

Conifer Holdings, Inc.  
Form 10-Q  
November 07, 2018

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

FORM 10-Q  
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the Quarterly Period Ended September 30, 2018  
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 001-37536

Conifer Holdings, Inc.  
(Exact name of registrant as specified in its charter)  
Michigan 27-1298795  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

550 West Merrill Street, Suite 200  
Birmingham, Michigan 48009  
(Address of principal executive offices) (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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer Non-accelerated filer  
(Do not check if a smaller reporting company) Emerging growth company  
Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 November 5, 2018, was 8,602,703.

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CONIFER HOLDINGS, INC. AND SUBSIDIARIES

Form 10-Q

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PART 1 - FINANCIAL INFORMATION  
ITEM 1 - FINANCIAL STATEMENTS  
CONIFER HOLDINGS, INC. AND SUBSIDIARIES  
Consolidated Balance Sheets  
(dollars in thousands)

	September 30, 2018 (Unaudited)	December 31, 2017
Assets		
Investment securities:		
Debt securities, at fair value (amortized cost of \$125,018 and \$137,004, respectively)	\$ 121,996	\$ 136,536
Equity securities, at fair value (cost of \$8,890 and \$8,629, respectively)	9,832	9,687
Short-term investments, at fair value	9,905	11,427
Total investments	141,733	157,650
Cash	16,455	11,868
Premiums and agents' balances receivable, net	22,415	22,845
Receivable from affiliate	1,321	1,195
Reinsurance recoverables on unpaid losses	27,118	20,066
Reinsurance recoverables on paid losses	2,540	4,473
Prepaid reinsurance premiums	1,498	1,081
Deferred policy acquisition costs	11,843	12,781
Other assets	8,074	7,073
Total assets	\$ 232,997	\$ 239,032
Liabilities and Shareholders' Equity		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 91,046	\$ 87,896
Unearned premiums	51,701	57,672
Reinsurance premiums payable	—	3,299
Debt	29,750	29,027
Accounts payable and other liabilities	13,961	8,312
Total liabilities	186,458	186,206
Commitments and contingencies	—	—
Shareholders' equity:		
Common stock, no par value (100,000,000 shares authorized; 8,602,703 and 8,520,328 issued and outstanding, respectively)	86,915	86,199
Accumulated deficit	(36,982	) (33,010 )
Accumulated other comprehensive income (loss)	(3,394	) (363 )
Total shareholders' equity	46,539	52,826
Total liabilities and shareholders' equity	\$ 232,997	\$ 239,032

The accompanying notes are an integral part of the Consolidated Financial Statements.

## CONIFER HOLDINGS, INC. AND SUBSIDIARIES

## Consolidated Statements of Operations (Unaudited)

(dollars in thousands, except per share data)

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2018	
	2017	2017	2017	2017
Revenue				
Premiums				
Gross earned premiums	\$27,318	\$28,891	\$82,899	\$85,493
Ceded earned premiums	(3,868 )	(11,232 )	(11,711 )	(19,198 )
Net earned premiums	23,450	17,659	71,188	66,295
Net investment income	786	768	2,425	2,008
Net realized investment gains (losses)	(21 )	39	152	31
Change in fair value of equity securities	151	—	(116 )	—
Other gains	—	—	—	750
Other income	405	477	1,212	1,203
Total revenue	24,771	18,943	74,861	70,287
Expenses				
Losses and loss adjustment expenses, net	16,554	26,468	44,950	58,875
Policy acquisition costs	6,452	6,655	19,437	19,555
Operating expenses	4,786	4,474	13,276	13,374
Interest expense	598	303		