

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

KINGSTONE COMPANIES, INC.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: November 14, 2011
(Date of earliest event reported)

KINGSTONE COMPANIES, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

0-1665
(Commission File No.)

36-2476480
(IRS Employer Identification Number)

1154 Broadway, Hewlett, NY
(Address of Principal Executive Offices)

11557
(Zip Code)

Registrant's telephone number, including area code: (516) 374-7600

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))
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Item 2.02. Results of Operations and Financial Condition.

On November 14, 2011, Kingstone Companies, Inc. (the "Company") issued a press release (the "Press Release") announcing its financial results for the fiscal period ended September 30, 2011. The Press Release also announced that the Company's Board of Directors has declared a \$.03 per share quarterly dividend payable on December 15, 2011 to shareholders of record as of the close of business on November 30, 2011. A copy of the Press Release is furnished as Exhibit 99.1 hereto.

The information in the Press Release is being furnished, not filed, pursuant to this Item 2.02. Accordingly, the information in the Press Release will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this Report is not intended to, and does not, constitute a determination or admission by the Company that the information in this Report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

99.1 Press release, dated November 14, 2011, issued by Kingstone Companies, Inc.

SIGNATURES

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.

KINGSTONE COMPANIES, INC.

Dated: November 15, 2011

By: /s/ Barry B. Goldstein

Barry B. Goldstein

President

Kingstone Companies, Inc.
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Hewlett, NY 11557
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Contact: Barry Goldstein, CEO

News Release

Kingstone Companies Announces Third Quarter Results

Declares \$.03 per Share Quarterly Dividend

Book Value per Share of \$3.68, up 9% Since Year-end 2010

Hewlett, New York—November 14, 2011--Kingstone Companies, Inc. (NASDAQ: KINS) reported its results for the period ended September 30, 2011. Third quarter 2011 net income was \$219,569, or \$.06 per share, and net operating income¹ was \$89,830, or \$.02 per share.

The Company also announced that its board declared a quarterly dividend of \$.03 per share payable on December 15, 2011 to shareholders of record at the close of business on November 30, 2011.

¹This measure is not based on U.S. generally accepted accounting principles ("GAAP") and is defined and reconciled to the most directly comparable GAAP measure in "Information Regarding Non-GAAP Measures."

Operating Highlights

- Direct premiums written and net premiums written in the third quarter were up by 24.0% and 26.8%, respectively, over the same quarter of 2010. Year to date amounts were up 22.2% and 18.8%, respectively, over the nine months ended September 30, 2010.
 - Net premiums earned were up 28.5% over the same quarter of 2010. Year to date amount was up 36.9%
 - Q3 net loss ratio exclusive of catastrophes was 63.8% as compared to 62.2% in Q3 2010. Net catastrophe loss caused by Tropical Storm Irene added 10.7% to net loss ratio to a total of 74.5% in the third quarter.
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Financial Highlights

	<u>For the Three Months Ended September 30,</u>				<u>For the Nine Months Ended September 30,</u>			
	<u>2011</u>	<u>2010</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2011</u>	<u>2010</u>	<u>\$ Change</u>	<u>% Change</u>
(000's except per share amounts and percentages)								
Direct premiums written (1)	\$ 10,383	\$ 8,376	\$ 2,007	24.0%	\$ 30,503	\$ 24,969	\$ 5,534	22.2%
Net premiums written (1)	\$ 4,267	\$ 3,366	\$ 901	26.8%	\$ 12,410	\$ 10,449	\$ 1,961	18.8%
Net premiums earned	\$ 3,937	\$ 3,065	\$ 872	28.5%	\$ 10,822	\$ 7,905	\$ 2,917	36.9%
Ceding commission revenue	\$ 2,308	\$ 2,232	\$ 76	3.4%	\$ 7,348	\$ 6,414	\$ 934	14.6%
Net investment income	\$ 172	\$ 155	\$ 17	11.0%	\$ 510	\$ 436	\$ 74	17.0%
Interest expense	\$ 24	\$ 47	\$ (23)	(48.9)%	\$ 108	\$ 139	\$ (31)	(22.3)%
Net income	\$ 220	\$ 232	\$ (12)	(5.2)%	\$ 1,120	\$ 823	\$ 297	36.1%
Net income per diluted share	\$ 0.06	\$ 0.06	\$ 0.00	0.2%	\$ 0.29	\$ 0.25	\$ 0.04	15.0%
Comprehensive income	\$ 109	\$ 578	\$ (469)	(81.1)%	\$ 1,230	\$ 1,193	\$ 37	3.1%
Net operating income (1)	\$ 89	\$ 177	\$ (88)	(49.7)%	\$ 884	\$ 672	\$ 212	31.5%
Operating income per diluted share (1)	\$ 0.02	\$ 0.05	\$ (0.03)	(60.0)%	\$ 0.23	\$ 0.20	\$ 0.03	15.0%

¹These measures are not based on GAAP and are defined and reconciled to the most directly comparable GAAP measures in "Information Regarding Non-GAAP Measures."

Management Commentary

Barry Goldstein, Kingstone's Chairman and CEO, stated "Our premium growth continued in the third quarter. Direct written premiums were up 24% over the prior year to \$10.4 million. We reduced the quota share ceding percentage on commercial lines policies at the beginning of Q3. Thus, we are retaining a larger portion of the commercial writings effective July 1st. This results in a further increase to net written premiums, which were up 26.8% for the quarter. In spite of the August storms which brought with them a record number of claims, we earned a net of \$220,000 or \$.06 per share for the quarter, down only \$12,000 from the non-catastrophe impacted third quarter of 2010 when we earned \$232,000 or \$.06 per share.

Victor Brodsky, Kingstone CFO, added "The third quarter was highlighted by the effects of August rainstorms, and Tropical Storm Irene in particular. Due to the structure of our reinsurance program, the losses incurred by Tropical Storm Irene are reflected by an increase to our net loss ratio and a decrease to our ceding commission revenue. While our net loss and loss adjustment expense from this catastrophe of \$422,000 added 10.7% to our net loss ratio, there was a reduction of ceding commission revenue of \$493,000. Ceding commission revenue was up by 3.4% over Q3 2010 inclusive of the effect of Tropical Storm Irene. Our second quarterly dividend was declared at the rate of \$.03 per share and will be paid to holders of record at November 30th on December 15, 2011.

Information Regarding Non-GAAP Measures

Direct premiums written - represents the total premiums charged on policies issued by the Company during the fiscal period in question.

Net premiums written - represents direct premiums written less premiums ceded to reinsurers.

	<u>For the Three Months Ended September 30,</u>				<u>For the Nine Months Ended September 30,</u>			
	<u>2011</u>	<u>2010</u>	<u>\$</u>	<u>%</u>	<u>2011</u>	<u>2010</u>	<u>\$</u>	<u>%</u>
			<u>Change</u>	<u>Change</u>			<u>Change</u>	<u>Change</u>
(000's)								
Direct and Net Premiums Written Reconciliation:								
Direct premiums written	\$ 10,383	\$ 8,376	\$ 2,007	24.0%	\$ 30,503	\$ 24,969	\$ 5,534	22.2%
Assumed written premiums	3	6	(3)	(50.0) %	6	9	(3)	(33.3) %
Ceded written premiums	(6,119)	(5,016)	(1,103)	22.0%	(18,099)	(14,529)	(3,570)	24.6%
Net written premiums	<u>4,267</u>	<u>3,366</u>	<u>901</u>	<u>26.8%</u>	<u>12,410</u>	<u>10,449</u>	<u>1,961</u>	<u>18.8%</u>
Change in unearned premiums	(330)	(301)	(29)	9.6%	(1,588)	(2,544)	956	(37.6) %
Net premiums earned	<u>\$ 3,937</u>	<u>\$ 3,065</u>	<u>\$ 872</u>	<u>28.5%</u>	<u>\$ 10,822</u>	<u>\$ 7,905</u>	<u>\$ 2,917</u>	<u>36.9%</u>

Net operating income - is net income exclusive of realized investment gains, net of tax. Net income is the GAAP measure most closely comparable to operating income. Management uses net operating income, along with other measures, to gauge the Company's performance and evaluate results, which can be skewed when including realized investment gains, which may vary significantly between periods. Net operating income is provided as supplemental information, is not a substitute for net income and does not reflect the Company's overall profitability.

	<u>For the Three Months Ended September 30,</u>				<u>For the Nine Months Ended September 30,</u>			
	<u>2011</u>	<u>2010</u>	<u>\$</u>	<u>%</u>	<u>2011</u>	<u>2010</u>	<u>\$ Change</u>	<u>% Change</u>
			<u>Change</u>	<u>Change</u>				
(000's)								
Net Operating Income Reconciliation:								
Net income	\$ 220	\$ 232	\$ (12)	(5.2) %	\$ 1,120	\$ 823	\$ 297	36.1%
Net realized gain on investments	197	84	113	134.5%	357	229	128	55.9%
Less tax effect on realized gains	66	29	37	127.6%	121	78	43	55.1%
Net realized gain on investments, net of taxes	131	55	76	138.2%	236	151	85	56.3%
Net operating income	<u>\$ 89</u>	<u>\$ 177</u>	<u>\$ (88)</u>	<u>(49.7) %</u>	<u>\$ 884</u>	<u>\$ 672</u>	<u>\$ 212</u>	<u>31.5%</u>

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Forward Looking Statements

Statements in this press release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements involve risks and uncertainties that could cause actual results to differ materially from those included in forward-looking statements due to a variety of factors. More information about these factors can be found in Kingstone’s filings with the Securities and Exchange Commission, including its latest Annual Report filed with the Securities and Exchange Commission on Form 10-K. Kingstone undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.