

**Kingstone Companies, Inc. (NASDAQ: KINS; Kingston, NY) Closes \$35.4 Million Public Offering**

Sandler O'Neill + Partners, L.P. served as the sole book-running manager for this offering.

This transaction represents the 46<sup>th</sup> public offering or private placement of common stock for a financial services company since January 1, 2015 for which Sandler O'Neill acted as book-runner, co-manager or placement agent – more than any other bank during that period. These transactions have raised over \$10.7 billion for our clients.<sup>1</sup>

**About the Offering:**

Kingston, New York, January 31, 2017 - Kingstone Companies, Inc. (the "Company" or "Kingstone"), the parent company of Kingstone Insurance Company ("KICO"), announced the closing of its underwritten follow-on offering of 2,500,000 shares of its common stock, with an additional 450,000 shares sold by selling shareholders, at a price of \$12.00 per share. The net proceeds to the Company after deducting underwriting discounts and commissions and estimated offering expenses are expected to be approximately \$28.0 million.

The Company expects to use the net proceeds of the offering to contribute additional statutory capital to support growth, reduce reliance on quota share reinsurance and provide support for a ratings upgrade.

**About the Company:**

Kingstone is a property and casualty holding company whose principal operating subsidiary, Kingstone Insurance Company, is domiciled in the State of New York. The Company is a multi-line regional property and casualty insurance company writing business exclusively through independent retail and wholesale agents and brokers. The Company is licensed to write insurance policies in New York, New Jersey, Pennsylvania, Connecticut, Rhode Island, and Texas. Kingstone offers property and casualty insurance products to individuals and small businesses primarily in New York State.

***This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.***

*(1) Source: SNL Financial. Financial Services includes banking, insurance, securities & investments, and specialty finance companies.*

January 31, 2017

**Common Stock**

**\$35.4 Million**



**Sole Book-Running Manager**

**SANDLER O'NEILL + PARTNERS**

**Financial Highlights**

*(in millions, except per share data)*

LTM Gross Premium Written	\$100.1
Total Cash and Investments	\$109.0
Total Assets	\$169.5
Pro Forma Total Shareholders' Equity	\$84.6
Pro Forma Book Value per Common Share	\$8.13
Pre-Money Price to Book Value	1.68x
Post-Money Price to Book Value	1.48x

*Note: Financial data as of 9/30/16, pro forma data as adjusted for the completion of the offering, not including the purchase option.*

*Source: Company filings*

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