



Nasdaq: KINS

Fall 2018 Investor Briefing

Includes financial data through June 30, 2018

Safe Harbor

The issuer has filed a registration statement (including a prospectus and a prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you these documents if you request them by calling 1-866-805-4128.

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Kingstone Companies, Inc.

Headquarters	Kingston, NY
Number of Employees	103
A.M. Best Rating	A- (Excellent)
Ticker	NASDAQ: KINS
Market Capitalization*	\$197.7 million
GAAP Shareholder’s Equity (6/30/18)	\$88.7 million
Net Income (LTM 6/30/18)	\$6.0 million
Annual Dividend per Share	\$0.40

*As of 8/31/2018

Regional Multi-Line P&C Insurance Company

- Personal and commercial lines property and casualty insurer
 - Focused primarily on personal lines and small commercial
 - Personal lines (home and dwelling) currently account for 80% of gross written premiums⁽¹⁾
 - Our products fill a market need for independent agents and consumers
- Expanding regional footprint in the Northeast U.S.
 - Historical core market in downstate New York: New York City, Long Island, and Westchester County
 - Began writing business in New Jersey and Rhode Island in 2017 and Massachusetts in 2018
 - Recently licensed in New Hampshire, Connecticut, and Maine

What Makes us Different...

Focused on writing business exclusively through agents and brokers, never direct

Long-standing market presence (established 1886) with consistent rate levels and agency relationships

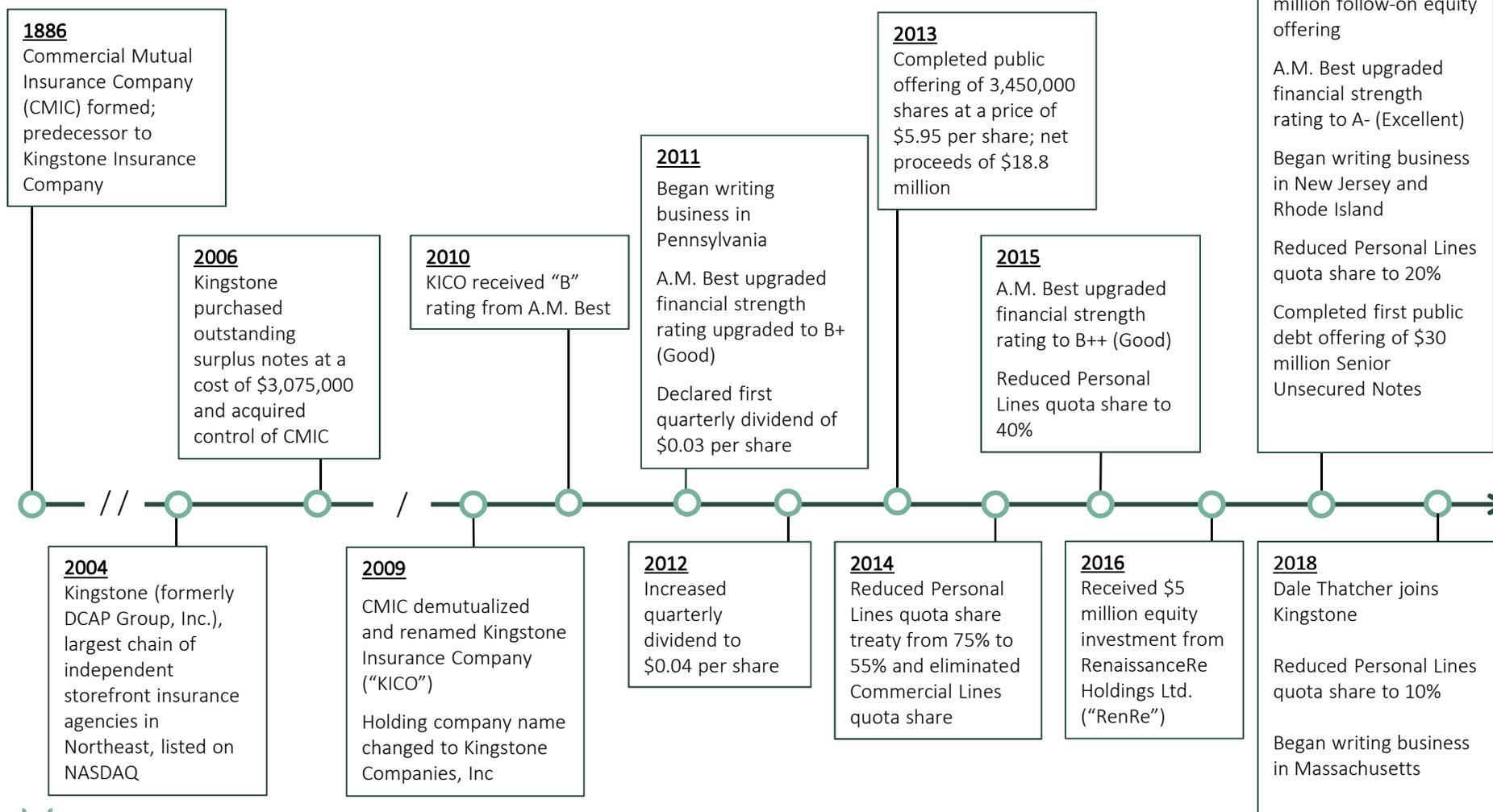
Underwriting profit in each of the last ten last years, including years impacted by Superstorm Sandy – trailing five year combined ratio ending 6/30/18: 82.9%

Attractive returns on shareholders equity with a strong balance sheet and effective risk management

A.M. Best financial strength rating of “A-” (Excellent), competing against many non-A.M. Best rated carriers

Our History – KINS and Kingstone Insurance Company

- KINS originally an owner/franchisor of retail insurance agencies (formerly known as DCAP Group)
- Acquired ownership of Commercial Mutual in 2009 upon its demutualization
- Transformed insurance company into an A.M. Best “A-” (Excellent) rated regional company



Experienced Management Team

Barry B. Goldstein

Chairman & Chief Executive Officer

- Chairman and Chief Executive Officer since 2001
- 20 years of experience in the P&C insurance industry
- Kingstone's largest shareholder

Dale Thathcer

Chief Operating Officer

- President and COO since March 2018
- Joined Kingstone's Board of Directors in 2017
- Over 30 years experience with public P&C insurance companies

Victor Brodsky

Chief Financial Officer

- Joined Kingstone in 2007, Chief Financial Officer since 2009
- Public company Chief Financial Officer experience of almost 20 years

Benjamin Walden

Executive Vice President and Chief Actuary⁽¹⁾

- Chief Actuary since 2013, company's first in-house actuary
- Over 25 years of personal lines actuarial and management experience

Karl Houseknecht

Treasurer and Controller⁽¹⁾

- Treasurer for Kingstone since 2002
- Over 25 years of experience with NY P&C insurance companies

Thomas Seccia

Senior Vice President and General Counsel⁽¹⁾

- General Counsel for Kingstone since 2008
- Over 20 years of experience with NY P&C insurance companies

David Delaney

Senior Vice President of Business Development⁽¹⁾

- Joined Kingstone in 2016, previously department head at AIG Consumer
- Responsible for KICO multi-state expansion program

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- Broad employee profit sharing plan tied directly to underwriting results
 - Compensation and strategy designed to attract executives focused on contributing to long-term value creation
 - Executives rewarded for strong financial and operational performance

Financial Performance

(\$ in thousands)

Key Financial Metrics	2013	2014	2015	2016	2017	2018 YTD ⁽¹⁾
Gross Written Premiums Growth Rate	22.8%	26.1%	23.9% ⁽²⁾	13.4%	17.8%	20.9%
Combined Ratio (inclusive of all weather events)	88.6%	77.1%	80.0%	79.2%	80.6%	98.8%
Income from Operations Before Taxes	2,777	7,876	10,309	13,419	14,309	48
Net Income	2,012	5,328	6,960	8,990	9,986	39
Stockholders' Equity	35,709	40,501	45,277	56,681	94,578	88,727
Return on Equity	4.5%	14.0%	16.2%	17.6%	13.2%	0.04%

Consistent written premium growth averaging over 20% over past five years

Five year all-in average combined ratio of 81.1%

Stockholders' equity increased more than 165% since December 31, 2013

(1) 2018 YTD reflects the six months ended June 30, 2018.

(2) Excludes commercial auto runoff.

The Kingstone Story

Focus on Agency Relationships: The Foundation of Our Success

- Strong relationships with P&C insurance distribution partners (over 400 agencies)
- Consistency and dependability of service makes Kingstone an excellent alternative to larger carriers
- Focus on smaller sized agencies often disregarded by larger carriers due to size

Business Transformation Since Demutualization (in 2009): Alignment of Management, Employee and Investor Interests

- A significant portion of management's net worth in Kingstone stock and CEO is company's largest shareholder
- Employee bonus plan tied directly to GAAP Combined Ratio
- Evolved into efficient, low-cost operation while growing our business

Multiple Opportunities For Sustainable and Profitable Growth: The Growth Kicker

- Kingstone has a proven ability to identify profitable opportunities in less crowded markets
- Paying particular attention to our "Boots on the Ground" – agents help to identify underserved niche markets
- Expanding into adjacent markets with similar, attractive dynamics
- "A-" (Excellent) A.M. Best rating enhances position with existing agent relationships and facilitates new market opportunities

Focus on core financial goals:

- 1) 20% organic premium growth
- 2) 20% operating margins
- 3) 15% or higher ROE

A.M. Best Financial Strength Rating

April 2017 Upgrade

- We took the following steps to position KICO to achieve a ratings upgrade to “A-”(Excellent):
 - Contributed \$23 million of capital to KICO from January 2017 equity offering
 - Structured 2017/18 property catastrophe reinsurance to meet A.M. Best’s standard by maintaining existing excess of loss limit (above 1-in-250 year level) and increasing 2nd event coverage to 1-in-100 year level
 - Reduced personal lines quota share ceding percentage from 40% to 20% effective 7/1/17, down from 75% prior to 7/1/14. Further reduction of personal lines quota share ceding percentage from 20% to 10% effective 7/1/18

Growth Attendant to Ratings Upgrade

- Increased share of preferred business with existing agents and brokers
 - Personal lines (New York only) policies in force increased by 30.6% from 6/30/17 to 6/30/18
- Easier acceptance with agents and policyholders in new markets
 - New Jersey and Rhode Island – 2017, Massachusetts - 2018
- Better access to larger preferred agents and brokers
- New partnership opportunities with other A Rated carriers
- New high value home division (\$1 million + insured value)

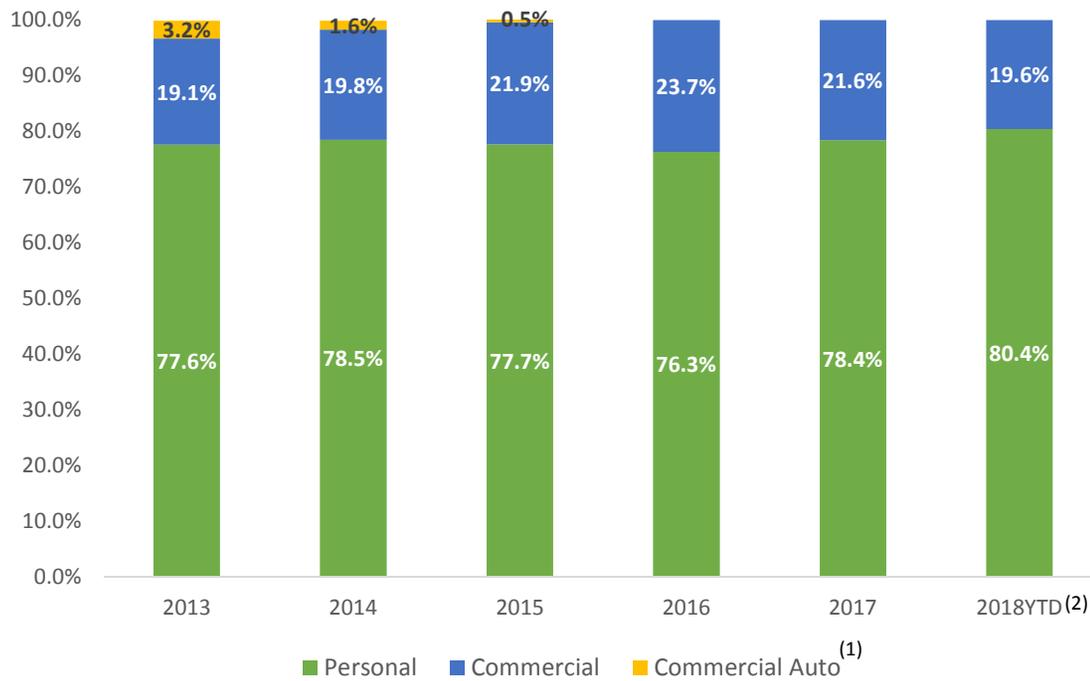
A.M. Best Rating History

2010	2011 – 2014	2015 - 2016	2017 - 2018
Initial FSR Rating of “B” (Fair)	“B+” (Good)	“B++” (Good)	“A-” (Excellent)

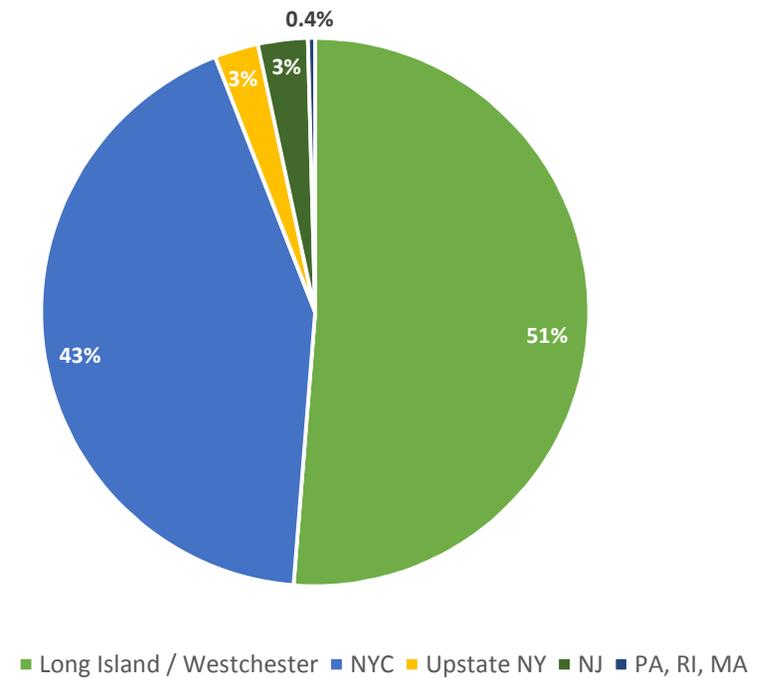
Business Mix

- Focus on products that meet the needs of our agency partners
- Primarily homeowners and dwelling coverages
- Niche livery physical damage coverage
- Expanding and diversifying our personal and commercial lines products
- Approximately 94% of policies in downstate New York (NYC / Long Island/Westchester)

Distribution of Inforce Policies



Policies in Force, by locale (6/30/18)



(1) Kingstone exited Commercial Auto line of business 6/30/17.

(2) For the six months ending June 30, 2018.

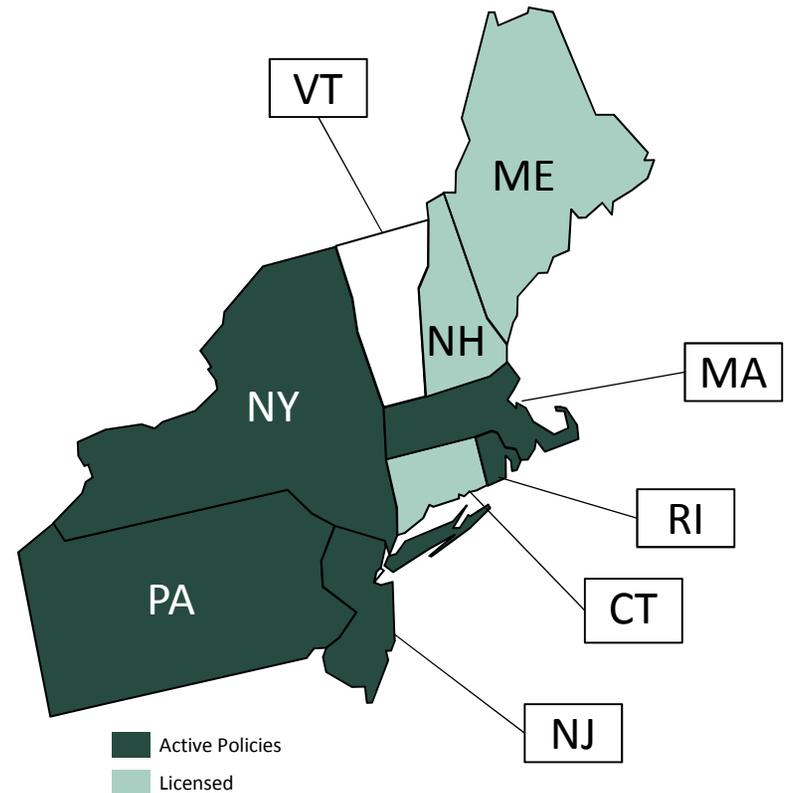
Serving Large and Stable Markets

- New York marketplace
 - 4th largest state in the country with estimated population of 19.7 million
 - 4th largest P&C insurance market in the U.S.
 - 4th largest Homeowners insurance market in the U.S.
- Entering other large markets with similar dynamics
 - New Jersey – 7th largest P&C insurance market and 10th largest Homeowners insurance market in the U.S.
 - Massachusetts – 12th largest P&C insurance market and 12th largest Homeowners insurance market in the U.S.
- Competing with large national carriers as well as regional and local carriers (several of whom are not A.M. Best rated)

Top Homeowners' Insurers in New York As of December 31, 2017				
2017 Rank	2013 Rank	Institution	DPW (\$MM)	Market Share
1	2	Allstate Corp	\$ 760.6	12.6 %
2	1	State Farm	704.3	11.7
3	4	Chubb	609.0	10.1
4	3	Travelers Companies Inc.	529.9	8.8
5	5	Liberty Mutual	468.6	7.8
6	6	American International Group	277.3	4.6
7	14	National General Holdings Corp	228.1	3.8
8	7	NYCM Insurance Group	189.3	3.1
9	12	Heritage Insurance Hldgs Inc	173.3	2.9
10	11	USAA	144.0	2.4
11	8	Nationwide Mutual Group	141.2	2.3
12	9	MetLife Inc.	113.6	1.9
13	18	Kingstone Insurance Co.	81.2	1.3
14	13	Hartford Financial Services	77.3	1.3
15	19	IAT Insurance	69.9	1.2
16	20	PURE	66.2	1.1
17	10	Assurant Inc.	63.9	1.1
18	17	American Family Insurance Grp	61.1	1.0
19	15	Preferred Mutual Insurance Co.	60.0	1.0
20	16	Andover Companies	58.6	1.0
Top 20			\$ 4,877	80.7 %
Grand Total			\$ 6,041	100.0 %

Regional Expansion Plan

- Entering other Northeastern states where Kingstone can build out an agency-only distribution model based on the success achieved in the New York market
- Expansion Market Progress
 - Began writing business in New Jersey in May 2017
 - Wrote first policy in Rhode Island in December 2017
 - Wrote first policy in Massachusetts in June 2018
- Preparing to enter Connecticut, Maine, and New Hampshire



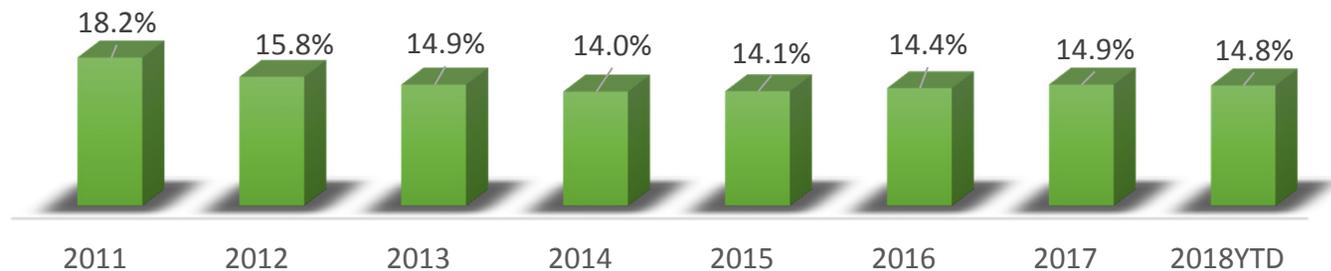
Execution of our regional expansion plan will provide greater geographic diversification in states with similar market dynamics and competitive environments

Established and Efficient Operations

- Primary operations center in Kingston, NY
 - Provides low-cost operating environment
- Investment in new tools and technology
 - Improved efficiency and effectiveness of underwriting and claims processes
 - Implemented new producer and insured portal
- Online application and quoting systems for all major products

Operating Efficiency

Other Underwriting Expense as % of GWP



Other Underwriting Expenses:	\$7.4	\$7.8	\$9.0	\$10.7	\$12.8	\$14.9	\$18.1	\$10.1
Gross Written Premiums:	\$40.7	\$49.3	\$60.5	\$76.3	\$91.0	\$103.2	\$121.6	\$68.4
<i>(\$ in millions)</i>								

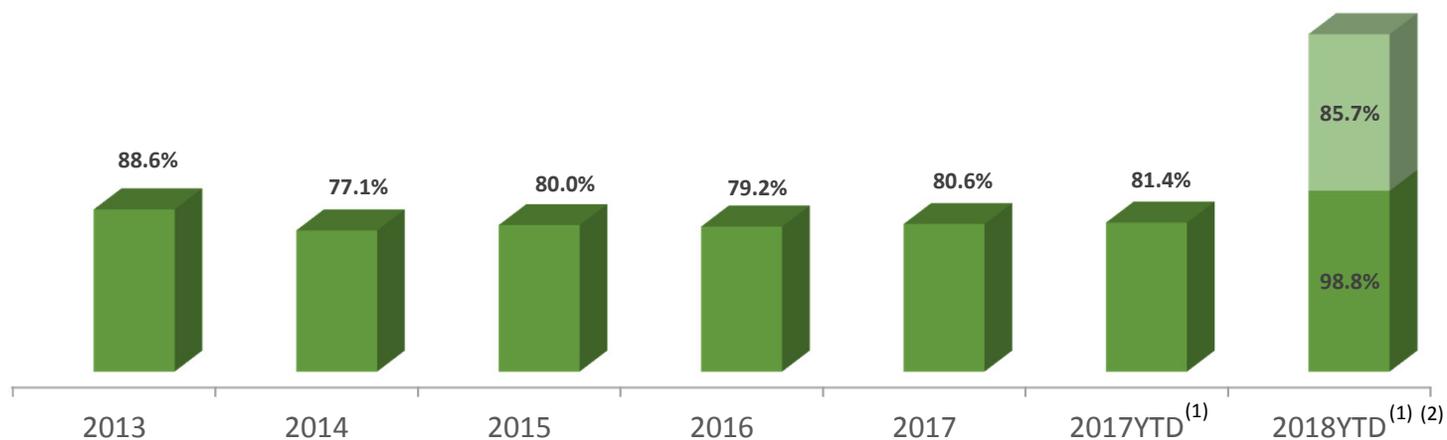
Consistent Growth in Profitable Premium

Gross Written Premiums

(\$ in millions)



GAAP Combined Ratio (Inclusive of Weather-related Losses)



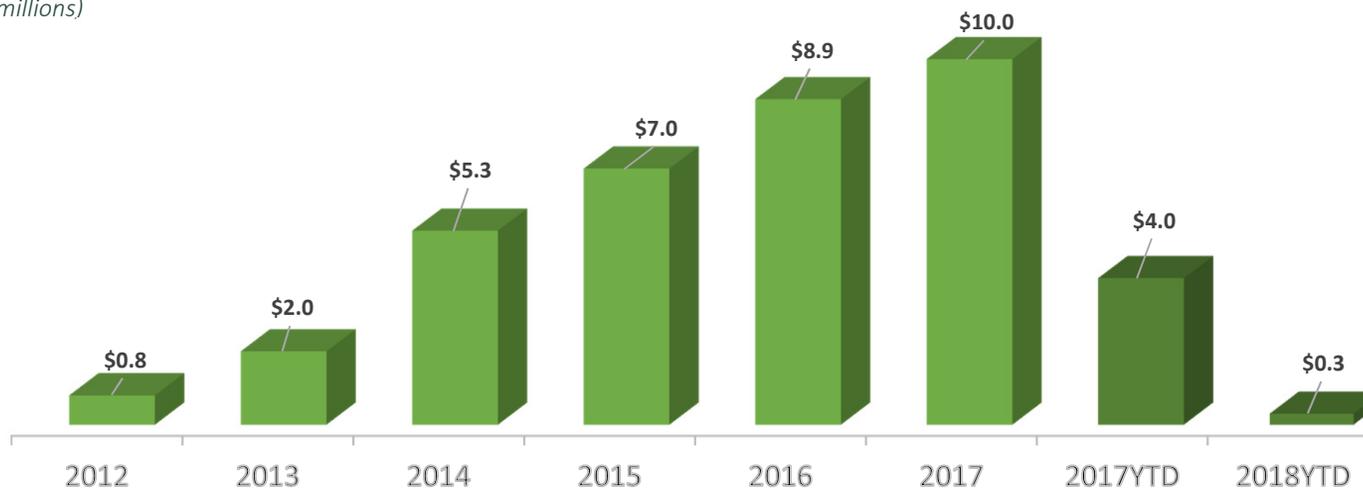
(1) 2017 YTD and 2018 YTD reflect the six months ended June 30, 2017 and 2018 respectively.

(2) 2018YTD shows combined ratio with and without CAT event effect

Steady Earnings and Equity Growth

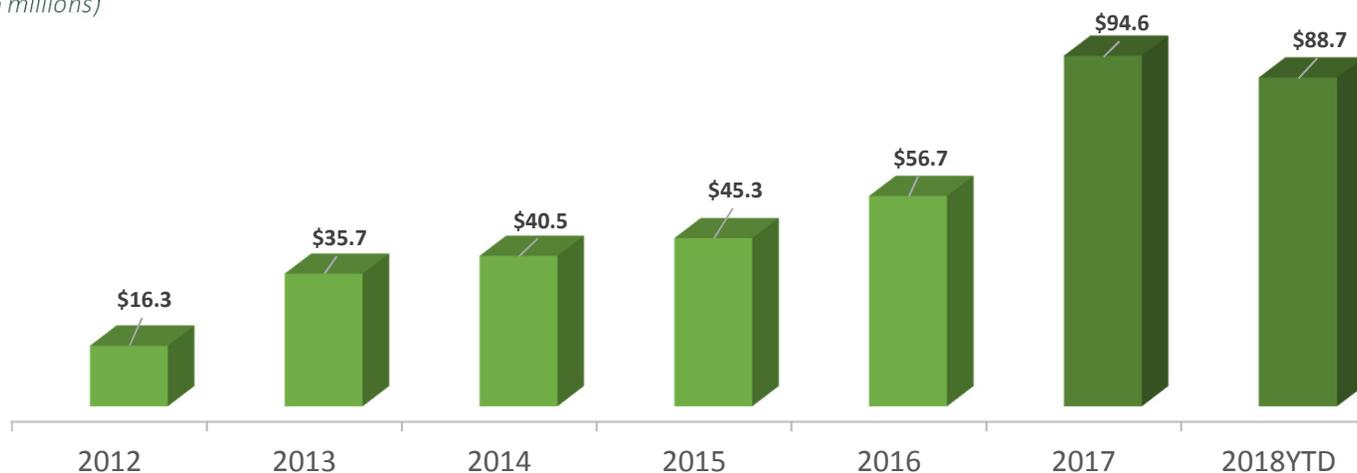
Net Income

(\$ in millions)



Stockholders' Equity

(\$ in millions)



Note: 2017 YTD and 2018 YTD reflect the six months ended June 30, 2017 and 2018, respectively.

Strong Balance Sheet

- Strong reserve adequacy, with favorable annual development all years since 2014
- Conservative reinsurance program meeting A.M. Best “A-” (Excellent) standards

	June 30, 2018	December 31, 2017
Cash and Investments	\$186.3	\$187.5
Total Assets	255.4	254.5
Loss and Loss Adjusted Expense Reserves	49.3	48.8
Total Liabilities	166.7	160.0
Total Shareholders Equity	88.7	94.6
Statutory Surplus (KICO only)	100.0	101.3

Reinsurance Provides Balance Sheet Protection & Capital Management

With a presence in coastal markets, Kingstone spends extensive time and resources managing its catastrophe risk while simultaneously growing its core business.

Conservative Exposure and Catastrophe Management Standards

- Net premium written-to-statutory surplus: targeted at 1.5:1
- No single after-tax loss greater than 1% of statutory surplus
- No catastrophe loss after-tax more than 5% of statutory surplus
- Catastrophe reinsurance coverage to A.M. Best “A-” (Excellent) standards, including 1-in-250 1st event coverage and 1-in-100 2nd event coverage. Current program provides coverage to 1-in-285 first event coverage.
- High quality reinsurance partners, all rated “A” by A.M. Best
- We have long standing relationships with our primary reinsurers and intermediary (Aon Benfield)

As a result:

- **Core Profitability is Excellent:** Our average combined ratio is 81.8% over past 5 years
- **Major Catastrophe Event Contained:** Superstorm Sandy-type event today would have less than a 5.8 point net impact on the annual combined ratio
- **Outperformed Peers:** Combined ratio hit from Superstorm Sandy was far less than peers – long term focus led to conservative catastrophe risk retention

Investment Portfolio

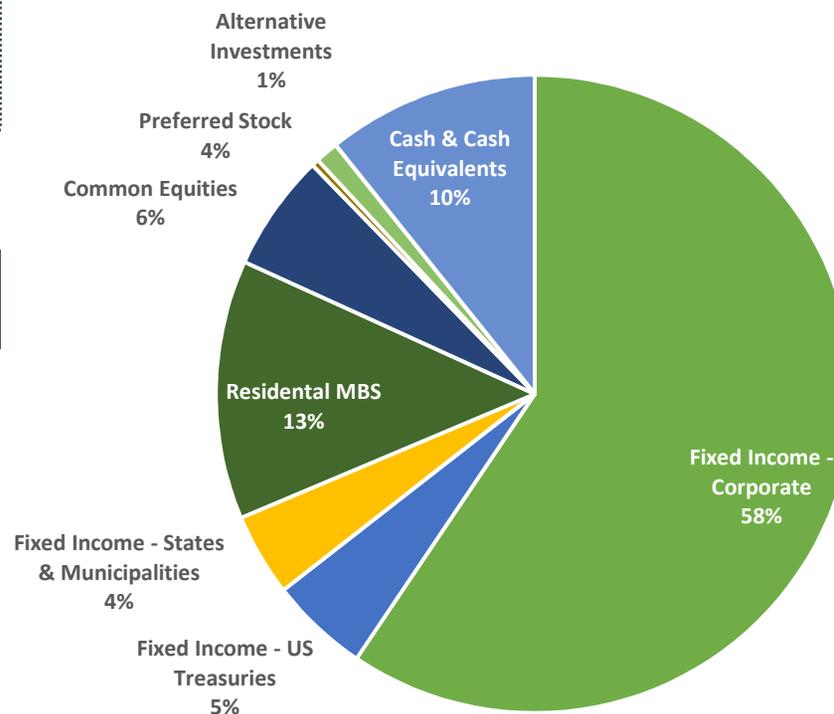
Portfolio at June 30, 2018

- Fixed income portfolio: 89.2%
- Effective duration of five years
- Average credit rating A-

(\$ in millions)

	June 30, 2018	December 31, 2017
Total Investments	\$166.9	\$139.1
Cash and Equivalents	\$19.4	\$48.4
Total Cash and Investments	\$186.3	\$187.5
Bonds Only		
Average Effective Maturity	6.2 years	5.7 years
Duration	5.1 years	4.9 years
Average Credit Rating	A-	A-

Cash and Investments at 6/30/18



Investment Considerations

Consistent Profitable Growth

- Sustainable operating profits
- Multiple sources of new growth
- Embedded earnings growth from eliminating quota share

Attractive Market Position

- Favorable underwriting trends in target markets
- Large, stable markets
- Attractive competitive dynamics for an AM Best “A-” (Excellent) carrier

Increasing Scale and Diversification

- New state licenses and geographic diversification
- Demonstrated underwriting expertise in niche markets
- Scalable, low cost operations support spread of risk

Strong Financial Profile

- Consistent long term earnings and equity growth
- Attractive returns on capital

Conservative Risk Profile

- Well-capitalized balance sheet
- Significant reinsurance coverage to AM Best “A-” (Excellent) standards
- Strong reserve adequacy

Seasoned Management Team

- Extensive insurance industry experience
- Deep market knowledge
- Interests well aligned with investors



Nasdaq: KINS

Kingstone Companies, Inc.

15 Joys Lane

Kingston, NY 12401

www.kingstonecompanies.com

Contacts

Barry Goldstein

Chairman and Chief Executive Officer

(845) 340-8378

bgoldstein@kingstonecompanies.com

Victor Brodsky

Chief Financial Officer

(845) 340-8379

vbrodsky@kingstonecompanies.com