

Conifer Holdings, Inc.
Form 10-Q
September 14, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2015

OR

**o 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 001-37536

Conifer Holdings, Inc.

(Exact name of registrant as specified in its charter)

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Michigan

(State or other jurisdiction of
incorporation or organization)

27-1298795

(I.R.S. Employer
Identification No.)

550 West Merrill Street, Suite 200

Birmingham, Michigan

(Address of principal executive offices)

48009

(Zip code)

(248) 559-0840

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 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 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 ☐
(Do not check if a smaller
reporting company)

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 ☒

The number of outstanding shares of the registrant's common stock, no par value, as of September 11, 2015 was 7,644,492.

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CONIFER HOLDINGS, INC. AND SUBSIDIARIES

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(dollars in thousands)

	June 30, 2015	December 31, 2014
Assets		
Investment securities:		
Fixed maturity securities, at fair value (amortized cost \$98,203 and \$83,768 at June 30, 2015 and December 31, 2014, respectively)	\$ 98,271	\$ 84,405
Equity securities, at fair value (cost \$3,176 and \$2,965 at June 30, 2015 and December 31, 2014, respectively)	4,164	4,084
Short-term investments, at cost or amortized cost (approximates fair value)	6,237	16,749
Total investment securities	108,672	105,238
Cash	8,598	18,488
Premiums and agents' balances receivable, net	15,434	14,478
Reinsurance recoverables on unpaid losses	5,022	3,224
Reinsurance recoverables on paid losses	1,249	1,915
Ceded unearned premiums	10,613	9,510
Deferred policy acquisition costs	7,659	5,679
Intangible assets, net	1,135	1,171
Goodwill	1,104	1,104
Other assets	4,192	2,931
Total assets	\$ 163,678	\$ 163,738
Liabilities and Equity		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 32,357	\$ 31,531
Unearned premiums	44,484	43,381
Reinsurance premiums payable	2,699	7,069
Senior debt	27,462	27,562
Accounts payable and accrued expenses	4,383	2,521
Other liabilities	1,125	1,396
Total liabilities	112,510	113,460
Redeemable preferred stock, 1,000,000 shares authorized; 60,600 shares issued and outstanding at December 31, 2014		6,119
Shareholders' equity:		
Preferred stock, 1,000,000 shares authorized; 60,600 shares issued and outstanding at June 30, 2015	6,242	

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Common stock, no par value, 12,240,000 shares authorized, issued and outstanding 4,050,042 shares and 3,995,013 shares at June 30, 2015 and December 31, 2014, respectively	46,443	46,119
Accumulated deficit	(2,053)	(3,095)
Accumulated other comprehensive income	459	1,158
Total shareholders' equity attributable to Conifer	51,091	44,182
Noncontrolling interest	77	(23)
Total equity	51,168	44,159
Total liabilities and equity	\$ 163,678	\$ 163,738

See accompanying notes to condensed consolidated financial statements.

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CONIFER HOLDINGS, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations (Unaudited)

(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue				
Gross written premiums	\$ 23,059	\$ 19,001	\$ 44,263	\$ 36,668
Ceded written premiums	(7,117)	(2,309)	(14,655)	(3,267)
Change in net unearned premiums	(827)	(2,735)		(6,769)
Net earned premiums	15,115	13,957	29,608	26,632
Net investment income	469	282	955	502
Net realized investment gains	87	81	232	172
Other income	480	505	969	1,037
Total revenue	16,151	14,825	31,764	28,343