

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

OXBRIDGE RE HOLDINGS Ltd

Form: 8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 4, 2019

OXBRIDGE RE HOLDINGS LIMITED
(Exact Name of Registrant as Specified in Charter)

Cayman Islands
(State or Other Jurisdiction of Incorporation)

001-36346
(Commission File Number)

98-1150254
(I.R.S. Employer Identification No.)

Suite 201,
42 Edward Street, Georgetown
P.O. Box 469 Grand Cayman, Cayman Islands
(Address of Principal Executive Office)

KY1-9006
(Zip Code)

Registrant's telephone number, including area code: (345) 749-7570

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On November 4, 2019, Oxbridge Re Holdings Limited issued a press release announcing its financial results for the quarter and nine months ending September 30, 2019. A copy of the press release is attached hereto as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

The information in this item shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference in any of the Company's filings under the Securities Act of 1933, as amended or the Exchange Act, except to the extent, if any, expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

See the Exhibit Index set forth below for a list of exhibits included with this Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OXBRIDGE RE HOLDINGS LIMITED

Date: November 4, 2019

By: /s/ Wrendon Timothy

Wrendon Timothy
Chief Financial Officer and Secretary
(Principal Accounting Officer and Principal Financial
Officer)

A signed original of this Form 8-K has been provided to Oxbridge Re Holdings Limited and will be retained by Oxbridge Re Holdings Limited and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT INDEX

Exhibit No.

Description

[99.1](#)

Press Release, dated November 4, 2019

**Company Contact:**

Oxbridge Re Holdings Limited
Jay Madhu, CEO
345-749-7570
jmadhu@oxbridgere.com

Media contact:

Suzie Boland
RFB Communications Group
813-259-0345
sboland@rfbcommunications.com

Oxbridge Re Holdings Limited Reports Third Quarter 2019 Results

GRAND CAYMAN, CAYMAN ISLANDS / ACCESSWIRE / November 4, 2019 – Oxbridge Re (NASDAQ: OXBR), a provider of reinsurance solutions primarily to property and casualty insurers, reported financial results for the three and nine months ended September 30, 2019.

Third Quarter 2019 Results

The Company's net loss totaled \$15,000 or \$(0.00) per basic and diluted common share compared with net income of \$652,000 or \$0.11 per basic and diluted common share in the third quarter of 2018. The increase in net loss was due primarily to lower net premiums earned resulting from the strategic deployment of lower capital during the third quarter of 2019 compared to the same prior year period.

Net premiums earned were \$279,000 compared with \$700,000 in the third quarter of 2018. The decrease in net premiums earned was wholly due to strategic deployment of lower capital in the current period, when compared to the same quarter a year ago.

Net investment income totaled \$54,000 with a \$17,000 change in the fair value of equity securities. This compares with \$100,000 of net investment income, plus a \$118,000 change in the fair value of equity securities, offset by (\$61,000) of net realized investment losses in the third quarter of 2018.

Total expenses, including losses and loss adjustment expenses, policy acquisition costs and general and administrative expenses, were \$295,000 compared with \$368,000 in the third quarter of 2018. The decrease in expenses was due to a decrease in policy acquisition costs and underwriting expenses as a result of the decrease in net premiums earned during the quarter as well as a decrease in general and administrative expenses as a result of further cost savings initiatives implemented by the Company, when compared to the same prior-year period.

At September 30, 2019, cash and cash equivalents and restricted cash and cash equivalents totaled \$8.1 million compared with \$11.3 million at December 31, 2018.

Third Quarter 2019 Financial Ratios

The Company's loss ratio, which measures underwriting profitability, is the ratio of losses and loss adjustment expenses incurred to net premiums earned. The loss ratio was 0.0% for the third quarter of 2019 compared with 0.0% for the third quarter of 2018. The loss ratios in both periods were due to no loss and loss adjustment expenses incurred in the quarters ended September 30, 2019 and 2018, respectively.

The Company's acquisition cost ratio, which measures operational efficiency, compares policy acquisition costs and other underwriting expenses with net premiums earned. The acquisition cost ratio was 11.1% for the third quarter of 2019 compared with 9.0% for the same period last year. The increase in the acquisition cost ratio was due to overall higher weighted-average acquisition costs on reinsurance contracts in force during the three months ended September 30, 2019 when compared with the same period last year.

The Company's expense ratio, which measures operating performance, compares policy acquisition costs, other underwriting expenses, and general and administrative expenses with net premiums earned. The expense ratio was 105.7% for the third quarter of 2019 compared with 33.5% for the third quarter of 2018. The increase in the expense ratio was due primarily to lower net premiums earned and lower net income from derivative instruments during the three-months ended September 30, 2019 compared to the same prior-year period.

The Company's combined ratio, which measures underwriting performance, is the sum of the loss ratio and the expense ratio. If the combined ratio is at or above 100%, underwriting is not profitable. The combined ratio totaled 105.7% for the third quarter of 2019 compared with 33.5% in the same period last year. The increase in combined ratio was due to lower net premiums earned and lower net income from derivative instruments during the third quarter of 2019 when compared with the same period last year.

Nine Months Ended September 30, 2019 Financial Results

The Company's net loss totaled \$366,000 or a loss of \$0.06 per basic and diluted common share compared with net income of \$706,000 or \$0.12 per basic and diluted common share for the first nine months of 2018. The increase in net loss was due primarily to lower net premiums earned resulting from decreased capital deployed during the nine months ended September 30, 2019 compared to the same prior-year period.

Net premiums earned totaled \$372,000 compared with \$1,254,000 for the first nine months of 2018. The decrease in net premiums earned was primarily due to lower capital being deployed during the first nine months of 2019 when compared to the same period in the prior year.

Net investment income totaled \$182,000 plus \$3,000 of net realized investment gains and a \$20,000 change in fair value of equity securities. This compares with \$280,000 of net investment income, plus a \$22,000 change in fair value of equity securities offset by a loss of \$237,000 in net realized investment for the first nine months of 2018.

Total expenses, including losses and loss adjustment expenses, policy acquisition costs and underwriting expenses, and general and administrative expenses were \$849,000 compared with \$1,090,000 in the first nine months of 2018. The decrease in total expenses was due to further cost savings initiatives implemented by the Company during 2019 compared to the prior-year period.

Nine Months Ended September 30, 2019 Financial Ratios

The loss ratio was 0.0% in both nine-month periods in 2019 and 2018. The loss ratio results were due to no loss and loss adjustment expenses incurred in either nine-month period.

The acquisition cost ratio was 11% compared with 8.1% for the same period last year. The increase in the acquisition cost ratio was due to overall higher weighted-average acquisition costs on reinsurance contracts in force during the nine-month period ended September 30, 2019 compared with the nine-month period ended September 30, 2018.

The expense ratio was 228.2% compared with 53.8% for the first nine months of 2018. The increase in the expense ratio was due primarily to lower net premiums earned and lower net income from derivative instruments during the nine-months ended September 30, 2019 when compared with the same period last year.

The combined ratio was 228.2% compared with 53.8% for the same period last year. The increase was due to lower net premiums earned and lower net income from derivative instruments during the nine-months ended September 30, 2019 when compared with the same nine-month period ended September 30, 2018.

Management Commentary

“Our conservative risk management underwriting focus allowed us to remain unaffected by the devastation caused by Hurricane Dorian on the Atlantic Coast, Typhoon Hagibis in Japan, the recent California wildfires and various other devastating events worldwide,” said Oxbridge Re Holdings President and Chief Executive Officer Jay Madhu. “This also marks the second year of deploying our side car and we are pleased with the results thus far. With a strong cash and restricted cash position, our equity currently translates to a book value of \$1.39 per common share. Looking ahead, we remain optimistic about the long-term prospects for our business as we continue to evaluate additional opportunities for growth as well further diversification of risk.”

Conference Call

Management will host a conference call later today to discuss these financial results, followed by a question and answer session. President and Chief Executive Officer Jay Madhu and Chief Financial Officer Wrendon Timothy will host the call starting at 4:30 p.m. Eastern time.

The live presentation can be accessed by dialing the number below or by clicking the webcast link available on the Investor Information section of the company's website at www.OxbridgeRe.com.

Date: Tuesday, November 4, 2019

Time: 4:30 p.m. Eastern time

Live call toll-free number: 844-369-8770

Live call international number: 862-298-0840

Please call the conference telephone number 10 minutes before the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Issuer Direct at 919-481-4000 or operations@issuereirect.com.

A replay of the call will be available by telephone after 4:30 p.m. Eastern time on the same day of the call and via the Investor Information section of Oxbridge's website at www.OxbridgeRe.com until December 5, 2019.

Toll-free replay number: 877-481-4010

International replay number: 919-882-2331

Conference ID: 55846

About Oxbridge Re Holdings Limited

Oxbridge Re (www.oxbridgere.com) is a Cayman Islands exempted company that was organized in April 2013 to provide reinsurance business solutions primarily to property and casualty insurers in the Gulf Coast region of the United States. Through Oxbridge Re's licensed reinsurance subsidiaries, Oxbridge Reinsurance Limited and Oxbridge RE NS, it writes fully collateralized policies to cover property losses from specified catastrophes. Oxbridge Re specializes in underwriting medium frequency, high severity risks, where it believes sufficient data exists to analyze effectively the risk/return profile of reinsurance contracts. The company's ordinary shares and warrants trade on the NASDAQ Capital Market under the symbols "[OXBR](#)" and "[OXBRW](#)," respectively. The company's ordinary shares are included in the Russell Microcap Index.

Forward-Looking Statements

This press release may contain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "estimate," "expect," "intend," "plan," "project" and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are identified in the Company's filings with the SEC. The occurrence of any of these risks and uncertainties could have a material adverse effect on the Company's business, financial condition and results of operations. Any forward-looking statements made in this press release speak only as of the date of this press release and, except as required by law, the Company undertakes no obligation to update any forward-looking statement contained in this press release, even if the Company's expectations or any related events, conditions or circumstances change.

-Tables to follow-

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Balance Sheets
(expressed in thousands of U.S. Dollars, except per share and share amounts)

	At September 30, 2019	At December 31, 2018
	(Unaudited)	
Assets		
Investments:		
Fixed-maturity securities, available for sale, at fair value (amortized cost of \$991 in 2018)	\$ -	993
Equity securities, at fair value (cost of \$612 and \$210 respectively)	584	162
Total investments	584	1,155
Cash and cash equivalents	6,137	8,074
Restricted cash and cash equivalents	1,915	3,225
Accrued interest and dividend receivable	11	15
Premiums receivable	837	-
Deferred policy acquisition costs	82	-
Operating lease right-of-use assets	140	-
Prepayment and other assets	73	74
Property and equipment, net	11	18
Total assets	\$ 9,790	12,561
Liabilities and Shareholders' Equity		
Liabilities:		
Reserve for losses and loss adjustment expenses	\$ 107	4,108
Notes payable to Series 2019-1 noteholders	600	-
Unearned premiums reserve	744	-
Operating lease liabilities	140	-
Accounts payable and other liabilities	226	139
Total liabilities	1,817	4,247
Shareholders' equity:		
Ordinary share capital, (par value \$0.001, 50,000,000 shares authorized; 5,733,587 shares issued and outstanding)	6	6
Additional paid-in capital	32,253	32,226
Accumulated Deficit	(24,286)	(23,920)
Accumulated other comprehensive income	-	2
Total shareholders' equity	7,973	8,314
Total liabilities and shareholders' equity	\$ 9,790	12,561

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARY
Consolidated Statements of Income (unaudited)
(expressed in thousands of U.S. Dollars, except per share and share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
	<u>(unaudited)</u>		<u>(unaudited)</u>	
Revenue				
Assumed premiums	\$ -	47	1,116	2,627
Change in loss experience refund payable	-	-	-	(225)
Change in unearned premiums reserve	279	653	(744)	(1,148)
Net premiums earned	279	700	372	1,254
Net income from derivative instruments	-	397	-	773
Net investment and other income	54	100	182	280
Net realized investment gains(losses)	-	(61)	3	(237)
Change in fair value of equity securities	17	118	20	22
Total revenue	<u>350</u>	<u>1,254</u>	<u>577</u>	<u>2,092</u>
Expenses				
Net loss on commutation	-	-	-	8
Policy acquisition costs and underwriting expenses	31	63	41	101
General and administrative expenses	264	305	808	981
Total expenses	<u>295</u>	<u>368</u>	<u>849</u>	<u>1,090</u>
Income (loss) before (income) attributable to Series 2019-1 noteholders	55	886	(272)	1,002
(Income) attributable to Series 2019-1 noteholders	(70)	(234)	(94)	(296)
Net (loss) income	<u>(15)</u>	<u>652</u>	<u>(366)</u>	<u>706</u>
(Loss) Earnings per share				
Basic and Diluted	<u>(0.00)</u>	<u>0.11</u>	<u>(0.06)</u>	<u>0.12</u>
Dividends paid per share				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Performance ratios to net premiums earned:				
Loss ratio	0.0%	0.0%	0.0%	0.0%
Acquisition cost ratio	11.1%	9.0%	11.0%	8.1%
Expense ratio	105.7%	33.5%	228.2%	53.8%
Combined ratio	105.7%	33.5%	228.2%	53.8%