Generally, these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of our plans or strategies, projected or anticipated benefits from acquisitions to be made by us, or projections involving anticipated revenues, earnings or other aspects of our operating results. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions are intended to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control that may influence the accuracy of the statements and the projections upon which the statements are based. Factors which may affect our results include, but are not limited to, the risks and uncertainties discussed in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2014 under "Factors That May Affect Future Results and Financial Condition."

Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

	September 30, 2015 (unaudited)	December 31, 2014
Assets		
Fixed-maturity securities, held-to-maturity, at amortized cost (fair value of \$5,273,419 at September 30, 2015 and \$5,395,054 at December 31, 2014)	\$5,137,198	\$5,128,735
Fixed-maturity securities, available-for-sale, at fair value (amortized cost of \$61,211,677 at September 30, 2015 and \$50,083,441 at December 31, 2014)	62,095,309	51,120,859
Equity securities, available-for-sale, at fair value (cost of \$9,536,987 at September 30, 2015 and \$7,621,309 at December 31, 2014)	9,493,292	8,017,729
Total investments	76,725,799	64,267,323
Cash and cash equivalents	6,731,629	9,906,878
Premiums receivable, net of provision for uncollectible amounts	10,832,446	8,946,899
Receivables - reinsurance contracts	2,285,356	1,301,549
Reinsurance receivables, net of provision for uncollectible amounts	31,171,559	35,575,276
Deferred policy acquisition costs	10,456,707	8,985,981
Intangible assets, net	1,876,744	2,233,530
Property and equipment, net of accumulated depreciation	3,222,004	2,448,042
Other assets	1,341,376	1,330,944
Total assets	\$144,643,620	\$134,996,422
Liabilities		
Loss and loss adjustment expense reserves	\$38,899,492	\$39,912,683
Unearned premiums	47,441,330	40,458,041
Advance premiums	1,555,786	1,006,582
Reinsurance balances payable	1,342,213	2,096,363
Deferred ceding commission revenue	6,069,907	5,956,540
Accounts payable, accrued expenses and other liabilities	4,334,065	3,928,137
Income taxes payable	322,256	-
Deferred income taxes	655,461	1,137,180
Total liabilities	100,620,510	94,495,526
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, \$.01 par value; authorized 2,500,000 shares	-	-
Common stock, \$.01 par value; authorized 20,000,000 shares; issued 8,287,898 shares		
at September 30, 2015 and 8,235,095 shares at December 31, 2014; outstanding		
7,335,110 shares at September 30, 2015 and 7,308,757 shares at December 31, 2014	82,879	82,351
Capital in excess of par	32,982,715	32,873,383
Accumulated other comprehensive income	554,357	946,332

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Retained earnings	12,211,392	8,203,003
	45,831,343	42,105,069
Treasury stock, at cost, 952,788 shares at September 30, 2015 and 926,338 shares		