

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

FORM 10-K

(Mark one)

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

For the fiscal year ended December 31, 2024

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 0-1665

KINGSTONE COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-2476480
(I.R.S. Employer
Identification Number)

15 Joys Lane
Kingston, NY 12401
(Address of principal executive offices)

(845) 802-7900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	KINS	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act:

None (Title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1673 (04-20)

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to the previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10-D1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 30, 2024, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$48,527,250 based on the closing sale price as reported on the Nasdaq Capital Market.

Note.—If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided that the assumptions are set forth in this Form.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of March 12, 2025, there were 13,730,802 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
None

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K (the “Annual Report”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The events described in forward-looking statements contained in this Annual Report may not occur. Generally, these statements relate to business plans or strategies, projected or anticipated results or other consequences of our plans or strategies, projected or anticipated results from acquisitions to be made by us, or projections involving anticipated revenues, earnings, costs or other aspects of our operating results. The words “may,” “will,” “expect,” “believe,” “anticipate,” “project,” “plan,” “intend,” “estimate,” and “continue,” and their opposites and similar expressions are intended to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Factors which may cause actual results and outcomes to differ materially from those contained in the forward-looking statements include, but are not limited to, the risks and uncertainties discussed in Part I Item 1A (“Risk Factors”) of this Annual Report.

Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise except as required by law.

ITEM 1. BUSINESS

(a) Business Development

General

As used in this Annual Report, references to the “Company,” “we,” “us,” or “our” refer to Kingstone Companies, Inc. (“Kingstone”) and its subsidiaries.

We offer property and casualty insurance products through our wholly-owned subsidiary, Kingstone Insurance Company (“KICO”). KICO is a New York domiciled carrier writing business through retail and wholesale agents and brokers. KICO is actively writing personal lines and commercial auto insurance in New York, and in 2024 was the 12th largest writer of homeowners insurance in New York. KICO is also licensed in the states of New Jersey, Rhode Island, Massachusetts, Connecticut, Pennsylvania, New Hampshire, and Maine. For the years ended December 31, 2024 and 2023, respectively, 96.0% and 88.3% of KICO’s direct written premiums came from the New York policies. We refer to our New York business as our “Core” business and the business outside of New York as our “non-Core” business.

In addition, through our subsidiary, Cosi Agency, Inc. (“Cosi”), a multi-state licensed general agency, we access alternative distribution channels. See “Distribution” below for a discussion of our distribution channels. Cosi receives commission revenue from KICO for the policies it places with others and pays commissions to these agencies. Cosi retains the profit between the commission revenue received and the commission expense paid. Net Cosi revenue is deducted against commission expense and Cosi-related expenses are included in other operating expenses. Cosi-related operating expenses are not included in our stand-alone insurance underwriting business and, accordingly, its expenses are not included in the calculation of our combined ratio as described below.

Recent Developments

Developments During 2024

- *Catastrophe Reinsurance Coverage*

Effective July 1, 2024, KICO decreased the top limit of its catastrophe reinsurance coverage from \$325,000,000 to \$280,000,000, which, at the time, equated to more than a 1-in-100 year storm event according to the primary industry catastrophe model that we follow.

- *Withdrawal from New Jersey*

On October 2, 2023, the New Jersey Department of Banking & Insurance acknowledged KICO’s request to withdraw from the state effective January 1, 2024. The Department requested that KICO complete the withdrawal over a two year period.

- *Change of Chairman of the Board*

Our long-time Chairman of the Board of Directors, Barry Goldstein, retired on September 10, 2024. Thomas Newgarden, who joined our Board of Directors in 2024, became our Non-Executive Chairman concurrent with Mr. Goldstein’s departure.

- *Debt Exchange*

On August 30, 2024, we entered into a Note Exchange Agreement (the “2024 Exchange Agreement”) with the existing holders (the “2024 Exchanging Noteholders”) of our then outstanding 12.00% Senior Notes due 2024 in the aggregate principal amount of \$19,500,000 (the “2022 Notes”).

At the closing of the Exchange Agreement, the Exchanging Noteholders exchanged their respective 2022 Notes for new 13.75% Senior Notes due June 30, 2026 in the aggregate principal amount of \$14,950,000 (the “2024 Notes”), \$5,000,000 in cash and an extension of the expiration date of the warrants previously issued to the Exchanging Noteholders to June 30, 2026.

- *Debt Prepayment*

In 2024, we made three prepayments on the 2024 Notes. On September 30, 2024 we paid \$3,000,000 in principal, plus accrued interest, on November 14, 2024 we paid \$2,000,000 in principal, plus accrued interest, and on December 30, 2024 we paid \$4,000,000 in principal, plus accrued interest. As a result of the prepayment, the remaining balance of the 2024 Notes was reduced to \$5,950,000 at the end of 2024.

Developments During 2025

- *Sale of Building*

In February 2025, 15 Joys Lane LLC, our subsidiary, entered into a contract of sale with Ulster County, New York (the "County") for the sale to the County of our headquarters building in Kingston, New York, along with an adjacent mixed use property (collectively, the "Property"). The purchase price for the Property is \$3,600,000. The closing of the sale is anticipated to take place in March 2025, subject to the satisfaction of the conditions to the closing.

- *Debt Prepayment*

In 2025, we made two additional prepayments on the 2024 Notes. On January 31, 2025 we paid \$3,500,000 in principal, plus accrued interest and on February 24, 2025 we paid \$2,450,000 in principal, plus accrued interest. As a result of these additional prepayments, the 2024 Notes have been paid in full.

(b) Business

Property and Casualty Insurance

Overview

Property and casualty insurance companies provide policies in exchange for premiums paid by their customers (the "insureds"). An insurance policy is a contract between the insurance company and its insureds where the insurance company agrees to pay for losses that are covered under the contract. Such contracts are subject to legal interpretation by courts, sometimes involving legislative rulings and/or arbitration. Property insurance generally covers the financial consequences of accidental losses to the insured's property, such as a home and the personal property in it, or a business owner's building, inventory and equipment. Casualty insurance (also referred to as liability insurance) generally covers the financial consequences related to the legal liability of an individual or an organization resulting from negligent acts and omissions that cause bodily injury and/or property damage to a third party. Claims for property coverage generally are reported and settled in a relatively short period of time, whereas those for casualty coverage may take many years to settle.

We derive substantially all of our revenue from KICO, including revenues from earned premiums, ceding commissions from quota share reinsurance, net investment income generated from our investment portfolio, and net realized gains and losses on investment securities. We also collect a variety of policy fees including installment fees, reinstatement fees, and non-sufficient fund fees related to situations involving extended premium payment plans. Earned premiums represent premiums received from insureds, which are recognized as revenue over the period of time that coverage is provided (i.e., ratably over the life of the policy). All of our policies are 12 month policies; therefore, a significant period of time can elapse between the receipt of insurance premiums and the payment of insurance claims. During this time, KICO invests the premiums, earning investment income and generating net realized and unrealized gains and losses on associated investments. Our holding company earns investment income from its cash holdings.

Our expenses include the insurance underwriting expenses of KICO and other operating expenses. Insurance companies incur a significant amount of their total expenses from losses incurred by policyholders, which are referred to as claims. In settling these claims, various loss adjustment expenses ("LAE") are incurred such as insurance adjusters' fees and legal expenses. In addition, insurance companies incur policy acquisition costs. Policy acquisition costs include commissions paid to producers, premium taxes, and other expenses related to the underwriting process, including employees' compensation and benefits.

Other operating expenses include our corporate expenses as a holding company. These corporate expenses include legal and auditing fees, executive employment costs, and other costs directly associated with being a public company.

The key measure of relative underwriting performance for an insurance company is the combined ratio. An insurance company's combined ratio is calculated by taking the ratio of incurred loss and LAE to earned premiums (the

“loss and LAE ratio”) and adding it to the ratio of policy acquisition and other underwriting expenses to earned premiums (the “expense ratio”). A combined ratio under 100% indicates that an insurance company is generating an underwriting profit prior to the impact of investment income. After considering investment income and investment gains or losses, insurance companies operating at a combined ratio of greater than 100% can also be profitable.

Business; Strategy

We are a multi-line regional property and casualty insurance company writing business exclusively through retail and wholesale agents and brokers (“producers”) appointed by our wholly-owned subsidiary, KICO. We are licensed to write insurance policies in New York, New Jersey, Connecticut, Maine, Massachusetts, New Hampshire, Pennsylvania and Rhode Island. KICO is actively writing its property and casualty insurance products in New York. Additionally, our subsidiary, Cosi, a multi-state licensed general agency, receives commission revenue from KICO for the policies it places with others and pays commissions to these agencies.

We seek to deliver an attractive return on capital and to provide consistent earnings growth through underwriting profits and income from our investment portfolio. Our goal is to allocate capital efficiently to those lines of business that generate sustainable underwriting profits and to avoid lines of business for which an underwriting profit is not likely. Our strategy is to be the preferred multi-line property and casualty insurance company for selected producers in the geographic markets in which we operate. We believe producers place profitable business with us because we provide excellent, consistent service to insureds and claimants. Producers also value our broad underwriting appetite coupled with competitive rate and commission structures.

Our principal objectives are to grow profitably while managing risk through prudent use of reinsurance in order to strengthen our capital base. We generate underwriting income through adequate pricing of insurance policies and by effectively managing our other underwriting and operating expenses. We are pursuing profitable growth through existing producers in existing markets, by developing new geographic markets and producer relationships, and by introducing niche products that are relevant to our producers and insureds.

For the year ended December 31, 2024, our gross written premiums totaled \$242.0 million, an increase of 20.9% from the \$200.2 million in gross written premiums for the year ended December 31, 2023.

Product Lines

Our product lines include the following:

Personal lines - Our largest line of business is personal lines, consisting of homeowners, dwelling fire, cooperative/condominium, renters, and personal umbrella policies. Personal lines policies accounted for 94.1% of our gross written premiums for the year ended December 31, 2024.

Livery physical damage - We write for-hire vehicle physical damage only policies for livery and car service vehicles and taxicabs. These policies insure only the physical damage portion of insurance for such vehicles, with no liability coverage included. These policies accounted for 5.9% of our gross written premiums for the year ended December 31, 2024.

Other - We write canine legal liability policies and have a small participation in mandatory state joint underwriting associations. These policies accounted for 0.03% of our gross written premiums for the year ended December 31, 2024.

Our Competitive Strengths

Long History of Operations

KICO has been in operation in the State of New York since 1886. We have consistently sought to grow the amount of profitable business that we write by introducing new products, increasing volume written with our Select producers in existing markets, and developing new producer relationships and markets. The extensive heritage of our insurance company subsidiary and our commitment to the markets in which we operate is a competitive advantage with producers and insureds.

Strong Producer Relationships

Within our producers' offices, we compete with other property and casualty insurance carriers available to those producers. We carefully select the producers that distribute our insurance policies and continuously monitor and evaluate their performance. We believe our insurance producers value their relationships with us because we provide excellent, consistent personal service coupled with competitive rates and commission levels. We have consistently been rated by insurance producers as above average in the important areas of underwriting, claims handling and service.

We offer our Select producers access to a variety of personal lines and specialty products, including some that are unique to us. We provide a multi-policy discount on homeowners policies in order to attract and retain more of this multi-line business. We have had a consistent presence in the New York market and our producers value the longevity of the relationship. We believe that the excellent service provided to our Select producers, our broad product offerings, and our competitive prices provide a strong foundation for profitable growth.

Sophisticated Pricing, Underwriting and Risk Management Practices

We believe that a significant underwriting advantage exists due to our local market presence and expertise. Our underwriting process evaluates and screens out certain risks based on their prior loss experience, cost of reinsurance, property condition, insurance scoring and driving record, and then is augmented by information collected from physical property inspections. We maintain certain policy exclusions that reduce our exposure to risks that can create severe losses. We target a preferred risk profile in order to reduce adverse selection from risks seeking the lowest premiums and minimal coverage levels.

Our underwriting procedures, premiums and policy terms support the goal of underwriting profitability of our personal lines policies. We adhere to a quarterly indication process and perform a rate review in each state and for each product at least annually. In 2022, we introduced our new Select homeowners, condo/tenant and dwelling fire programs in New York. This product incorporates by-peril rating and a host of new data sources to better match rate to risk. We also update property replacement costs to address inflation annually.

We manage coastal risk exposure through the use of individual catastrophe risk scoring, the inclusion of hurricane deductibles, non-renewals and the prudent use of reinsurance. We measure our risk exposure regularly and adjust our underwriting to manage growth in our probable maximum loss (PML).

Effective Utilization of Reinsurance

Our reinsurance treaties allow us to limit our exposure to the financial impact of catastrophe losses and to reduce our net liability on individual risks. Our reinsurance program is structured to enable us to grow our premium volume while maintaining regulatory capital and other financial ratios within thresholds used for regulatory oversight purposes.

Our reinsurance program also provides income from ceding commissions earned pursuant to quota share reinsurance contracts. The income we earn from ceding commissions subsidizes our fixed operating costs, which consist of other underwriting expenses. Quota share reinsurance treaties transfer a portion of the profit (or loss) associated with the subject insurance policies to the reinsurers.

Scalable, Low-Cost Operations

We focus on efficiently managing our expenses and invest in tools and processes that improve the effectiveness of underwriting risks and processing claims. We evaluate the costs and benefits of each new tool or process in order to achieve optimal results. While the majority of our policies are written for risks in downstate New York, our remote workforce model provides a low-cost operating environment.

We continue to invest in improving our online application and quoting systems for our personal lines products. We have leveraged a paperless workflow management and document storage tool that has improved efficiency and reduced costs. We provide an online payment portal that allows producers and insureds to make payments and to view policy information for all of our products in one location. Our ability to control the growth of operating and other expenses while expanding our operations and growing revenue is a key component of our business model and is important to our financial success.

In 2022, we completed the implementation of Kingstone 2.0, an effort to modernize the Company. Kingstone 2.0 included strategic hiring, development of the Select product, investments in new systems and retirement of the legacy

systems. We also adopted a framework of stronger rating, underwriting and catastrophe management disciplines. As a result, Kingstone 2.0 positioned the Company to be better able to navigate today's challenging environment. In 2023, we embarked on a new strategy to optimize our in-force business, which we coined as "Kingstone 3.0". The four pillars of this new strategy entail:

1. Aggressively reducing the non-Core book of business, which has had a disproportionately negative impact on underwriting results.
2. Adjusting pricing to stay ahead of loss trends, including inflation.
3. Tightly managing reinsurance requirements and costs, using risk selection and other underwriting capabilities to manage the growth rate of our PML.
4. Continuing expense reduction focus with a goal of reducing the net expense ratio to 33% by year-end 2024.

See detailed description of Kingstone 2.0 and Kingstone 3.0 in Part II, Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) in this Annual Report.

Underwriting and Claims Management Philosophy

Our underwriting philosophy is to target niche segments for which we have detailed expertise and can take advantage of market conditions. We monitor results on a regular basis and our Select producers are reviewed by management on at least a semi-annual basis.

We believe that our rates are appropriately competitive with other carriers in our target markets. We do not seek to grow by competing based solely upon price. We seek to develop long-term relationships with our Select producers who understand and appreciate the path we have chosen. We carefully underwrite our business utilizing industry claims databases, insurance scoring reports, physical inspection of risks and other individual risk underwriting tools. We write homeowners and dwelling fire business in coastal markets and are cognizant of our exposure to hurricanes. We have mitigated this risk through appropriate catastrophe reinsurance and application of hurricane deductibles. We handle claims fairly while ensuring that coverage provisions and exclusions are properly applied. Our claims and underwriting expertise supports our ability to grow our profitable business.

Distribution

We generate business through our relationships with over 700 producers. We carefully select our producers by evaluating numerous factors such as their need for our products, premium production potential, loss history with other insurance companies that they represent, product and market knowledge, and agency size. We only distribute through agents and have never sought to distribute our products direct to the consumer. We monitor and evaluate the performance of our producers through periodic reviews of volume and profitability. Our senior executives are actively involved in managing our producer relationships.

Each producer is assigned to a staff underwriter and the producer can call that underwriter directly on any matter. We believe that the close relationship and personal service received from their underwriters is one of the reasons producers place their business with us. Our producers have access to a KICO producer interface and website portal that provides them the ability to quote risks for various products and to review policy forms and underwriting guidelines for all lines of business. We send out frequent "Producer Grams" in order to inform our producers of updates at KICO.

Competition; Market

The insurance industry is highly competitive. We constantly assess and make projections of market conditions and appropriate prices for our products, but we cannot fully know our profitability until all claims have been reported and settled.

Our active policyholders are located primarily in the downstate regions of New York State, our Core business. Under Kingstone 3.0, we are reducing our non-Core Northeast markets, which include New Jersey, Rhode Island, Massachusetts and Connecticut. In addition, we are licensed to write insurance policies in Maine, New Hampshire and Pennsylvania.

In 2022, we made the decision to reduce our footprint outside New York due to profitability concerns. We entered these states to diversify Kingstone's footprint starting in 2017, and they have had a disproportionate impact on our underwriting results, especially in 2022. We have attempted to address these challenges and achieve profitability with a

series of rate and underwriting actions, but the impact we have worked towards was largely nullified by inflation. In addition to a new business moratorium in our non-Core states of Connecticut, Massachusetts, New Jersey and Rhode Island, we have been actively non-renewing policies subject to regulatory constraints and have materially lowered commission rates to our producers. Subject to our withdrawal agreement with the state of New Jersey, we will be non-renewing our entire book in such state over a two year period starting January 1, 2024. These actions reduced the size of our policies in force outside New York by 48% in 2023 and 65% in 2024.

In 2024, KICO was the 12th largest writer of homeowners insurance in the State of New York, according to data compiled by S&P Capital IQ. Based on the same data, in 2023, we had a 1.6% market share for this business. We compete with large national carriers as well as regional and local carriers in the property and casualty marketplace in New York and other states. We believe that many national and regional carriers have chosen to limit their rate of premium growth or to decrease their presence in Northeastern states due to the relatively high coastal population and associated catastrophe risk that exists in the region. Additionally, some of our largest competitors stopped writing business in New York in 2024. In July 2024, the New York Department of Financial Services approved the withdrawal of two carriers, wherein all policies were required to be non-renewed or canceled by December 31, 2024. This resulted in a large volume of new business for KICO in the second half of 2024.

Loss and Loss Adjustment Expense Reserves

We are required to establish reserves for unpaid losses, including reserves for claims loss adjustment expenses (“LAE”), which represent the expenses of settling and adjusting those claims. These reserves are balance sheet liabilities representing estimates of future amounts required to pay losses and loss expenses for claims that have occurred at or before the balance sheet date, whether already known to us or not yet reported. We establish these reserves after considering all information known to us as of the date they are recorded.

Loss reserves fall into two categories: case reserves for reported losses and LAE associated with specific reported claims, and reserves for losses and LAE that are incurred but not reported. We establish these two categories of loss reserves as follows:

Reserves for reported losses - When a claim is received, we establish a case reserve for the estimated amount of its ultimate settlement and its estimated loss expenses. We establish case reserves based upon the known facts about each claim at the time it is received and we may subsequently adjust case reserves as additional facts and information about the claim develops.

IBNR reserves - We also estimate reserves for loss and LAE amounts incurred but not reported (“IBNR”). IBNR reserves are calculated in bulk as an estimate of ultimate losses and LAE less reported losses and LAE. There are two types of IBNR; the first is a provision for claims that have occurred but are not yet reported or known. We refer to this as ‘Pure’ IBNR, and due to the fact that we write primarily quickly reported property lines of business, this type of IBNR does not make up a large portion of KICO’s total IBNR. The second type of IBNR is a provision for expected future development on known claims, from the evaluation date until the time claims are settled and closed. We refer to this as ‘Case Development’ IBNR and it makes up the majority of the IBNR that KICO records. Ultimate losses driving the determination of appropriate IBNR levels are projected by using generally accepted actuarial techniques.

The liability for loss and LAE represents our best estimate of the ultimate cost of all reported and unreported losses that are unpaid as of the balance sheet evaluation date. The liability for loss and LAE is estimated on an undiscounted basis, using individual case-based valuations, statistical analyses, and various actuarial procedures. The projection of future claim payments and reporting patterns is based on an analysis of our historical experience, supplemented by analyses of industry loss data. We believe that the reserves for loss and LAE are adequate to cover the ultimate cost of losses and claims to date. However, because of uncertainty from various sources, including changes in claims settlement patterns and handling procedures, litigation trends, judicial decisions, and economic conditions, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liabilities at the balance sheet date. As adjustments to these estimates become necessary, they are reflected in the period in which the estimates are changed. Because of the nature of the business historically written, we believe that we have limited exposure to asbestos and environmental claim liabilities.

We engage an independent external actuarial specialist (the “Appointed Actuary”) to opine on our recorded statutory reserves. The Appointed Actuary estimates a range of reasonable ultimate losses, along with a range and recommended central estimate of IBNR reserve amounts. Our carried IBNR reserves are based on an internal actuarial analysis and reflect management’s best estimate of unpaid loss and LAE liabilities, and fall within the range of those determined as reasonable by the Appointed Actuary.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Revenue and Expense Items” in Item 7 of this Annual Report and Note 2 and Note 11 in the accompanying consolidated financial statements for additional information and details regarding loss and LAE reserves.

Reconciliation of Loss and Loss Adjustment Expenses

The table below shows the reconciliation of loss and LAE on a gross and net basis, reflecting changes in losses incurred and paid losses:

	Years ended December 31,	
	2024	2023
Balance at beginning of period	\$ 121,817,862	\$ 118,339,513
Less reinsurance recoverables	(33,288,650)	(27,659,500)
Net balance, beginning of period	<u>88,529,212</u>	<u>90,680,013</u>
Incurred related to:		
Current year	64,414,543	82,856,483
Prior years	(1,779,827)	(7,273)
Total incurred	<u>62,634,716</u>	<u>82,849,210</u>
Paid related to:		
Current year	32,956,899	49,146,173
Prior years	24,319,238	35,853,838
Total paid	<u>57,276,137</u>	<u>85,000,011</u>
Net balance at end of period	93,887,791	88,529,212
Add reinsurance recoverables	32,322,637	33,288,650
Balance at end of period	<u>\$ 126,210,428</u>	<u>\$ 121,817,862</u>

Our claims reserving practices are designed to set reserves that, in the aggregate, are adequate to pay all claims at their ultimate settlement value.

Loss and Loss Adjustment Expenses Development

The table below shows the net loss development of reserves held as of each calendar year-end from 2014 through 2024.

The first section of the table reflects the changes in our loss and LAE reserves after each subsequent calendar year of development. The table displays the re-estimated values of incurred losses and LAE at each succeeding calendar year-end, including payments made during the years indicated. The second section of the table shows by year the cumulative amounts of loss and LAE payments, net of amounts recoverable from reinsurers, as of the end of each succeeding year. An example with respect to the net loss and LAE reserves of \$21,663,000 as of December 31, 2014 is as follows. By December 31, 2016 (two years later), \$12,853,000 had actually been paid in settlement of the claims that relate to liabilities as of December 31, 2014. The re-estimated ultimate reserves two years later for those claims as of December 31, 2014 had decreased to \$21,501,000.

The “cumulative redundancy (deficiency)” represents, as of December 31, 2024, the difference between the latest re-estimated liability and the amounts as originally estimated. A redundancy means that the original estimate was higher than the current estimate. A deficiency means that the current estimate is higher than the original estimate.

(in thousands of \$)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reserve for loss and loss adjustment expenses, net of reinsurance recoverables	21,663	23,170	25,960	32,051	40,526	64,770	62,647	84,311	90,680	88,529	93,888
Net reserve estimated as of One year later	21,200	23,107	25,899	33,203	51,664	64,811	62,632	87,011	90,673	86,749	
Two years later	21,501	24,413	26,970	42,723	55,145	65,113	65,339	88,418	94,245		
Three years later	22,576	25,509	33,298	43,780	56,346	67,291	67,135	92,642			
Four years later	23,243	28,638	33,342	43,973	58,048	68,612	70,643				
Five years later	25,442	28,506	33,120	43,774	57,957	71,022					
Six years later	25,353	28,849	32,936	43,777	59,187						
Seven years later	25,445	28,734	32,617	44,395							
Eight years later	25,324	28,499	32,739								
Nine years later	25,200	28,646									
Ten years later	25,233										
Net cumulative redundancy (deficiency)	(3,570)	(5,476)	(6,779)	(12,344)	(18,661)	(6,252)	(7,996)	(8,331)	(3,565)	1,780	
(in thousands of \$)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cumulative amount of reserve paid, net of reinsurance recoverable through											
One year later	8,500	8,503	9,900	15,795	23,075	27,454	20,137	32,419	35,854	24,319	
Two years later	12,853	14,456	17,187	26,168	35,924	35,142	30,262	47,547	48,199		
Three years later	16,564	19,533	23,484	32,704	40,264	42,365	40,702	57,171			
Four years later	19,838	22,816	27,203	35,510	45,085	49,581	47,113				
Five years later	21,976	25,210	28,833	37,846	48,650	52,938					
Six years later	23,280	26,298	30,141	39,596	49,682						
Seven years later	24,146	26,945	30,693	39,570							
Eight years later	24,633	27,013	30,243								
Nine years later	24,654	26,609									
Ten years later	24,218										
Net reserve -											
December 31,	21,663	23,170	25,960	32,051	40,526	64,770	62,647	84,311	90,680	88,529	93,888
* Reinsurance Recoverable	18,250	16,707	15,777	16,749	15,671	15,728	20,154	10,638	27,660	33,289	32,323
* Gross reserves -											
December 31,	39,913	39,877	41,737	48,800	56,197	80,499	82,801	94,949	118,340	121,818	126,210
Net re-estimated reserve	25,233	28,646	32,739	44,395	59,187	71,022	70,643	92,642	94,245	86,749	
Re-estimated reinsurance recoverable	23,280	21,090	20,336	20,612	18,650	15,052	20,266	11,726	26,669	29,410	
Gross re-estimated reserve	48,513	49,736	53,075	65,007	77,837	86,074	90,909	104,368	120,914	116,159	
Gross cumulative redundancy (deficiency)	(8,600)	(9,859)	(11,338)	(16,207)	(21,640)	(5,575)	(8,108)	(9,419)	(2,574)	5,659	

(Components may not sum to totals due to rounding)

Reinsurance

We purchase reinsurance to reduce our net liability on individual risks, to protect against possible catastrophes, to remain within a target ratio of net premiums written to policyholders' surplus, and to expand our underwriting capacity. Participation in reinsurance arrangements does not relieve us from our obligations to policyholders. Our reinsurance program is structured to reflect our obligations and goals.

Reinsurance via quota share allows a carrier to write business without increasing its underwriting leverage above a level determined by management. The business written under a quota share reinsurance structure obligates a reinsurer to assume some portion of the risks involved, and gives the reinsurer the profit (or loss) associated with such in exchange for a ceding commission.

Effective January 1, 2023, we entered into a 30% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2023 through January 1, 2024 ("2023/2024 Treaty"). Upon the expiration of the 2023/2024 Treaty on January 1, 2024, we entered into a new 27% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2024 through January 1, 2025 ("2024/2025 Treaty"). Upon the expiration of the 2024/2025 Treaty on January 1, 2025, we entered into a new 16% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2025 through January 1, 2026 ("2025/2026 Treaty").

Excess of loss contracts provide coverage for individual loss occurrences exceeding a certain threshold. The quota share reinsurance treaties inure to the benefit of our excess of loss treaties, as the maximum net retention on any single risk occurrence is first limited through the excess of loss treaty, and then that loss is shared again through the quota share reinsurance treaty. Our maximum net retention under the 2021/2023 Treaty and excess of loss treaties for any one personal lines occurrence for dates of loss on or after December 31, 2021 through January 1, 2024 was \$700,000. Effective January 1, 2024 through January 1, 2025, our maximum net retention under the 2024/2025 Treaty increased to \$730,000. Effective January 1, 2022, we entered into an underlying excess of loss reinsurance treaty ("Underlying XOL Treaty") covering the period from January 1, 2022 through January 1, 2023. The Underlying XOL Treaty provides 50% reinsurance coverage for losses, other than from a named storm, of \$400,000 in excess of \$600,000. Effective January 1, 2023, the Underlying XOL Treaty was renewed covering the period from January 1, 2023 through January 1, 2024. From January 1, 2022 through January 1, 2024, under the Underlying XOL Treaty, our maximum net retention for any one personal lines occurrence was further reduced from the retention of \$700,000 under the 2021/2023 Treaty and the 2023/2024 Treaty to \$500,000. From January 1, 2024 through January 1, 2025, under the Underlying XOL Treaty, our maximum net retention for any one personal lines occurrence was reduced from the retention of \$730,000 under 2024/2025 Treaty to \$530,000.

We previously earned ceding commission revenue under the quota share reinsurance treaties based on a provisional commission rate on all premiums ceded to the reinsurers as adjusted by a sliding scale based on the ultimate treaty year loss ratios on the policies reinsured under each agreement. The sliding scale provided minimum and maximum ceding commission rates in relation to specified ultimate loss ratios. Under the 2023/24 Treaty, KICO received a fixed provisional rate with no adjustment for sliding scale contingent commissions. Under the 2024/2025 Treaty, KICO received a fixed provisional rate with no adjustment for sliding scale contingent commissions. For the 2025/2026 Treaty, KICO will have a portion of the coverage at a fixed provisional rate with no adjustment and a portion that has a sliding scale contingent commission.

The 2023/2024 Treaty, 2024/2025 Treaty and 2025/2026 Treaty are on a "net" of catastrophe reinsurance basis, as opposed to the "gross" arrangement that existed in prior treaties. Under a "net" arrangement, all catastrophe reinsurance coverage above our catastrophe retention is purchased directly by us.

In 2024, we purchased catastrophe reinsurance to provide coverage of up to \$280,000,000 for losses associated with a single event. One of the most commonly used catastrophe forecasting models prepared for us indicates that the catastrophe reinsurance treaties provide coverage in excess of our estimated probable maximum loss associated with a single more than one-in-100 year storm event. Effective January 1, 2023 through January 1, 2024, losses on personal lines policies were subject to the 2023/2024 Treaty, which covered 12.5% of catastrophe losses and resulted in a net retention by us of \$8,750,000 of exposure per catastrophe occurrence. Effective January 1, 2024 through January 1, 2025, losses on personal lines policies were subject to the 2024/2025 Treaty, which will cover 5.0% of catastrophe losses and will result in a net retention by us of \$4,750,000 of exposure for the first event of a named storm catastrophe occurrence. Our net retention for a second event of a named storm is \$9,500,000. Effective July 1, 2022 and through June 30, 2023, we had reinstatement premium protection for \$9,800,000 of catastrophe coverage in excess of \$10,000,000. Effective July 1, 2023 and through June 30, 2024, we had reinstatement premium protection for \$12,500,000 of catastrophe coverage in excess of \$10,000,000. Effective July 1, 2024 and through June 30, 2025, we had reinstatement premium protection for \$10,500,000 of catastrophe coverage in excess of \$10,000,000. This protects us from having to pay an additional premium to reinstate

catastrophe coverage for an event up to this level. Additionally in 2024, we purchased winter storm specific catastrophe reinsurance that provides coverage to the extent of 71% of \$4,500,000 of coverage after the first \$5,500,000 of gross retention.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Revenue and Expense Items” in Item 7 of this Annual Report and Note 2 and Note 11 in the accompanying consolidated financial statements for additional information.

Ratings

Many insurance buyers, agents, brokers and secured lenders use the ratings assigned by ratings agencies to assist them in assessing the financial strength and overall quality of the companies with which they do business and from which they are considering purchasing insurance or in determining the financial strength of the company that provides insurance with respect to the collateral they hold. Financial strength ratings are intended to provide an independent opinion of an insurer’s ability to meet its obligations to policyholders and are not an evaluation directed at investors. We currently have a Demotech rating of A (Excellent) which qualifies our policies for banks and finance companies. Demotech is the rating agency most commonly used by carriers focused on coastal property risks. The previous ratings from A.M. Best and Kroll Rating Agency for KICO and Kingstone Companies, Inc. were withdrawn at our request.

Catastrophe Losses

In 2024 we had catastrophe losses, which are defined as losses from an event for which a catastrophe bulletin and related serial number has been issued by the Property Claims Services (PCS) unit of the Insurance Services Office (ISO). PCS catastrophe bulletins are issued for events that cause more than \$25 million in total insured losses and affect a significant number of policyholders and insurers. Our predominant market, downstate New York, was affected by several events during 2024, one of which was a named storm, and one was a winter storm, and the remaining events were wind and thunderstorm. None of the catastrophe events in 2024 had a material impact on us. The effects of catastrophes during 2024 increased our net loss ratio by 1.9 percentage points. We were affected by several events during 2023, including a named storm and a major freezing event. The effects of catastrophes during 2023 increased our net loss ratio by 7.1 percentage points.

Government Regulation

Holding Company Regulation

We, as the parent of KICO, are subject to the insurance holding company laws of the state of New York. These laws generally require an insurance company to register with the New York State Department of Financial Services (the “DFS”) and to furnish annually financial and other information about the operations of companies within our holding company system. Generally, under these laws, all material transactions among companies in the holding company system to which KICO is a party must be fair and reasonable and, if material or of a specified category, require prior notice and approval or acknowledgement (absence of disapproval) by the DFS.

Change of Control

The insurance holding company laws of the state of New York require approval by the DFS for any change of control of an insurer. “Control” is generally defined as the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the company, whether through the ownership of voting securities, by contract or otherwise. Control is generally presumed to exist through the direct or indirect ownership of 10% or more of the voting securities of a domestic insurance company or any entity that controls a domestic insurance company; however, the ownership of less than 10% of such voting securities could constitute control under certain circumstances. Any future transactions that would constitute a change of control of KICO, including a change of control of Kingstone Companies, Inc., would generally require the party acquiring control to obtain the approval of the DFS (and in any other state in which KICO may operate). Obtaining these approvals may result in the material delay of, or deter, any such transaction. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control of Kingstone Companies, Inc., including through transactions, and in particular unsolicited transactions, that some or all of our stockholders might consider to be desirable.

State Insurance Regulation

Insurance companies are subject to regulation and supervision by the department of insurance in the state in which they are domiciled and, to a lesser extent, other states in which they conduct business. The primary purpose of such regulatory powers is to protect individual policyholders. State insurance authorities have broad regulatory, supervisory and administrative powers, including, among other things, the power to grant and revoke licenses to transact business, set the standards of solvency to be met and maintained, determine the nature of, and limitations on, investments and dividends, approve policy forms and rates, and in some instances to regulate unfair trade and claims practices.

KICO is required to file detailed financial statements and other reports with the insurance regulatory authorities in the states in which it is licensed to transact business. These financial statements are subject to periodic examination by the insurance regulators.

In addition, many states have laws and regulations that limit an insurer's ability to withdraw from a particular market. For example, states may limit an insurer's ability to cancel or not renew policies. Furthermore, certain states prohibit an insurer from withdrawing from one or more lines of business written in the state, except pursuant to a plan that is approved by the insurance regulatory authority. The state regulator may reject a plan that may lead to market disruption. Laws and regulations, including those in New York, that limit cancellation and non-renewal and that subject program withdrawals to prior approval requirements may restrict the ability of KICO to exit unprofitable markets. Such laws did not affect KICO's ability to withdraw from the commercial liability market in New York State in 2019 and the commercial auto market in New York State in 2015.

Federal and State Legislative and Regulatory Changes

From time to time, various regulatory and legislative changes have been proposed in the insurance industry. Among the proposals that either have been or are being considered are the possible introduction of Federal regulation in addition to, or in lieu of, the current system of state regulation of insurers, and proposals in various state legislatures. Some of these proposals have been enacted to conform portions of their insurance laws and regulations to various model acts adopted by the National Association of Insurance Commissioners (the "NAIC").

In 2017, the DFS implemented new comprehensive cybersecurity regulations, which became effective on March 1, 2017, with transitional implementation periods. On November 1, 2023, the DFS adopted substantive amendments updating the 2017 cybersecurity regulations. The adopted regulations require that a covered entity's chief information security officer ("CISO") have sufficient authority to ensure that cybersecurity risks are appropriately managed and require the CISO to report material cybersecurity issues. Covered entities are further required under the amendments to implement asset inventory management, develop and implement a business continuity and disaster recovery plan, and maintain backups protected from unauthorized alterations or destruction. The regulations update certain cybersecurity event reporting requirements, including notice and explanation of extortion payments, and amends the April 15 annual reporting requirement to include a written acknowledgment of any areas of material noncompliance and remediation plans signed by the entity's highest-ranking executive and the CISO. Finally, the regulations update the factors the Superintendent may consider in assessing violations.

The newly-adopted regulations also apply newly enhanced requirements around periodic system testing, record keeping and maintenance of written incident and recovery plans. They further mandate specific technical approaches such as blocking common passwords and the use of multifactor authentication in certain instances. In 2010 the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") became law. It established a Federal Insurance Office (the "FIO") within the U.S. Department of the Treasury. The FIO is initially charged with monitoring all aspects of the insurance industry (other than health insurance, certain long-term care insurance and crop insurance), gathering data, and conducting a study on methods to modernize and improve the insurance regulatory system in the United States. The FIO releases reports summarizing and analyzing the Office's oversight efforts, and general activities.

In September 2024, the FIO report noted that since its last report in 2023, the FIO continued to advance its data-focused efforts to better understand climate-related issues facing the U.S. homeowners insurance market that were first publicly announced on October 18, 2022. It further noted that it issued the 2023 preemption report stating that it did not take any action regarding the preemption of any state insurance measures that were inconsistent with a covered agreement.

On December 20, 2020, the Terrorism Risk Insurance Program Reauthorization Act of 2019 was enacted and is now scheduled to expire on December 31, 2027. The Terrorism Risk Insurance Program serves as a federal "backstop" for insurance claims related to acts of terrorism.

On November 15, 2021, the DFS issued its final Guidance for New York Domestic Insurers On Managing the Financial Risks from Climate Change. On June 15, 2022, the DFS released its 2021 annual report. The report references the creation of a standalone Climate Division, which was the source of the aforementioned guidance. In 2021, the Governor of the State of New York signed into law, effective January 28, 2022 and subsequently clarified by law taking effect March 15, 2023, legislation that seeks to prevent homeowner insurers from discriminating solely on the basis of breed of dog.

In 2021, the Comprehensive Insurance Disclosure Act was enacted in New York State. This law, as amended by a subsequent chapter amendment, requires any defendant to provide to the plaintiff, within a limited timeframe, proof of existence and the contents of any insurance agreement under which any person or entity may be liable to satisfy part or all of a judgment and details what the information and documentation includes. The new law applies to actions commenced on or after December 31, 2021.

In 2022, the New York legislature passed legislation to greatly expand wrongful death actions. This bill sought to expand the categories of claimants and scope of losses for which a wrongful death lawsuit could be brought. The bill was vetoed in January 2023. It was again passed in identical form in 2023 and again vetoed in December 2023. The bill was reintroduced in identical form in February 2024 and following two-house passage, vetoed again in December 2024.

In 2023, two related bills were chaptered amending the time periods available to an insurer for the investigation and settlement of claims arising out of states of emergency and disasters. This bill codified elements of existing regulations but shortened certain time periods and added additional reporting requirements. Specifically, the law requires that, within fifteen business days after receiving all the items, statements, and forms that the insurer required from the claimant for a non-commercial claim not suspected to be related to arson, the insurer advise the claimant in writing whether the insurer has accepted or rejected the claim. An insurer would be allowed two extensions of fifteen additional business days to continue its investigation, provided that the insurer notifies the claimant of the reasons additional time is needed for the investigation, with the second extension being available if the property is inaccessible. Commercial claims are granted a one-time thirty-day extension to determine whether the claim should be accepted or rejected, and additional thirty-day extensions are available if certain written notifications are made. If the insurer has accepted the claim, the claimant will have to be notified of the amount the insurer is offering to settle the claim and of all applicable policy provisions regarding the claimant's right to reject and appeal the insurer's offer. If the insurer rejects the claim, the insurer will have to inform the claimant of all applicable policy provisions regarding the claimant's right to appeal the decision including policy information, insurer contact information and DFS complaint filing procedure information. An insurer will be required to pay the claim not later than four business days from the settlement of the claim.

In 2024, the New York State legislature passed a DFS program bill that sought to bar the use of certain anticoncurrent causation clauses in non-commercial policies. Specifically, it intended to prohibit an insurance policy from excluding coverage for any loss of or damage to property resulting from water or water-borne material that backs up through sewers or drains, or overflows or is discharged from a sump, sump pump, or related equipment, on the ground that the loss or damage also may have been caused directly or indirectly by an excluded peril contributing concurrently or in any sequence to cause the loss. The bill was vetoed by the Governor in a message suggesting it needs further consideration.

In 2024, legislation was passed, and signed into law which requires the Superintendent of Insurance to issue regulations providing standards for hurricane windstorm deductibles which create, to the greatest extent possible, uniformity in the operation of such deductibles with respect to the triggering event. The regulations must be adopted by August 19, 2025.

The DFS adopted a circular letter in 2024 regarding the use of external consumer data and information sources ("ECDIS") and artificial intelligence systems ("AIS") by insurers. In broad strokes it reiterates the need to make sure that AI processes do not lead to outcomes that run afoul of the extensive body of existing anti-discrimination laws, including use of credit as governed by Insurance Law Article 28 credit usage. While this circular letter does not have the force of law, it articulated DFS' expectations about the use of AIS and ECDIS. In the past, the release of a circular letter has preceded the issuance of draft and eventually final regulations in the area addressed.

State Regulatory Examinations

As part of their regulatory oversight process, state regulatory authorities conduct periodic detailed examinations of the financial reporting of insurance companies domiciled in their states, generally once every three to five years. Examinations are generally carried out in cooperation with the insurance regulators of other states under guidelines promulgated by the NAIC. The DFS commenced its examination of KICO in 2023 for the years 2019 through 2022. The examination was completed in 2024.

Risk-Based Capital Regulations

State regulatory authorities impose risk-based capital ("RBC") requirements on insurance enterprises. The RBC Model serves as a benchmark for the regulation of insurance companies. RBC provides for targeted surplus levels based on formulas, which specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk, and are set forth in the RBC requirements. Such formulas focus on four general types of risk: (a) the risk with respect to the company's assets (asset or default risk); (b) the risk of default on amounts due from reinsurers, policyholders, or other creditors (credit risk); (c) the risk of underestimating liabilities from business already written or inadequately pricing business to be written in the coming year (underwriting risk); and (d) the risk associated with items such as excessive premium growth, contingent liabilities, and other items not reflected on the balance sheet (off-balance sheet risk). The amount determined under such formulas is called the authorized control level RBC ("ACL").

The RBC guidelines define specific capital levels based on a company's ACL that are determined by the ratio of the company's total adjusted capital ("TAC") to its ACL. TAC is equal to statutory capital, plus or minus certain other specified adjustments. KICO's TAC is above its ACL. As of December 31, 2024, the ratio of TAC to ACL was 5.62 and is in compliance with New York's RBC requirements.

Dividend Limitations

Our ability to receive dividends from KICO is restricted by the state laws and insurance regulations of New York. These restrictions are related to surplus and net investment income. Dividends may be paid, without the need for DFS approval, from unassigned surplus and are restricted to the lesser of 10% of surplus or 100% of investment income (on a statutory accounting basis) for the trailing 36 months, less dividends by KICO paid during such period. At December 31, 2024, unassigned surplus was \$13,658,183. KICO has an agreement with DFS that KICO may only pay dividends to us for purposes of paying operating expenses and debt obligations, and the maximum amount of dividends that can be paid in 12 months is \$12 million without prior approval. See Item 5 ("Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Dividends") of this Annual Report for a further discussion as to KICO's ability to pay dividends to us.

Insurance Regulatory Information System Ratios

The Insurance Regulatory Information System ("IRIS") was developed by the NAIC and is intended primarily to assist state insurance regulators in meeting their statutory mandates to oversee the financial condition of insurance companies operating in their respective states. IRIS identifies thirteen industry ratios and specifies "usual values" for each ratio. Departure from the usual values on four or more of the ratios can lead to inquiries from individual state insurance commissioners as to certain aspects of an insurer's business. As of December 31, 2024, KICO had three ratios outside the usual range.

Accounting Principles

Statutory accounting principles ("SAP") are a basis of accounting developed by the NAIC. They are used to prepare the statutory financial statements of insurance companies and to assist insurance regulators in monitoring and regulating the solvency of insurance companies. SAP is primarily concerned with measuring an insurer's policyholder surplus. Accordingly, statutory accounting focuses on valuing assets and liabilities of insurers at financial reporting dates in accordance with appropriate insurance law and regulatory provisions applicable in each insurer's domiciliary state.

Generally accepted accounting principles ("GAAP") are concerned with a company's solvency, but are also concerned with other financial measurements, principally results of operations and cash flows. Accordingly, GAAP gives more consideration to appropriate matching of revenue and expenses and accounting for management's stewardship of assets than does SAP. As a direct result, different types and amounts of assets and liabilities will be reflected in financial statements prepared in accordance with GAAP as compared to SAP.

Statutory accounting practices established by the NAIC and adopted in part by New York insurance regulators determine, among other things, the amount of statutory surplus and statutory net income of KICO and thus determine, in part, the amount of funds that are available for KICO to pay dividends to Kingstone Companies, Inc.

Legal Structure

We were incorporated in 1961 and assumed the name DCAP Group, Inc. in 1999. On July 1, 2009, we changed our name to Kingstone Companies, Inc.

Employees

As of December 31, 2024, we had 99 employees. None of our employees are covered by a collective bargaining agreement. We believe that our relationship with our employees is good.

Availability of Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are filed with the U.S. Securities and Exchange Commission (the "SEC"). Such reports and other information filed by us with the SEC are available free of charge at the investor relations section of our website at www.kingstonecompanies.com as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. Copies are also available, without charge, by writing to Kingstone Companies, Inc., Investor Relations, 15 Joys Lane, Kingstone, New York 12401. The SEC also maintains a website, www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The inclusion of our website address in this Annual Report does not include or incorporate by reference the information on our website into this Annual Report.

ITEM 1A. RISK FACTORS

Based upon the following factors, as well as other factors affecting our operating results and financial condition, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. These factors, among others, may affect the accuracy of certain forward-looking statements contained in this Annual Report.

Risks Related to Our Business

As a property and casualty insurer, we may face significant losses from catastrophes and severe weather events.

Because of the exposure of our property and casualty business to catastrophic events and other severe weather events, our operating results and financial condition may vary significantly from one period to the next. Catastrophes can be caused by various natural and man-made disasters, including earthquakes, wildfires, tornadoes, hurricanes, severe winter weather, storms and certain types of terrorism. We currently have catastrophe reinsurance coverage with regard to losses of up to \$285,000,000 (\$275,000,000 in excess of \$10,000,000). Effective January 1, 2025, \$5,000,000 of losses in a catastrophe are subject to a quota share reinsurance treaty, which covers 10.0% of catastrophe losses such that we retain \$4,250,000 of risk per catastrophe occurrence. With respect to any additional catastrophe losses of up to \$275,000,000, we are 100% reinsured under our catastrophe reinsurance program. Catastrophe coverage is limited on an annual basis to two times the per occurrence amounts. We may incur catastrophe losses in excess of: (i) those that we project would be incurred, (ii) those that external modeling firms estimate would be incurred, (iii) the average expected level used in pricing or (iv) our current reinsurance coverage limits. Despite our catastrophe management programs, we are exposed to catastrophes that could have a material adverse effect on our operating results and financial condition. Our liquidity could be constrained by a catastrophe, or multiple catastrophes, which may result in extraordinary losses or a downgrade of our financial strength ratings. In addition, the reinsurance losses that are incurred in connection with a catastrophe could have an adverse impact on the terms and conditions of future reinsurance treaties.

In addition, we are subject to claims arising from non-catastrophic weather events such as hurricanes, tropical storms, severe winter weather, rain, hail and high winds. The incidence and severity of weather conditions are largely unpredictable. There is generally an increase in the frequency and severity of claims when severe weather conditions occur.

Unanticipated increases in the severity or frequency of claims may adversely affect our operating results and financial condition.

Changes in the severity or frequency of claims may affect our profitability. Changes in homeowners claim severity are driven by inflation in the construction industry, in building materials and home furnishings, and by other economic and environmental factors, including increased demand for services and supplies in areas affected by catastrophes. Changes in bodily injury claim severity are driven primarily by inflation in the medical sector of the economy and by litigation costs. Changes in auto physical damage claim severity are driven primarily by inflation in auto repair costs, prices of auto parts and used car prices. However, changes in the level of the severity of claims are not limited to the effects of inflation and demand surge in these various sectors of the economy. Increases in claim severity can arise from unexpected events that are inherently difficult to predict, such as a change in the law or an inability to enforce exclusions and limitations contained in

our policies. Although we pursue various loss management initiatives to mitigate future increases in claim severity, there can be no assurances that these initiatives will successfully identify or reduce the effect of future increases in claim severity, and a significant increase in claim frequency could have an adverse effect on our operating results and financial condition.

A financial strength rating assigned to our insurance subsidiary was withdrawn at its request; this may impact our revenues and earnings.

Financial strength ratings are an important factor influencing the competitive position of insurance companies. The objective of the rating agencies' rating systems is to provide an opinion as to an insurer's financial strength and ability to meet ongoing obligations to its policyholders. The ratings of Kingstone Insurance Company ("KICO"), our insurance subsidiary, reflect the rating agencies' opinion as to its financial strength and are not evaluations directed to investors in our securities, nor are they recommendations to buy, sell or hold our securities.

In July 2023, A.M. Best withdrew the financial strength rating and long-term issuer credit rating of KICO at KICO's request. Previously, A.M. Best's public rating for Kingstone Companies, Inc. was withdrawn.

Management believes that A.M. Best's financial strength rating is more significant with regard to commercial liability insurance, as opposed to personal lines business. Since we have discontinued our commercial lines business, we believe that the withdrawal of A.M. Best's ratings will not result in a material decrease in the amount of business that KICO will be able to write. Also, KICO has a Demotech financial stability rating of A (Exceptional) which generally makes its policies acceptable to mortgage lenders that require homeowners to purchase insurance from highly-rated carriers.

However, a prior A.M. Best ratings downgrade resulted in a material decrease in the business of our subsidiary, Cosi, a multi-state licensed general agency that had partnered with name-brand carriers which require an A.M. Best "A-" rating from its partners.

The impact of pandemics and other public health issues (like COVID-19) and related risks could materially affect our results of operations, financial position and/or liquidity.

Beginning in March 2020, the global pandemic related to COVID-19 began to impact the global economy and our results of operations. Risks presented by the effects of pandemics like COVID-19 include, among others, the following:

Investments. Our corporate fixed income portfolio may be adversely impacted by ratings downgrades, increased bankruptcies and credit spread widening in distressed industries. In addition, in recent years, many state and local governments have been operating under deficits or projected deficits. The severity and duration of these deficits could have an adverse impact on the collectability and valuation of our municipal bond portfolio. Our investment portfolio also includes mortgage-backed securities which could be adversely impacted by declines in real estate valuations and/or financial market disruption. Further disruptions in global financial markets could adversely impact our net investment income in future periods.

Adverse Legislative and/or Regulatory Action. Federal, state and local government actions to address and contain the impact of pandemic and other public health issues (like COVID-19) may adversely affect us. For example, we may be subject to legislative and/or regulatory action that seeks to retroactively mandate coverage for losses which our insurance policies were not designed or priced to cover. Currently, in some states there is proposed legislation to require insurers to cover business interruption claims irrespective of terms, exclusions or other conditions included in the policies that would otherwise preclude coverage. Regulatory restrictions or requirements could also impact pricing, risk selection and our rights and obligations with respect to our policies and insureds, including our ability to cancel or non-renew policies and our right to collect premiums.

Operational Disruptions and Heightened Cybersecurity Risks. Our operations could be disrupted if key members of our senior management or a significant percentage of our workforce or the workforce of our producers are unable to continue to work because of illness, government directives or otherwise. In addition, the interruption of our or their system capabilities could result in a deterioration of our ability to write and process new and renewal business, provide customer service, pay claims in a timely manner or perform other necessary business functions. Having shifted to remote working arrangements, we also face a heightened risk of cybersecurity attacks or data security incidents and are more dependent on internet and telecommunications access and capabilities.

We may not be able to generate sufficient cash to service our debt obligations.

Our ability to make payments on our indebtedness will depend on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a sufficient level of cash flows from operating activities to permit us to pay the principal, premium, if any, and interest on our indebtedness.

Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs or our ability to obtain credit on acceptable terms.

The capital and credit markets can experience periods of volatility and disruption. In some cases, markets have exerted downward pressure on the availability of liquidity and credit capacity. In the event that we need access to additional capital to support our operating expenses, make payments on our outstanding and any future indebtedness, pay for capital expenditures, or increase the amount of insurance that we seek to underwrite or to otherwise grow our business, our ability to obtain such capital may be limited and the cost of any such capital may be significant. Our access to additional financing will depend on a variety of factors, such as market conditions, the general availability of credit, the overall availability of credit to our industry, our credit ratings and credit capacity as well as lenders' perception of our long or short-term financial prospects. Similarly, our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us. If a combination of these factors occurs, our internal sources of liquidity may prove to be insufficient and, in such case, we may not be able to successfully obtain additional financing on favorable terms.

We are exposed to significant financial and capital markets risk which may adversely affect our results of operations, financial condition and liquidity, and our net investment income can vary from period to period.

We are exposed to significant financial and capital markets risk, including changes in interest rates, equity prices, market volatility, general economic conditions, the performance of the economy in general, the performance of the specific obligors included in our portfolio, and other factors outside our control. Our exposure to interest rate risk relates primarily to the market price and cash flow variability associated with changes in interest rates. Our investment portfolio contains interest rate sensitive instruments, such as fixed income securities, which may be adversely affected by changes in interest rates from governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. A rise in interest rates would increase the net unrealized loss position of our investment portfolio, which would be offset by our ability to earn higher rates of return on funds reinvested. Conversely, a decline in interest rates would decrease the net unrealized loss position of our investment portfolio, which would be offset by lower rates of return on funds reinvested.

In addition, market volatility can make it difficult to value certain of our securities if trading becomes less frequent. As such, valuations may include assumptions or estimates that may have significant period to period changes which could have a material adverse effect on our consolidated results of operations or financial condition. If significant, continued volatility, changes in interest rates, changes in defaults, a lack of pricing transparency, market liquidity and declines in equity prices, individually or in tandem, could have a material adverse effect on our results of operations, financial condition or cash flows through realized losses, impairments, and changes in unrealized positions.

Reinsurance may be unavailable at current levels and prices, which may limit our ability to write new business.

We purchase reinsurance to reduce our net liability on individual risks, to protect against possible catastrophes, to remain within a target ratio of net premiums written to policyholders' surplus and to expand our underwriting capacity. Participation in reinsurance arrangements does not relieve us from our obligations to policyholders. Our personal lines catastrophe reinsurance program was designed, utilizing our risk management methodology, to address our exposure to catastrophes. Market conditions beyond our control impact the availability and cost of the reinsurance we purchase. No assurances can be given that reinsurance will remain continuously available to us on terms and rates that are commercially reasonable. For example, our ability to afford reinsurance to reduce our catastrophe risk may be dependent upon our ability to adjust premium rates for its cost, and there are no assurances that the terms and rates for our current reinsurance program will continue to be available in the future. If we are unable to maintain our current level of reinsurance or purchase new reinsurance protection in amounts that we consider sufficient and at prices that we consider acceptable, we will have to either accept an increase in our exposure risk, reduce our insurance writings or seek other alternatives.

Reinsurance subjects us to the credit risk of our reinsurers, which may have a material adverse effect on our operating results and financial condition.

The collectability of reinsurance recoverables is subject to uncertainty arising from a number of factors, including changes in market conditions, whether insured losses meet the qualifying conditions of the reinsurance contract and whether reinsurers, or their affiliates, have the financial capacity and willingness to make payments under the terms of a reinsurance treaty or contract. Since we are primarily liable to an insured for the full amount of insurance coverage, our inability to collect a material recovery from a reinsurer could have a material adverse effect on our operating results and financial condition.

Applicable insurance laws regarding the change of control of our company may impede potential acquisitions that our stockholders might consider desirable.

We are subject to statutes and regulations of the state of New York which generally require that any person or entity desiring to acquire direct or indirect control of KICO, our insurance company subsidiary, obtain prior regulatory approval. In addition, a change of control of Kingstone Companies, Inc. would require such approval. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control of our company, including through transactions, and in particular unsolicited transactions. Some of our stockholders might consider such transactions to be desirable. Similar regulations may apply in other states in which we may operate.

The insurance industry is subject to extensive regulation that may affect our operating costs and limit the growth of our business, and changes within this regulatory environment may adversely affect our operating costs and limit the growth of our business.

We are subject to extensive laws and regulations. State insurance regulators are charged with protecting policyholders and have broad regulatory, supervisory and administrative powers over our business practices. These include, among other things, the power to grant and revoke licenses to transact business and the power to regulate and approve underwriting practices and rate changes, which may delay the implementation of premium rate changes, prevent us from making changes we believe are necessary to match rate to risk or delay or prevent our entry into new states. In addition, many states have laws and regulations that limit an insurer's ability to cancel or not renew policies and that prohibit an insurer from withdrawing from one or more lines of business written in the state, except pursuant to a plan that is approved by state regulatory authorities. Laws and regulations that limit cancellation and non-renewal and that subject program withdrawals to prior approval requirements may restrict our ability to exit unprofitable markets.

Because the laws and regulations under which we operate are administered and enforced by a number of different governmental authorities, including state insurance regulators, state securities administrators and the SEC, each of which exercises a degree of interpretive latitude, we are subject to the risk that compliance with any particular regulator's or enforcement authority's interpretation of a legal issue may not result in compliance with another's interpretation of the same issue, particularly when compliance is judged in hindsight. In addition, there is risk that any particular regulator's or enforcement authority's interpretation of a legal issue may change over time to our detriment, or that changes in the overall legal and regulatory environment may, even in the absence of any change to a particular regulator's or enforcement authority's interpretation of a legal issue changing, cause us to change our views regarding the actions we need to take from a legal risk management perspective, thereby necessitating changes to our practices that may, in some cases, limit our ability to grow and/or to improve the profitability of our business.

While the United States federal government does not directly regulate the insurance industry, federal legislation and administrative policies can affect us. Congress and various federal agencies periodically discuss proposals that would provide for a federal charter for insurance companies. We cannot predict whether any such laws will be enacted or the effect that such laws would have on our business. Moreover, there can be no assurance that changes will not be made to current laws, rules and regulations, or that any other laws, rules or regulations will not be adopted in the future, that could adversely affect our business and financial condition.

We may not be able to maintain the requisite amount of risk-based capital, which may adversely affect our profitability and our ability to compete in the property and casualty insurance markets.

The DFS imposes risk-based capital requirements on insurance companies to ensure that insurance companies maintain appropriate levels of surplus to support their overall business operations and to protect customers against adverse developments, after taking into account default, credit, underwriting and off-balance sheet risks. If the amount of our capital falls below certain thresholds, we may face restrictions with respect to soliciting new business and/or keeping existing business. Similar regulations apply in other states in which we operate.

Changing climate conditions may adversely affect our financial condition, profitability or cash flows.

We recognize the scientific view that the world is getting warmer. Climate change, to the extent it produces rising temperatures and changes in weather patterns, could impact the frequency and/or severity of weather events and affect the affordability and availability of homeowners insurance.

Our operating results and financial condition may be adversely affected by the cyclical nature of the property and casualty business.

The property and casualty market is cyclical and has experienced periods characterized by relatively high levels of price competition, less restrictive underwriting standards and relatively low premium rates, followed by periods of relatively lower levels of competition, more selective underwriting standards and relatively high premium rates. A downturn in the profitability cycle of the property and casualty business could have a material adverse effect on our operating results and financial condition.

Because substantially all of our revenue is currently derived from sources located in New York, our business may be adversely affected by conditions in such state.

Approximately 96% of our revenue during the year ended December 31, 2024 was derived from sources located in the State of New York and, accordingly, is affected by the prevailing regulatory, economic, demographic, competitive and other conditions in the state. Changes in any of these conditions could make it costlier or difficult for us to conduct our business. Adverse regulatory developments in New York, which could include fundamental changes to the design or implementation of the insurance regulatory framework, could have a material adverse effect on our results of operations and financial condition.

We are highly dependent on a relatively small number of insurance brokers for a large portion of our revenues.

We market our insurance products primarily through insurance brokers. A large percentage of our gross premiums written are sourced through a limited number of brokers. For the year ended December 31, 2024, 50 brokers provided a total of 51.2% of our total gross premiums written. The nature of our dependency on these brokers relates to the high volume of business they consistently refer to us. Our relationship with these brokers is based on the quality of the underwriting and claims services we provide to our clients and on our financial strength ratings. Any deterioration in these factors could result in these brokers advising clients to place their risks with other insurers rather than with us. A loss of all or a substantial portion of the business provided by one or more of these brokers could have a material adverse effect on our financial condition and results of operations.

Actual claims incurred may exceed current reserves established for claims, which may adversely affect our operating results and financial condition.

Recorded claim reserves for our business are based on our best estimates of losses after considering known facts and interpretations of circumstances. Internal and external factors are considered. Internal factors include, but are not limited to, actual claims paid, pending levels of unpaid claims, product mix and contractual terms. External factors include, but are not limited to, changes in the law, court decisions, changes in regulatory requirements and economic conditions. Because reserves are estimates of the unpaid portion of losses that have occurred, the establishment of appropriate reserves, including reserves for catastrophes, is an inherently uncertain and complex process. The ultimate cost of losses may vary materially from recorded reserves, and such variance may adversely affect our operating results and financial condition.

As a holding company, we are dependent on the results of operations of our subsidiary, KICO; there are restrictions on the payment of dividends by KICO.

We are a holding company and a legal entity separate and distinct from our operating subsidiary, KICO. As a holding company with limited operations of our own, currently the principal sources of our funds are dividends and other payments from KICO. Consequently, we must rely on KICO for our ability to repay debts, pay expenses and pay cash dividends to our stockholders.

State insurance laws limit the ability of KICO to pay dividends from unassigned surplus and require KICO to maintain specified minimum levels of statutory capital and surplus. Maximum allowable dividends by KICO to us are restricted to the lesser of 10% of surplus or 100% of net investment income (on a statutory accounting basis) for the trailing 36 months, less dividends paid by KICO during such period. As of December 31, 2024, KICO had unassigned surplus of approximately \$13.7 million. The aggregate maximum amount of dividends permitted by law to be paid by an insurance

company does not necessarily define an insurance company's actual ability to pay dividends. The actual ability to pay dividends may be further constrained by business and regulatory considerations, such as the impact of dividends on surplus, by our competitive position and by the amount of premiums that we can write. State insurance regulators have broad discretion to limit the payment of dividends by insurance companies. KICO has an agreement with DFS that KICO may only pay dividends to us for purposes of paying operating expenses and debt obligations and that the maximum amount of dividends that can be paid in a 12 month period is \$12 million without prior approval.

Our future results are dependent in part on our ability to successfully operate in an insurance industry that is highly competitive.

The insurance industry is highly competitive. Many of our competitors have well-established national reputations, substantially more capital and significantly greater marketing and management resources. Because of the competitive nature of the insurance industry, including competition for customers, agents and brokers, there can be no assurance that we will continue to effectively compete with our industry rivals, or that competitive pressures will not have a material adverse effect on our ability to grow our business and to maintain profitable operating results or financial condition.

If we lose key personnel or are unable to recruit qualified personnel, our ability to implement our business strategies could be delayed or hindered.

Our future success will depend, in part, upon the efforts of Meryl Golden, our President and Chief Executive Officer. The loss of Ms. Golden or other key personnel could prevent us from fully implementing our business strategies and could materially and adversely affect our business, financial condition and results of operations. As we continue to grow, we will need to recruit and retain additional qualified management personnel, but we may not be able to do so. Our ability to recruit and retain such personnel will depend upon a number of factors, such as our results of operations and prospects and the level of competition prevailing in the market for qualified personnel. Ms. Golden and we are parties to an employment agreement which expires on December 31, 2026.

Difficult conditions in the economy generally could adversely affect our business and operating results.

As with most businesses, we believe that difficult conditions in the economy could have an adverse effect on our business and operating results. General economic conditions also could adversely affect us in the form of consumer behavior, which may include decreased demand for our products. As consumers become more cost conscious, they may choose to purchase lower levels of insurance.

Changes in accounting standards issued by the Financial Accounting Standards Board or other standard-setting bodies may adversely affect our reported results of operations and financial condition.

Our financial statements are subject to the application of generally accepted accounting principles, which are periodically revised, interpreted and/or expanded. Accordingly, we are required to adopt new guidance or interpretations, which may have a material adverse effect on our results of operations and financial condition that is either unexpected or has a greater impact than expected.

Our business could be adversely affected by a security breach or other attack involving our computer systems or those of one or more of our vendors.

Our business requires that we develop and maintain computer systems to run our operations and to store a significant volume of confidential data. Some of these systems rely on third-party vendors, through either a connection to, or an integration with, those third-parties' systems. In the course of our operations, we acquire the personal confidential information of our customers and employees. We also store our intellectual property, trade secrets, and other sensitive business and financial information.

All of these systems are subject to "cyber attacks" by sophisticated third parties with substantial computing resources and capabilities, and to unauthorized or illegitimate actions by employees, consultants, agents and other persons with legitimate access to our systems. Such attacks or actions may include attempts to:

- steal, corrupt, or destroy data, including our intellectual property, financial data or the personal information of our customers or employees
- misappropriate funds
- disrupt or shut down our systems
- deny customers, agents, brokers, or others access to our systems, or

- infect our systems with viruses or malware.

While we can take defensive measures, there can be no assurance that we will be successful in preventing attacks or detecting and stopping them once they have begun. Our business could be significantly damaged by a security breach, data loss or corruption, or cyber attack. In addition to the potentially high costs of investigating and stopping such an event and implementing necessary fixes, we could incur substantial liability if confidential customer or employee information is stolen. In addition, such an event could cause a significant disruption of our ability to conduct our insurance operations. We have a cyber insurance policy to protect against the monetary impact of some of these risks. However, the occurrence of a security breach, data loss or corruption, or cyber-attack, if sufficiently severe, could have a material adverse effect on our business results.

We rely on our information technology and telecommunication systems, and the failure of these systems could materially and adversely affect our business.

Our business is highly dependent upon the successful and uninterrupted functioning of our information technology and telecommunications systems. We rely on these systems to support our operations. The failure of these systems could interrupt our operations and result in a material adverse effect on our business.

Risks Related to Our Common Stock

Our stock price may fluctuate significantly and be highly volatile and this may make it difficult for stockholders to resell shares of our common stock at the volume, prices and times they find attractive.

The market price of our common stock could be subject to significant fluctuations and be highly volatile, which may make it difficult for stockholders to resell shares of our common stock at the volume, prices and times they find attractive. There are many factors that will impact our stock price and trading volume, including, but not limited to, the factors listed above under "Risks Related to Our Business."

Stock markets, in general, have experienced in recent years, and continue to experience, significant price and volume volatility, and the market price of our common stock may continue to be subject to similar market fluctuations that may be unrelated to our operating performance and prospects. Increased market volatility and fluctuations could result in a substantial decline in the market price of our common stock.

The trading volume in our common stock has been limited. As a result, stockholders may not experience liquidity in their investment in our common stock, thereby potentially limiting their ability to resell their shares at the volume, times and prices they find attractive.

Our common stock is currently traded on The Nasdaq Capital Market ("Nasdaq"). Our common stock has substantially less liquidity than the average trading market for many other publicly traded insurance and other companies. An active trading market for our common stock may not develop or, if developed, may not be sustained. Such stocks can be more volatile than stocks trading in an active public market. Therefore, stockholders have reduced liquidity and may not be able to sell their shares at the volume, prices and times that they desire.

There may be future issuances or resales of our common stock which may materially and adversely affect the market price of our common stock.

Subject to any required state insurance regulatory approvals, we are not restricted from issuing additional shares of our common stock in the future, including securities convertible into, or exchangeable or exercisable for, shares of our common stock. Our issuance of additional shares of common stock in the future will dilute the ownership interests of our then existing stockholders.

We have effective registration statements on Form S-8 under the Securities Act of 1933, as amended (the "Securities Act"), covering an aggregate of 2,900,000 shares of our common stock issuable under our Amended and Restated 2014 Equity Participation Plan (the "2014 Plan") and our 2024 Equity Participation Plan (the "2024 Plan").

As of December 31, 2024, options to purchase 281,913 shares of our common stock, and 267,586 shares subject to unvested restricted stock grants, were outstanding under the 2014 Plan and the 2024 Plan and 941,245 shares were reserved for issuance thereunder. The shares issuable pursuant to the registration statements on Form S-8 will be freely tradable in the public market, except for shares held by our affiliates. As of December 31, 2024, there were also outstanding warrants

for the purchase of 642,025 shares of our common stock. The shares issuable pursuant to an exercise of the warrants may be freely tradeable in the public market under certain circumstances.

The 2014 Plan terminated in August 2024 and the 2024 Plan terminates in August 2034.

The sale of a substantial number of shares of our common stock or securities convertible into, or exchangeable or exercisable for, shares of our common stock, whether directly by us, by selling stockholders in future offerings or by our existing stockholders in the secondary market, the perception that such issuances or resales could occur or the availability for future issuances or resale of shares of our common stock or securities convertible into, or exchangeable or exercisable for, shares of our common stock could materially and adversely affect the market price of our common stock and our ability to raise capital through future offerings of equity or equity-related securities on attractive terms or at all.

In addition, our board of directors is authorized to designate and issue preferred stock without further stockholder approval, and we may issue other equity and equity-related securities that are senior to our common stock in the future for a number of reasons, including, without limitation, to repay our indebtedness, support operations and growth, maintain our capital ratios, and comply with any future changes in regulatory standards.

Anti-takeover provisions and the regulations to which we may be subject may make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to our stockholders.

We are a holding company incorporated in Delaware. Anti-takeover provisions in Delaware law and our restated certificate of incorporation and bylaws, as well as regulatory approvals required under state insurance laws, could make it more difficult for a third party to acquire control of us and may prevent stockholders from receiving a premium for their shares of common stock. Our certificate of incorporation provides that our board of directors may issue up to 2,500,000 shares of preferred stock, in one or more series, without stockholder approval and with such terms, preferences, rights and privileges as the board of directors may deem appropriate. These provisions, the control of our executive officers and directors over the election of our directors, and other factors may hinder or prevent a change in control, even if the change in control would be beneficial to, or sought by, our stockholders.

We do not currently pay dividends.

We have not paid cash dividends since September 2022. Our future dividend policy will be subject to the discretion of our Board of Directors and will be contingent upon future earnings, if any, our financial condition, capital requirements, general business conditions, and other factors. We can give no assurance that any dividends will be paid to holders of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We regularly assess risks from cybersecurity threats; monitor our information systems for potential vulnerabilities; and test those systems pursuant to our cybersecurity policies, processes, and practices, which are integrated into our overall risk management program. To protect our information systems from cybersecurity threats, we use various security tools that are designed to help identify, escalate, investigate, resolve, and recover from security incidents in a timely manner.

KICO's Risk Management Committee, which is comprised of representatives of its technology team, assesses risks based on probability and potential impact on key business systems and processes. Risks that are considered high are incorporated into its overall risk management program. A mitigation plan is developed for each identified high risk, with progress reported to the Risk Management Committee and tracked as part of its overall risk management program overseen by the Corporate Sustainability and Risk Management Committee of our Board of Directors.

We collaborate with third parties to assess the effectiveness of our cybersecurity prevention and response systems and processes. These include cybersecurity assessors, consultants, and other external cybersecurity experts to assist in the identification, verification, and validation of cybersecurity risks, as well as to support associated mitigation plans when necessary.

Additionally, we require security training for all employees on a quarterly basis. The training covers a wide range of topics, including phishing, social engineering and data protection.

Risk Management

We assess and identify security risk to the organization by:

- conducting assessments of risk, including likelihood and magnitude, from unauthorized access, use, disclosure, disruption, modification or destruction of information systems and the related information processes, stored or transmitted;
- performing risk assessments and producing security assessment reports that document the results of the assessment for use and review by information technology senior leadership, including the Chief Technology Officer;
- ensuring security controls are assessed for effectiveness, are implemented correctly, operating as intended and producing the desired outcome; and
- continuously scanning for vulnerabilities and remediating all vulnerabilities in accordance with the associated risk.

We have not experienced a material cybersecurity breach in the past five years and, as a result, there have been no charges related to a breach in the past five years. Moreover, no risks from cybersecurity threats have materially affected our business strategy, results of operations, or financial condition. While we have implemented processes and procedures that we believe are tailored to address and mitigate the cybersecurity threats that we face, there can be no assurances that such an incident will not occur despite our efforts, as more fully described in Item 1A ("Risk Factors – Our business could be adversely affected by a security breach or other attack involving our computer systems or those of one or more of our vendors.") in this Annual Report.

Monitoring

We have established a continuous monitoring strategy and program, which includes:

- a set of defined security metrics to be monitored;
- performance of security control assessments on an ongoing basis;
- addressing results of analysis and reporting security status to the executive team;
- monitoring information systems to detect attacks and indicators of potential attacks;
- identification of unauthorized use of the information system resources; and
- deployment of monitoring devices strategically within the information system environment.

Governance

Our Corporate Sustainability and Risk Management Committee of the Board of Directors has been delegated the power and authority to oversee and make recommendations to the Board with regard to our overall approach to risks relating to business operations, including with regard to information technology and cybersecurity. In a presentation from our Chief Technology Officer, the committee received information regarding our approach to cybersecurity, which included the following topics: the confidentiality of nonpublic information and the integrity and security of our information system, the cybersecurity policies and procedures, material cybersecurity risks to us, and the overall effectiveness of our cybersecurity program.

ITEM 2. PROPERTIES

Our principal executive offices are currently located at 15 Joys Lane, Kingston, New York 12401. Our insurance underwriting business is located principally at 15 Joys Lane, Kingston, New York 12401. Until March 2024, our insurance underwriting business also maintained an executive office located at 70 East Sunrise Highway, Valley Stream, New York 11581, at which we leased 4,985 square feet of space. In March 2024, the lease expired and was not renewed.

We own the building and the surrounding property at which our insurance underwriting business principally operates, free of mortgage. The property consists of a complex which includes the office building discussed above, a house and vacant land located in Kingston, New York. In late 2023, the property was rezoned to allow for residential development.

In February 2025, 15 Joys Lane LLC, our subsidiary, entered into a contract of sale with Ulster County, New York (the "County") for the sale to the County of our headquarters building in Kingston, New York, along with an adjacent mixed-use property (collectively, the "Property"). The purchase price for the Property is \$3,600,000. The closing of the sale is anticipated to take place in March 2025, subject to the satisfaction of the conditions to the closing.

Effective March 1, 2025, we have leased new principal executive office space at 120 Wood Road, Kingston, New York 12401. The new offices are held pursuant to a lease which expires on March 31, 2030 with a five year renewal option.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is quoted on The Nasdaq Capital Market under the symbol "KINS."

Holders

As of March 12, 2025, there were 210 record holders of our common stock.

Dividends

Holders of our common stock are entitled to dividends when, as and if declared by our Board of Directors out of funds legally available. We paid a cash dividend in each quarter from September 2011 through September 2022. On November 11, 2022, our Board of Directors determined to suspend regular quarterly dividends due to the need to retain cash to repay indebtedness.

Future dividend policy will be subject to the discretion of our Board of Directors and will be contingent upon future earnings, if any, our financial condition, capital requirements, general business conditions, and other factors. Therefore, we can give no assurance that future dividends of any kind will be paid to holders of our common stock.

Our ability to pay dividends depends, in part, on the ability of KICO to pay dividends to us. KICO, as an insurance subsidiary, is subject to significant regulatory restrictions limiting its ability to declare and pay dividends. In addition, there are restrictions related to surplus and net investment income. Without the prior approval of the DFS, dividends may be paid by insurance carriers from unassigned surplus and are restricted to the lesser of 10% of surplus or 100% of investment income (on a statutory accounting basis) for the trailing 36 months, less dividends paid by KICO during such period. As of December 31, 2023, KICO was not able pay any dividends to us without prior regulatory approval due to negative unassigned surplus of approximately \$7,662,000. As of December 31, 2024 KICO had unassigned surplus of approximately \$13,658,000. KICO has an agreement with DFS that KICO may only pay dividends up to \$12,000,000 to us for purposes of paying operating expenses and debt obligations. See "Business – Government Regulation", "Risk Factors – As a holding company, we are dependent on the results of operations of our subsidiary, KICO; there are restrictions on the payment of dividends by KICO" and "Management's Discussion and Analysis of Financial Condition and Results of Operation – Liquidity" in Items 1, 1A and 7, respectively, of this Annual Report.

In addition, pursuant to the 2022 Exchange Agreement and the 2024 Exchange Agreement, we were not permitted to pay any cash dividends without the approval of the holders of a majority of the outstanding principal amount of the 2022 Notes and the 2024 Notes. The 2022 Notes were exchanged in part for the 2024 Notes, and the 2024 Notes were paid in full on February 25, 2025.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

ITEM 6. RESERVED.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We offer property and casualty insurance products through our wholly-owned subsidiary, Kingstone Insurance Company ("KICO"). KICO is a New York domiciled carrier writing business through retail and wholesale agents and brokers. KICO is actively writing personal lines and commercial auto insurance in New York, and in 2024 was the 12th

largest writer of homeowners insurance in New York. KICO is also licensed in the states of New Jersey, Rhode Island, Massachusetts, Connecticut, Pennsylvania, New Hampshire, and Maine. For the years ended December 31, 2024 and 2023, respectively, 96.0% and 88.3% of KICO's direct written premiums came from the New York policies. We refer to our New York business as our "Core" business and the business outside of New York as our "non-Core" business.

In addition, our subsidiary, Cosi Agency, Inc. ("Cosi"), a multi-state licensed general agency, receives commission revenue from KICO for the policies it places with others and pays commissions to these agencies. Cosi retains the profit between the commission revenue received and the commission expense paid ("Net Cosi Revenue"). Commission expense is reduced by Net Cosi Revenue. Cosi-related operating expenses are minimal and are included in other operating expenses.

We derive substantially all of our revenue from KICO, which includes revenues from earned premiums, ceding commissions from quota share reinsurance, net investment income generated from its portfolio, and net realized gains and losses on investment securities. All of KICO's insurance policies are written for a one year term. Earned premiums represent premiums received from insureds, which are recognized as revenue over the period of time that insurance coverage is provided (i.e., ratably over the one year life of the policy). A significant period of time can elapse from the receipt of insurance premiums to the payment of insurance claims. During this time, KICO invests the premiums, earns investment income and generates net realized and unrealized investment gains and losses on investments. Our holding company earns investment income from its cash holdings.

Our expenses include the insurance underwriting expenses of KICO and other operating expenses. Insurance companies incur a significant amount of their total expenses from losses incurred by policyholders, which are referred to as claims. In settling these claims, various loss adjustment expenses ("LAE") are incurred such as insurance adjusters' fees and legal expenses. In addition, insurance companies incur policy acquisition costs. Policy acquisition costs include commissions paid to producers, premium taxes, and other expenses related to the underwriting process, including employees' compensation and benefits.

Other operating expenses include our corporate expenses as a holding company. These corporate expenses include legal and auditing fees, executive employment costs, and other costs directly associated with being a public company.

Principal Revenue and Expense Items

Net premiums earned: Net premiums earned is the earned portion of our written premiums, less that portion of premium that is ceded to third party reinsurers under reinsurance agreements. The amount ceded under these reinsurance agreements is based on a contractual formula contained in the individual reinsurance agreement. Insurance premiums are earned on a pro rata basis over the term of the policy. At the end of each reporting period, premiums written that are not earned are classified as unearned premiums and are earned in subsequent periods over the remaining term of the policy. Our insurance policies have a term of one year. Accordingly, for a one-year policy written on July 1, 2023, we would earn half of the premiums in 2023 and the other half in 2024.

Ceding commission revenue: Commissions on reinsurance premiums ceded to quota share treaties are earned in a manner consistent with the recognition of the direct acquisition costs of the underlying insurance policies, generally on a pro-rata basis over the terms of the policies reinsured.

Net investment income and net gains (losses) on investments: We invest in cash and cash equivalents, short-term investments, fixed-maturity and equity securities, and other investments. Our net investment income includes interest and dividends earned on our invested assets, less investment expenses. Net realized gains and losses on our investments are reported separately from our net investment income. Net realized gains occur when our investment securities are sold for more than their costs or amortized costs, as applicable. Net realized losses occur when our investment securities are sold for less than their costs or amortized costs, as applicable, or are written down as a result of other-than-temporary impairment. We classify our fixed-maturity securities as either available-for-sale or held-to-maturity. Net unrealized gains (losses) on those securities classified as available-for-sale are reported separately within accumulated other comprehensive (loss) income on our balance sheet while our equity securities and other investments report changes in fair value through earnings. See Note 2 in the accompanying consolidated financial statements for a further discussion of our accounting policies following Item 16 of this Annual Report.

Other income: We recognize installment fee income and fees charged to reinstate a policy after it has been cancelled for non-payment.

Loss and loss adjustment expenses incurred: Loss and LAE incurred represent our largest expense item, and for any given reporting period include estimates of future claim payments, changes in those estimates from prior reporting periods and costs associated with investigating, defending and servicing claims. These expenses fluctuate based on the amount and types of risks we insure. We record loss and LAE related to estimates of future claim payments based on case-by-case valuations, statistical analyses and actuarial procedures. We seek to establish all reserves at the most likely ultimate liability based on our historical claims experience. It is typical for certain claims to take several years to settle and we revise our estimates as we receive additional information on such claims. Our ability to estimate loss and LAE accurately at the time of pricing our insurance policies is a critical factor affecting our profitability.

Commission expenses and other underwriting expenses: Other underwriting expenses include policy acquisition costs and other expenses related to the underwriting of policies. Policy acquisition costs represent the costs of originating new insurance policies that vary with, and are primarily related to, the production of insurance policies (principally commissions, premium taxes and certain underwriting salaries). Policy acquisition costs are deferred and recognized as expense as the related premiums are earned. Other underwriting expenses represent general and administrative expenses of our insurance business and are comprised of other costs associated with our insurance activities such as regulatory fees, telecommunication and technology costs, occupancy costs, employment costs, and legal and auditing fees.

Other operating expenses: Other operating expenses include the corporate expenses of our holding company, Kingstone Companies, Inc. These expenses include executive employment costs, legal and auditing fees, and other costs directly associated with being a public company.

Stock-based compensation: Non-cash equity compensation includes the fair value of stock grants issued to our directors, officers and employees, and amortization of stock options issued to the same.

Depreciation and amortization: Depreciation and amortization includes the amortization of intangibles related to the acquisition of KICO, depreciation of the real estate used in KICO's operations, as well as depreciation of capital expenditures for information technology projects, office equipment and furniture.

Interest expense: Interest expense represents amounts we incur on our outstanding indebtedness at the applicable interest rates. Interest expense also includes amortization of debt discount and issuance costs.

Income tax expense: We incur federal income tax expense on our consolidated statement of operations as well as state income tax expense for our non-insurance underwriting subsidiaries.

Product Lines

Our product lines include the following:

Personal lines: Our largest line of business is personal lines, consisting of homeowners, dwelling fire, cooperative/condominium, renters, and personal umbrella policies.

Commercial liability: Through July 2019, we offered businessowners policies, which consist primarily of small business retail, service, and office risks, with limited property exposures. We also wrote artisan's liability policies for small independent contractors with smaller sized workforces. In addition, we wrote special multi-peril policies for larger and more specialized businessowners risks, including those with limited residential exposures. Further, we offered commercial umbrella policies written above our supporting commercial lines policies.

In May 2019, due to the poor performance of this line we placed a moratorium on new commercial lines and new commercial umbrella submissions while we further reviewed this business. In July 2019, due to the continuing poor performance of these lines, we made the decision to no longer underwrite commercial lines or commercial umbrella risks. In-force policies as of July 31, 2019 for these lines were non-renewed at the end of their annual terms. As of December 31, 2024 and 2023, there were no commercial liability policies in-force. As of December 31, 2024, these expired policies represent approximately 14.4% of loss and LAE reserves net of reinsurance recoverables. See discussion below under "Additional Financial Information".

Livery physical damage: We write for-hire vehicle physical damage only policies for livery and car service vehicles and taxicabs. These policies insure only the physical damage portion of insurance for such vehicles, with no liability coverage included.

Other: We write canine legal liability policies and have a small participation in mandatory state joint underwriting associations.

Key GAAP and Non-GAAP Measures

We utilize the following key GAAP and non-GAAP measures in analyzing the results of our insurance underwriting business. See "Non-GAAP Financial Measures" for a reconciliation of the below non-GAAP measures to the most directly comparable GAAP measure:

Net loss ratio: The net loss ratio is a measure of the underwriting profitability of an insurance company's business. Expressed as a percentage, this is the ratio of net losses and LAE incurred to net premiums earned.

Underlying loss ratio: The underlying loss ratio is a non-GAAP ratio, which is computed as the GAAP net loss ratio excluding the effect of prior year loss reserve development and catastrophe losses. Management believes that this ratio is useful to investors, and it is used by management to reveal the trends in our business that may be obscured by prior year loss reserve development and catastrophe losses. Catastrophe losses cause our loss ratios to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the net loss ratio. Management believes that this measure is useful for investors to evaluate this component separately when reviewing our underwriting performance. The most directly comparable GAAP measure is the net loss ratio. The underlying loss ratio should not be considered a substitute for the net loss ratio and does not reflect our net loss ratio.

Net loss ratio excluding the effect of catastrophes: The net loss ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between the GAAP net loss ratio and the effect of catastrophes on the net loss ratio. Management believes that this ratio is useful to investors, and it is used by management to reveal the trends in our business that may be obscured by catastrophe losses. Catastrophe losses cause our net loss ratios to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the net loss ratio. Management believes that this measure is useful for investors to evaluate this component separately when reviewing our underwriting performance. The most directly comparable GAAP measure is the net loss ratio. The net loss ratio excluding the effect of catastrophes should not be considered a substitute for the net loss ratio and does not reflect our net loss ratio.

Net loss ratio excluding commercial lines business: The net loss ratio excluding commercial lines business is a non-GAAP ratio, which is computed as the difference between the GAAP net loss ratio and the effect of commercial lines on the net loss ratio. Management believes that this ratio is useful to investors, and it is used by management to reveal the trends in our business that may be obscured by losses from commercial lines business. Our commercial lines business has been in run-off effective July 2019. Commercial lines losses cause our net loss ratios to vary between periods as a result of changes to their loss reserves during the run-off period and have an impact on the net loss ratio. Management believes that this measure is useful for investors to evaluate this component separately when reviewing our underwriting performance. The most directly comparable GAAP measure is the net loss ratio. The net loss ratio excluding commercial lines business should not be considered a substitute for the net loss ratio and does not reflect our net loss ratio.

Net underwriting expense ratio: The net underwriting expense ratio is a measure of an insurance company's operational efficiency in administering its business. Expressed as a percentage, this is the ratio of the sum of acquisition costs (the most significant being commissions paid to our producers) and other underwriting expenses less ceding commission revenue less other income to net premiums earned.

Net underwriting expense ratio excluding the effect of catastrophes: The net underwriting expense ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between the GAAP net underwriting expense ratio and the effect of catastrophes on the net underwriting expense ratio. Management believes that this ratio is useful to investors, and it is used by management to reveal the trends in our business that may be obscured by catastrophe losses. Catastrophe losses cause our net underwriting expense ratios to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the underwriting expense ratio. Management believes that this measure is useful for investors to evaluate this component separately when reviewing our underwriting performance. The most directly comparable GAAP measure is the net underwriting expense ratio. The net underwriting expense ratio excluding the effect of catastrophes should not be considered a substitute for the net underwriting expense ratio and does not reflect our net underwriting expense ratio.

Net combined ratio: The net combined ratio is a measure of an insurance company's overall underwriting profit. This is the sum of the net loss and net underwriting expense ratios. If the net combined ratio is at or above 100 percent, an

insurance company cannot be profitable without investment income, and may not be profitable if investment income is insufficient.

Net combined ratio excluding the effect of catastrophes: The net combined ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between the GAAP combined ratio and the effect of catastrophes on the net combined ratio. Management believes that this ratio is useful to investors, and it is used by management to reveal the trends in our business that may be obscured by catastrophe losses. Catastrophe losses cause our net combined ratios to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the net combined ratio. Management believes that this measure is useful for investors to evaluate this component separately when reviewing our underwriting performance. The most directly comparable GAAP measure is the net combined ratio. The net combined ratio excluding the effect of catastrophes should not be considered a substitute for the net combined ratio and does not reflect our net combined ratio.

Underwriting income: Underwriting income is net pre-tax income attributable to our insurance underwriting business before investment activity. It excludes net investment income, net realized gains from investments, and depreciation and amortization (net premiums earned less expenses included in combined ratio). Underwriting income is a measure of an insurance company's overall operating profitability before items such as investment income, depreciation and amortization, interest expense and income taxes.

Net income (loss) from insurance underwriting business on a standalone basis: Net income (loss) from insurance underwriting business on a standalone basis is a non-GAAP measure, which is computed as GAAP net income (loss) without the effect of holding company operations on GAAP net income (loss). Management believes that this measure is useful to investors, and it is used by management to reveal the trends in our insurance underwriting business that may be obscured by holding company operations. Holding company operations cause our GAAP net income (loss) to vary significantly between periods as a result of their magnitude and can have a significant impact on GAAP net income (loss). Management believes that this measure is useful for investors to evaluate this component separately when reviewing our underwriting performance. The most directly comparable GAAP measure is GAAP net income (loss). Net income (loss) from insurance underwriting business on a standalone basis should not be considered a substitute for GAAP net income (loss) and does not reflect our GAAP net income (loss).

Critical Accounting Estimates

Our consolidated financial statements include the accounts of Kingstone Companies, Inc. and all majority-owned and controlled subsidiaries. The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions in certain circumstances that affect amounts reported in our consolidated financial statements and related notes. In preparing these consolidated financial statements, our management has utilized information including our past history, industry standards, and the current economic environment, and other factors, in forming its estimates and judgments of certain amounts included in the consolidated financial statements, giving due consideration to materiality. It is possible that the ultimate outcome as anticipated by our management in formulating its estimates in these financial statements may not materialize.

Application of the critical accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies may utilize different estimates, which may impact comparability of our results of operations to those of similar companies.

See below a description of these critical accounting estimates. Also, see Note 2 to the consolidated financial statements following Item 16 of this Annual Report.

Loss and Loss Adjustment Expense Reserves

Property and casualty loss and loss adjustment expense (“LAE”) reserves are established to provide for the estimated cost of settling both reported (“case”) and incurred but not reported (“IBNR”) claims and claims adjusting expenses. The liability for these reserves is estimated on an undiscounted basis, using individual case-basis valuations and paid claims, pending claims, statistical analyses and various actuarial reserving methodologies. Due to the inherent uncertainty of the reserve process, actual loss costs could vary significantly compared to estimated loss costs. The below table provides detail of our reserves as of December 31, 2024 and 2023:

(\$ in thousands)	As of December 31, 2024			As of December 31, 2023		
	Gross	Ceded	Net	Gross	Ceded	Net
Case loss	\$ 64,087	\$ 17,721	\$ 46,366	\$ 67,108	\$ 19,538	\$ 47,570
Case LAE	6,563	1,426	5,137	5,726	1,121	4,605
IBNR loss	38,681	10,661	28,020	37,262	10,665	26,597
IBNR LAE	16,879	2,514	14,365	11,722	1,965	9,757
Total	\$ 126,210	\$ 32,322	\$ 93,888	\$ 121,818	\$ 33,289	\$ 88,529

(Components may not sum due to rounding)

Case Reserves – Reserves for reported losses are based on an estimate of ultimate loss costs of an individual claim derived from individual case-basis valuations, actual claims paid, pending claims, statistical analyses and various actuarial reserving methodologies.

IBNR Reserves – IBNR reserves are estimates of claims that have occurred but as to which we have not yet been notified to establish the case reserve. IBNR is determined using historical information aggregated by line of insurance and adjusted to current conditions.

Reinsurance

We purchase reinsurance to manage our underwriting risk on certain policies. Reinsurance receivables represent management’s best estimate of loss and LAE recoverable from reinsurers. Reinsurance receivables are estimated using the same methodologies as loss and LAE reserves. Changes in the methods and assumptions used could result in significant variances between actual and estimated losses.

Deferred Income Taxes

Our effective tax rate is based on GAAP income at statutory tax rates, adjusted for non-taxable and non-deductible items, and tax credits. Changes in estimates used in preparing the consolidated statements of operations and comprehensive income (loss) could result in significant changes to our deferred tax asset or liability.

Deferred tax assets or liabilities are recognized for estimated future tax consequences which result in differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. These assets and liabilities are carried at the enacted tax rates expected to apply when the asset or liability is expected to be recovered or settled. Changes in estimates and assumptions in the consolidated statements of operations and comprehensive income (loss), or changes in the enacted tax rate, could result in significant variances between our carried deferred tax and tax recognized on the recovery or settlement of the asset or liability.

Investments

Bonds are classified as held-to-maturity (“HTM”) or available-for-sale (“AFS”), and stocks are generally classified as AFS. Investments classified as HTM are carried at amortized cost, which requires very little judgement. Investments classified as AFS are generally carried at fair value with an unrealized gain/loss recorded in income. Actual results could vary significantly from the fair values recognized in the consolidated statements of operations and comprehensive income (loss).

Kingstone 2.0 (completed), Kingstone 3.0 (underway), and Change in Market Dynamics (underway)

Beginning in the fourth quarter of 2019, a series of strategic initiatives, coined “Kingstone 2.0”, were commenced to modernize our company. The pillars of the new strategy were as follows:

1. Strengthen the management team by adding highly qualified professionals with deep domain experience and diverse backgrounds;
2. Reduce expenses and increase efficiency by embracing technology, including converting to a new policy management system, retiring multiple legacy systems and starting up a new claims system, among other technology initiatives;
3. Develop and implement a new, more highly segmented product suite (Kingstone Select) which better matches rate to risk using advanced analytics and an abundance of data; and
4. Better manage our catastrophe exposure in order to reduce the growth rate of our probable maximum loss (“PML”) in order to mitigate the impact of the then emerging “hard market” in catastrophe reinsurance.

We announced the substantive completion of Kingstone 2.0 in late 2022 and embarked on a new strategy to optimize our in-force business, which we coined as “Kingstone 3.0”. The four pillars of this new strategy entail:

1. Aggressively reduced the non-Core book of business, which has had a disproportionately negative impact on underwriting results, by stopping new business, culling the agent base, reducing commissions, or other means, subject to regulatory constraints, and have aggressively reduced policy count. Our request to withdraw from the state of New Jersey was acknowledged in October 2023 and all remaining policies were non-renewed over a two year period starting January 1, 2024. As of December 31, 2024, our non-Core policy count was down by 65% compared to December 31, 2023;
2. Adjusted pricing to stay ahead of loss trends, including inflation, by filing the maximum annual rate change that can be supported in each state and product and ensured all policyholders were insured to value. Inflation has been a dominant headwind that is showing signs of stabilizing. We have been cognizant that inflation’s impact on loss costs places added pressure on premiums and, as such, we have been more frequent and aggressive with our rate change requests. Similarly, home replacement values reflect that same inflationary pressure. In September 2023, we completed our first cycle of valuation adjustments, making sure that all homes were insured to value. As a result, we have seen a rise in premiums attributable to the heightened replacement costs. All policies are renewed at the most current replacement cost. Overall average written premium for our Core renewal policies for the last 12 months, reflecting both rate and replacement cost changes, increased by 17.4%;
3. Tightly managed reinsurance requirements and costs, using risk selection and other underwriting capabilities to manage the growth rate of our PML. We needed to contain our exposure to spiking reinsurance pricing. We did so and were able to reduce the required limit to be purchased while maintaining our same risk tolerance. We used all the tools available to us to limit new business that was deemed to be too expensive and at the same time re-underwrote the book to cull those risks which presented the greatest risk; and
4. Continuing expense reduction focus with a goal of reducing the net expense ratio to 33% by year-end 2024. For the year ended December 31, 2023, we achieved our goal of 33%, with a net underwriting expense ratio of 32.9%. For the year ended December 31, 2024, we achieved our goal, with a net underwriting expense ratio of 31.3%, a reduction of 1.6 points compared to the year ended December 31, 2023.

We believe that the above actions taken resulted in our return to profitability for the year ended December 31, 2024, will continue to have the intended effect and will continue through the year ended December 31, 2025 and beyond.

On August 2, 2024, two large competitors announced a plan to wind down their personal lines operations in New York State and to non-renew or mid-term cancel their entire book of business before year end 2024. The policyholders of such competitors will need to find alternative coverage. Beginning in the quarter ended September 30, 2024, we began seeing a sizable increase in our policies in force and direct written premiums from these non-renewed and cancelled policies. We refer to this new business as a Change in Market Dynamics.

See the tables below for our Core and non-Core business for policies in force as of December 31, 2024 and 2023 and direct written premiums for the years ended December 31, 2024 and 2023. For the year ended December 31, 2024, our Core direct written premiums increased by 31.4% compared to the year ended December 31, 2023, while Core policies in force increased by 9.3% as of December 31, 2024 as compared to December 31, 2023. For the same periods, our non-Core policies in force decreased by 64.9% and non-Core direct written premiums decreased by 58.5%.

	As of December 31,			
	2024	2023	Change	Percent
Policies In Force, as of end of Period				
Core	73,857	67,575	6,282	9.3 %
Non-Core	3,799	10,823	(7,024)	(64.9)%
Total policies in force	77,656	78,398	(742)	(0.9)%

(000's except percentages)	Years ended December 31,			
	2024	2023	Change	Percent
Direct written premiums				
Core	\$ 232,227	\$ 176,692	\$ 55,535	31.4 %
Non-Core	9,754	23,482	(13,728)	(58.5)%
Total direct written premiums	\$ 241,980	\$ 200,175	\$ 41,805	20.9 %

(Columns in the table above may not sum to totals due to rounding)

Consolidated Results of Operations

The following table summarizes the changes in the results of our operations for the periods indicated:

(\$ in thousands)	Years ended December 31,			
	2024	2023	Change	Percent
Revenues				
Direct written premiums	\$ 241,980	\$ 200,175	\$ 41,805	20.9 %
Assumed written premiums	-	-	-	na
	241,980	200,175	41,805	20.9 %
Ceded written premiums				
Ceded to quota share treaties (1)	50,539	51,125	(586)	(1.1 %)
Ceded to excess of loss treaties	6,417	7,122	(705)	(9.9 %)
Ceded to catastrophe treaties	30,794	33,271	(2,477)	(7.4 %)
Total ceded written premiums	87,750	91,518	(3,768)	(4.1 %)
Net written premiums	154,230	108,657	45,573	41.9 %
Change in unearned premiums				
Direct and assumed	(29,080)	1,871	(30,951)	na
Ceded to quota share treaties (1)	3,348	3,856	(508)	(13.2 %)
Change in net unearned premiums	(25,732)	5,727	(31,459)	(549.3 %)
Premiums earned				
Direct and assumed	212,900	202,046	10,854	5.4 %
Ceded to reinsurance treaties	(84,402)	(87,661)	3,259	(13.6 %)
Net premiums earned	128,498	114,384	14,114	12.3 %
Ceding commission revenue (1)	18,838	21,053	(2,215)	(10.5 %)
Net investment income	6,824	6,009	815	13.6 %
Net gains on investments	415	2,135	(1,720)	(80.6 %)
Other income	568	610	(42)	(6.9 %)
Total revenues	155,142	144,191	10,951	7.6 %
Expenses				
Loss and loss adjustment expenses				
Direct and assumed:				
Loss and loss adjustment expenses excluding the effect of catastrophes	79,472	111,997	(32,525)	(29.0 %)
Losses from catastrophes (2)	3,389	11,944	(8,555)	(71.6 %)
Total direct and assumed loss and loss adjustment expenses	82,861	123,940	(41,079)	(33.1 %)
Ceded loss and loss adjustment expenses:				
Loss and loss adjustment expenses excluding the effect of catastrophes	19,292	37,302	(18,010)	(48.3 %)
Losses from catastrophes (2)	935	3,789	(2,854)	(75.3 %)
Total ceded loss and loss adjustment expenses	20,226	41,091	(20,865)	(50.8 %)
Net loss and loss adjustment expenses:				
Loss and loss adjustment expenses excluding the effect of catastrophes	60,181	74,694	(14,513)	(19.4 %)
Losses from catastrophes (2)	2,454	8,155	(5,701)	(69.9 %)
Net loss and loss adjustment expenses	62,635	82,849	(20,214)	(24.4 %)
Commission expense	33,929	33,365	564	1.7 %
Other underwriting expenses	25,693	25,910	(217)	(0.8 %)
Other operating expenses	3,635	2,456	1,179	48.0 %
Depreciation and amortization	2,449	2,973	(524)	(17.6 %)
Interest expense	3,514	4,003	(489)	(12.2 %)
Total expenses	131,854	151,556	(19,702)	(13.0 %)
Income (loss) before taxes	23,288	(7,365)	30,653	na
Income tax expense (benefit)	4,930	(1,197)	6,127	na
Net income (loss)	\$ 18,358	\$ (6,168)	\$ 24,526	na

(Columns in the table above may not sum to totals due to rounding)

- (1) For the year ended December 31, 2023, our personal lines business was subject to a 30% quota share treaty, expiring on January 1, 2024, which included a runoff of an 5.5% portion through the remainder of 2023. Effective January 1, 2024, we entered into a 27% personal lines quota share treaty, which includes a runoff of a 3.0% portion through the end of 2024.
- (2) For the years ended December 31, 2024 and 2023 include catastrophe losses, which are defined as losses from an event for which a catastrophe bulletin and related serial number has been issued by the Property Claims Services (PCS) unit of the Insurance Services Office (ISO). PCS catastrophe bulletins are issued for events that cause more than \$25 million in total insured losses and affect a significant number of policyholders and insurers

	Years Ended December 31,			
	2024	2023	Percentage Point Difference	Percent Change
Key ratios:				
Net loss ratio	48.7 %	72.4 %	(23.7)	(32.7)%
Net underwriting expense ratio	31.3 %	32.9 %	(1.6)	(4.9)%
Net combined ratio	80.0 %	105.3 %	(25.3)	(24.0)%

Direct Written Premiums

Direct written premiums during the year ended December 31, 2024 ("Year Ended 2024") were \$241,980,000 compared to \$200,175,000 during the year ended December 31, 2023 ("Year Ended 2023"). The increase of \$41,805,000, or 20.9%, was primarily due to an increase in premiums from our personal lines business.

Direct written premiums from our personal lines business for Year Ended 2024 were \$227,643,000, an increase of \$42,217,000 or 22.8%, from \$185,426,000 in Year Ended 2023. The 22.8% increase in premiums from our personal lines business was primarily due to the increase in premiums associated with our Core business of 31.4% offsetting a 58.5% decrease in our non-Core business. The increase in our Core business premiums and the decrease in our non-Core business premiums is in accordance with both our Kingstone 2.0 and Kingstone 3.0 strategic plans. Beginning in the third quarter, 2024, the Change in Market Dynamics became a major factor to the increase in direct written premiums from our personal line business.

Direct written premiums from our livery physical damage business for Year Ended 2024 were \$14,248,000, a decrease of \$400,000, or 2.7%, from \$14,648,000 in Year Ended 2023. The decrease in livery physical damage direct written premiums was due to an underwriting restriction in place to exclude certain electric vehicles until the approval of adequate rate for the risk was received, which happened in July 2024. The decrease was offset by an increase in the values of the autos insured.

Direct written premiums from our Core business were \$232,227,000 in Year Ended 2024 compared to \$176,692,000 in Year Ended 2023, an increase of \$55,535,000, or 31.4%. The increase in direct written premiums from our Core business was due to rate increases and an increase in policies in force. Policies in force from our Core business increased by 9.3% in Year Ended 2024 compared to Year Ended 2023. Direct written premiums from our non-Core business were \$9,753,000 in Year Ended 2024, as compared to \$23,482,000 in Year Ended 2023, a decrease of \$13,729,000, or 58.5%. The decrease in direct written premiums from our non-Core business is a result of our decision to aggressively reduce the book of business in these states. Policies in force from our non-Core business decreased by 64.9% in Year Ended 2024 compared to Year Ended 2023. The increase in our Core business and the decrease in our non-Core business is consistent with a key pillar of our Kingstone 3.0 strategy to reduce our non-Core business due to profitability concerns.

Net Written Premiums and Net Premiums Earned

Net written premiums increased \$45,573,000, or 41.9%, to \$154,230,000 in Year Ended 2024 from \$108,657,000 in Year Ended 2023. Net written premiums include direct premiums, less the amount of written premiums ceded under our reinsurance treaties (quota share, excess of loss, and catastrophe). The increase in Year Ended 2024 is primarily due to an increase in direct written premiums and a decrease in catastrophe premium rates.

Quota share reinsurance treaties

Effective January 1, 2023, we entered into a 30% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2023 through January 1, 2024 ("2023/2024 Treaty"). Upon expiration of the 2023/2024 Treaty on January 1, 2024 we entered into a new 27% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2024 through January 1, 2025 ("2024/2025 Treaty"). Our personal lines business was subject to the 2024/2025 Treaty in the Year Ended 2024 and the 2023/2024 Treaty in the Year Ended 2023. Our premiums ceded under the quota share treaties decreased by \$586,000 in comparison to premiums attributable to the increase in direct written premiums subject to the 2024/2025 Treaty compared to direct written premiums subject to the 2023/2024 Treaty. The decrease in ceded premiums related to the increase in direct written premiums was offset by the decrease in quota share ceding percentage rates.

Excess of loss reinsurance treaties

In Year Ended 2024, our ceded excess of loss reinsurance premiums decreased \$705,000 compared to the ceded excess of loss premiums for Year Ended 2023. Effective January 1, 2023, we entered into an underlying excess of loss reinsurance treaty (the "Underlying XOL Treaty") covering the period from January 1, 2023 through January 1, 2024. The Underlying XOL Treaty provided 50% reinsurance coverage for losses of \$400,000 in excess of \$600,000. Losses from named storms were excluded from the Underlying XOL Treaty. Effective January 1, 2024, the Underlying XOL Treaty was renewed covering the period from January 1, 2024 through January 1, 2025.

Catastrophe reinsurance treaties

Most of the premiums written under our personal lines policies are also subject to our catastrophe reinsurance treaties. An increase in our personal lines business historically gave rise to more property exposure, which increased our exposure to catastrophe risk; therefore, our premiums ceded under catastrophe treaties would increase if reinsurance rates are stable or are increasing. Under Kingstone 2.0 and 3.0 we had a decrease in policies in force, and better catastrophe management, resulting in a decrease in catastrophe exposure, and a decrease in catastrophe premiums. On July 1, 2024 and 2023, we recorded our catastrophe premiums written for the entire treaty period covering July 1 through June 30, resulting in the entire annual premium written being recorded in the third quarter. Our catastrophe premiums were \$30,794,000 in Year Ended 2024, compared to \$33,271,000 in Year Ended 2023, a decrease of \$2,477,000, or 7.4%.

Net premiums earned

Net premiums earned increased \$14,114,000 or 12.3% to \$128,498,000 in Year Ended 2024 compared to \$114,384,000 in Year Ended 2023. The increase was due to the three percentage point reduction in quota share rates discussed above, the run-off of a portion of the 2023/2024 Treaty, which increased the premiums ceded and reduced the net premiums earned in Year Ended 2023, the increase in premiums from the Change in Market Dynamics in Year Ended 2024, and a decrease in catastrophe premium rates, reflected in ceded catastrophe premiums earned, which increased the amount of growth in net premiums earned.

Ceding Commission Revenue

The following table summarizes the changes in the components of ceding commission revenue (in thousands) for the periods indicated:

(\$ in thousands)	Years ended December 31,			
	2024	2023	Change	Percent
Provisional ceding commissions earned	\$ 18,829	\$ 20,397	\$ (1,568)	(7.7 %)
Contingent ceding commissions earned	9	656	(647)	(98.6 %)
Total ceding commission revenue	\$ 18,838	\$ 21,053	\$ (2,215)	(10.5 %)

(Columns in the table above may not sum to totals due to rounding)

Ceding commission revenue was \$18,838,000 in Year Ended 2024 compared to \$21,053,000 in Year Ended 2023. The decrease of \$2,215,000 is explained below in the discussion of provisional ceding commissions earned and contingent ceding commissions earned.

Provisional Ceding Commissions Earned

In Year Ended 2024, we earned provisional ceding commissions of \$18,829,000 from personal lines earned premiums ceded under the 2024/2025 Treaty, and in Year Ended 2023, we earned provisional ceding commissions of \$20,397,000 from personal lines earned premiums ceded under the 2023/2024 Treaty. The decrease of \$1,568,000 in provisional ceding commissions earned was due to the decrease in premiums ceded under these treaties during Year Ended 2024 compared to Year Ended 2023, offset by an increase in ceding commission rates under the 2024/2025 Treaty.

Contingent Ceding Commissions Earned

The structure of the 2024/2025 Treaty and the 2023/2024 Treaty calls for a fixed provisional ceding commission with no opportunity to earn additional contingent ceding commissions. Under our prior years' quota share treaties, we received a contingent ceding commission based on a sliding scale in relation to the losses incurred under our quota share treaties. The lower the ceded loss ratio, the more contingent commission we received.

Net Investment Income

Net investment income was \$6,824,000 in Year Ended 2024 compared to \$6,009,000 in Year Ended 2023, an increase of \$815,000, or 13.6%. The average yield on non-cash invested assets was 3.80% as of December 31, 2024 compared to 3.75% as of December 31, 2023

Cash and invested assets were \$221,847,000 as of December 31, 2024 compared to \$172,095,000 as of December 31, 2023, an increase of \$49,752,000.

Net Gains on Investments

Net gains on investments were \$415,000 in Year Ended 2024 compared to net gains of \$2,135,000 in Year Ended 2023. Unrealized gains on our equity securities and other investments in Year Ended 2024 were \$477,000, compared to unrealized gains of \$2,153,000 in Year Ended 2023. Net realized losses on sales of investments were \$62,000 in Year Ended 2024 compared to net realized losses of \$19,000 in Year Ended 2023.

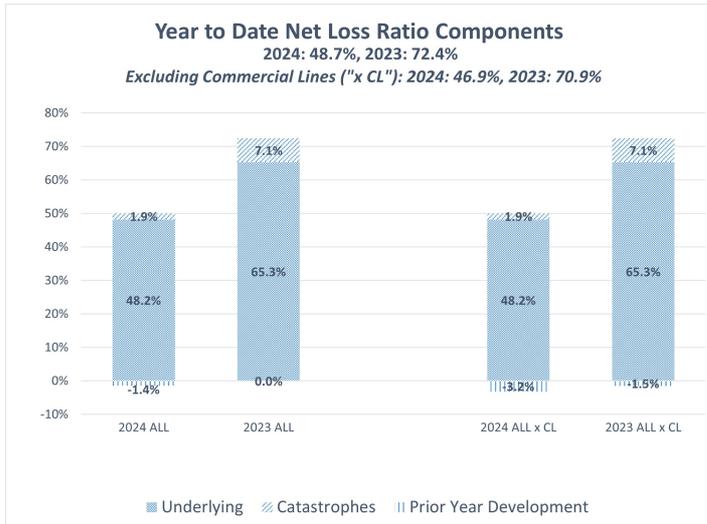
Other Income

Other income was \$568,000 in Year Ended 2024 compared to \$610,000 in Year Ended 2023, a decrease of \$47,000, or 6.9%.

Net Loss and LAE

Net loss and LAE was \$62,635,000 for Year Ended 2024 compared to \$82,849,000 for Year Ended 2023. The net loss ratio was 48.7% in Year Ended 2024 compared to 72.4% in Year Ended 2023, a decrease of 23.7 percentage points.

The following graph summarizes the changes in the components of net loss ratio for the periods indicated, along with the comparable components excluding commercial lines business(1):



(Percent components may not sum to totals due to rounding)

The net loss ratio for Year Ended 2024 improved significantly compared to Year Ended 2023. For Year Ended 2024, the catastrophe impact, prior year development, and underlying loss ratio(1) (loss ratio excluding the impact of catastrophes and prior year development) were all lower than Year Ended 2023.

There were sixteen newly designated catastrophe events for Year Ended 2024, none of which was a major event for the Company's covered areas. The estimated total net catastrophe impact for Year Ended 2024 was \$2,454,000, which contributed 1.9 points to the loss ratio. By comparison, the catastrophe impact for Year Ended 2023 was 7.1 points. Losses from winter-related catastrophe claims were minimal for Year Ended 2024, whereas the previous year was impacted by a major winter event in February 2023.

The underlying loss ratio(1) was 48.2% for Year Ended 2024, a decrease of 17.1 points from the 65.3% underlying loss ratio recorded for Year Ended 2023. Overall personal lines non-catastrophe frequency for Year Ended 2024 was lower than Year Ended 2023, which is believed to be the result of better risk selection in the Company's Select product rollout as well as the Company's active efforts to manage less profitable segments. Overall personal lines non-catastrophe severity for Year Ended 2024 was also improved compared to Year Ended 2023, primarily driven by water claims and a reduced impact from large losses.

There was favorable prior year development of \$1,780,000 for Year Ended 2024, which translates to a 1.4-point decrease to the net loss ratio. By comparison, the impact of favorable prior year development for Year Ended 2023 was a decrease of less than 0.1 points.

(1) Underlying loss ratio is a non-GAAP ratio, which is computed the GAAP net loss ratio excluding the effect of prior year loss reserve development and catastrophe losses. Net loss ratio excluding commercial lines business is a non-GAAP ratio, which is computed as the difference between the GAAP net loss ratio and the effect of commercial lines business. See "Non-GAAP Financial Measures" for the reconciliation of underlying loss ratio and net loss ratio excluding commercial lines business to the GAAP measure of net loss ratio.

See table below under “Additional Financial Information” summarizing net loss ratios by line of business.

Commission Expense

Commission expense was \$33,929,000 in Year Ended 2024 or 15.9% of direct earned premiums. Commission expense was \$33,365,000 in Year Ended 2023 or 16.5% of direct earned premiums. The increase of \$564,000 was primarily due to \$2,788,000 of contingent commission in Year Ended 2024 based on the profitability of the business, and an increase in direct earned premiums of \$10,854,000. The increase was offset by a reduction in commission rates on our legacy policies in accordance with our Kingstone 3.0 strategy as well as the lower commission rate paid on Select products as compared to legacy products.

Other Underwriting Expenses

Other underwriting expenses were \$25,693,000, or 12.1% of direct earned premiums, in Year Ended 2024 compared to \$25,910,000, or 12.8% of direct earned premiums, in Year Ended 2023. The decrease of \$217,000, or 0.8%, was primarily due to a \$365,000 gain on the commutations of prior years’ quota share reinsurance treaties from a group of reinsurers, decreases in base salaries and employment costs as described below, and a decrease in policy management system fees. The decreases were partially offset by the impact of high inflation.

Our largest single component of other underwriting expenses is salaries and employment costs, with costs of \$13,143,000 in Year Ended 2024 compared to \$11,335,000 in Year Ended 2023. The increase of \$1,808,000, or 34.2%, is compared unfavorably to the 20.9% increase in direct written premiums. The increase in salaries and employment costs was due to \$1,614,000 accrued under our employee bonus plans due to the profitable underwriting insurance operations in Year Ended 2024 compared to a loss in Year Ended 2023, and \$446,000 accrued under our executive bonus plan pursuant to the employment agreement of our Chief Executive Officer. The increases related to bonuses were offset by a reduction in our staff in June and July of 2023 as we have been reducing our non-Core business. The decrease from the reduction in staff was partially offset in the periods following Year Ended 2023, as we began to strengthen our professional team by investing in the hiring of higher-level and higher compensated managers and staff needed to manage the business consistent with our Kingstone 2.0 and Kingstone 3.0 strategies. In addition, we are now hiring additional staff to handle the new business from the Change in Market Dynamics.

Our net underwriting expense ratio in Year Ended 2024 was 31.3% compared to 32.9% in Year Ended 2023. The following table shows the individual components of our net underwriting expense ratio for the periods indicated:

	Years ended December 31,		Percentage Point Change
	2024	2023	
Other underwriting expenses			
Employment costs	10.2 %	9.9 %	0.3
Underwriting fees (inspections/surveys)	1.4	1.6	(0.2)
IT expenses	2.2	2.9	(0.7)
Professional fees	0.8	1.1	(0.3)
Other expenses	5.4	7.1	(1.7)
Total other underwriting expenses	20.0	22.6	(2.6)
Commission expense	26.4	29.2	(2.8)
Ceding commission revenue			
Provisional	(14.7)	(17.8)	3.1
Contingent	—	(0.6)	0.6
Total ceding commission revenue	(14.7)	(18.4)	3.7
Other income	(0.4)	(0.5)	0.1
Net underwriting expense ratio	31.3 %	32.9 %	(1.6)

(Components may not sum to totals due to rounding)

Other Operating Expenses

Other operating expenses, related to the expenses of our holding company and Cosi, were \$3,635,000 for Year Ended 2024 compared to \$2,456,000 for Year Ended 2023. The following table shows a breakdown of the significant components of other operating expenses for the periods indicated:

(\$ in thousands)	Years ended December 31,		Change	Percent
	2024	2023		
Other operating expenses				
Employment costs	\$ 325	\$ 376	\$ (51)	(13.6)%
Executive bonus	50	—	50	na
Equity compensation	1,383	833	550	66.0
Professional	381	276	105	38.0
Directors fees	376	275	101	36.7
Insurance	196	194	2	1.0
Loss on extinguishment of debt	297	—	297	na
Other expenses	627	502	125	24.9
Total other operating expenses	\$ 3,635	\$ 2,456	\$ 1,179	48.0 %

(Components may not sum to totals due to rounding)

The increase in Year Ended 2024 of \$1,179,000, or 48.0%, as compared to Year Ended 2023 was primarily due to an increase in equity compensation and loss on extinguishment of debt. The increase in equity compensation is due to accelerated vesting in September 2024 as a result of the retirement of our executive chairman, and an equity compensation accrual for our senior leadership team pursuant to our employee bonus plan. The executive bonus of \$50,000 allocated to other operating expenses in Year Ended 2024 is accrued pursuant to the employment agreement of our Chief Executive Officer and is a result of the profitable operations before taxes in Year Ended 2024 compared to a loss in Year Ended 2023. The \$297,000 loss on extinguishment of debt loss is due to writing off the balance of unamortized debt issue costs from the 2022 Notes at the time of the 2024 Exchange Agreement as disclosed in Note 9 to the consolidated financial statements.

Depreciation and Amortization

Depreciation and amortization was \$2,449,000 in Year Ended 2024 compared to \$2,973,000 in Year Ended 2023. The decrease of \$524,000, or 17.6%, in depreciation and amortization was primarily due to the completion and deployment of our customized policy management software as planned for in Kingstone 2.0, which allowed us to consolidate multiple legacy systems into one efficient system and retire those older more costly and less reliable systems. Depreciation on older assets that were retired, which had a shorter useful life, is greater than the depreciation on newly acquired assets which have a longer useful life.

Interest Expense

Interest expense in Year Ended 2024 was \$3,514,000 compared to \$4,003,000 in Year Ended 2023, a decrease of \$489,000 or 12.2%. In Year Ended 2024 and Year Ended 2023, as disclosed in Note 9 to the consolidated financial statements, we incurred interest expense in connection with the 2022 Notes and 2024 Notes. The 2022 Notes provided for interest at the rate of 12% per annum. In September 2024, in accordance with the 2024 Exchange Agreement, we paid \$5,000,000 of principal on the 2022 Notes, reducing the principal balance to \$14,950,000 from \$19,950,000. Under the 2024 Exchange Agreement, the principal balances of the 2022 Notes were exchanged for the 2024 Notes, which provided for interest at the rate of 13.75% per annum. We made optional prepayments of \$3,000,000 on September 30, 2024, \$2,000,000 on November 13, 2024, \$4,000,000 on December 30, 2024, \$3,500,000 on January 28, 2025, and \$2,450,000 on February 24, 2025 (see Note 20 - Subsequent Events, Debt), and, accordingly, we have fully satisfied the entire principal balance under the 2024 Notes. In addition to interest on 2022 Notes and 2024 Notes, we also incur interest expense on the 2022 equipment financing.

Income Tax Expense (Benefit)

Income tax expense in Year Ended 2024 was \$4,930,000, which resulted in an effective tax rate of 21.2%. Income tax (benefit) in Year Ended 2023 was \$(1,197,000), which resulted in an effective tax rate of (16.3)%. Income before taxes was \$23,288,000 in Year Ended 2024 compared to a loss before taxes of \$(7,365,000) in Year Ended 2023. The difference in effective tax rate is due to the effect of permanent differences in Year Ended 2024 compared to Year Ended 2023.

Net Income (Loss)

Net income was \$18,358,000 in Year Ended 2024 compared to net loss of \$(6,168,000) in Year Ended 2023. The change from net loss to net income of \$24,526,000 was due to the circumstances described above.

Additional Financial Information

We operate our business as one segment, property and casualty insurance. Within this segment, we offer an array of property and casualty policies to our producers. The following table summarizes gross and net premiums written, net premiums earned, and loss and loss adjustment expenses by major product type, which were determined based primarily on similar economic characteristics and risks of loss.

	Years Ended December 31,	
	2024	2023
Gross premiums written:		
Personal lines	\$ 227,642,802	\$ 185,425,960
Livery physical damage	14,248,462	14,648,333
Other(1)	88,673	100,209
Total gross premiums written	<u>\$ 241,979,937</u>	<u>\$ 200,174,502</u>
Net premiums written:		
Personal lines	\$ 139,914,970	\$ 93,941,418
Livery physical damage	14,248,462	14,648,333
Other(1)	66,433	67,058
Total net premiums written	<u>\$ 154,229,865</u>	<u>\$ 108,656,809</u>
Net premiums earned:		
Personal lines	\$ 113,876,043	\$ 100,391,726
Livery physical damage	14,550,160	13,905,368
Other(1)	71,717	87,169
Total net premiums earned	<u>\$ 128,497,920</u>	<u>\$ 114,384,263</u>
Net loss and loss adjustment expenses(3):		
Personal lines	\$ 49,268,714	\$ 72,580,057
Livery physical damage	6,158,197	5,388,954
Other(1)	(34,237)	146,286
Unallocated loss adjustment expenses	4,926,243	3,008,419
Total without commercial lines	<u>60,318,917</u>	<u>81,123,716</u>
Commercial lines (in run-off effective July 2019)(2)	2,315,799	1,725,494
Total net loss and loss adjustment expenses	<u>\$ 62,634,716</u>	<u>\$ 82,849,210</u>
Net loss ratio(3):		
Personal lines	43.3 %	72.3 %
Livery physical damage	42.3 %	38.8 %
Other(1)	(47.7 %)	167.8 %
Total without commercial lines	46.9 %	70.9 %
Commercial lines (in run-off effective July 2019)(2)	na	na
Total	48.7 %	72.4 %

- (1) "Other" includes, among other things, premiums and loss and loss adjustment expenses from our participation in a mandatory state joint underwriting association and loss and loss adjustment expenses from commercial auto.
- (2) In July 2019, we decided that we will no longer underwrite Commercial Liability risks. See discussions above regarding the discontinuation of this line of business.

(3) See discussions above with regard to “Net Loss and LAE”, as to catastrophe losses in the years ended December 31, 2024 and 2023.

Insurance Underwriting Business on a Standalone Basis(1)

Our insurance underwriting business reported on a standalone basis(1) for the years ended December 31, 2024 and 2023 follows:

	Years ended December 31,	
	2024	2023
Revenues		
Net premiums earned	\$ 128,497,920	\$ 114,384,263
Ceding commission revenue	18,837,946	21,053,494
Net investment income	6,823,590	6,008,682
Net gains on investments	359,490	1,978,373
Other income	549,967	600,993
Total revenues	<u>155,068,913</u>	<u>144,025,805</u>
Expenses		
Loss and loss adjustment expenses	62,634,716	82,849,210
Commission expense	33,929,333	33,364,629
Other underwriting expenses	25,692,727	25,909,962
Depreciation and amortization	2,448,932	2,973,440
Interest expense	368,664	434,155
Total expenses	<u>125,074,372</u>	<u>145,531,396</u>
Income (loss) from operations	29,994,541	(1,505,591)
Income tax expense (benefit)	6,412,686	(17,681)
Net income (loss) from insurance underwriting business on a standalone basis(1)	<u>\$ 23,581,855</u>	<u>\$ (1,487,910)</u>
Key Measures:		
Net loss ratio	48.7 %	72.4 %
Net underwriting expense ratio	31.3 %	32.9 %
Net combined ratio	<u>80.0 %</u>	<u>105.3 %</u>
Reconciliation of net underwriting expense ratio:		
Acquisition costs and other underwriting expenses	\$ 59,622,060	\$ 59,274,591
Less: Ceding commission revenue	(18,837,946)	(21,053,494)
Less: Other income	(549,967)	(600,993)
Net underwriting expenses	<u>\$ 40,234,147</u>	<u>\$ 37,620,104</u>
Net premiums earned	<u>\$ 128,497,920</u>	<u>\$ 114,384,263</u>
Net Underwriting Expense Ratio	<u>31.3 %</u>	<u>32.9 %</u>

(1) Net income (loss) from insurance underwriting business on a standalone basis is a non-GAAP measure, which is computed as GAAP net income (loss) without the effect of holding company operations on GAAP net income (loss). See "Non-GAAP Financial Measures" for the reconciliation of net income (loss) from insurance underwriting business on a standalone basis to the GAAP measure of net income (loss).

An analysis of our direct, assumed and ceded earned premiums, loss and loss adjustment expenses, and loss ratios is shown below:

	Direct	Assumed	Ceded	Net
Year ended December 31, 2024				
Written premiums	\$ 241,979,937	\$ -	\$ (87,750,072)	\$ 154,229,865
Change in unearned premiums	(29,080,195)	-	3,348,250	(25,731,945)
Earned premiums	<u>\$ 212,899,742</u>	<u>\$ -</u>	<u>\$ (84,401,822)</u>	<u>\$ 128,497,920</u>
Loss and loss adjustment expenses excluding the effect of catastrophes				
Catastrophe loss	\$ 79,477,309	\$ -	\$ (19,296,752)	\$ 60,180,557
Loss and loss adjustment expenses	<u>3,388,937</u>	<u>-</u>	<u>(934,778)</u>	<u>2,454,159</u>
	<u>\$ 82,866,246</u>	<u>\$ -</u>	<u>\$ (20,231,530)</u>	<u>\$ 62,634,716</u>
Loss ratio excluding the effect of catastrophes(2)	37.3 %	0.0 %	22.9 %	46.8 %
Catastrophe loss	1.0 %	0.0 %	1.1 %	1.9 %
Loss ratio	<u>38.3 %</u>	<u>0.0 %</u>	<u>24.0 %</u>	<u>48.7 %</u>
Year ended December 31, 2023				
Written premiums	\$ 200,174,502	\$ -	\$ (91,517,693)	\$ 108,656,809
Change in unearned premiums	1,871,239	-	3,856,215	5,727,454
Earned premiums	<u>\$ 202,045,741</u>	<u>\$ -</u>	<u>\$ (87,661,478)</u>	<u>\$ 114,384,263</u>
Loss and loss adjustment expenses excluding the effect of catastrophes				
Catastrophe loss	\$ 111,996,791	\$ -	\$ (37,302,450)	\$ 74,694,341
Loss and loss adjustment expenses	<u>11,943,624</u>	<u>-</u>	<u>(3,788,755)</u>	<u>8,154,869</u>
	<u>\$ 123,940,415</u>	<u>\$ -</u>	<u>\$ (41,091,205)</u>	<u>\$ 82,849,210</u>
Loss ratio excluding the effect of catastrophes(2)	55.4 %	0.0 %	42.6 %	65.3 %
Catastrophe loss	5.9 %	0.0 %	4.3 %	7.1 %
Loss ratio	<u>66.9 %</u>	<u>0.0 %</u>	<u>47.0 %</u>	<u>72.4 %</u>

(Percentage components may not sum to totals due to rounding)

The key measures for our insurance underwriting business for the years ended December 31, 2024 and 2023 are as follows:

	Years ended December 31,	
	2024	2023
Net premiums earned	\$ 128,497,920	\$ 114,384,263
Ceding commission revenue	18,837,946	21,053,494
Other income	549,967	600,993
Loss and loss adjustment expenses (1)	62,634,716	82,849,210
Acquisition costs and other underwriting expenses:		
Commission expense	33,929,333	33,364,629
Other underwriting expenses	25,692,727	25,909,962
Total acquisition costs and other underwriting expenses	59,622,060	59,274,591
Underwriting loss	\$ 25,629,057	\$ (6,085,051)
Key Measures:		
Net loss ratio excluding the effect of catastrophes(2)	46.8 %	65.3 %
Effect of catastrophe loss on net loss ratio (1)(2)	1.9 %	7.1 %
Net loss ratio	48.7 %	72.4 %
Net underwriting expense ratio excluding the effect of catastrophes(2)	31.3 %	32.9 %
Effect of catastrophe loss on net underwriting expense ratio(2)	0.0 %	0.0 %
Net underwriting expense ratio	31.3 %	32.9 %
Net combined ratio excluding the effect of catastrophes(2)	78.1 %	98.2 %
Effect of catastrophe loss on net combined ratio (1)(2)	1.9 %	7.1 %
Net combined ratio	80.0 %	105.3 %
Reconciliation of net underwriting expense ratio:		
Acquisition costs and other underwriting expenses	\$ 59,622,060	\$ 59,274,591
Less: Ceding commission revenue	(18,837,946)	(21,053,494)
Less: Other income	(549,967)	(600,993)
	\$ 40,234,147	\$ 37,620,104
Net earned premium	\$ 128,497,920	\$ 114,384,263
Net Underwriting Expense Ratio	31.3 %	32.9 %

(1) For the years ended December 31, 2024 and 2023, includes the sum of net catastrophe losses and loss adjustment expenses of \$2,454,159 and \$8,154,869, respectively.

- (2) Net loss ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between the GAAP net loss ratio and the effect of catastrophes on the net loss ratio. See "Non-GAAP Financial Measures" for the reconciliation of net loss ratio excluding the effect of catastrophes to the GAAP measure of net loss ratio. Net underwriting expense ratio excluding the effect of catastrophes is also a non-GAAP ratio, which is computed as the difference between the GAAP net underwriting expense ratio and the effect of catastrophes on the net underwriting expense ratio. See "Non-GAAP Financial Measures" for the reconciliation of net underwriting expense ratio excluding the effect of catastrophes to the GAAP measure of net underwriting expense ratio. Net combined ratio excluding the effect of catastrophes is also a non-GAAP ratio, which is computed as the difference between the GAAP net combined ratio and the effect of catastrophes on the net combined ratio. See "Non-GAAP Financial Measures" for the reconciliation of net combined ratio excluding the effect of catastrophes to the GAAP measure of net combined ratio.

Investments

Portfolio Summary

The following table presents a breakdown of the amortized cost, estimated fair value, and unrealized gains and losses of our investments in fixed-maturity securities classified as available-for-sale as of December 31, 2024 and 2023:

Available-for-Sale Securities

Category	December 31, 2024					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	% of Estimated Fair Value
			Less than 12 Months	More than 12 Months		
U.S. Treasury securities and obligations of U.S. government corporations and agencies (1)	\$ —	\$ —	\$ —	\$ —	\$ —	— %
Political subdivisions of States, Territories and Possessions	24,271,177	-	(73,589)	(3,324,491)	20,873,097	11.2 %
Corporate and other bonds Industrial and miscellaneous	112,507,436	-	(1,024,461)	(4,690,597)	106,792,378	57.1 %
Residential mortgage and other asset backed securities (2)	65,529,545	119,647	(209,890)	(6,211,339)	59,227,963	31.7 %
Total fixed-maturity securities	<u>\$ 202,308,158</u>	<u>\$ 119,647</u>	<u>\$ (1,307,940)</u>	<u>\$ (14,226,427)</u>	<u>\$ 186,893,438</u>	<u>100.0 %</u>

December 31, 2023

Category	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	% of Estimated Fair Value
			Less than 12 Months	More than 12 Months		
U.S. Treasury securities and obligations of U.S. government corporations and agencies (1)	\$ 20,954,764	\$ 1,799	\$ (17,373)	\$ -	\$ 20,939,190	14.1 %
Political subdivisions of States, Territories and Possessions	16,607,713	-	—	(3,209,161)	13,398,552	9.0 %
Corporate and other bonds Industrial and miscellaneous	75,993,042	-	—	(5,885,296)	70,107,746	47.1 %
Residential mortgage and other asset backed securities (2)	50,905,423	113,761	(2,144)	(6,541,731)	44,475,309	29.9 %
Total fixed-maturity securities	<u>\$ 164,460,942</u>	<u>\$ 115,560</u>	<u>\$ (19,517)</u>	<u>\$ (15,636,188)</u>	<u>\$ 148,920,797</u>	<u>100.0 %</u>

- (1) In October 2022, KICO placed certain U.S. Treasury securities to fulfill the required collateral for a sale leaseback transaction in a designated custodian account (see Note 9 – Debt - “Equipment Financing”). As of December 31, 2024 KICO had sold its U.S. Treasury securities and replaced a portion of its other fixed-maturity securities in the designated custodian account. As of December 31, 2024 and 2023, the amount of required collateral was approximately \$5,308,000 and \$6,999,000, respectively. As of December 31, 2024 and 2023, the estimated fair value of the eligible collateral was approximately \$5,308,000 and \$6,999,000, respectively.
- (2) KICO has placed certain residential mortgage backed securities as eligible collateral in a designated custodian account related to its membership in the Federal Home Loan Bank of New York (“FHLBNY”) (see Note 9 – Debt – “Federal Home Loan Bank”). The eligible collateral would be pledged to FHLBNY if KICO draws an advance from the FHLBNY credit line. As of December 31, 2024, the estimated fair value of the eligible investments was approximately \$10,130,000. KICO will retain all rights regarding all securities if pledged as collateral. As of December 31, 2024 and 2023 there was no outstanding balance on the FHLBNY credit line.

Equity Securities

The following table presents a breakdown of the cost and estimated fair value of, and gross gains and losses on, investments in equity securities as of December 31, 2024 and 2023:

Category	December 31, 2024				
	Cost	Gross Gains	Gross Losses	Estimated Fair Value	% of Estimated Fair Value
Equity Securities:					
Preferred stocks	\$ 9,750,322	\$ -	\$ (2,422,617)	\$ 7,327,705	71.2 %
Fixed income exchange traded funds	3,711,232	-	(808,432)	2,902,800	28.2 %
FHLB NY common stock	66,000	-	-	66,000	0.6 %
Total	<u>\$ 13,527,554</u>	<u>\$ -</u>	<u>\$ (3,231,049)</u>	<u>\$ 10,296,505</u>	<u>100.0 %</u>
Category	December 31, 2023				
	Cost	Gross Gains	Gross Losses	Estimated Fair Value	% of Estimated Fair Value
Equity Securities:					
Preferred stocks	\$ 13,583,942	\$ -	\$ (2,870,027)	\$ 10,713,915	72.6 %
Fixed income exchange traded funds	3,711,232	-	(669,232)	3,042,000	20.6 %
Mutual funds	622,209	314,816	-	937,025	6.3 %
FHLB NY common stock	69,400	-	-	69,400	0.5 %
Total	<u>\$ 17,986,783</u>	<u>\$ 314,816</u>	<u>\$ (3,539,259)</u>	<u>\$ 14,762,340</u>	<u>100.0 %</u>

Other Investments

The following table presents a breakdown of the cost and estimated fair value of, and gross gains on, our other investments as of December 31, 2024 and 2023:

Category	December 31, 2024			December 31, 2023		
	Cost	Gross Gains	Estimated Fair Value	Cost	Gross Gains	Estimated Fair Value
Other Investments:						
Hedge fund	<u>\$ 1,987,040</u>	<u>\$ 2,393,616</u>	<u>\$ 4,380,656</u>	<u>\$ 1,987,040</u>	<u>\$ 1,910,110</u>	<u>\$ 3,897,150</u>

Held-to-Maturity Securities

The following table presents a breakdown of the amortized cost and estimated fair value of, and gross unrealized gains and losses on, investments in held-to-maturity securities as of December 31, 2024 and 2023:

Category	December 31, 2024					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	% of Estimated Fair Value
			Less than 12 Months	More than 12 Months		
Held-to-Maturity Securities:						
U.S. Treasury securities	\$ 1,229,170	\$ —	\$ (39,630)	\$ (15,990)	\$ 1,173,550	19.7 %
Political subdivisions of States, Territories and Possessions	499,719	—	(654)	-	499,065	8.4 %
Exchange traded debt	304,111	-	-	(55,611)	248,500	4.2 %
Corporate and other bonds						
Industrial and miscellaneous	5,014,342	-	-	(976,192)	4,038,150	67.8 %
Total	\$ 7,047,342	\$ —	\$ (40,284)	\$ (1,047,793)	\$ 5,959,265	100.0 %

Category	December 31, 2023					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	% of Estimated Fair Value
			Less than 12 Months	More than 12 Months		
Held-to-Maturity Securities:						
U.S. Treasury securities	\$ 1,228,860	\$ 15,045	\$ (6,914)	\$ (18,163)	\$ 1,218,828	20.0 %
Political subdivisions of States, Territories and Possessions	499,170	890	-	-	500,060	8.2 %
Exchange traded debt	304,111	-	—	(70,111)	234,000	3.8 %
Corporate and other bonds						
Industrial and miscellaneous	5,020,400	—	—	(867,140)	4,153,260	68.0 %
Total	\$ 7,052,541	\$ 15,935	\$ (6,914)	\$ (955,414)	\$ 6,106,148	100.0 %

Held-to-maturity U.S. Treasury securities are held in trust pursuant to various states' minimum fund requirements.

A summary of the amortized cost and estimated fair value of our investments in held-to-maturity securities by contractual maturity as of December 31, 2024 and 2023 is shown below:

Remaining Time to Maturity	December 31, 2024		December 31, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Less than one year	\$ 499,719	\$ 499,065	\$ —	\$ —
One to five years	622,375	600,288	1,121,288	1,097,101
Five to ten years	1,427,579	1,323,600	1,414,911	1,270,770
More than 10 years	4,497,669	3,536,312	4,516,342	3,738,277
Total	\$ 7,047,342	\$ 5,959,265	\$ 7,052,541	\$ 6,106,148

Credit Rating of Fixed-Maturity Securities

The table below summarizes the credit quality of our available-for-sale fixed-maturity securities as of December 31, 2024 and 2023 as rated by Standard and Poor's (or, if unavailable from Standard and Poor's, then Moody's, Fitch, or Kroll):

Rating	December 31, 2024		December 31, 2023	
	Estimated Fair Value	Percentage of Estimated Fair Value	Estimated Fair Value	Percentage of Estimated Fair Value
U.S. Treasury securities	\$ —	0.0 %	\$ 20,939,190	14.1 %
Corporate and municipal bonds				
AAA	3,232,352	1.7 %	1,836,736	1.2 %
AA	22,844,557	12.2 %	9,872,346	6.6 %
A	61,528,377	32.9 %	33,228,327	22.3 %
BBB+	20,827,660	11.1 %	15,042,200	10.1 %
BBB	13,933,733	7.5 %	21,826,125	14.7 %
BBB-	1,953,596	1.0 %	—	0.0 %
BB	991,550	0.5 %	—	— %
Total corporate and municipal bonds	125,311,825	66.9 %	81,805,734	54.9 %
Residential mortgage backed, asset backed, and other collateralized obligations				
AAA	15,961,257	8.5 %	12,766,471	8.6 %
AA	34,893,057	18.7 %	22,102,169	14.8 %
A	9,927,371	5.3 %	6,390,752	4.3 %
BBB+	—	0.0 %	15,168	0.0 %
CCC	372,787	0.2 %	413,601	0.3 %
CC	82,696	0.0 %	91,390	0.1 %
Non rated	344,445	0.2 %	4,396,322	3.0 %
Total residential mortgage backed, asset backed, and other collateralized obligations	61,581,613	32.9 %	46,175,873	31.1 %
Total	\$ 186,893,438	100.0 %	\$ 148,920,797	100.0 %

The table below details the average yield by type of fixed-maturity security as of December 31, 2024 and 2023:

Category	December 31, 2024	December 31, 2023
U.S. Treasury securities and obligations of U.S. government corporations and agencies	3.62 %	4.95 %
Political subdivisions of States, Territories and Possessions	3.85 %	3.35 %
Corporate and other bonds Industrial and miscellaneous	3.86 %	3.62 %
Residential mortgage backed securities	3.31 %	2.90 %
Total	3.68 %	3.58 %

The table below lists the weighted average maturity and effective duration in years on our fixed-maturity securities as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Weighted average effective maturity	7.6	7.8
Weighted average final maturity	11.0	11.9
Effective duration	3.9	4.1

Fair Value Consideration

As disclosed in Note 4 to the consolidated financial statements, with respect to "Fair Value Measurements," we define fair value as the price that would be received to sell an asset or paid to transfer a liability in a transaction involving identical or comparable assets or liabilities between market participants (an "exit price"). The fair value hierarchy distinguishes between inputs based on market data from independent sources ("observable inputs") and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable ("unobservable inputs"). The fair value hierarchy prioritizes fair value measurements into three levels based on the nature of the inputs. Quoted prices in active markets for identical assets have the highest priority ("Level 1"), followed by observable inputs other than quoted prices including prices for similar but not identical assets or liabilities ("Level 2"), and unobservable inputs, including the reporting entity's estimates of the assumption that market participants would use, having the lowest priority ("Level 3"). As of December 31, 2024 and 2023, 59% and 65%, respectively, of the investment portfolio recorded at fair value was priced based upon quoted market prices.

The table below summarizes the gross unrealized losses of our fixed-maturity securities available-for-sale and equity securities by length of time the security has continuously been in an unrealized loss position as of December 31, 2024 and 2023:

Category	December 31, 2024							
	Less than 12 months			12 months or more			Total	
	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses
Fixed-Maturity Securities:								
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ —	\$ —	—	\$ —	\$ —	—	\$ —	\$ —
Political subdivisions of States, Territories and Possessions	7,705,370.00	(73,589.00)	6	13,167,726	(3,324,491)	12	20,873,096	(3,398,080)
Corporate and other bonds industrial and miscellaneous	51,411,296.00	(1,024,461.00)	60	55,381,083	(4,690,597)	68	106,792,379	(5,715,058)
Residential mortgage and other asset backed securities	19,315,521	(209,890)	22	35,206,442	(6,211,339)	36	54,521,963	(6,421,229)
Total fixed-maturity securities	\$ 78,432,187	\$ (1,307,940)	88	\$ 103,755,251	\$ (14,226,427)	116	\$ 182,187,438	\$ (15,534,367)
Category	December 31, 2023							
	Less than 12 months			12 months or more			Total	
	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses
Fixed-Maturity Securities:								
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 5,974,440	\$ (17,373)	1	\$ —	\$ —	—	\$ 5,974,440	\$ (17,373)
Political subdivisions of States, Territories and Possessions	—	—	—	13,398,552	(3,209,161)	13	13,398,552	(3,209,161)
Corporate and other bonds industrial and miscellaneous	—	—	—	70,107,746	(5,885,296)	85	70,107,746	(5,885,296)
Residential mortgage and other asset backed securities	88,988	(2,144)	4	38,675,604	(6,541,731)	37	38,764,592	(6,543,875)
Total fixed-maturity securities	\$ 6,063,428	\$ (19,517)	5	\$ 122,181,902	\$ (15,636,188)	135	\$ 128,245,330	\$ (15,655,705)

There were 204 securities at December 31, 2024 that accounted for the gross unrealized loss of our fixed-maturity securities available-for-sale, none of which were deemed to be credit losses by us. There were 140 securities at December 31, 2023 that accounted for the gross unrealized loss of our fixed-maturity securities available-for-sale, none of which were deemed to be credit losses by us. Significant factors influencing our determination that unrealized losses were temporary included credit quality considerations, the magnitude of the unrealized losses in relation to each security's cost, the nature of the investment and interest rate environment factors, management's intent not to sell these securities and it being not more likely than not that we will be required to sell these investments before anticipated recovery of fair value to our cost basis.

Liquidity and Capital Resources

Cash Flows

The primary sources of cash flow are from our insurance underwriting subsidiary, KICO, and include direct premiums written, ceding commissions from our quota share reinsurers, loss recovery payments from our reinsurers, investment income and proceeds from the sale or maturity of investments. Funds are used by KICO for ceded premium payments to reinsurers, which are paid on a net basis after subtracting losses paid on reinsured claims and reinsurance commissions. KICO also uses funds for loss payments and loss adjustment expenses on our net business, commissions to producers, salaries and other underwriting expenses as well as to purchase investments and fixed assets.

The primary source of cash flow for our holding company are dividends and distributions received from KICO, which are subject to statutory restrictions. For the year ended December 31, 2024, KICO did not pay any dividends to us. Through June 30, 2024, KICO had a negative adjusted unassigned surplus. Based on that, KICO was not able to pay any distributions to us without prior regulatory approval. In December 2023, KICO received regulatory approval to pay us a \$2,300,000 distribution from paid in capital. KICO paid us the \$2,300,000 distribution in the second quarter of 2024. In August 2024, KICO received regulatory approval to pay us a \$5,000,000 distribution from paid in capital. KICO paid us the \$5,000,000 distribution in the third quarter of 2024. As of December 31, 2024, KICO has eligible unassigned surplus of \$12,017,831 and is able to pay dividends; however, KICO has an agreement with DFS pursuant to which KICO may only pay dividends to us for purposes of paying operating expenses and debt obligations.

KICO is a member of the FHLBNY, which provides additional access to liquidity. Members have access to a variety of flexible, low-cost funding through FHLBNY's credit products, enabling members to customize advances. Advances are to be fully collateralized; eligible collateral to pledge to FHLBNY includes residential and commercial mortgage-backed securities, along with U.S. Treasury and agency securities. See Note 9 – Investments to our consolidated financial statements for eligible collateral held in a designated custodian account available for future advances. Advances are limited to 5% of KICO's net admitted assets as of the end of the previous quarter, which is September 30, 2024. On July 6, 2023, A.M. Best withdrew KICO's ratings as KICO requested to no longer participate in A.M. Best's interactive rating process. As a result of the withdrawal of A.M. Best ratings, KICO is currently only able to borrow on an overnight basis. The maximum allowable advance as of December 31, 2024, based on the net admitted assets as of September 30, 2024, was approximately \$13,637,000. Available collateral as of December 31, 2024 was approximately \$10,130,000. Advances are limited to 85% of the amount of available collateral. There were no borrowings under this facility during Year Ended 2024.

On April 5, 2024, we filed a shelf registration (the "Shelf Registration") statement on Form S-3 with the SEC under the Securities Act of 1933, as amended, with regard to the registration of \$50,000,000 of our equity and debt securities (the "Shelf Registration Statement"). The Shelf Registration Statement was declared effective by the SEC on April 22, 2024. Any offering made pursuant to the Shelf Registration Statement may only be made by means of a prospectus, including a prospectus supplement, forming a part of the effective Shelf Registration Statement, relating to the offering.

In May 2024, we entered into a Sales Agreement with Janney Montgomery Scott LLC (the "Sales Agent") under which we initially had the ability to issue and sell shares of our Common Stock, from time to time, through the Sales Agent, pursuant to the Shelf Registration Statement, up to an aggregate offering price of approximately \$16,400,000 in what is commonly referred to as an "at-the-market" ("ATM") program. During the year ended December 31, 2024, we sold 1,437,287 shares of our Common Stock at a weighted average price of \$9.79 per share and raised \$13,610,807 in net proceeds under the ATM program. As of December 31, 2024, we had remaining capacity to sell up to an additional \$2,325,087 of our Common Stock under the ATM program. On January 7, 2025, we filed a prospectus supplement with the SEC increasing the aggregate offering price under the ATM program to \$25,000,000 from approximately \$16,400,000.

On September 12, 2024, we issued the 2024 Notes in the aggregate principal amount of \$14,950,000 pursuant to the 2024 Exchange Agreement. Interest was payable semi-annually in arrears on June 30 and December 30 of each year at the rate of 13.75% per annum. The maturity date of the 2024 Notes was June 30, 2026. As of December 31, 2024, the

balance of the 2024 Notes was \$5,950,000. On February 24, 2025, we paid the balance of the 2024 Notes in full reducing the outstanding balance to \$0.

If the aforementioned sources of cash flow currently available are insufficient to cover our holding company debt service and other cash requirements, we will seek to obtain additional financing.

Our reconciliation of net income (loss) to net cash provided by (used in) by operations is generally influenced by the collection of premiums in advance of paid losses, the timing of reinsurance, issuing company settlements and loss payments.

Cash flow and liquidity are categorized into three sources: (1) operating activities; (2) investing activities; and (3) financing activities, which are shown in the following table:

Years ended December 31,	2024	2023
Cash flows provided by (used in):		
Operating activities	\$ 57,947,771	\$ (11,326,850)
Investing activities	(35,261,441)	9,461,700
Financing activities	(2,993,887)	(1,116,080)
Net increase (decrease) in cash and cash equivalents	19,692,443	(2,981,230)
Cash and cash equivalents, beginning of period	8,976,998	11,958,228
Cash and cash equivalents, end of period	\$ 28,669,441	\$ 8,976,998

Net cash provided by operating activities was \$57,948,000 in the Year Ended 2024 as compared to \$11,327,000 used in operating activities in Year Ended 2023. The \$69,275,000 increase in cash flows provided by operating activities in Year Ended 2024 as compared to Year Ended 2023 was primarily the result of the change to net income from net loss (adjusted for non-cash items) of \$69,275,000 and cash provided arising from net fluctuations in operating assets and liabilities. The net fluctuations in assets and liabilities are related to operating activities of KICO as affected by growth or declines in its operations, payments on claims and other changes, which are described above.

Net cash used in investing activities was \$35,261,000 in Year Ended 2024 compared to \$9,462,000 provided by investing activities in Year Ended 2023 resulting in a \$44,723,000 increase in net cash used in investing activities. In Year Ended 2024, we had net cash used by our investment portfolio of \$32,924,000, compared to \$11,289,000 provided in Year Ended 2023.

Net cash used in financing activities was \$2,994,000 in Year Ended 2024 compared to \$1,116,000 used in Year Ended 2023. Net cash used in financing activities were primarily principal payments of \$5,000,000 on our 2022 Notes, \$9,000,000 on our 2024 Notes, and \$1,154,000 on our equipment financing debt in connection with KICO's sale-leaseback transaction. In addition, we paid \$1,311,000 for withholding taxes on vested restricted stock awards. The principal payments on the 2024 Notes were made by using a portion of the \$13,611,000 net proceeds from our ATM offering.

Reinsurance

The following table provides summary information with respect to each reinsurer that accounted for more than 10% of our reinsurance recoverables on paid and unpaid losses and loss adjustment expenses as of December 31, 2024:

(\$ in thousands)	A.M. Best Rating	Amount Recoverable as of December 31, 2024	%
Swiss Reinsurance America Corporation	A+	\$ 14,911,000	39.7 %
Hanover Rueck SE	A+	7,754,000	20.6 %
Others (1)		14,912,000	39.7 %
Total		\$ 37,577,000	100.0 %

(1) Of \$8,731,000 reinsurance recoverables included in Others at December 31, 2024, \$393,000 was guaranteed by irrevocable letters of credit.

Effective December 31, 2021, we entered into a quota share reinsurance treaty for our personal lines business, which primarily consisted of homeowners' and dwelling fire policies, covering the period from December 31, 2021 through January 1, 2023 ("2021/2023 Treaty"). Upon the expiration of the 2021/2023 Treaty on January 1, 2023, we entered into a new 30% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2023 through January 1, 2024 ("2023/2024 Treaty"). Upon the expiration of the 2023/2024 Treaty on January 1, 2024, we entered into a new 27% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2024 through January 1, 2025 ("2024/2025 Treaty"). Upon the expiration of the 2024/2025 Treaty on January 1, 2025, we entered into a new 16% quota share reinsurance treaty for our personal lines business, covering the period from January 1, 2025 through January 1, 2026 ("2025/2026 Treaty").

Our excess of loss and catastrophe reinsurance treaties expired on June 30, 2024 and we entered into new excess of loss and catastrophe reinsurance treaties effective July 1, 2024 (as discussed below). Effective January 1, 2022, we entered into an underlying excess of loss reinsurance treaty ("Underlying XOL Treaty") covering the period from January 1, 2022 through January 1, 2023. The Underlying XOL Treaty provided 50% reinsurance coverage for losses of \$400,000 in excess of \$600,000. Losses from named storms are excluded from the Underlying XOL Treaty. Effective January 1, 2023, the Underlying XOL Treaty was renewed covering the period from January 1, 2023 through January 1, 2024. Effective January 1, 2024, the Underlying XOL Treaty was renewed covering the period from January 1, 2024 through January 1, 2025. Effective July 1, 2024, we purchased \$275,000,000 of catastrophe reinsurance in excess of \$5,000,000, compared to \$315,000,000 of catastrophe reinsurance in excess of \$10,000,000 in the expiring treaty. Our ability to reduce the top limit of our catastrophe reinsurance was due to our tightened underwriting as discussed above and curtailing new business growth through June 30, 2024, which reduced our probable maximum loss. For the period October 1, 2024 through April 30, 2025, we purchased catastrophe reinsurance which will provide coverage for winter storm losses to the extent of 71% of \$4,500,000 in excess of \$5,500,000. Effective January 1, 2025, the Underlying XOL Treaty was renewed covering the period from January 1, 2025 through June 30, 2025. Material terms for our reinsurance treaties in effect for the treaty years shown below are as follows:

Line of Business	Treaty Period					
	2025/2026 Treaty		2024/2025 Treaty		2023/2024 Treaty	
	July 1, 2025 to January 1, 2026	January 2, 2025 to June 30, 2025	July 1, 2024 to January 1, 2025	January 1, 2024 to June 30, 2024	July 1, 2023 to January 1, 2024	January 1, 2023 to June 30, 2023
Personal Lines:						
Homeowners, dwelling fire and canine legal liability						
Quota share treaty:						
Percent ceded (7)	16 %	16 %	27 %	27 %	30 %	30 %
Risk retained on initial \$1,000,000 of losses (5) (6) (7)	\$ 840,000	\$ 840,000	\$ 730,000	\$ 730,000	\$ 700,000	\$ 700,000
Losses per occurrence subject to quota share reinsurance coverage						
	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Expiration date	January 1, 2026	January 1, 2026	January 1, 2025	January 1, 2025	January 1, 2024	January 1, 2024
Excess of loss coverage and facultative facility coverage (1) (5) (6)						
	\$ 400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000
	in excess of	in excess of	in excess of	in excess of	in excess of	in excess of
	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Total reinsurance coverage per occurrence (5) (6)	\$ 360,000	\$ 8,360,000	\$ 8,470,000	\$ 8,470,000	\$ 8,500,000	\$ 8,500,000
Losses per occurrence subject to reinsurance coverage (6)						
	\$ 1,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000
Expiration date	(6)	June 30, 2025	June 30, 2025	June 30, 2024	June 30, 2024	June 30, 2023
Catastrophe Reinsurance:						
Initial loss subject to personal lines quota share treaty (6)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Risk retained per catastrophe occurrence (6) (7) (8) (9)	(6)	\$ 4,250,000	\$ 4,750,000	\$ 9,500,000	\$ 8,750,000	\$ 8,750,000
Catastrophe loss coverage in excess of quota share coverage (2) (6)						
	(6)	\$ 275,000,000	\$ 275,000,000	\$ 315,000,000	\$ 315,000,000	\$ 335,000,000
Reinstatement premium protection (3) (4)						
	(6)	Yes	Yes	Yes	Yes	Yes

(1) For personal lines, includes the addition of an automatic facultative facility allowing KICO to obtain homeowners single risk coverage up to \$9,000,000 in total insured value, which covers direct losses from \$3,500,000 to \$9,000,000 through June 30, 2025.

- (2) Catastrophe coverage is limited on an annual basis to two times the per occurrence amounts. Duration of 168 consecutive hours for a catastrophe occurrence from windstorm, hail, tornado, hurricane and cyclone.
- (3) For the period July 1, 2022 through June 30, 2023, reinstatement premium protection for \$12,500,000 of catastrophe coverage in excess of \$10,000,000. For the period July 1, 2023 through June 30, 2024, reinstatement premium protection for \$50,000,000 of catastrophe coverage in excess of \$10,000,000.
- (4) For the period July 1, 2024 through June 30, 2025 (expiration date of the catastrophe reinsurance treaty), reinstatement premium protection for \$50,000,000 of catastrophe coverage in excess of 10,000,000.
- (5) For the period January 1, 2022 through June 30, 2025, underlying excess of loss treaty provides 50% reinsurance coverage for losses of 400,000 in excess of 600,000. Excludes losses from named storms. Reduces retention to \$500,000 from \$700,000 under the 2023/2024 Treaty. Reduces retention to \$530,000 from \$730,000 under the 2024/2025 Treaty. Retention increases to \$640,000 from \$530,000 under the 2025/2026 Treaty.
- (6) Excess of loss coverage and facultative facility and catastrophe reinsurance treaties will expire on June 30,2025, with none of these coverages to be in effect during the period from July 1 2025 through January 1, 2026. If and when these treaties are renewed on July 1, 2025, the excess of loss and facultative facility, and the catastrophe reinsurance treaty, will be as provided for therein. Reinsurance coverage in effect from July 1, 2025 through January 1, 2026 is currently only covered under the 2025/2026 Treaty and (underlying excess of loss reinsurance treaty through June 30, 2025). The 2025/2026 Treaty will expire on January 1, 2026.
- (7) For the 2023/2024 Treaty, 17.5% of the 30% total of losses ceded under this treaty are excluded from a named catastrophe event. For the 2024/2025 Treaty, 22% of the 27% total of losses ceded under this treaty are excluded from a named catastrophe event. For the 2025/2026 Treaty, 6% of the 16% total of losses ceded under this treaty are excluded from a catastrophe event.
- (8) Plus losses in excess of catastrophe coverage.
- (9) For the period October 1, 2024 through April 30, 2025, additional catastrophe reinsurance treaty will provide coverage for winter storm losses to the extent of 71% of \$4,500,000 in excess of \$5,500,000. Retention for winter storms under this treaty is \$4,800,000 under the 2024/2025 Treaty and \$5,200,000 under the 2025/2026 Treaty.

Line of Business	Treaty Year		
	July 1, 2024 to June 30, 2025	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023
Personal Lines:			
Personal Umbrella			
Quota share treaty:			
Percent ceded - first \$1,000,000 of coverage	90 %	90 %	90 %
Percent ceded - excess of \$1,000,000 dollars of coverage	95 %	95 %	95 %
Risk retained	\$ 300,000	\$ 300,000	\$ 300,000
Total reinsurance coverage per occurrence	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000
Losses per occurrence subject to quota share reinsurance coverage	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Expiration date	June 30, 2025	June 30, 2024	June 30, 2023

Commercial Lines (1)

(1) Coverage on all commercial lines policies expired in September 2020; reinsurance coverage is based on treaties in effect on the date of loss.

Inflation

Premiums are established before we know the amount of losses and loss adjustment expenses or the extent to which inflation may affect such amounts. We attempt to anticipate the potential impact of inflation in establishing our reserves, especially as it relates to medical and hospital rates where historical inflation rates have exceeded the general level of inflation. Inflation in excess of the levels we have assumed could cause loss and loss adjustment expenses to be higher than we anticipated, which would require us to increase reserves and reduce earnings.

Fluctuations in rates of inflation also influence interest rates, which in turn impact the market value of our investment portfolio and yields on new investments. Operating expenses, including salaries and benefits, generally are impacted by inflation.

The Year Ended 2024 included continuing economic inflation, albeit tempered compared to 2023, which resulted in a sustained increase in interest rates, a widening of credit spreads, lower public equity valuations, and significant financial market volatility. The higher interest rates and widening of credit spreads reduced the value of our fixed income securities. For Year Ended 2024, the continuing economic inflation impacted our loss and loss adjustment expenses as well; should these trends continue in the near-term, it would in all likelihood negatively impact our results of operations.

Non-GAAP Financial Measures

Non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, financial measures presented in accordance with GAAP.

The following table reconciles the underlying loss ratio and the net loss ratio excluding the effect of catastrophes to the net loss ratio for the periods presented:

	Years ended December 31,	
	2024	2023
Underlying Loss Ratio	48.2 %	65.3 %
Effect of prior year reserve development	(1.4 %)	0.0 %
Net loss ratio excluding the effect of catastrophes	46.8 %	65.3 %
Effect of catastrophes	1.9 %	7.1 %
GAAP net loss ratio	48.7 %	72.4 %

The following table reconciles the net loss ratio excluding commercial lines business to the net loss ratio for the periods presented:

	Years ended December 31,	
	2024	2023
Net loss ratio excluding the effect of commercial lines business	46.9 %	70.9 %
Effect of commercial lines business	1.8 %	1.5 %
GAAP net loss ratio	48.7 %	72.4 %

The following table reconciles net income (loss) from insurance underwriting business on a standalone basis to GAAP net income (loss) for the periods presented:

	Years ended December 31,	
	2024	2023
Net income (loss) from insurance underwriting business on a standalone basis	\$ 23,581,855	\$ (1,487,910)
Holding company operations	(5,223,419)	(4,680,436)
GAAP net income (loss)	\$ 18,358,436	\$ (6,168,346)

The following table reconciles the net loss ratio excluding the effect of catastrophes, net underwriting expense ratio excluding the effect of catastrophes, and net combined ratio excluding the effect of catastrophes to GAAP net loss ratio, GAAP net underwriting expense ratio, and GAAP net combined ratio, respectively, for the periods presented:

	Years ended December 31,	
	2024	2023
Net loss ratio excluding the effect of catastrophes	46.8 %	65.3 %
Effect of catastrophes	1.9 %	7.1 %
GAAP net loss ratio	48.7 %	72.4 %
Net underwriting expense ratio excluding the effect of catastrophes	31.3 %	32.9 %
Effect of catastrophes	0.0 %	0.0 %
GAAP net underwriting expense ratio	31.3 %	32.9 %
Net combined ratio excluding the effect of catastrophes	78.1 %	98.2 %
Effect of catastrophes	1.9 %	7.1 %
GAAP net combined ratio	80.0 %	105.3 %

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Outlook

Our net premiums earned may be impacted by a number of factors. Net premiums earned are a function of net written premium volume. Net written premiums comprise both renewal business and new business and are recognized as earned premium over the term of the underlying policies. Net written premiums from both renewal and new business are impacted by competitive market conditions as well as general economic conditions. We have made underwriting changes to emphasize profitability over growth and have culled out the type of risks that do not generate an acceptable level of return.

On August 2, 2024, two large competitors announced a plan to wind down their personal lines operations in New York State and to non-renew or mid-term cancel their entire book of business by December 31, 2024. Our producers placed a sizable number of these policies with KICO. As such, we anticipate the sizeable increase in our direct earned premium to continue into 2025. See "Forward-Looking Statements" before Part I, Item 1.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This item is not applicable to smaller reporting companies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this Item 8 are included in this Annual Report following Item 16 hereof. As a smaller reporting company, we are not required to provide supplementary financial information.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures. Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2024.

We previously disclosed that on November 12, 2024, we issued a press release announcing our financial results for the period ended September 30, 2024 (the “Press Release”). In the Press Release, we indicated that our book value per share – diluted and book value per share – diluted excluding accumulated other comprehensive income (“AOCI”) as of September 30, 2024 were \$4.58 and \$5.28, respectively. On November 15, 2024, we determined that such figures were calculated based upon an incorrect number of shares of common stock outstanding on a fully diluted basis as of September 30, 2024. Based upon the correct number of shares of common stock outstanding on a fully diluted basis, the book value per share – diluted and book value per share – diluted excluding AOCI as of September 30, 2024 were \$4.32 and \$4.97, respectively.

We continually review our disclosure controls and procedures and make changes, as necessary, to ensure the quality of our financial reporting. In particular, we have recently implemented a new financial reporting system which we believe has remediated the disclosure control deficiency. It will require time to demonstrate the effectiveness of the remediation, and as such we conclude that the disclosure controls and procedures were not effective as of December 31, 2024.

Changes in Internal Control over Financial Reporting

Except as noted above, there have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The ineffectiveness in our disclosure controls and procedures discussed above under “Evaluation of Disclosure Controls and Procedures” did not relate to our internal control over financial reporting.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Inherent Limitation on Effectiveness of Controls

Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by the board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with GAAP including those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

ITEM 9B. OTHER INFORMATION.

None.

ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.***Executive Officers and Directors*

The following table sets forth the positions and offices presently held by each of our current directors and executive officers and their ages:

Name:	Age:	Positions and Offices Held:
Meryl S. Golden	65	Chief Executive Officer, President and Director
Thomas Newgarden	57	Non-Executive Chairman of the Board and Director
Jennifer L. Gravelle	53	Vice President, Chief Financial Officer and Treasurer
Sarah (Minlei) Chen	42	Senior Vice President, Chief Actuary and Head of Product Management, Kingstone Insurance Company
Floyd R. Tupper	70	Secretary and Director
Timothy P. McFadden	62	Director (Lead Independent Director)
William L. Yankus	65	Director
Carla A. D'Andre	69	Director
Mannohan Singh	52	Director

Meryl S. Golden

Ms. Golden has served as our Chief Executive Officer and President since October 2023 and as one of our directors since March 2020. She has also served as a director and a member of the Executive Committee of Kingstone Insurance Company, our wholly-owned New York property and casualty insurer ("KICO"), since September 2019 and as its President since October 2021. Ms. Golden served as our and KICO's Chief Operating Officer from September 2019 to September 2023. Ms. Golden has over 25 years of experience in the insurance industry. She served as Northeast General Manager of Progressive Insurance from 2000 to 2004 (having served as Connecticut General Manager at Progressive from 1996 to 2000). Ms. Golden was Senior Vice President/General Manager at Liberty Mutual from 2005 to 2007. From 2007 to 2009, she was a Management Committee advisor to Bridgewater Associates, a hedge fund. Ms. Golden served as General Manager of North America for Earnix, a banking and insurance software company, from 2010 to 2018 and was Sales Manager, Insurance Solutions for Arity, a mobility and data analytics company founded by Allstate, from 2018 until September 2019. Ms. Golden received her B.S. degree in Accounting from the Wharton School of the University of Pennsylvania and her M.B.A. in Marketing and Finance from the University of Chicago. We believe that Ms. Golden's executive level experience in the insurance industry gives her the qualifications and skills to serve as one of our directors.

Thomas Newgarden

Mr. Newgarden is an analytics driven insurance executive with over 30 years' experience in the property and casualty personal lines insurance industry. He played an instrumental role in the acquisition and rehabilitation of National General Insurance (formerly GMAC Insurance). This included serving from 2010 to 2022 as Executive Vice President, Chief Underwriting Officer, Chief Product and Analytics Officer and Chief Business Development Officer, and President of National General Preferred, culminating in the successful sale of the company to Allstate Insurance. Prior to National General, Mr. Newgarden was Vice President and Chief Underwriting Officer at Plymouth Rock Insurance from 2009 to 2011 and Senior Vice President of Personal Lines at Safeco Insurance from 2008 to 2009. He also was a key partner in the development of AIG Private Client Group, last serving from 2006 to 2008 as its Senior Vice President, Chief Underwriting Officer. Since leaving Allstate in 2022, Mr. Newgarden has primarily worked as a consultant and advisor to insurance carriers and other insurance entities. He received his B.A. degree in Economics from Binghamton University. We believe that Mr. Newgarden's extensive executive level experience in the insurance industry gives him the qualifications and skills to serve as one of our directors.

Jennifer L. Gravelle

Ms. Gravelle has served as our Vice President, Chief Financial Officer and Treasurer since January 2023. Ms. Gravelle has over 20 years of leadership experience in the property and casualty insurance industry. From October 2021 to January 2023, she served as Chief Financial Officer at Slide Insurance Holdings, Inc., a full-stack insurtech organization. From June 2019 to October 2021, Ms. Gravelle was Chief Financial Officer at Allied Trust Insurance Company, a personal

property insurance organization. She served as Chief Financial Officer at Olympus Insurance Company, also a personal property insurance organization, from July 2013 to June 2019. Ms. Gravelle received a B.A. degree in Accounting from Champlain College.

Sarah (Minlei) Chen

Ms. Chen has served as KICO's Chief Actuary since November 2020 and as its Senior Vice President and Head of Product Management since August 2022. From January 2018 to October 2020, she was Actuarial Manager/Senior Pricing Manager and Actuary for Homesite Insurance, a property and casualty insurance company. Ms. Chen served as Actuarial Manager of Plymouth Rock Assurance, an auto and home insurer, from November 2013 to January 2018. Ms. Chen received a B.S. degree in Mathematics from Tsinghua University and an M.S. degree in Applied Mathematics from Brown University.

Floyd R. Tupper

Mr. Tupper is a certified public accountant in New York City. For over 40 years, Mr. Tupper has counseled high-net worth individuals by creating tax planning strategies to achieve their goals as well as those of their families. He has also helped small businesses by developing business strategies to meet their current and future needs. He began his career in public accounting with Ernst & Young LLP prior to becoming self-employed. Mr. Tupper holds an M.B.A. in Taxation from the New York University Stern School of Business and a B.S. degree from New York University. Mr. Tupper served as a director of KICO from 2006 to 2018 and has served as Chairman of its Audit Committee since 2006. From 1990 until 2010, Mr. Tupper served as a Trustee of The Acorn School in New York City. He was also a member of the school's Executive Committee and served as its Treasurer from 1990 to 2010. Mr. Tupper is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. He has served as one of our directors and Chair of our Audit Committee since June 2014 and as our Secretary since June 2015. We believe that Mr. Tupper's accounting experience, as well as his service on the Board of KICO (including his service as Chair of its Audit Committee), give him the qualifications and skills to serve as one of our directors.

Timothy P. McFadden

Mr. McFadden has more than 30 years of experience in the insurance industry. From 2012 to July 2018, Mr. McFadden served as CEO and President of State Farm Indemnity Auto Insurance Company and Senior Vice President of State Farm Insurance, Eastern Market Area. From 2015 to July 2018, he also served as CEO and President of State Farm Florida Fire Company. Mr. McFadden served as Senior Vice President of State Farm Insurance Companies, Southern Zone from 2008 to 2011 and Senior Vice President of State Farm Insurance Companies, Southern & Mid Atlantic Zones from 2011 to 2013. Prior to joining the insurance industry, he was a Captain in the United States Army. Mr. McFadden is a member of Stetson University's College of Law Board of Overseers. He formerly served as a member of the Board of State Farm Indemnity Auto Insurance Company, Local Initiatives Support Corporation, American College Ethics Board, State Farm Florida Fire Company, Top Layer Reinsurance and Florida Council of 100. Mr. McFadden received his B.S. degree from the United States Military Academy at West Point and his J.D. from Stetson College of Law. He also completed the General Management Program at Harvard Business School and received his Chartered Life Underwriter Designation from The American College of Financial Services. Mr. McFadden has served as one of our directors since August 2018, served as Chair of our Nominating and Corporate Governance Committee from August 2018 to March 2023 and has served as Lead Independent Director and Chair of our Corporate Sustainability and Risk Management Committee since March 2023. We believe that Mr. McFadden's executive level experience in the insurance industry gives him the qualifications and skills to serve as one of our directors.

William L. Yankus

Mr. Yankus brings to the Board over 30 years' experience in the insurance industry. Since September 2015, Mr. Yankus has provided insurance-related consulting services through Pheasant Hill Advisors, LLC. From 2011 to 2015, he was Managing Director – Investment Banking at Stern Agee where he focused on small and mid-sized insurers. Mr. Yankus served as Managing Director-Insurance Research at Fox-Pitt, Kelton from 1993 to 2009 and then as Head of Insurance Research at its successor, Macquerie, from 2009 to 2010. Mr. Yankus served as Vice President, Insurance Research at Conning & Company from 1985 to 1993. He completed the CFA program in 1989 and passed the CT uniform CPA exam in 1984. Mr. Yankus serves as a member of the Board of Directors of Jet.AI, Inc. (Nasdaq: JTAI), an innovative private aviation and artificial intelligence company. He has served as one of our directors since March 2016, served as Chair of our Compensation Committee from April 2017 to March 2023, has served as Chair of our Compensation and Finance Committee since March 2023 and served as Chair of our Investment Committee from February 2020 to August 2021. Mr. Yankus received his B.A. degree in Economics and Accounting from The College of the Holy Cross. We believe

that Mr. Yankus' executive level experience in the insurance industry gives him the qualifications and skills to serve as one of our directors.

Carla A. D'Andre

Ms. D'Andre has more than 45 years of experience in the insurance industry. Since 2009, Ms. D'Andre has been Chairman, CEO and President of D'Andre Insurance Group, Inc., which she co-founded. D'Andre Insurance Group, Inc. is the parent of two independent insurance agencies. She also serves as a consulting and testifying expert on insurance matters. Prior to co-founding D'Andre Insurance Group, Ms. D'Andre held executive-level roles at several companies in the insurance industry, including Executive Vice President, Head – Global Corporate Practice and Member – Partner's Council at Willis Group Holdings plc, a multinational risk advisor, insurance brokerage and reinsurance brokerage company; Managing Director and Strategic Account Manager at AON Risk Services, a global provider of risk management solutions; Chief Operating Officer at XL Capital's insurance and technology start-up firm, Inquis Logic Inc.; Member of Senior Management and Managing Director of Swiss Re New Markets and Director of Alternative Markets at Swiss Re America, a subsidiary of Swiss Reinsurance Company Ltd, a global reinsurance company; Senior Vice President of Sedgwick North America, an insurance brokerage firm; and Vice President of Johnson & Higgins, an insurance brokerage firm. Ms. D'Andre serves in senior capacities in several insurance industry groups. In January 2019 she was elected by her peers to a three-year term as a member of The Institutes' CPCU Society Leadership Council. She also serves as a member of the Executive Advisory Council of St. John's University Greenberg School of Risk Management, Insurance and Actuarial Science and the Risk Management & Insurance Council sponsored by Temple University, Fox School of Business. She is a licensed insurance broker in property and casualty and life and health coverages. Ms. D'Andre holds the Chartered Property and Casualty Underwriter, Chartered Life Underwriter, and Associate in Reinsurance ARE designations; a Certificate in Captive Insurance, CCI, and the U.S. Department of Justice, Federal Bureau of Investigation Miami Division Certificate for completing the FBI Citizen's Academy program. Ms. D'Andre is a Chartered Property and Casualty Underwriter, a Chartered Life Underwriter and an Associate in Reinsurance ARE. She has served as one of our directors since May 2017, served as Chair of our Finance Committee from August 2017 to March 2023 and has served as Chair of our Nominating and Corporate Governance Committee since March 2023. Ms. D'Andre has an M.B.A. from Pace University's Lubin School of Business, with a concentration in Financial Management, and a B.B.A. degree from St. John's University's School of Risk Management, Insurance and Actuarial Science. We believe that Ms. D'Andre's extensive experience in multiple capacities in the insurance industry gives her the qualifications and skills to serve as one of our directors.

Manmohan Singh

Mr. Singh is the Group Chief Financial Officer and Head of Corporate Development for Angel Oak Companies, overseeing financial operations, including accounting and treasury, for all of Angel Oak's subsidiaries. He is also a member of the Angel Oak Enterprise Risk Management Committee. Previously, Mr. Singh was a Director in the Insurance Investment Banking team at New York-based Sandler O'Neill & Partners, which was an investment bank specializing in financial institutions that merged with Piper Jaffray Companies to form Piper Sandler Companies. During his 12 years with Sandler O'Neill, Mr. Singh worked extensively in the insurance sector, advising them on capital raising and merger and acquisition related matters. Mr. Singh has been involved with several key merger and acquisition transactions, including those involving private equity buyers and alternative asset managers making forays into the life and annuity sector. Mr. Singh holds a Master of Business Administration degree from the Indiana University Kelley School of Business, a Master of Science degree in Finance from the Department of Financial Studies at the University of Delhi, and a Bachelor of Engineering degree from Deenbandhu Chhotu Ram University of Science and Technology in India. Mr. Singh has served as one of our directors since April 2024. He was appointed pursuant to the provisions of the Note and Warrant Exchange Agreement, dated as of December 9, 2022, between the Company and the purchaser signatories thereto (the "Exchange Agreement"), whereby the holders of a majority of the aggregate principal amount of the promissory notes issued pursuant to the Exchange Agreement (the "Notes") were granted the right to nominate one person to serve as a member of our Board of Directors. Such nomination right has ceased as the Notes are no longer outstanding. We believe that Mr. Singh's extensive experience in insurance, financial operations and risk management gives him the qualifications and skills to serve as one of our directors.

Family Relationships

There are no family relationships among any of our executive officers and directors.

Term of Office

Each director will hold office until the next annual meeting of stockholders and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Each executive officer will hold office until the initial

meeting of the Board of Directors following the next annual meeting of stockholders and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Audit Committee

The Audit Committee of the Board of Directors is responsible for overseeing our accounting and financial reporting processes and the audits of our financial statements. The members of the Audit Committee are Messrs. Tupper, (Chair), Newgarden, Yankus and McFadden.

Audit Committee Financial Expert

Our Board of Directors has determined that Mr. Tupper qualifies as an “audit committee financial expert,” as that term is defined in Item 407(d)(5) of Regulation S-K. Mr. Tupper is an “independent director” based on the definition of independence in Listing Rule 5605(a)(2) of The Nasdaq Stock Market.

Delinquent Section 16(a) Reports

Section 16 of the Exchange Act requires that reports of beneficial ownership of common stock and changes in such ownership be filed with the SEC by Section 16 “reporting persons,” including directors, certain officers, holders of more than 10% of the outstanding common stock and certain trusts of which reporting persons are trustees. We are required to disclose in this Annual Report each reporting person whom we know to have failed to file any required reports under Section 16 on a timely basis during the fiscal year ended December 31, 2024. To our knowledge, based solely on a review of copies of Forms 3, 4 and 5 filed with the SEC and written representations that no other reports were required, during the fiscal year ended December 31, 2024, our officers, directors and 10% stockholders complied with all Section 16(a) filing requirements applicable to them, except that Ms. Golden filed one Form 4 late (reporting one transaction), Ms. Gravelle filed one Form 4 late (reporting one transaction) and Ms. Chen filed one Form 4 late (reporting one transaction).

Code of Ethics; Officer and Director Trading Restrictions Policy

Our Board of Directors has adopted a Code of Ethics for our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Board of Directors has also adopted an Officer and Director Trading Restrictions Policy for our officers and directors as well as the officers and directors of KICO. Copies of the Code of Ethics and Officer and Director Trading Restrictions Policy are posted on our website, www.kingstonecompanies.com. We intend to satisfy the disclosure requirement under Item 5.05(c) of Form 8-K regarding an amendment to, or a waiver from, our Code of Ethics or Officer and Director Trading Restrictions Policy by posting such information on our website, www.kingstonecompanies.com.

Insider Trading Policy

We have adopted an insider trading policy governing the purchase, sale and/or other disposition of our company’s securities by directors, officers and certain designated employees that is designed to promote compliance with insider trading laws, rules and regulations, as well as procedures designed to further the foregoing purposes. A copy of our insider trading policy is filed as an exhibit to this Annual Report on Form 10-K. In addition, from time to time, we may engage in transactions in our company’s securities. It is our intent to comply with applicable laws and regulations relating to insider trading.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth certain information concerning the compensation for the fiscal years ended December 31, 2024 and 2023 for certain executive officers, including our Chief Executive Officer (collectively, the “Named Executive Officers”):

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(1)	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Meryl S. Golden Chief Executive Officer and President	2024	\$ 500,000	\$496,358	\$ 136,500 (2)	\$ -	\$ -	\$ 25,800 (9)	\$ 1,158,658
	2023	\$ 500,000	\$ -	\$ 136,500 (3)	\$ -	\$ -	\$ 25,200 (10)	\$ 661,700
Sarah (Minlei) Chen Chief Actuary; Senior Vice President, Kingstone Insurance Company	2024	\$ 355,138	\$ 166,609	\$ 166,109 (4)	\$ 12,400 (7)	\$ -	\$ 7,838 (11)	\$ 708,094
	2023	\$ 347,750	\$ -	\$ -	\$ -	\$ -	\$ 7,588 (11)	\$ 355,338
Jennifer L. Gravelle Vice President, Chief Financial Officer and Treasurer	2024	\$ 337,422	\$ 133,979	\$ 133,479 (5)	\$ 12,400 (8)	\$ -	\$ 13,800 (11)	\$ 631,080
	2023	\$ 309,863	\$ -	\$ 25,000 (6)	\$ -	\$ -	\$ 10,592 (11)	\$ 345,455

(1) Amounts reflect the aggregate grant date fair value of grants made in each respective fiscal year computed in accordance with stock-based accounting rules (FASB ASC Topic 718-Stock Compensation), excluding the effect of estimated forfeitures. Assumptions used in the calculations of these amounts are included in Note 12 to our consolidated financial statements included in this Annual Report.

- (2) In January 2024, Ms. Golden was granted 64,085 shares of restricted common stock under our Amended and Restated 2014 Equity Participation Plan (the "2014 Plan"). Such grant vested on the first anniversary of the date of grant.
- (3) In January 2023, Ms. Golden was granted 101,111 shares of restricted common stock under 2014 Plan. Such grant vested to the extent of 50,556 shares on the first anniversary of the date of grant and 50,555 shares on the second anniversary of the date of grant.
- (4) In March 2025, Ms. Chen was granted 10,935 shares of restricted stock under our 2024 Equity Participation Plan (the "2024 Plan") in consideration of services rendered during 2024. Such grant vested to the extent of one-third on the date of grant and will vest to the extent of one-third on each of the first and second anniversaries of the date of grant.
- (5) In March 2025, Ms. Gravelle was granted 8,787 shares of restricted stock under our 2024 Plan in consideration of services rendered during 2024. Such grant vested to the extent of one-third on the date of grant and will vest to the extent of one-third on each of the first and second anniversaries of the date of grant.
- (6) In January 2023, Ms. Gravelle was granted 14,535 shares of restricted common stock under the 2014 Plan. Such grant vested to the extent of one-third on each of the first and second anniversaries of the date of grant and will vest to the extent of one-third on the third anniversary of the date of grant.
- (7) In January 2024, Ms. Chen was granted an option for the purchase of 10,000 shares of common stock under the Plan. Such option vested to the extent of one-third on each of the first, second and third anniversaries of the date of grant.
- (8) In January 2024, Ms. Gravelle was granted an option for the purchase of 10,000 shares of common stock under the Plan. Such option vested to the extent of one-third on each of the first, second and third anniversaries of the date of grant.

- (9) Represents employer matching contributions under our defined contribution plan of \$13,800 and a car allowance of \$12,000.
- (10) Represents employer matching contributions under our defined contribution plan of \$13,200 and a car allowance of \$12,000.
- (11) Represents employer matching contributions under our defined contribution plan.

Employment Contracts

Meryl S. Golden

Employment Agreement effective as of January 1, 2023

On June 27, 2022, we and Ms. Golden entered into a second amended and restated employment agreement which took effect as of January 1, 2023, and expired on December 31, 2024 (the “Second Amended Golden Employment Agreement”).

Pursuant to the Second Amended Golden Employment Agreement, Ms. Golden was entitled to receive an annual base salary of \$500,000 and an annual bonus equal to 3% of our consolidated income from operations before taxes, exclusive of our consolidated net investment income (loss), net unrealized gains (losses) on equity securities and net realized gains (losses) on investments, up to a maximum of 1.25 times her base salary. In addition, pursuant to the Second Amended Golden Employment Agreement, Ms. Golden received, under the terms of the 2014 Plan, a grant in each of January 2023 and January 2024 of a number of shares of restricted stock determined by dividing \$136,500 by the fair market value of our common stock on the date of grant. The 2023 grant vested with respect to one-half of the award on the first anniversary of the grant date and one-half of the award on December 31, 2024. The 2024 grant vested on January 2, 2025.

Employment Agreement effective as of January 1, 2025

On April 15, 2024, we entered into a third amended and restated employment agreement with Ms. Golden, which took effect as of January 1, 2025 and expires on December 31, 2026 (the “Third Amended Golden Employment Agreement”).

Pursuant to the Third Amended Golden Employment Agreement, Ms. Golden is entitled to receive an annual base salary of \$550,000 (increased from \$500,000 previously in effect) and an annual bonus equal to 3% of our consolidated income from operations before taxes, exclusive of our consolidated net investment income (loss), net unrealized gains (losses) on equity securities and net realized gains (losses) on investments, up to a maximum of 1.25 times her base annual salary (the same as previously in effect). Pursuant to the Third Amended Golden Employment Agreement (and as was provided for in the Second Amended Golden Employment Agreement), in the event that Ms. Golden’s employment is terminated by us without cause or she resigns for good reason (each as defined in the Third Amended Golden Employment Agreement), Ms. Golden would be entitled to receive her base salary and the 3% bonus for the remainder of the term. Ms. Golden would be entitled, under certain circumstances, to a payment equal to 1.5 times her then annual salary and her accrued 3% bonus in the event of the termination of her employment following a change of control of our company (also as was provided for in the Second Amended Golden Employment Agreement). Pursuant to the Third Amended Golden Employment Agreement, Ms. Golden received a grant during January 2025 of 40,000 shares of restricted stock and will be entitled to receive, under certain circumstances, a grant, during January 2026, of 40,000 shares of restricted stock. The 2025 grant will become vested with respect to one-half of the award on the first anniversary of the grant date and one-half on December 31, 2026. The 2026 grant will become vested on the first anniversary of the grant date. The above grants are generally consistent with the grants provided for in the Second Amended Golden Employment Agreement. In the event that we are precluded from making a grant to Ms. Golden in 2026, she would instead be entitled to a cash bonus of \$136,500 for such year.

See “Termination of Employment and Change-in-Control Arrangements – Meryl S. Golden” below for a discussion of the provisions of the Third Amended Golden Employment Agreement with regard to payments due and the acceleration of stock awards in the event of the termination of Ms. Golden’s employment under certain circumstances and/or in the event of a change in control.

Employee Bonus Plan

Sara (Minlei) Chen

Pursuant to our Employee Bonus Plan, Ms. Chen, as a member of our senior leadership team ("SLT"), is eligible to receive a cash bonus and shares of restricted stock based upon the growth and underwriting profitability of our company.

Jennifer L. Gravelle

Pursuant to our Employee Bonus Plan, Ms. Gravelle, as a member of our SLT, is eligible to receive a cash bonus and shares of restricted stock based upon the growth and underwriting profitability of our company.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth certain information concerning exercisable and unexercisable stock options and unvested stock grants held by the above Named Executive Officers as of December 31, 2024:

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested
Meryl S. Golden	-	-	\$ -	-	74,085 (1)	\$ 1,125,351	\$ -	\$ -
Sarah (Minlei) Chen	-	10,000	\$ 2.25	1/5/29	(2)	\$ -	\$ -	\$ -
Jennifer L. Gravelle	-	10,000	\$ 2.25	1/5/29	9,690 (3)	\$ 147,191	\$ -	\$ -

- (1) Such shares vested to the extent of 64,085 shares on January 2, 2025 and 10,000 shares on January 3, 2025.
- (2) Excludes 10,935 shares of restricted stock granted on March 3, 2025 to Ms Chen under our 2024 Plan in consideration of services rendered during 2024. Such grant vested to the extent of one-third on March 3, 2025 and will vest to the extent of one-third on each of the first and second anniversaries of the date of grant.
- (3) Such shares vested to the extent of 4,845 shares on January 17, 2025, 4,845 shares on January 17, 2026. Excludes 8,787 shares of restricted stock granted on March 3, 2025 to Ms Gravelle under our 2024 Plan in consideration of services rendered during 2024. Such grant vested to the extent of one-third on March 3, 2025 and will vest to the extent of one-third on each of the first and second anniversaries of the date of grant.

Termination of Employment and Change-in-Control Arrangements

Meryl S. Golden

Pursuant to the Third Amended Golden Employment Agreement, in the event that Ms. Golden's employment is terminated by us without cause, or she resigns for good reason (each as defined in the Third Amended Golden Employment Agreement), Ms. Golden would be entitled to receive her annual base salary for the remainder of the term or for twelve months, whichever is later. In addition, pursuant to the 2014 Plan and the 2024 Plan, in the event of a termination of employment due to the death or disability of Ms. Golden, the stock grants scheduled to vest on the next vesting date following such event shall vest under certain circumstances notwithstanding such event. Further, in the event that Ms. Golden's employment is terminated by us without cause, or she resigns for good reason, Ms. Golden's granted but unvested restricted stock awards will vest.

Ms. Golden would be entitled to receive, under certain circumstances, a payment equal to 1.5 times her then annual base salary and her accrued bonus in the event of the termination of her employment within eighteen months following a change in control of our company. In addition, pursuant to the 2014 Plan and the 2024 Plan, Ms. Golden's outstanding restricted stock awards will vest in the event of a change of control of our company.

Sarah (Minlei) Chen

Pursuant to the 2014 Plan and the 2024 Plan, in the event of a termination of employment due to the death or disability of Ms. Chen, the stock grants scheduled to vest on the next vesting date following such event shall vest under certain circumstances notwithstanding such event. In addition, pursuant to the 2014 Plan and the 2024 Plan, Ms. Chen's outstanding restricted stock awards will vest in the event of a change of control of our company.

Jennifer L. Gravelle

Pursuant to the 2014 Plan and the 2024 Plan, in the event of a termination of employment due to the death or disability of Ms. Gravelle, the stock grants scheduled to vest on the next vesting date following such event shall vest under certain circumstances notwithstanding such event. In addition, pursuant to the 2014 Plan and the 2024 Plan, Ms. Gravelle's outstanding restricted stock awards will vest in the event of a change of control of our company.

Compensation of Directors

The following table sets forth certain information concerning the compensation of our non-employee directors for the fiscal year ended December 31, 2024:

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards	Total
Thomas Newgarden	\$ 65,000	\$ 29,042	\$ -	\$ 94,042
Timothy P. McFadden	\$ 65,000	\$ 53,000	\$ -	\$ 118,000
Floyd R. Tupper	\$ 75,000	\$ 53,000	\$ -	\$ 128,000
William L. Yankus	\$ 80,000	\$ 53,000	\$ -	\$ 133,000
Carla A. D'Andre	\$ 65,000	\$ 53,000	\$ -	\$ 118,000
Manmohan Singh	\$ 36,389	\$ 38,665	\$ -	\$ 75,054

(1) Amounts reflect the aggregate grant date fair value of grants made in the fiscal year computed in accordance with stock-based accounting rules (FASB ASC Topic 718-Stock Compensation), excluding the effect of estimated forfeitures. Assumptions used in the calculations of these amounts are included in Note 12 to our consolidated financial statements included in this Annual Report.

The aggregate number of unvested restricted stock awards outstanding as of fiscal year end for each non-employee director is as follows:

Name	Unvested Restricted Stock Awards (#)
Thomas Newgarden	6,114
Timothy P. McFadden	24,883
Floyd R. Tupper	24,883
William L. Yankus	24,883
Carla A. D'Andre	24,883
Manmohan Singh	8,728

Our non-employee directors are entitled to receive annual compensation for their services as directors as follows:

- \$50,000;

- an additional \$125,000 for service as Non-Executive Chairman of the Board, an additional \$25,000 for service as Audit Committee chair, an additional \$20,000 for service as Compensation and Finance Committee chair, an additional \$10,000 for service as Investment Committee chair, and an additional \$15,000 for service as chair of other committees; and
- \$53,000 of our common stock determined by the closing stock price on the first business day of the year, which vest on the first anniversary of the grant date.

Equity Award Grant Practices

The equity awards for Ms. Golden are set out in the Third Amended Golden Employment Agreement. Equity awards for the other Named Executive Officers are discretionary and are generally granted to them in February or March each year pursuant to our Employee Bonus Plan which provides for the grant of restricted common stock based upon our growth and underwriting profitability in the prior fiscal year. In certain circumstances, including the hiring or promotion of an officer, the Compensation and Finance Committee may approve grants to be effective at other times. The Compensation and Finance Committee did not take material nonpublic information into account when determining the timing and terms of equity awards in 2024, and we do not time the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.*Security Ownership*

The following table sets forth certain information as of March 12, 2025, regarding the beneficial ownership of our shares of common stock by (i) each person who we believe to be the beneficial owner of more than 5% of our outstanding shares of common stock, (ii) each present director, (iii) each Named Executive Officer and (iv) all of our present executive officers and directors as a group.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Approximate Percent of Class
Meryl S. Golden	207,747 (1)	1.5 %
Floyd R. Tupper	151,718 (2)	1.1 %
Timothy P. McFadden	103,382	*
Carla A. D'Andre	94,237 (3)	*
William L. Yankus	91,834	*
Thomas Newgarden	24,726	*
Manmohan Singh	8,728	*
Sarah (Minlei) Chen	15,384 (4)	*
Jennifer L. Gravelle	11,912 (4)	*
Barry B. Goldstein PO Box 450 Hewlett, NY 11557	918,780 (5)	6.7 %
All executive officers and directors as a group (9 persons)	709,668 (1)(2)(3)	5.2 %

* Less than 1%.

- (1) Includes 20,000 shares held in a retirement trust for the benefit of Ms. Golden. The inclusion of the shares owned by the retirement trust shall not be construed as an admission that Ms. Golden is, for purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of such shares.
- (2) Includes (i) 32,395 shares owned by Mr. Tupper's wife, (ii) 6,675 shares held in a retirement trust for the benefit of Mr. Tupper and (iii) 810 shares held in a retirement trust for the benefit of Mr. Tupper's wife. Mr. Tupper has sole voting and dispositive power over 118,513 shares of common stock and shared voting and dispositive power over 33,205 shares of common stock. The inclusion of the shares owned by Mr. Tupper's wife and the retirement trusts for the benefit of Mr. Tupper and his wife shall not be construed as an admission that Mr. Tupper is,

for purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of such shares.

- (3) Represents (i) 88,837 shares owned by a limited liability company controlled by Ms. D'Andre, (ii) 1,400 shares held in a retirement trust for the benefit of Ms. D'Andre and (iii) 4,000 shares owned by a limited liability company controlled by Ms. D'Andre's husband. The inclusion of the shares owned by the limited liability companies and the retirement trust shall not be construed as an admission that Ms. D'Andre is, for purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of such shares.
- (4) Includes 3,334 shares issuable upon the exercise of currently exercisable options.
- (5) The information regarding Mr. Goldstein is based solely on publicly available information filed with the SEC. Includes (i) 73,168 shares of common stock owned by Mr. Goldstein's wife and (ii) 15,000 shares held in a retirement trust for the benefit of Mr. Goldstein. Mr. Goldstein has sole voting and dispositive power over 845,612 shares of common stock and shared voting and dispositive power over 73,168 shares of common stock. The inclusion of the shares owned by Mr. Goldstein's wife and the retirement trust shall not be construed as an admission that Mr. Goldstein is, for purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of such shares.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2024, with respect to compensation plans (including individual compensation arrangements) under which our common stock is authorized for issuance, aggregated as follows:

- All compensation plans previously approved by security holders; and
- All compensation plans not previously approved by security holders.

EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	281,913	\$ 2.71	1,490,744 (1)
Equity compensation plans not approved by security holders	-	-	-
Total	281,913	\$ 2.71	1,490,744 (1)

- (1) Includes 267,586 shares reserved for issuance pursuant to unvested restricted stock grants.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.*Director Independence**Board of Directors*

Our Board of Directors is currently comprised of Meryl S. Golden, Thomas Newgarden, Floyd R. Tupper, William L. Yankus, Carla A. D'Andre, Timothy P. McFadden and Manmohan Singh. Our board of directors has determined that each of Messrs. Newgarden, Tupper, Yankus, McFadden and Singh and Ms. D'Andre is independent under applicable Nasdaq listing standards and federal securities rules and regulations.

Audit Committee

The members of our Board's Audit Committee currently are Messrs. Tupper (Chair), Newgarden, Yankus and McFadden, each of whom is independent under applicable Nasdaq listing standards and federal securities rules and regulations on independence of Audit Committee members.

Nominating and Corporate Governance Committee

The members of our Board's Nominating and Corporate Governance Committee currently are Ms. D'Andre (Chair) and Messrs. McFadden, Tupper and Singh, each of whom is independent under applicable Nasdaq listing standards and federal securities rules and regulations on independence.

Compensation and Finance Committee

The members of our Board's Compensation and Finance Committee currently are Messrs. Yankus (Chair), Newgarden, Tupper and Singh and Ms. D'Andre, each of whom is independent under applicable Nasdaq listing standards and federal securities rules and regulations on independence.

Related Party Transactions

Due to the infrequency of related party transactions, we have not formally adopted procedures for the review of, or standards for approval of, such transactions; however, our Board of Directors (or a designated committee thereof) will review related party transactions on a case-by-case basis.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following is a summary of the fees billed to us by Marcum LLP, our independent auditors, for professional services rendered for the fiscal years ended December 31, 2024 and 2023.

Fee Category	Fiscal 2024 Fees	Fiscal 2023 Fees
Audit Fees(1)	\$ 428,995	\$ 326,035
Tax Fees(2)	\$ -	\$ -
Audit-Related Fees(3)	\$ -	\$ -
All Other Fees(4)	\$ -	\$ -
	\$ 428,995	\$ 326,035

(1) Audit Fees consist of fees and expenses billed for services rendered for the audit of our consolidated financial statements and review of our condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q. Fees in 2024 also include services rendered in connection with the filing of Forms S-3 and S-8, comfort letter, and billings for services rendered with statutory audit filing of KICO. Fees in 2023 also include services rendered in connection with the filing of Form S-8, and responses in connection with a DFS examination of KICO and services rendered with statutory audit filing of KICO.

(2) Marcum did not provide any tax services during the fiscal year.

(3) Marcum did not provide any "Audit-Related" services during the fiscal year.

(4) Marcum did not provide any other services during the fiscal year.

The Audit Committee is responsible for the appointment, compensation and oversight of the work of the independent auditors and approves in advance any services to be performed by the independent auditors, whether audit-related or not. The Audit Committee reviews each proposed engagement to determine whether the provision of services is compatible with maintaining the independence of the independent auditors. Substantially all of the fees shown above were pre-approved by the Audit Committee.

PART IV**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**

Exhibit Number	Description of Exhibit
3(a)	Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3(a) to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2014, filed on May 15, 2014).
3(b)	By-laws, as amended (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 9, 2009).
4(a)	Note Exchange Agreement, dated as of August 30, 2024, between Kingstone Companies, Inc. and the several holders of Existing Notes party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 3, 2024).
4(b)	Form of 13.75% Note due 2026 issued by the Company representing \$14,950,000 aggregate principal amount of notes (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 3, 2024 (included as Exhibit 1 to the Note Exchange Agreement filed as Exhibit 10.1 thereto)).
4(c)	Form of Warrant Certificate issued by the Company for the purchase of an aggregate of 969,525 shares of common stock (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 12, 2022 (included as Exhibit 2 to the Note and Warrant Exchange Agreement filed as Exhibit 10.1 thereto)).
4(d)	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934.*
10(a)	Amended and Restated 2014 Equity Participation Plan (incorporated by reference to Exhibit 10(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed on April 1, 2024).
10(b)	2024 Equity Participation Plan.*
10(h)	Third Amended and Restated Employment Agreement, dated as of April 15, 2024, by and between Kingstone Companies, Inc. and Meryl S. Golden (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 17, 2024).
10(i)	Sales Agreement, dated as of May 24, 2024, by and between Kingstone Companies, Inc. and Janney Montgomery Scott LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed on May 24, 2024).
10(j)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and Floyd R. Tupper.*
10(k)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and Carla D'Andre.*
10(l)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and William L. Yankus.*

10(m)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and Timothy P. McFadden.*
10(n)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and Meryl S. Golden.*
10(o)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and Thomas Newgarden.*
10(p)	Stock Grant Agreement, dated as of January 2, 2025, between Kingstone Companies, Inc. and Manmohan Singh.*
10(q)	Stock Grant Agreement, dated as of March 3, 2025, between Kingstone Companies, Inc. and Sarah (Minlei) Chen.*
10(r)	Stock Grant Agreement, dated as of March 3, 2025, between Kingstone Companies, Inc. and Jennifer L. Gravelle.*
10(s)	2025 Employee Bonus Plan #
10(t)	Contract of Sale, dated February 5, 2025, between 15 Joys Lane, LLC and The County of Ulster (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 7, 2025).
19	Kingstone Companies, Inc. Insider Trading Policy.*
21	Subsidiaries (incorporated by reference to Exhibit 21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 16, 2017).
23	Consent of Marcum LLP.*
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
97	Clawback Policy (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed on April 1, 2024).
101.INS	XBRL Instance Document.*
101.SCH	101.SCH XBRL Taxonomy Extension Schema.*
101.CAL	101.CAL XBRL Taxonomy Extension Calculation Linkbase.*

101.DEF 101.DEF XBRL Taxonomy Extension Definition Linkbase.*

101.LAB 101.LAB XBRL Taxonomy Extension Label Linkbase.*

101.PRE 101.PRE XBRL Taxonomy Extension Presentation Linkbase.*

*Filed herewith

**Furnished herewith

Portions of the exhibit (indicated by asterisks) have been omitted pursuant to Item 601 (b)(10)(iv) of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KINGSTONE COMPANIES, INC.

Dated: March 18, 2025

By: /s/ Meryl S. Golden
Meryl S. Golden
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Meryl S. Golden</u> Meryl S. Golden	Chief Executive Officer, President and Director (Principal Executive Officer)	March 18, 2025
<u>/s/ Thomas Newgarden</u> Thomas Newgarden	Non-Executive Chairman of the Board and Director	March 18, 2025
<u>/s/ Jennifer L. Gravelle</u> Jennifer L. Gravelle	Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	March 18, 2025
<u>/s/ Victor Brodsky</u> Victor Brodsky	Chief Accounting Officer (Principal Accounting Officer)	March 18, 2025
<u>/s/ Floyd R. Tupper</u> Floyd R. Tupper	Secretary and Director	March 18, 2025
<u>/s/ Timothy P. McFadden</u> Timothy P. McFadden	Director (Lead Independent Director)	March 18, 2025
<u>/s/ William L. Yankus</u> William L. Yankus	Director	March 18, 2025
<u>/s/ Carla A. D'Andre</u> Carla A. D'Andre	Director	March 18, 2025
<u>/s/ Manmohan Singh</u> Manmohan Singh	Director	March 18, 2025

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Kingstone Companies, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kingstone Companies, Inc. and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income (loss), stockholders’ equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the Estimate of Loss and Loss Adjustment Expense (“LAE”) Reserves

As discussed in Notes 2 and 11 to the financial statements, the loss and LAE reserves represent the Company’s estimate of the ultimate liability for unpaid losses. These reserves are based on facts and circumstances then known and include provisions for claims that have been reported and claims that have been incurred but not reported (“IBNR”). The projection of future claim payments and reporting is based on analyses of the Company’s historical experience, supplemented by analyses of industry loss data. At December 31, 2024, the Company’s loss and LAE reserves balance was approximately \$126.2 million.

The principal considerations that led us to conclude the estimate of loss and LAE reserves was a critical audit matter include the significance of the reserves to the Company’s financial statements, the inherent judgment necessary to estimate the reserves, and the degree of variability involved in determining the estimate. Therefore, we determined that the liability for loss and LAE reserves was a critical audit matter, which required significant auditor judgment and specialized skill and knowledge including the involvement of actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

The primary procedures we performed to address the Company's loss and LAE reserves included, but were not limited to, testing the Company's reserving process, including the actuarial analyses and the determination of the Company's estimate of the loss and LAE reserves as follows:

- Utilizing consulting actuarial professionals with specialized skills and knowledge to analyze the appropriateness of the methodologies utilized by the Company to estimate reserves and to determine the reasonableness of the gross and net loss and LAE reserves recorded by the Company as of December 31, 2024.
- Analyzing the consistency of the Company's recorded reserves relative to the actuarial central estimates of the reserve range determined by the Company's independent actuarial firm at December 31, 2024 in comparison to December 31, 2023.
- Performing hindsight analysis to determine the completeness and accuracy of reserves recorded in the prior year and performing analytical procedures on current year reserves.
- Analyzing the 2024 quarterly actuarial reports prepared by the Company's Chief Actuary.
- Testing a sample of claims, including the establishment of individual case reserves and the settlement and payment.
- Verifying the accuracy and completeness of the underlying data, including historical claims data, provided to the independent actuarial firm engaged by the Company for the purpose of preparing the actuarial analysis at December 31, 2024.

/s/ Marcum LLP
We have served as the Company's auditor since 2012.

Marcum LLP
Hartford, CT
March 18, 2025

PCAOB ID Number 688

Consolidated Balance Sheets

	December 31, 2024	December 31, 2023
Assets		
Fixed-maturity securities, held-to-maturity, at amortized cost (fair value of \$5,959,265 at December 31, 2024 and \$6,106,148 at December 31, 2023)	\$ 7,047,342	\$ 7,052,541
Fixed-maturity securities, available-for-sale, at fair value (amortized cost of \$202,308,158 at December 31, 2024 and \$164,460,942 at December 31, 2023)	186,893,438	148,920,797
Equity securities, at fair value (cost of \$13,527,554 at December 31, 2024 and \$17,986,783 at December 31, 2023)	10,296,505	14,762,340
Other investments	4,380,656	3,897,150
Total investments	208,617,941	174,632,828
Cash and cash equivalents	28,669,441	8,976,998
Premiums receivable, net of allowance for credit losses of \$402,290 at December 31, 2024 and \$268,617 at December 31, 2023	21,766,988	13,604,808
Reinsurance receivables, net	69,322,436	75,593,912
Deferred policy acquisition costs	24,732,371	19,802,564
Intangible assets	500,000	500,000
Property and equipment, net	9,283,970	9,395,697
Deferred income taxes, net	5,597,920	10,551,819
Other assets	6,424,776	4,574,584
Total assets	\$ 374,915,843	\$ 317,633,210
Liabilities		
Loss and loss adjustment expense reserves	\$ 126,210,428	\$ 121,817,862
Unearned premiums	134,701,733	105,621,538
Advance premiums	3,503,063	3,797,590
Reinsurance balances payable	10,509,121	12,837,140
Deferred ceding commission revenue	11,541,239	9,460,865
Accounts payable, accrued expenses and other liabilities	10,570,388	4,350,546
Debt, net (Current \$6,849,257 and long-term \$4,322,163 at December 31, 2024 and current \$19,580,109 and long-term \$5,663,421 at December 31, 2023)	11,171,420	25,243,530
Total liabilities	308,207,392	283,129,071
Commitments and Contingencies (Note 17)		
Stockholders' Equity		
Preferred stock, \$0.01 par value; authorized 2,500,000 shares	-	-
Common stock, \$0.01 par value; authorized 20,000,000 shares; issued 14,448,205 shares at December 31, 2024 and 12,248,313 shares at December 31, 2023; outstanding 12,924,080 shares at December 31, 2024 and 10,776,907 shares at December 31, 2023	144,482	122,483
Capital in excess of par	89,063,326	75,338,010
Accumulated other comprehensive loss	(12,175,476)	(12,274,563)
Accumulated deficit	(4,755,874)	(23,114,310)
	72,276,458	40,071,620
Treasury stock, at cost, 1,524,125 shares at December 31, 2024 and 1,471,406 shares at December 31, 2023	(5,568,007)	(5,567,481)
Total stockholders' equity	66,708,451	34,504,139
Total liabilities and stockholders' equity	\$ 374,915,843	\$ 317,633,210

See accompanying notes to these consolidated financial statements.

Consolidated Statements of Operations and Comprehensive Income (Loss)

<i>Years ended December 31,</i>	2024	2023
Revenues		
Net premiums earned	\$ 128,497,920	\$ 114,384,263
Ceding commission revenue	18,837,946	21,053,494
Net investment income	6,823,590	6,008,682
Net gains on investments	414,551	2,134,554
Other income	568,096	609,721
Total revenues	<u>155,142,103</u>	<u>144,190,714</u>
Expenses		
Loss and loss adjustment expenses	62,634,716	82,849,210
Commission expense	33,929,333	33,364,629
Other underwriting expenses	25,692,727	25,909,962
Other operating expenses	3,634,583	2,456,473
Depreciation and amortization	2,448,932	2,973,440
Interest expense	3,513,655	4,002,531
Total expenses	<u>131,853,946</u>	<u>151,556,245</u>
Income (loss) from operations before taxes	23,288,157	(7,365,531)
Income tax expense (benefit)	4,929,721	(1,197,185)
Net income (loss)	<u>18,358,436</u>	<u>(6,168,346)</u>
Other comprehensive income, net of tax		
Gross decrease in unrealized losses on available-for-sale-securities	111,446	4,644,308
Reclassification adjustment for losses included in net income (loss)	13,979	18,811
Net decrease in unrealized losses	<u>125,425</u>	<u>4,663,119</u>
Income tax expense related to items of other comprehensive income	(26,338)	(979,254)
Other comprehensive income, net of tax	<u>99,087</u>	<u>3,683,865</u>
Comprehensive income (loss)	<u>\$ 18,457,523</u>	<u>\$ (2,484,481)</u>
Earnings (loss) per common share:		
Basic	<u>\$ 1.60</u>	<u>\$ (0.57)</u>
Diluted	<u>\$ 1.48</u>	<u>\$ (0.57)</u>
Weighted average common shares outstanding		
Basic	<u>11,478,899</u>	<u>10,756,487</u>
Diluted	<u>12,423,769</u>	<u>10,756,487</u>
Dividends declared and paid per common share	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to these consolidated financial statements.

Consolidated Statements of Stockholders' Equity

Years ended December 31, 2024 and 2023

	Preferred Stock		Common Stock		Capital in Excess of Par	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock		Total
	Shares	Amount	Shares	Amount				Shares	Amount	
Balance, January 1, 2023	\$ —	\$ —	12,171,512	\$ 121,715	\$ 74,519,590	\$ (15,958,428)	\$ (16,945,964)	1,471,406	\$ (5,567,481)	\$ 36,169,432
Stock-based compensation	—	—	—	—	832,597	—	—	—	—	832,597
Vesting of restricted stock awards	—	—	82,865	828	(828)	—	—	—	—	—
Shares deducted from restricted stock	—	—	—	—	—	—	—	—	—	—
awards for payment of withholding taxes	—	—	(6,064)	(60)	(13,349)	—	—	—	—	(13,409)
Net loss	—	—	—	—	—	—	(6,168,346)	—	—	(6,168,346)
Decrease in unrealized losses on available-	—	—	—	—	—	—	—	—	—	—
for-sale securities, net of tax	—	—	—	—	—	3,683,865	—	—	—	3,683,865
Balance, December 31, 2023	—	—	12,248,313	122,483	75,338,010	(12,274,563)	(23,114,310)	1,471,406	(5,567,481)	34,504,139
Stock-based compensation	—	—	—	—	1,382,912	—	—	—	—	1,382,912
Vesting of restricted stock awards	—	—	518,405	5,184	(5,184)	—	—	—	—	—
Exercise of stock options	—	—	71,997	721	63,516	—	—	52,719	(526)	63,711
Issuance of common stock, net of offering costs of \$427,179	—	—	1,437,287	14,370	13,596,437	—	—	—	—	13,610,807
Exercise of warrants	—	—	304,413	3,045	(3,045)	—	—	—	—	—
Shares deducted from restricted stock	—	—	—	—	—	—	—	—	—	—
awards for payment of withholding taxes	—	—	(132,210)	(1,321)	(1,309,320)	—	—	—	—	(1,310,641)
Net income	—	—	—	—	—	—	18,358,436	—	—	18,358,436
Decrease in unrealized losses on available-	—	—	—	—	—	99,087	—	—	—	99,087
for-sale securities, net of tax	—	—	—	—	—	—	—	—	—	—
Balance, December 31, 2024	—	\$ —	14,448,205	\$ 144,482	\$ 89,063,326	\$ (12,175,476)	\$ (4,755,874)	1,524,125	\$ (5,568,007)	\$ 66,708,451

See accompanying notes to these consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31,

	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ 18,358,436	\$ (6,168,346)
Adjustments to reconcile net income (loss) to net cash flows		
used in operating activities:		
Net realized losses on investments	62,349	18,811
Net unrealized losses (gains) on equity investments	6,606	(1,027,867)
Net unrealized gains on other investments	(483,506)	(1,125,498)
Depreciation and amortization	2,448,932	2,973,440
Bad debt expense	115,470	75,215
Accretion of bond discount, net	(520,901)	(36,712)
Amortization of discount and issuance costs on debt	989,101	1,187,678
Loss on extinguishment of debt	296,553	-
Stock-based compensation	1,382,912	832,597
Deferred income tax expense (benefit)	4,927,561	(1,199,915)
Decrease (increase) in operating assets:		
Premiums receivable, net	(8,277,650)	200,481
Reinsurance receivables, net	6,271,476	(9,128,851)
Deferred policy acquisition costs	(4,929,807)	4,016,889
Other assets	(1,850,192)	(825,737)
Increase (decrease) in operating liabilities:		
Loss and loss adjustment expense reserves	4,392,566	3,478,349
Unearned premiums	29,080,195	(1,871,239)
Advance premiums	(294,527)	958,562
Reinsurance balances payable	(2,328,019)	(224,826)
Deferred ceding commission revenue	2,080,374	(1,158,704)
Accounts payable, accrued expenses and other liabilities	6,219,842	(2,301,177)
Net cash flows provided by (used in) operating activities	57,947,771	(11,326,850)
Cash flows from investing activities:		
Purchase - fixed-maturity securities available-for-sale	(165,000,894)	(51,496,673)
Redemption - fixed-maturity securities held-to-maturity	-	750,000
Sale and maturity - fixed-maturity securities available-for-sale	127,665,799	61,935,658
Sale - equity securities	4,410,859	99,917
Acquisition of property and equipment	(2,337,205)	(1,827,202)
Net cash flows (used in) provided by investing activities	(35,261,441)	9,461,700
Cash flows from financing activities:		
Principal payments on equipment financing	(1,153,862)	(1,088,372)
Principal payment on 2022 Notes	(5,000,000)	-
Principal payment on 2024 Notes	(9,000,000)	-
Issue costs on 2024 and 2022 Notes	(203,902)	(14,299)
Proceeds from exercise of stock options	63,711	-
Withholding taxes paid on vested restricted stock awards	(1,310,641)	(13,409)
Net proceeds from issuance of common stock	13,610,807	-
Net cash flows used in financing activities	(2,993,887)	(1,116,080)
Increase (decrease) in cash and cash equivalents	\$ 19,692,443	\$ (2,981,230)

See accompanying notes to these consolidated financial statements.

Consolidated Statements of Cash Flows (Continued)

<i>Years ended December 31,</i>	2024	2023
Increase (decrease) in cash and cash equivalents	\$ 19,692,443	\$ (2,981,230)
Cash and cash equivalents, beginning of period	8,976,998	11,958,228
Cash and cash equivalents, end of period	\$ 28,669,441	\$ 8,976,998
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ 2,524,555	\$ 2,927,905
Supplemental schedule of non-cash investing and financing activities:		
Other comprehensive income, net of tax	\$ 99,087	\$ 3,683,865

See accompanying notes to these consolidated financial statements.

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

Note 1 - Nature of Business

Kingstone Companies, Inc. (referred to herein as "Kingstone" or the "Company" or, on a standalone basis for the parent company only, the "Holding Company"), operates through its wholly-owned subsidiary, Kingstone Insurance Company ("KICO"). KICO is a New York domiciled carrier writing business through retail and wholesale agents and brokers. KICO is actively writing personal lines and commercial auto insurance in New York, and in 2024 was the 12th largest writer of homeowners insurance in New York. KICO is also licensed in the states of New Jersey, Rhode Island, Massachusetts, Connecticut, Pennsylvania, New Hampshire, and Maine. For the years ended December 31, 2024 and 2023, 96.0% and 88.3%, respectively, of KICO's direct written premiums came from the New York policies. Kingstone, through its wholly owned subsidiary, Cosi Agency, Inc. ("Cosi"), a multi-state licensed general agency, receives commission revenue from KICO for the policies it places with others and pays commissions to these agencies.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of Kingstone and its wholly owned subsidiaries: (1) KICO and its wholly owned subsidiaries, CMIC Properties, Inc. and 15 Joys Lane, LLC, which together own the land and building from which KICO operates (see Note 20 - Subsequent Events), and (2) Cosi. All significant inter-company account balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions, and includes the reserves for losses and LAE, which are subject to estimation errors due to the inherent uncertainty in projecting ultimate claim amounts that will be reported and settled over a period of many years. In addition, estimates and assumptions associated with receivables under reinsurance contracts related to contingent ceding commission revenue require judgments by management. On an ongoing basis, management reevaluates its assumptions and the methods for calculating these estimates. Actual results may differ significantly from the estimates used in preparing the consolidated financial statements.

Revenue Recognition

Net Premiums Earned

Insurance policies issued by the Company are short-duration contracts. Accordingly, premium revenues, net of premiums ceded to reinsurers, are recognized as earned in proportion to the amount of insurance protection provided, on a pro-rata basis over the terms of the underlying policies. Unearned premiums represent premiums applicable to the unexpired portions of in-force insurance contracts at the end of each year.

Ceding Commission Revenue

Commissions on reinsurance premiums ceded are earned in a manner consistent with the recognition of the costs of the reinsurance, generally on a pro-rata basis over the terms of the policies reinsured. Unearned amounts are recorded as deferred ceding commission revenue. Certain reinsurance agreements contain provisions whereby the ceding commission rates vary based on the loss experience under the agreements. The Company records ceding commission revenue based on its current estimate of subject losses. The Company records adjustments to ceding commission revenue in the period that changes in the estimated losses are determined.

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
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Loss and Loss Adjustment Expenses ("LAE") Reserves

The liability for loss and LAE represents management's best estimate of the ultimate cost of all reported and unreported losses that are unpaid as of the balance sheet date. The liability for loss and LAE is estimated on an undiscounted basis, using individual case-basis valuations, statistical analyses and various actuarial reserving methodologies. The projection of future claim payment and reporting is based on an analysis of the Company's historical experience, supplemented by analyses of industry loss data. Management believes that the reserves for loss and LAE are adequate to cover the ultimate cost of losses and claims to date; however, because of the uncertainty from various sources, including changes in reporting patterns, claims settlement patterns, judicial decisions, legislation, and economic conditions, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability at the balance sheet date. Adjustments to these estimates are reflected in expense for the period in which the estimates are changed. Because of the nature of the business historically written, management believes that the Company has limited exposure to environmental claim liabilities.

Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results. This is done by reinsuring certain levels of risk in various areas of exposure with a panel of financially secure reinsurance carriers.

Reinsurance receivables represents management's best estimate of paid and unpaid loss and LAE recoverable from reinsurers, and ceded losses receivable and unearned ceded premiums under reinsurance agreements. Ceded losses receivable are estimated using techniques and assumptions consistent with those used in estimating the liability for loss and LAE. Management believes that reinsurance receivables as recorded represent its best estimate of such amounts; however, as changes in the estimated ultimate liability for loss and LAE are determined, the estimated ultimate amount receivable from the reinsurers will also change. Accordingly, the ultimate receivable could be significantly in excess of or less than the amount recorded in the consolidated financial statements. Adjustments to these estimates are reflected in the period in which the estimates are changed. Loss and LAE incurred as presented in the consolidated statements of operations and comprehensive income (loss) are net of reinsurance recoveries.

Management has evaluated its reinsurance arrangements and determined that significant insurance risk is transferred to the reinsurers. Reinsurance agreements have been determined to be short-duration prospective contracts and, accordingly, the costs of the reinsurance are recognized over the remaining contract period in proportion to the reinsurance protection provided, or recorded periodically, as per the terms of the contract, in a direct relationship to the gross premium recording.

Management estimates uncollectible amounts receivable from reinsurers based on an assessment of factors including the creditworthiness of the reinsurers and the adequacy of collateral obtained, where applicable. There was no allowance for uncollectible reinsurance as of December 31, 2024 and 2023. The Company did not expense any uncollectible reinsurance for the years ended December 31, 2024 and 2023. Significant uncertainties are inherent in the assessment of the creditworthiness of reinsurers and estimates of any uncollectible amounts due from reinsurers. Any change in the ability of the Company's reinsurers to meet their contractual obligations could have a material adverse effect on the consolidated financial statements as well as KICO's ability to meet its regulatory capital and surplus requirements.

The Company presents its net reinsurance receivables separately from its reinsurance balances payable in accordance with Accounting Standards Update ("ASU") 2011-11, Balance Sheet (Topic 210). Additionally, prepaid premiums for excess of loss and catastrophe reinsurance treaties are presented net in reinsurance balances payable as a reduction to reinsurance premiums payable as they meet the net accounting criteria of Topic 210. The Company has entered into reinsurance agreements wherein the right of offset exists in accordance with Accounting Standards Codification (ASC) 210-20.

Credit Losses

The Company accounts for credit losses on receivables and held-to-maturity securities in accordance with ASC 326.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company maintains its cash balances at several financial institutions.

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Investments

The Company classifies its fixed-maturity securities as either held-to-maturity or available-for-sale. Fixed-maturity securities that the Company has the specific intent and ability to hold until maturity are classified as such and carried at amortized cost. Available-for-sale securities are reported at their estimated fair values based on quoted market prices from recognized pricing services, adjusted for an allowance for expected credit losses, with unrealized gains and losses, net of tax effects, reported as a separate component of accumulated other comprehensive loss. Realized gains and losses are determined on the specific identification method and reported in net income (loss) in the consolidated statements of operations and comprehensive income (loss).

Equity securities are reported at their estimated fair values based on quoted market prices from recognized pricing services, with unrealized gains and losses reported in net gains (losses) on investments in the consolidated statements of operations and comprehensive income (loss). Other investments are reported at their estimated fair values using the net asset value ("NAV") per share (or its equivalent) of the instrument with unrealized gains and losses reported in net gains (losses) on investments in the consolidated statements of operations and comprehensive income (loss). See Note - 3, Investments for additional discussion.

The Company reviews all debt securities with unrealized losses on a quarterly basis to assess whether the decline in the securities' fair value necessitates the recognition of an allowance for credit losses. Factors considered in the review include the extent to which the fair value has been less than amortized cost, current market interest rates and whether the unrealized loss is credit-driven or a result of changes in market interest rates. The Company also considers factors specific to the issuer including the general financial condition of the issuer, the issuers' industry and future business prospects, any past failure of the issuer to make scheduled interest or principal payments, the payment structure of the investment and the issuers' ability to make contractual payments on the investment.

The Company may sell its available-for-sale securities, equity securities, and other investments in response to changes in interest rates, risk/reward characteristics, liquidity needs or other factors. Investment income is accrued to the balance sheet dates of the consolidated financial statements and includes amortization of premium and accretion of discount on fixed-maturity securities. Interest is recognized when earned, while dividends are recognized when declared. Due and accrued investment income totaled approximately \$1,697,000 and \$1,262,000 as of December 31, 2024 and 2023, respectively, and is included in other assets on the accompanying consolidated balance sheets.

For fixed-maturity securities where a decline in fair value is below the amortized cost basis and the Company intends to sell the security, or it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost, a credit-loss charge is recognized in net loss based on the fair value of the security at the time of assessment.

For available-for-sale fixed maturity securities, a credit loss exists if the present value of cash flows expected to be collected is less than the amortized cost basis. The allowance for credit loss related to available-for-sale fixed maturity securities is the difference between the present value of cash flows expected to be collected and the amortized cost basis, limited by the amount that the fair value is less than the amortized cost basis. The Company considers all available evidence when determining whether an investment requires a credit loss write-down or allowance to be recorded, which is recognized in net loss through an allowance for credit losses. Any remaining decline in fair value represents the noncredit portion of the impairment, which is recognized in other comprehensive income, net of tax.

The Company has made a policy election to present accrued interest balances separately from the amortized cost basis of assets and has elected the practical expedient to exclude the accrued interest from the tabular disclosures for available-for-sale and held-to-maturity securities. The Company has elected not to estimate an allowance for credit losses on accrued interest receivable. The accrual of interest income is discontinued, and the asset is placed on nonaccrual status in the quarter that payment becomes delinquent. Interest accrued but not received for assets on nonaccrual status is reversed through investment income. Interest received for assets that are on nonaccrual status is recognized as payment is received. The asset is returned to accrual status when the principal and interest amounts contractually due are brought current and future payments are expected.

The Company did not identify any available-for-sale securities as of December 31, 2024 and 2023 which presented a risk of loss due to credit deterioration of the security.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Premiums Receivable

Premiums receivable include balances due currently or in the future and are presented net of an allowance for credit losses of approximately \$402,000 and \$269,000 as of December 31, 2024 and 2023, respectively. The allowance for credit losses is based on an analysis of amounts receivable giving consideration to historical loss experience and current economic conditions and reflects an amount that, in management's judgment, is adequate. Uncollectible premiums receivable balances of approximately \$115,000 and \$75,000 were written off for the years ended December 31, 2024 and 2023, respectively. The Company evaluates cancellations after the balance sheet date and has determined that the cancellations are not material; therefore no additional cancellation reserve was recognized as of December 31, 2024 and 2023.

Deferred Policy Acquisition Costs

Policy acquisition costs represent the costs of writing business that vary with, and are primarily related to, the successful production of insurance business (principally commissions, premium taxes and certain underwriting salaries). Policy acquisition costs are deferred and recognized as expense as the related premiums are earned.

Intangible Assets

The Company has recorded acquired identifiable intangible assets. The cost of a group of assets acquired in a transaction is allocated to the individual assets including identifiable intangible assets based on their fair values. Identifiable intangible assets with a finite useful life are amortized over the period that the asset is expected to contribute directly or indirectly to the future cash flows of the Company. Intangible assets with an indefinite life are not amortized, but are subject to impairment testing if events or changes in circumstances indicate that it is more likely than not the asset is impaired. All identifiable intangible assets are tested for recoverability whenever events or changes in circumstances indicate that a carrying amount may not be recoverable. No impairment losses from intangible assets were recognized for the years ended December 31, 2024 and 2023.

Property and Equipment

Building and building improvements, automobiles, furniture, computer equipment, and computer software are reported at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The Company estimates the useful life for computer equipment, automobiles, furniture and other equipment is three years, computer software is three to five years, and building and building improvements is 39 years.

The Company reviews its real estate assets used as its headquarters to evaluate the necessity of recording impairment losses for market changes due to declines in the estimated fair value of the property. In evaluating potential impairment, management considers the current estimated fair value compared to the carrying value of the asset. At December 31, 2024 and 2023, the fair value of the real estate assets is estimated to be in excess of the carrying value. See Note 20 - Subsequent Events.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income (loss) in the period that includes the enactment date. The Company files a consolidated tax return with its subsidiaries. At December 31, 2024 and 2023, the Company had no material unrecognized tax benefits and no adjustments to liabilities or operations were required.

Concentration, Credit Risk and Market Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, investments, and premium and reinsurance receivables. At times, cash may be uninsured or in deposit accounts that exceed Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company has not experienced any losses on such accounts and management believes the Company is not exposed to any significant credit risk.

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
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Stressed conditions, volatility and disruptions in capital markets or financial asset classes can have an adverse effect on the Company, in part because the Company has a large investment portfolio supporting the Company's insurance liabilities, which are sensitive to changing market factors. These market factors, which include interest rates, credit spread, equity prices, and the volatility and strength of the capital markets, all affect the business and economic environment and, ultimately, the profitability of the Company's business. The Company manages its investments to limit credit and other market risks by diversifying its portfolio among various security types and industry sectors based on KICO's investment committee guidelines, which employ a variety of investment strategies.

As of December 31, 2024 and 2023, the Company's cash equivalents were as follows:

	December 31, 2024	December 31, 2023
Collateralized bank repurchase agreement (1)	\$ 788,833	\$ 899,646
Money market funds	1,676,626	2,430,317
Total	\$ 2,465,459	\$ 3,329,963

(1) The Company has a security interest in certain of the bank's holdings of direct obligations of the United States or one or more agencies thereof. The collateral is held in a hold-in-custody arrangement with a third party who maintains physical possession of the collateral on behalf of the bank.

At December 31, 2024, the outstanding premiums receivable balance is generally diversified due to the large number of individual insureds comprising the Company's customer base. For the years ended December 31, 2024 and 2023, 96.0% and 88.3%, respectively, of KICO's direct written premiums came from policies written in the state of New York policies.

The Company also has receivables from its reinsurers. Reinsurance contracts do not relieve the Company of its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company periodically evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. See Note 7- Reinsurance for reinsurance recoverables on unpaid and paid losses by reinsurer. Management's policy is to review all outstanding receivables quarterly as well as the bad debt write-offs experienced in the past and establish an allowance for credit losses, if deemed necessary.

Direct premiums earned from lines of business in excess of 10% of the total subject the Company to concentration risk for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,	
	2024	2023
Personal Lines	93.1 %	93.1 %
Premiums earned not subject to concentration	6.9 %	6.9 %
Total premiums earned	100.0 %	100.0 %

(1) For the years ended December 31, 2024 and 2023, premiums earned not subject to concentration are comprised primarily of one line of business.

Earnings (Loss) per share

Basic earnings (loss) per common share is computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares outstanding. Diluted earnings (loss) per common share reflects, in periods in which they have a dilutive effect, the impact of common shares issuable upon the exercise of stock options and warrants as well as non-vested restricted stock awards. The computation of diluted earnings (loss) per share excludes those options and warrants with an exercise price in excess of the average market price of the Company's common shares during the periods

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
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presented. Additionally, the computation of diluted earnings (loss) per share excludes unvested restricted stock awards as calculated using the treasury stock method.

Advertising Costs

Advertising costs are charged to operations as incurred. Advertising costs are included in other underwriting expenses in the accompanying consolidated statements of operations and comprehensive income (loss) and were approximately \$100,000 and \$86,000 for the years ended December 31, 2024 and 2023, respectively.

Stock-based Compensation

Stock-based compensation expense in 2024 and 2023 is the estimated fair value of restricted stock awards and options granted, amortized on a straight-line basis over the requisite service period for the entire portion of the award less an estimate for anticipated forfeitures. The Company uses the "simplified" method to estimate the expected term of the options because the Company's historical share option exercise experience does not provide a reasonable basis upon which to estimate expected term.

Warrants

The Company's outstanding issued warrants are accounted for as equity in accordance with ASC 480-10, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. The Company's warrants are accounted for at fair value on the issuance date.

Compensated Absences

Employees of the Company are entitled to paid vacations, sick days, and other time off depending on job classification, length of service and other factors. The Company has determined it is impracticable to estimate the amount of compensation of future absences and, accordingly, no liability has been recorded in the accompanying consolidated financial statements. The Company's policy is to recognize the cost of compensated absences when paid to employees.

Leases

The Company records operating leases in accordance with ASU 2016-02 – Leases (Topic 842) ("ASU 2016-02"). Under ASU 2016-02, the Company recognizes a right-of-use-asset and corresponding liability on the balance sheet for all leases, except for leases covering a period of fewer than 12 months. The liability has been measured at the present value of the future minimum lease payments taking into account renewal options if applicable plus initial incremental direct costs such as commissions. The minimum payments are discounted using the Company's incremental borrowing rate. The right-of-use asset is amortized as rent expense on a straight-line basis (See Note 17 - Commitments and Contingencies - Office Leases).

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of revenues, expenses, gains and losses that are included in comprehensive income (loss) but are excluded from net income (loss) as these amounts are recorded directly as an adjustment to stockholders' equity, and result primarily from changes in unrealized gains and losses on available-for-sale securities, net of the related income taxes.

Accounting Changes

In November 2023, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which introduces improvements to the information that a public entity discloses about its reportable segments and addresses investor requests for more information about reportable segment expenses. ASU 2023-07 does not change the current guidance related to the identification of operating segments, the determination of reportable segments, or the aggregation criteria. Rather, the new guidance introduces additional disclosure requirements and expands those requirements to entities with a single reportable segment, not just entities with multiple reportable segments. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company retrospectively adopted ASU 2023-07.

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effective December 31, 2024, and has added the required disclosures for entities with a single reportable segment for the years ended December 31, 2024 and December 31, 2023. See Note 19 - Segment Reporting.

Recent Accounting Pronouncements

In December 31, 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. ASU-2023-09 is effective for public companies with annual periods beginning after December 15, 2024, with early adoption permitted. The adoption of ASU-2023-09 is required to be adopted on a prospective basis, although retrospective application is also permitted. The Company is currently evaluating the impact of ASU 2023-09 on its disclosures and method of adopting.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses ("ASU 2024-03"). ASU 2024-03 requires disaggregated disclosure of income statement expenses. ASU 2024-03 does not change the expense captions currently presented on the income statement, rather it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 is effective for annual reporting periods as amended by ASU2025-01, beginning after December 15, 2026, and interim reporting periods within fiscal years beginning after December 15, 2027. ASU 2024-03 can be applied on a prospective basis; however, retrospective application is permitted. Early adoption is permitted. As ASU 2024-03 only requires additional disclosure, it will not have a material impact on the Company's financial condition and results of operations.

The Company has determined that all other recently issued accounting pronouncements will not have a material impact on its consolidated financial position, results of operations and cash flows, or do not apply to its operations.

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Note 3 - Investments

Fixed-Maturity Securities

The amortized cost, estimated fair value, and unrealized gains and losses on investments in fixed-maturity securities classified as available-for-sale as of December 31, 2024 and 2023 are summarized as follows:

Category	December 31, 2024					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	Net Unrealized Losses
			Less than 12 Months	More than 12 Months		
Fixed-Maturity Securities:						
U.S. Treasury securities and obligations of U.S. government corporations and agencies (1)	\$ —	\$ —	\$ —	\$ -	\$ —	\$ —
Political subdivisions of States, Territories and Possessions (1)	24,271,177	-	(73,589)	(3,324,491)	20,873,097	(3,398,080)
Corporate and other bonds Industrial and miscellaneous (1)	112,507,436	-	(1,024,461)	(4,690,597)	106,792,378	(5,715,058)
Residential mortgage and other asset backed securities (1) (2)	65,529,545	119,647	(209,890)	(6,211,339)	59,227,963	(6,301,582)
Total fixed-maturity securities	<u>\$ 202,308,158</u>	<u>\$ 119,647</u>	<u>\$ (1,307,940)</u>	<u>\$ (14,226,427)</u>	<u>\$ 186,893,438</u>	<u>\$ (15,414,720)</u>

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Category	December 31, 2023					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	Net Unrealized Losses
			Less than 12 Months	More than 12 Months		
Fixed-Maturity Securities:						
U.S. Treasury securities and obligations of U.S. government corporations and agencies (1)	\$ 20,954,764	\$ 1,799	\$ (17,373)	\$ -	\$ 20,939,190	\$ (15,574)
Political subdivisions of States, Territories and Possessions	16,607,713	-	—	(3,209,161)	13,398,552	(3,209,161)
Corporate and other bonds Industrial and miscellaneous	75,993,042	-	—	(5,885,296)	70,107,746	(5,885,296)
Residential mortgage and other asset backed securities (2)	50,905,423	113,761	(2,144)	(6,541,731)	44,475,309	(6,430,114)
Total fixed-maturity securities	<u>\$ 164,460,942</u>	<u>\$ 115,560</u>	<u>\$ (19,517)</u>	<u>\$ (15,636,188)</u>	<u>\$ 148,920,797</u>	<u>\$ (15,540,145)</u>

(1) In October 2022, KICO placed certain U.S. Treasury securities to fulfill the required collateral for a sale leaseback transaction in a designated custodian account (see Note 9 – Debt - “Equipment Financing”). As of December 31, 2024 KICO had sold its U.S. Treasury securities and replaced a portion of its other fixed-maturity securities in the designated custodian account. As of December 31, 2024 and 2023, the amount of required collateral was approximately \$5,308,000 and \$6,999,000, respectively. As of December 31, 2024 and 2023, the estimated fair value of the eligible collateral was approximately \$5,308,000 and \$6,999,000, respectively.

(2) KICO has placed certain residential mortgage backed securities as eligible collateral in a designated custodian account related to its membership in the Federal Home Loan Bank of New York (“FHLBNY”) (see Note 9 – Debt – “Federal Home Loan Bank”). The eligible collateral would be pledged to FHLBNY if KICO draws an advance from the FHLBNY credit line. As of December 31, 2024, the estimated fair value of the eligible investments was approximately \$10,130,000. KICO will retain all rights regarding all securities if pledged as collateral. As of December 31, 2024 and 2023 there was no outstanding balance on the FHLBNY credit line.

A summary of the amortized cost and estimated fair value of the Company’s investments in available-for-sale fixed-maturity securities by contractual maturity as of December 31, 2024 and 2023 is shown below:

Remaining Time to Maturity	December 31, 2024		December 31, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Less than one year	\$ 9,522,262	\$ 9,484,834	\$ 34,729,120	\$ 34,461,172
One to five years	68,052,387	66,141,372	31,803,338	30,416,618
Five to ten years	38,159,446	34,068,922	31,596,410	27,330,377
More than 10 years	21,044,518	17,970,347	15,426,651	12,237,321
Residential mortgage and other asset backed securities	65,529,545	59,227,963	50,905,423	44,475,309
Total	<u>\$ 202,308,158</u>	<u>\$ 186,893,438</u>	<u>\$ 164,460,942</u>	<u>\$ 148,920,797</u>

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The actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without penalties.

Equity Securities

The cost and estimated fair value of, and gross unrealized gains and losses on, investments in equity securities as of December 31, 2024 and 2023 are as follows:

Category	December 31, 2024			
	Cost	Gross Gains	Gross Losses	Estimated Fair Value
Equity Securities:				
Preferred stocks	\$ 9,750,322	\$ -	\$ (2,422,617)	\$ 7,327,705
Fixed income exchange traded funds	3,711,232		(808,432)	2,902,800
FHLBNY common stock	66,000	-	-	66,000
Total	<u>\$ 13,527,554</u>	<u>\$ -</u>	<u>\$ (3,231,049)</u>	<u>\$ 10,296,505</u>

Category	December 31, 2023			
	Cost	Gross Gains	Gross Losses	Estimated Fair Value
Equity Securities:				
Preferred stocks	\$ 13,583,942	\$ -	\$ (2,870,027)	\$ 10,713,915
Fixed income exchange traded funds,	3,711,232		(669,232)	3,042,000
Mutual funds	622,209	314,816	-	937,025
FHLBNY common stock	69,400	-	-	69,400
Total	<u>\$ 17,986,783</u>	<u>\$ 314,816</u>	<u>\$ (3,539,259)</u>	<u>\$ 14,762,340</u>

Other Investments

The cost and estimated fair value of, and gross unrealized gains on, the Company's other investments as of December 31, 2024 and 2023 are as follows:

Category	December 31, 2024			December 31, 2023		
	Cost	Gross Gains	Estimated Fair Value	Cost	Gross Gains	Estimated Fair Value
Other Investments:						
Hedge fund	<u>\$ 1,987,040</u>	<u>\$ 2,393,616</u>	<u>\$ 4,380,656</u>	<u>\$ 1,987,040</u>	<u>\$ 1,910,110</u>	<u>\$ 3,897,150</u>

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Held-to-Maturity Securities

The cost or amortized cost and estimated fair value of, and gross unrealized gains and losses on, investments in held-to-maturity fixed-maturity securities as of December 31, 2024 and 2023 are summarized as follows:

Category	December 31, 2024					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	Net Unrealized Gains/(Losses)
			Less than 12 Months	More than 12 Months		
Held-to-Maturity Securities:						
U.S. Treasury securities	\$ 1,229,170	\$ -	\$ (39,630)	\$ (15,990)	\$ 1,173,550	\$ (55,620)
Political subdivisions of States, Territories and Possessions	499,719	-	(654)	-	499,065	(654)
Exchange traded debt	304,111	-	-	(55,611)	248,500	(55,611)
Corporate and other bonds						
Industrial and miscellaneous	5,014,342	-	-	(976,192)	4,038,150	(976,192)
Total	<u>\$ 7,047,342</u>	<u>\$ -</u>	<u>\$ (40,284)</u>	<u>\$ (1,047,793)</u>	<u>\$ 5,959,265</u>	<u>\$ (1,088,077)</u>

Category	December 31, 2023					
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Estimated Fair Value	Net Unrealized Gains/(Losses)
			Less than 12 Months	More than 12 Months		
Held-to-Maturity Securities:						
U.S. Treasury securities	\$ 1,228,860	\$ 15,045	\$ (6,914)	\$ (18,163)	\$ 1,218,828	\$ (10,032)
Political subdivisions of States, Territories and Possessions	499,170	890	-	-	500,060	890
Exchange traded debt	304,111	-	-	(70,111)	234,000	(70,111)
Corporate and other bonds						
Industrial and miscellaneous	5,020,400	-	-	(867,140)	4,153,260	(867,140)
Total	<u>\$ 7,052,541</u>	<u>\$ 15,935</u>	<u>\$ (6,914)</u>	<u>\$ (955,414)</u>	<u>\$ 6,106,148</u>	<u>\$ (946,393)</u>

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Held-to-maturity U.S. Treasury securities are held in trust pursuant to various states' minimum fund requirements.

A summary of the amortized cost and the estimated fair value of the Company's investments in held-to-maturity securities by contractual maturity as of December 31, 2024 and 2023 is shown below:

Remaining Time to Maturity	December 31, 2024		December 31, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Less than one year	\$ 499,719	\$ 499,065	\$ -	\$ -
One to five years	622,375	600,288	1,121,288	1,097,101
Five to ten years	1,427,579	1,323,600	1,414,911	1,270,770
More than 10 years	4,497,669	3,536,312	4,516,342	3,738,277
Total	\$ 7,047,342	\$ 5,959,265	\$ 7,052,541	\$ 6,106,148

The actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without penalties.

There was no allowance for credit losses on held-to-maturity fixed-maturity securities as of December 31, 2024 and December 31, 2023, respectively.

Investment Income

Major categories of the Company's net investment income are summarized as follows:

	Years ended December 31,	
	2024	2023
Income:		
Fixed-maturity securities	\$ 5,197,793	\$ 5,352,304
Equity securities	591,023	707,835
Cash and cash equivalents	1,215,861	255,905
Other	39,227	—
Total	7,043,904	6,316,044
Expenses:		
Investment expenses	220,314	307,362
Net investment income	\$ 6,823,590	\$ 6,008,682

Proceeds from the redemption of fixed-maturity securities held-to-maturity were \$0 and \$750,000 for the years ended December 31, 2024 and 2023, respectively.

Proceeds from the sale and maturity of fixed-maturity securities available-for-sale were \$127,665,799 and \$61,935,658 for the years ended December 31, 2024 and 2023, respectively.

Proceeds from the sale of equity securities were \$4,410,859 and \$99,917 for the years ended December 31, 2024 and 2023, respectively.

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The Company's net gains (losses) on investments for the years ended December 31, 2024 and 2023 are summarized as follows:

	Years ended December 31,	
	2024	2023
Realized Gains (Losses)		
Fixed-maturity securities:		
Gross realized gains	\$ 1,287	\$ 2,428
Gross realized losses	(15,266)	(21,239)
	<u>(13,979)</u>	<u>(18,811)</u>
Equity securities:		
Gross realized gains	374,997	-
Gross realized losses	(423,367)	-
	<u>(48,370)</u>	<u>-</u>
Net realized losses	<u>(62,349)</u>	<u>(18,811)</u>
Unrealized (Losses) Gains		
Equity Securities:		
Gross gains	308,210	1,027,867
Gross losses	(314,816)	-
	<u>(6,606)</u>	<u>1,027,867</u>
Other Investments:		
Gross gains	483,506	1,125,498
Gross losses	-	-
	<u>483,506</u>	<u>1,125,498</u>
Net unrealized gains	<u>476,900</u>	<u>2,153,365</u>
Net gains on investments	<u>\$ 414,551</u>	<u>\$ 2,134,554</u>

Allowance for Credit Losses

For available-for-sale fixed maturity securities, a credit loss exists if the present value of cash flows expected to be collected is less than the amortized cost basis. The allowance for credit losses related to available-for-sale fixed maturity securities is the difference between the present value of cash flows expected to be collected and the amortized cost basis, limited by the amount that the fair value is less than the amortized cost basis. The Company considers all available evidence when determining whether an investment requires a credit loss write-down or allowance to be recorded, which is recognized in net loss through an allowance for credit losses. Any remaining decline in fair value represents the noncredit portion of the impairment, which is recognized in other comprehensive income (loss).

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The Company did not identify any available-for-sale securities as of December 31, 2024 and December 31, 2023 which presented a risk of loss due to credit deterioration of the security.

At December 31, 2024 and 2023, there were 204 and 140 fixed-maturity securities, respectively, that accounted for the gross unrealized losses. The Company determined that none of the unrealized losses were deemed to be credit losses for its portfolio of investments for the years ended December 31, 2024 and 2023. Significant factors influencing the Company's determination that unrealized losses were temporary included credit quality considerations, the magnitude of the unrealized losses in relation to each security's cost, the nature of the investment and interest rate environment factors, and management's intent and ability to hold the investment for a period of time sufficient to allow for an anticipated recovery of estimated fair value to the Company's cost basis.

The Company held available-for-sale securities with unrealized losses representing declines that were considered temporary at December 31, 2024 and 2023 as follows:

Category	December 31, 2024								
	Less than 12 months			12 months or more			Total		
	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses	
Fixed-Maturity Securities:									
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Political subdivisions of States, Territories and Possessions	7,705,370	(73,589)	6	13,167,726	(3,324,491)	12	20,873,096	(3,398,080)	-
Corporate and other bonds industrial and miscellaneous	51,411,296	(1,024,461)	60	55,381,083	(4,690,597)	68	106,792,379	(5,715,058)	-
Residential mortgage and other asset backed securities	19,315,521	(209,890)	22	35,206,442	(6,211,339)	36	54,521,963	(6,421,229)	-
Total fixed-maturity securities	\$ 78,432,187	\$ (1,307,940)	88	\$ 103,755,251	\$ (14,226,427)	116	\$ 182,187,438	\$ (15,534,367)	-

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Category	December 31, 2023							
	Less than 12 months			12 months or more			Total	
	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses	No. of Positions Held	Estimated Fair Value	Unrealized Losses
Fixed-Maturity Securities:								
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 5,974,440	\$ (17,373)	1	\$ -	\$ -	-	\$ 5,974,440	\$ (17,373)
Political subdivisions of States, Territories and Possessions	-	-	-	13,398,552	(3,209,161)	15	13,398,552	(3,209,161)
Corporate and other bonds industrial and miscellaneous	-	-	-	70,107,746	(5,885,296)	85	70,107,746	(5,885,296)
Residential mortgage and other asset backed securities	88,988	(2,144)	4	38,675,604	(6,541,731)	37	38,764,592	(6,543,875)
Total fixed-maturity securities	\$ 6,063,428	\$ (19,517)	5	\$ 122,181,902	\$ (15,636,188)	137	\$ 128,245,330	\$ (15,655,705)

Note 4 - Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation technique used by the Company to estimate the fair value of its financial instruments is the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded, including during periods of market disruption, and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets. Included are those investments traded on an active exchange, such as the Nasdaq Global Select Market, U.S. Treasury securities and obligations of U.S. government agencies, together with corporate debt securities that are generally investment grade.

Level 2—Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs. Municipal and corporate bonds, and residential mortgage-backed securities, that are traded in less active markets are classified as Level 2. These securities are valued using market price quotations for recently executed transactions.

Level 3—Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement. Material assumptions and factors considered in pricing investment securities and other assets may include appraisals, projected cash flows, market clearing activity or liquidity circumstances in the security or similar securities that may have occurred since the prior pricing period.

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The availability of observable inputs varies and is affected by a wide variety of factors. When the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. The degree of judgment exercised by management in determining fair value is greatest for investments categorized as Level 3. For investments in this category, the Company considers prices and inputs that are current as of the measurement date. In periods of market dislocation, as characterized by current market conditions, the ability to observe prices and inputs may be reduced for many instruments. This condition could cause a security to be reclassified between levels.

The following table presents information about the Company's investments that are measured at fair value on a recurring basis at December 31, 2024 and 2023 indicating the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Fixed-maturity securities available-for-sale				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ —	\$ -	\$ -	\$ —
Political subdivisions of States, Territories and Possessions	-	20,873,097	-	20,873,097
Corporate and other bonds industrial and miscellaneous	106,792,378	-	-	106,792,378
Residential mortgage and other asset backed securities	-	59,227,963	-	59,227,963
Total fixed maturities	106,792,378	80,101,060	-	186,893,438
Equity securities	10,296,505	-	-	10,296,505
Total investments	<u>\$ 117,088,883</u>	<u>\$ 80,101,060</u>	<u>\$ -</u>	<u>\$ 197,189,943</u>

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	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Fixed-maturity securities available-for-sale				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 20,939,190	\$ -	\$ -	\$ 20,939,190
Political subdivisions of States, Territories and Possessions	-	13,398,552	-	13,398,552
Corporate and other bonds industrial and miscellaneous	70,107,746	-	-	70,107,746
Residential mortgage and other asset backed securities	-	44,475,309	-	44,475,309
Total fixed maturities	91,046,936	57,873,861	-	148,920,797
Equity securities	14,762,340	-	-	14,762,340
Total investments	<u>\$ 105,809,276</u>	<u>\$ 57,873,861</u>	<u>\$ -</u>	<u>\$ 163,683,137</u>

The following table sets forth the Company's investment in a hedge fund measured at Net Asset Value ("NAV") per share as of December 31, 2024 and 2023. The Company measures this investment at fair value on a recurring basis. Fair value using NAV per share is as follows as of the dates indicated:

Category	December 31, 2024	December 31, 2023
Other Investments		
Hedge fund	<u>\$ 4,380,656</u>	<u>\$ 3,897,150</u>

The hedge fund investment is generally redeemable with at least 45 days prior written notice. The hedge fund investment is accounted for as a limited partnership by the Company. Income is earned based upon the Company's allocated share of the partnership's changes in unrealized gains and losses to its partners. Such amounts have been recorded in the accompanying consolidated statements of operations and comprehensive income (loss) within net gains on investments. The Company has no capital call commitments related to Other Investments.

There were no fair value measurements as of December 31, 2024 and 2023 on a non-recurring basis.

Note 5 - Fair Value of Financial Instruments and Real Estate

The Company uses the following methods and assumptions in estimating the fair value of financial instruments and real estate:

Equity securities, available-for-sale fixed income securities, and other investments: Fair value disclosures for these investments are included in Note 3 - Investments and Note 4 - Fair Value Measurements.

Cash and cash equivalents: The carrying values of cash and cash equivalents approximate their fair values because of the short-term nature of these instruments.

Premiums receivable and reinsurance receivables: The carrying values reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values due to the short-term nature of the assets.

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Real estate: The estimated fair value was based on an appraisal prepared using the sales comparison approach, and accordingly the real estate is a Level 3 asset under the fair value hierarchy.

Reinsurance balances payable: The carrying value reported in the consolidated balance sheets for these financial instruments approximates fair value.

Debt: The fair value of debt is estimated using a discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements.

The estimated fair values of the Company's financial instruments and real estate as of December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed-maturity securities-held-to maturity, Level 1	\$ 7,047,342	\$ 5,959,265	\$ 7,052,541	\$ 6,106,148
Fixed-maturity securities available-for-sale, Level 1	\$ 106,792,378	\$ 106,792,378	\$ 91,046,936	\$ 91,046,936
Fixed-maturity securities available-for-sale, Level 2	\$ 80,101,060	\$ 80,101,060	\$ 57,873,861	\$ 57,873,861
Cash and cash equivalents, Level 1	\$ 28,669,441	\$ 28,669,441	\$ 8,976,998	\$ 8,976,998
Premiums receivable, net, Level 1	\$ 21,766,988	\$ 21,766,988	\$ 13,604,808	\$ 13,604,808
Reinsurance receivables, net, Level 3	\$ 69,322,436	\$ 69,322,436	\$ 75,593,912	\$ 75,593,912
Real estate, net of accumulated depreciation, Level 3 (1)	\$ 1,913,390	\$ 3,540,000	\$ 1,992,529	\$ 3,540,000
Reinsurance balances payable, Level 3	\$ 10,509,121	\$ 10,509,121	\$ 12,837,140	\$ 12,837,140
Debt - 13.75% Senior Notes due 2026, Level 2	\$ 5,508,000	\$ 5,553,785	\$ —	\$ —
Debt - 12.0% Senior Notes due 2024, Level 2	\$ —	\$ —	\$ 18,426,247	\$ 17,812,500

(1) Real estate consists of a complex which includes an office building, a house and vacant land located in Kingston, New York. See Note 20 - Subsequent Events, Sale of Real Estate.

Note 6 - Intangible Assets

Intangible assets consist of finite and indefinite life assets. Finite life intangible assets include customer and producer relationships and other identifiable intangibles. KICO's insurance company license is considered an indefinite life intangible asset subject to annual impairment testing. All identified intangible assets of finite useful life were fully amortized as of December 31, 2024 and 2023.

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The components of intangible assets and their useful lives, accumulated amortization, and net carrying value as of December 31, 2024 and 2023 are summarized as follows:

	Useful Life (in yrs)	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Insurance license	-	\$ 500,000	\$ -	\$ 500,000
Customer relationships	10	3,400,000	3,400,000	-
Other identifiable intangibles	7	950,000	950,000	-
Total		\$ 4,850,000	\$ 4,350,000	\$ 500,000

Intangible asset impairment testing and amortization

The Company performs an analysis annually as of December 31, or sooner if there are indicators that the asset may be impaired, to identify potential impairment of intangible assets and measures the amount of any impairment loss that may need to be recognized. Intangible asset impairment testing requires an evaluation of the estimated fair value of each identified intangible asset to its carrying value. An impairment charge would be recorded if the estimated fair value is less than the carrying amount of the intangible asset. No impairments have been identified for the years ended December 31, 2024 and 2023.

The Company recorded no amortization expense related to intangible assets for the years ended December 31, 2024 and 2023.

Note 7 - Reinsurance

Effective December 31, 2021, the Company entered into a quota share reinsurance treaty for its personal lines business, which primarily consists of homeowners' and dwelling fire policies, covering the period from December 31, 2021 through January 1, 2023 ("2021/2023 Treaty"). Upon the expiration of the 2021/2023 Treaty on January 1, 2023, the Company entered into a new 30% quota share reinsurance treaty for its personal lines business, covering the period from January 1, 2023 through January 1, 2024 ("2023/2024 Treaty"). Upon the expiration of the 2023/2024 Treaty on January 1, 2024, the Company entered into a new 27% quota share reinsurance treaty for its personal lines business, covering the period from January 1, 2024 through January 1, 2025 ("2024/2025 Treaty"). Upon the expiration of the 2024/2025 Treaty on January 1, 2025, the Company entered into a new 16% quota share reinsurance treaty for its personal lines business, covering the period from January 1, 2025 through January 1, 2026 ("2025/2026 Treaty"). See Note 20- Subsequent Events, Reinsurance.

The Company's excess of loss and catastrophe reinsurance treaties expired on June 30, 2024 and the Company entered into new excess of loss and catastrophe reinsurance treaties effective July 1, 2024. Effective January 1, 2023, the Company entered into an underlying excess of loss reinsurance treaty ("Underlying XOL Treaty") covering the period from January 1, 2023 through January 1, 2024. The treaty provided 50% reinsurance coverage for losses of \$400,000 in excess of \$600,000. Losses from named storms are excluded from the treaty. Effective January 1, 2024, the Underlying XOL Treaty was renewed covering the period from January 1, 2024 through January 1, 2025. Effective January 1, 2025, the Underlying XOL Treaty was renewed covering the period from January 1, 2025 through June 30, 2025. For the period October 1, 2024 through April 30, 2025, the Company purchased catastrophe reinsurance which will provide coverage for winter storm losses to the extent of 71% of \$4,500,000 in excess of \$5,500,000. Material terms for reinsurance treaties in effect for the treaty years shown below are as follows:

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Line of Business	Treaty Period					
	2025/2026 Treaty		2024/2025 Treaty		2023/2024 Treaty	
	July 1, 2025 to January 1, 2026	January 1, 2025 to June 30, 2025	July 1, 2024 to January 1, 2025	January 1, 2024 to June 30, 2024	July 1, 2023 to January 1, 2024	January 1, 2023 to June 30, 2023
Personal Lines:						
Homeowners, dwelling fire and canine legal liability						
Quota share treaty:						
Percent ceded (7)	16 %	16 %	27 %	27 %	30 %	30 %
Risk retained on initial \$1,000,000 of losses (5) (6) (7)	\$ 840,000	\$ 840,000	\$ 730,000	\$ 730,000	\$ 700,000	\$ 700,000
Losses per occurrence subject to quota share reinsurance coverage						
	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Expiration date						
	January 1, 2026	January 1, 2026	January 1, 2025	January 1, 2025	January 1, 2024	January 1, 2024
Excess of loss coverage and facultative facility						
coverage (1) (5) (6)	\$ 400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000
	in excess of	in excess of	in excess of	in excess of	in excess of	in excess of
	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Total reinsurance coverage per occurrence (5) (6)						
	\$ 360,000	\$ 8,360,000	\$ 8,470,000	\$ 8,470,000	\$ 8,500,000	\$ 8,500,000
Losses per occurrence subject to reinsurance coverage (6)						
	\$ 1,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000
Expiration date						
	(6)	June 30, 2025	June 30, 2025	June 30, 2024	June 30, 2024	June 30, 2023
Catastrophe Reinsurance:						
Initial loss subject to personal lines quota share treaty (6)						
	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Risk retained per catastrophe occurrence (6) (7) (8) (9)						
	(6)	\$ 4,250,000	\$ 4,750,000	\$ 9,500,000	\$ 8,750,000	\$ 8,750,000
Catastrophe loss coverage in excess of quota share coverage (2) (6)						
	(6)	\$ 275,000,000	\$ 275,000,000	\$ 315,000,000	\$ 315,000,000	\$ 335,000,000
Reinstatement premium protection (3) (4)						
	(6)	Yes	Yes	Yes	Yes	Yes

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- (1) For personal lines, includes the addition of an automatic facultative facility allowing KICO to obtain homeowners single risk coverage up to \$9,000,000 in total insured value, which covers direct losses from \$3,500,000 to \$9,000,000 through June 30, 2025.
- (2) Catastrophe coverage is limited on an annual basis to two times the per occurrence amounts. Duration of 168 consecutive hours for a catastrophe occurrence from windstorm, hail, tornado, hurricane and cyclone.
- (3) For the period July 1, 2022 through June 30, 2023, reinstatement premium protection for \$12,500,000 of catastrophe coverage in excess of \$10,000,000. For the period July 1, 2023 through June 30, 2024, reinstatement premium protection for \$50,000,000 of catastrophe coverage in excess of \$10,000,000.
- (4) For the period July 1, 2024 through June 30, 2025 (expiration date of the catastrophe reinsurance treaty), reinstatement premium protection for \$50,000,000 of catastrophe coverage in excess of \$10,000,000.
- (5) For the period January 1, 2022 through June 30, 2025, underlying excess of loss treaty provides 50% reinsurance coverage for losses of \$400,000 in excess of \$600,000. Excludes losses from named storms. Reduces retention to \$500,000 from \$700,000 under the 2023/2024 Treaty. Reduces retention to \$530,000 from \$730,000 under the 2024/2025 Treaty. Retention increases to \$640,000 from \$530,000 under the 2025/2026 Treaty.
- (6) Excess of loss coverage and facultative facility and catastrophe reinsurance treaties will expire on June 30, 2025, with none of these coverages to be in effect during the period from July 1 2025 through January 1, 2026. If and when these treaties are renewed on July 1, 2025, the excess of loss and facultative facility, and the catastrophe reinsurance treaty, will be as provided for therein. Reinsurance coverage in effect from July 1, 2025 through January 1, 2026 is currently only covered under the 2025/2026 Treaty and underlying excess of loss reinsurance treaty through June 30, 2025. The 2025/2026 Treaty will expire on January 1, 2026.
- (7) For the 2023/2024 Treaty, 17.5% of the 30% total of losses ceded under this treaty are excluded from a named catastrophe event. For the 2024/2025 Treaty, 22% of the 27% total of losses ceded under this treaty are excluded from a named catastrophe event. For the 2025/2026 Treaty, 6% of the 16% total of losses ceded under this treaty are excluded from a named catastrophe event.
- (8) Plus losses in excess of catastrophe coverage.
- (9) For the period October 1, 2024 through April 30, 2025, additional catastrophe reinsurance treaty will provide coverage for winter storm losses to the extent of 71% of \$4,500,000 in excess of \$5,500,000. Retention for winter storms under this treaty is \$4,800,000 under the 2024/2025 Treaty and \$5,200,000 under the 2025/2026 Treaty.

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Line of Business	Treaty Year		
	July 1, 2024 to June 30, 2025	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023
Personal Lines:			
Personal Umbrella			
Quota share treaty:			
Percent ceded - first \$1,000,000 of coverage	90 %	90 %	90 %
Percent ceded - excess of \$1,000,000 dollars of coverage	95 %	95 %	95 %
Risk retained	\$ 300,000	\$ 300,000	\$ 300,000
Total reinsurance coverage per occurrence	\$ 4,700,000	\$ 4,700,000	\$ 4,700,000
Losses per occurrence subject to quota share reinsurance coverage	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Expiration date	June 30, 2025	June 30, 2024	June 30, 2023

Commercial Lines (1)

(1) Coverage on all commercial lines policies expired in September 2020; reinsurance coverage is based on treaties in effect on the date of loss.

The Company's reinsurance program has been structured to enable the Company to grow its premium volume while maintaining regulatory capital and other financial ratios generally within or below the expected ranges used for regulatory oversight purposes. The reinsurance program also provides income as a result of ceding commissions earned pursuant to the quota share reinsurance contracts. The Company's participation in reinsurance arrangements does not relieve the Company of its obligations to policyholders.

Approximate reinsurance recoverables on unpaid and paid losses by reinsurer at December 31, 2024 and 2023 are as follows:

(\$ in thousands)	Unpaid Losses	Paid Losses	Total	Security
December 31, 2024				
Swiss Reinsurance America Corporation	13,565	1,346	14,911	—
Hannover Rueck SE	7,195	559	7,754	—
Lancashire Insurance Company Limited	4,893	1,288	6,181	—
Others	6,670	2,061	8,731	393 (2)
Total	\$ 32,323	\$ 5,254	\$ 37,577	\$ 393
December 31, 2023				
Swiss Reinsurance America Corporation	11,027	6,560	17,587	—
Hannover Rueck SE	8,753	(92)	8,661	—
Allied World Insurance Company	4,724	2,190	6,914	4 (1)
Ace Property and Casualty Insurance Company	3,205	1,840	5,045	—
Lancashire Insurance Company Limited	3,203	1,583	4,786	—
Others	2,377	3,296	5,673	2,662 (2)
Total	\$ 33,289	\$ 15,377	\$ 48,666	\$ 2,666

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(1) As of December 31, 2023, represents \$4,000 guaranteed by irrevocable letters of credit.

(2) As of December 31, 2024 and December 31, 2023, represents \$393,000 and \$2,662,000, respectively, guaranteed by irrevocable letters of credit.

In addition to reinsurance recoverables on unpaid and paid losses, reinsurance receivables in the accompanying consolidated balance sheets as of December 31, 2024 and 2023 include unearned ceded premiums of approximately \$31,745,000 and \$26,928,000, respectively.

Ceding Commission Revenue

The Company earned ceding commission revenue under the 2024/2025 Treaty for the year ended December 31, 2024, and under the 2023/2024 Treaty for the year ended December 31, 2023, are based on a fixed provisional commission rate at which provisional ceding commissions are earned. The Company earned ceding commission revenue under its quota share reinsurance agreements that expired prior to July 1, 2022 based on: (i) a fixed provisional commission rate at which provisional ceding commissions were earned, and (ii) under certain of the quota share reinsurance agreements, a continuing sliding scale of commission rates and ultimate treaty year loss ratios on the policies reinsured under each of these agreements based upon which contingent ceding commissions are earned. The sliding scale includes minimum and maximum commission rates in relation to specified ultimate loss ratios. The commission rate and contingent ceding commissions earned increase when the estimated ultimate loss ratio decreases and, conversely, the commission rate and contingent ceding commissions earned decrease when the estimated ultimate loss ratio increases.

Ceding commission revenue consists of the following:

	Year ended December 31,	
	2024	2023
Provisional ceding commissions earned	\$ 18,829,278	\$ 20,397,454
Contingent ceding commissions earned	8,668	656,040
	<u>\$ 18,837,946</u>	<u>\$ 21,053,494</u>

Provisional ceding commissions are settled monthly. Balances due from reinsurers for contingent ceding commissions on quota share treaties are settled periodically based on the Loss Ratio of each treaty year that ends on June 30, for the expired treaties that were subject to contingent commissions. As discussed above, the Loss Ratios from prior years' treaties are subject to change as incurred losses from those periods develop, resulting in an increase or decrease in the commission rate and contingent ceding commissions earned. As of December 31, 2024 and 2023, net contingent ceding commissions payable to reinsurers under all treaties was approximately \$727,000 and \$3,302,000, respectively, which is recorded in reinsurance balances payable on the accompanying consolidated balance sheets.

Expected Credit Losses – Uncollectible Reinsurance

The Company reviews reinsurance receivables which relate to both amounts already billed on ceded paid losses as well as ceded reserves that will be billed when losses are paid in the future. The Company has not recorded an allowance for uncollectible reinsurance as there is no perceived credit risk. The principal credit quality indicator used in the valuation of the allowance on reinsurance receivables is the financial strength rating of the reinsurer sourced from major rating agencies. Changes in the allowance are presented as a component of other underwriting expenses on the consolidated statements of operations and comprehensive income (loss).

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Note 8 - Deferred Policy Acquisition Costs and Deferred Ceding Commission Revenue

Deferred policy acquisition costs incurred and policy-related ceding commission revenue are deferred and amortized to income on property and casualty insurance business as follows:

	Years ended December 31,	
	2024	2023
Net deferred policy acquisition costs, net of deferred ceding commission revenue, beginning of year	\$ 10,341,699	\$ 13,199,884
Cost incurred and deferred:		
Commissions and brokerage	37,956,108	29,926,493
Other underwriting and policy acquisition costs	10,118,578	8,866,395
Ceding commission revenue	(20,909,652)	(19,238,750)
Net deferred policy acquisition costs	27,165,034	19,554,138
Amortization	(24,315,601)	(22,412,323)
	2,849,433	(2,858,185)
Net deferred policy acquisition costs, net of deferred ceding commission revenue, end of year	\$ 13,191,132	\$ 10,341,699

Deferred policy acquisition costs and deferred ceding commission revenue as of December 31, 2024 and 2023 are as follows:

	December 31,	
	2024	2023
Deferred policy acquisition costs	\$ 24,732,371	\$ 19,802,564
Deferred ceding commission revenue	(11,541,239)	(9,460,865)
Balance at end of period	\$ 13,191,132	\$ 10,341,699

Note 9 – Debt

Federal Home Loan Bank

In July 2017, KICO became a member of, and invested in, the FHLBNY. KICO is required to maintain an investment in capital stock of FHLBNY. Based on redemption provisions of FHLBNY, the stock has no quoted market value and is carried at cost. At its discretion, FHLBNY may declare dividends on the stock. Management reviews for impairment based on the ultimate recoverability of the cost basis in the stock. At December 31, 2024 and 2023, no impairment has been recognized. FHLBNY members have access to a variety of flexible, low cost funding through FHLBNY's credit products, enabling members to customize advances, which are to be fully collateralized. Eligible collateral to pledge to FHLBNY includes residential and commercial mortgage-backed securities, along with U.S. Treasury and agency securities. See Note 3 – Investments for eligible collateral held in a designated custodian account available for future advances. Advances are limited to 5% of KICO's net admitted assets as of the previous quarter. On July 6, 2023, A.M. Best withdrew KICO's ratings as KICO requested to no longer participate in A.M. Best's interactive rating process. As a result of the withdrawal of A.M. Best ratings, KICO is currently only able to borrow on an overnight basis. If KICO has sufficient available collateral (as discussed below), based on KICO's net admitted assets, the maximum allowable advance as of December 31, 2024 and 2023 was approximately \$13,637,000 and \$12,813,000, respectively. Available collateral as of December 31,

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2024 and 2023 was approximately \$10,130,000 and \$11,412,000, respectively. Advances are limited to 85% of the amount of available collateral. There were no borrowings under this facility during the years ended December 31, 2024 and 2023.

Debt

Debt as of December 31, 2024 and 2023 consists of the following:

	December 31,	
	2024	2023
13.75% Senior Notes due 2026, net	\$ 5,508,000	\$ —
12.0% Senior Notes due 2024, net	—	18,426,247
Equipment financing	5,663,420	6,817,283
Balance at end of period	\$ 11,171,420	\$ 25,243,530

Exchange Agreements

General

On December 9, 2022, the Company entered into a Note and Warrant Exchange Agreement (the "2022 Exchange Agreement") with several holders (the "2022 Exchanging Noteholders") of the Company's outstanding 5.50% Senior Notes due 2022 (the "2017 Notes"). On the date of the 2022 Exchange Agreement, the 2022 Exchanging Noteholders held 2017 Notes in the aggregate principal amount of \$21,545,000 of the \$30,000,000 aggregate principal amount of the 2017 Notes then outstanding. Pursuant to the 2022 Exchange Agreement, on December 15, 2022, the 2022 Exchanging Noteholders exchanged their respective 2017 Notes for the following: (i) new 12.0% Senior Notes due December 30, 2024 of the Company in the aggregate approximate principal amount of \$19,950,000 (the "2022 Notes"); (ii) cash in the aggregate approximate amount of \$1,595,000, together with accrued interest on the 2017 Notes; and (iii) three-year warrants for the purchase of an aggregate of 969,525 shares of Common Stock of the Company, exercisable until December 30, 2025 at an exercise price of \$1.00 per share (the "Warrants"). The remaining \$8,455,000 principal amount of the 2017 Notes, together with accrued interest thereon, was paid on the maturity date of the 2017 Notes of December 30, 2022.

On August 30, 2024, the Company entered into a Note Exchange Agreement (the "2024 Exchange Agreement") with the holders (the "2024 Exchanging Noteholders") of the Company's outstanding 2022 Notes in the aggregate principal amount of \$19,950,000. Pursuant to the 2024 Exchange Agreement, on September 12, 2024, the 2024 Exchanging Noteholders exchanged their respective 2022 Notes for the following: (i) new 13.75% Senior Notes due June 30, 2026 of the Company in the aggregate principal amount of \$14,950,000 (the "2024 Notes"); and (ii) cash in the aggregate amount of \$5,000,000, together with accrued interest on the 2022 Notes (the "2024 Exchange"). See "2024 Notes" below for a discussion of a change in the expiration date of the Warrants.

The Company analyzed the 2024 Exchange Agreement under ASC 470-50 Debt—Modifications and Extinguishments. The Company determined that extinguishment accounting was applicable, as the present value of the cash flows of the 2024 Notes differed by more than 10% from the 2022 Notes, making it a substantial change in terms. As a result, the 2022 Notes have been derecognized and the 2024 Notes recorded at fair value. No gain or loss was recognized on the 2024 Exchange. Unamortized debt issue costs of \$296,533 related to extinguished debt were expensed at the time the 2022 Notes were extinguished and recorded as loss on extinguishment of debt in the consolidated statements of operations and comprehensive income (loss) within other operating expenses. Fees paid to third parties of \$203,381 have been capitalized and are being amortized as debt issuance costs associated with the 2024 Notes.

2024 Notes

As discussed above, on September 12, 2024, the Company issued the 2024 Notes in the aggregate principal amount of \$14,950,000 pursuant to the 2024 Exchange Agreement. Interest is payable semi-annually in arrears on June 30 and December 30 of each year at the rate of 13.75% per annum. Pursuant to the 2024 Exchange Agreement, the expiration date

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of the Warrants to purchase 969,225 shares of Common Stock of the Company was extended to June 30, 2026 from December 30, 2025 (see Note 12 – Stockholders’ Equity) and transaction costs were \$203,381, for an effective yield of 14.35% per annum. The balance of the 2024 Notes as of December 31, 2024 and December 31, 2023 is as follows:

	December 31, 2024	December 31, 2023
13.75% Senior Notes due 2026	\$ 5,950,000	\$ —
Warrants	(256,909)	—
Issuance costs	(185,091)	—
2024 Notes, net	<u>\$ 5,508,000</u>	<u>\$ —</u>

The 2024 Notes were redeemable, at the Company’s option, in whole or in part, at any time or in part from time to time, on and after September 12, 2024, upon not less than fifteen (15) and not more than sixty (60) days’ notice, equal to 100% of the principal amount of the 2024 Notes, plus, in each case, accrued and unpaid interest, if any, to the date of redemption subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The 2024 Exchange Agreement provides for mandatory prepayments of principal. The 2024 Exchange Agreement provides for a first mandatory pro rata partial prepayment of principal on the 2024 Notes in the aggregate amount of \$3,000,000 on June 30, 2025, less the principal amount of any optional prepayments of the 2024 Note made prior to June 30, 2025, pursuant to the 2024 Exchange Agreement. The Company made optional prepayments of \$3,000,000 on September 30, 2024, \$2,000,000 on November 13, 2024, \$4,000,000 on December 30, 2024, \$3,500,000 on January 28, 2025, and \$2,450,000 on February 24, 2025 (see Note 20 - Subsequent Events, Debt), and accordingly, has fully satisfied the entire principal balance of the 2024 Notes. Each prepayment of principal also included accrued and unpaid interest thereon.

The 2024 Exchange Agreement provided for a second mandatory pro rata partial prepayment of principal on the 2024 Notes in the aggregate amount of \$3,000,000 on December 30, 2025, less the principal amount of (i) any optional prepayments of the 2024 Notes made from June 30, 2025 to December 29, 2025 pursuant to the 2024 Note Exchange Agreement and (ii) any optional prepayments of the 2024 Notes in excess of \$3,000,000 made prior to June 30, 2025 pursuant to 2024 Note Exchange Agreement. Based upon the Company’s optional full prepayment of the 2024 Notes, the mandatory prepayment obligation is no longer applicable.

The 2024 Notes were unsecured obligations of the Company and were not the obligations of or guaranteed by any of the Company’s subsidiaries. The 2024 Notes ranked senior in right of payment to any of the Company’s existing and future indebtedness that is by its terms expressly subordinated or junior in right of payment to the 2024 Notes. The Notes ranked equally in right of payment to all of the Company’s existing and future senior indebtedness, but were effectively subordinated to any secured indebtedness to the extent of the value of the collateral securing such secured indebtedness. In addition, the 2024 Notes were structurally subordinated to the indebtedness and other obligations of the Company’s subsidiaries.

As of the end of each calendar quarter, commencing with the calendar quarter ending September 30, 2024, the Company was subject to a leverage maintenance test (“2024 Leverage Maintenance Test”), which required that the Total Consolidated Indebtedness (as defined below) of the Company not be greater than 30% of Total Consolidated Capitalization (as defined below). As of December 31, 2024 and 2023, the ratio as defined under the 2024 Leverage Maintenance Test was 7.0% and 29.9%, respectively. “Total Consolidated Indebtedness” is the aggregate principal amount (or accreted value in the case of any Indebtedness issued with more than de minimis original issue discount) of all outstanding long-term debt of the Company except for the sale-leaseback transaction described below under “Equipment Financing”, any refinancing or any future sale-leaseback transaction. “Total Consolidated Capitalization” is the amount equal to the sum of (x) Total Consolidated Indebtedness outstanding as of such date and (y) the total consolidated shareholders’ equity of the Company, excluding accumulated other comprehensive (loss) income, as recorded on the Company’s consolidated balance sheet.

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2022 Notes

As discussed above, on October 27, 2022, the Company issued the 2022 Notes in the aggregate principal amount of \$19,950,000 pursuant to the 2022 Exchange Agreement. Interest was payable semi-annually in arrears on June 30 and December 30 of each year, which commenced on June 30, 2023 at the rate of 12.0% per annum. Warrants were issued with a fair value of \$993,000 (see Note 12 – Stockholders’ Equity) and transaction costs were \$1,758,112, for an effective yield of 13.92% per annum. The balance of the 2022 Notes as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
12.0% Senior Unsecured Notes	\$ —	\$ 19,950,000
Warrants	—	(653,123)
Issuance costs	—	(870,630)
2022 Notes, net	\$ —	\$ 18,426,247

The 2022 Exchange Agreement provided for a mandatory redemption of the 2022 Notes on December 30, 2023, in an amount such that the aggregate principal amount of the 2022 Notes to be redeemed plus accrued and unpaid interest thereon was to be equal to the amount by which the maximum Ordinary Dividend Paying Capacity of KICO (as defined below) measured as of December 15, 2023 exceeded the Company’s Holding Company Expenses (as defined below) for the calendar year ended December 31, 2023. “Ordinary Dividend Paying Capacity” means the sum, as measured on December 15, 2023, of (i) the maximum allowable amount of dividends that KICO is permitted to pay without seeking any regulatory approval in accordance with New York insurance regulations based on its statutory annual and quarterly financial statements filed with the National Association of Insurance Commissioners as of and for the thirty-six (36) month period ended September 30, 2023 plus (ii) any dividends paid by KICO to the Company during the period beginning January 1, 2023 and ending September 30, 2023. “Holding Company Expenses” means the sum of (i) cash interest expense paid during the calendar year ended December 31, 2023 on the 2022 Notes, intercompany loans and any other indebtedness of the holding company on a stand-alone basis and (ii) other cash operating expenses, including taxes, paid by the holding company during the calendar year ended December 31, 2024. The amount of other operating expenses paid in cash in the preceding clause (ii) shall not exceed \$2.5 million. Holding Company Expenses was determined based on the actual Holding Company Expenses for the nine months ending September 30, 2023, and an estimate of Holding Company Expenses for the three months ending December 30, 2023. The Ordinary Dividend Paying Capacity of KICO as defined above was zero and, accordingly, the Company was not required to make a mandatory redemption of the 2022 Notes on December 30, 2023.

The 2022 Notes were unsecured obligations of the Company and were not the obligations of or guaranteed by any of the Company’s subsidiaries. The 2022 Notes ranked senior in right of payment to any of the Company’s existing and future indebtedness that is by its terms expressly subordinated or junior in right of payment to the 2022 Notes. The 2022 Notes ranked equally in right of payment to all of the Company’s existing and future senior indebtedness, but were effectively subordinated to any secured indebtedness to the extent of the value of the collateral securing such secured indebtedness. In addition, the 2022 Notes were structurally subordinated to the indebtedness and other obligations of the Company’s subsidiaries.

The 2022 Notes were redeemable, at the Company’s option, in whole or in part, at any time or in part from time to time, on and after December 30, 2022, upon not less than fifteen (15) and not more than sixty (60) days’ notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the respective period set

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forth below, plus, in each case, accrued and unpaid interest, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date):

Period:	Percentage
December 30, 2022 to December 29, 2023	102.00 %
December 30, 2023 to September 29, 2024	101.00 %
September 30, 2024 to December 29, 2024	100.00 %

As of the end of each calendar quarter, commencing with the calendar quarter ending December 31, 2022, the Company was subject to a leverage maintenance test ("2022 Leverage Maintenance Test"), which required that the Total Consolidated Indebtedness of the Company not be greater than 30% of Total Consolidated Capitalization. As of December 31, 2023, the ratio as defined under the 2022 Leverage Maintenance Test was 29.9%.

Equipment Financing

On October 27, 2022, KICO entered into a sale leaseback transaction, whereby KICO sold \$8,096,824 of fixed assets to a bank. Under GAAP, the sale leaseback transaction is recorded as equipment financing ("Financing"). The provisions of the Financing require KICO to pay a monthly payment of principal and interest at the rate of 5.86% per annum totaling \$126,877 for a term of 60 months, which commenced on October 27, 2022. The terms of the Financing provide buyout options to KICO at the end of the 60 month term, which are as follows:

- At the end of the lease, KICO may purchase the fixed assets for a purchase price of \$2,024,206, which is 25% of the original fixed asset cost of \$8,096,824; or
- KICO may renew the lease for 16 months at the same rental rate, which totals \$2,024,206.

A provision of the Financing requires KICO to pledge collateral for the lease obligation. As of December 31, 2024 and 2023, the amount of required collateral was approximately \$5,308,000 and \$6,999,000, respectively. As of December 31, 2024, the fair value of KICO's pledged collateral was approximately \$5,308,000 in various fixed-maturity securities. As of December 31, 2023, the fair value of KICO's pledged collateral was approximately \$11,960,000 in United States Treasury securities.

Future contractual payment obligations under the Financing as of December 31, 2024 are as follows:

For the Year Ending December 31,	Total
2025	1,223,293
2026	1,296,900
2027	1,119,021
	3,639,214
2028 purchase price	2,024,206
Total	\$ 5,663,420

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Note 10 - Property and Equipment

The components of property and equipment are summarized as follows:

	Cost	Accumulated Depreciation	Net
December 31, 2024			
Building (1)	\$ 2,344,188	\$ (1,083,235)	\$ 1,260,953
Land (1)	652,437	-	652,437
Furniture and office equipment	828,011	(828,011)	-
Computer equipment and software	27,360,191	(20,000,218)	7,359,973
Automobile	134,034	(123,427)	10,607
Total	<u>\$ 31,318,861</u>	<u>\$ (22,034,891)</u>	<u>\$ 9,283,970</u>
December 31, 2023			
Building	\$ 2,344,188	\$ (1,004,096)	\$ 1,340,092
Land	652,437	-	652,437
Furniture and office equipment	828,011	(828,011)	-
Computer equipment and software	25,022,986	(17,641,981)	7,381,005
Automobile	134,034	(111,871)	22,163
Total	<u>\$ 28,981,656</u>	<u>\$ (19,585,959)</u>	<u>\$ 9,395,697</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$2,448,932 and \$2,973,440, respectively.

(1) See Note 20 - Subsequent Events, Sale of Real Estate.

Note 11 - Property and Casualty Insurance Activity

Premiums written, ceded and earned are as follows:

	Direct	Assumed	Ceded	Net
Year ended December 31, 2024				
Premiums written	\$ 241,979,937	\$ -	\$ (87,750,072)	\$ 154,229,865
Change in unearned premiums	(29,080,195)	-	3,348,250	(25,731,945)
Premiums earned	<u>\$ 212,899,742</u>	<u>\$ -</u>	<u>\$ (84,401,822)</u>	<u>\$ 128,497,920</u>
Year ended December 31, 2023				
Premiums written	\$ 200,174,502	\$ -	\$ (106,563,985)	\$ 93,610,517
Change in unearned premiums	1,871,239	-	18,902,507	20,773,746
Premiums earned	<u>\$ 202,045,741</u>	<u>\$ -</u>	<u>\$ (87,661,478)</u>	<u>\$ 114,384,263</u>

Premium receipts in advance of the policy effective date are recorded as advance premiums. The balance of advance premiums as of December 31, 2024 and 2023 was \$3,503,063 and \$3,797,590, respectively.

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The components of the liability for loss and LAE expenses and related reinsurance receivables as of December 31, 2024 and 2023 are as follows:

	<u>Gross Liability</u>	<u>Reinsurance Receivables</u>
December 31, 2024		
Case-basis reserves	\$ 64,087,782	\$ 17,721,033
Loss adjustment expenses	23,442,101	3,940,147
IBNR reserves	38,680,545	10,661,457
Recoverable on unpaid losses		32,322,637
Recoverable on paid losses	-	5,254,482
Total loss and loss adjustment expenses	<u>\$ 126,210,428</u>	37,577,119
Unearned premiums		31,745,317
Receivables - reinsurance contracts		-
Total reinsurance receivables		<u>\$ 69,322,436</u>
December 31, 2023		
Case-basis reserves	\$ 67,108,131	\$ 19,537,988
Loss adjustment expenses	17,448,218	3,085,429
IBNR reserves	37,261,513	10,665,233
Recoverable on unpaid losses		33,288,650
Recoverable on paid losses	-	15,376,899
Total loss and loss adjustment expenses	<u>\$ 121,817,862</u>	48,665,549
Unearned premiums		26,928,363
Receivables - reinsurance contracts		-
Total reinsurance receivables		<u>\$ 75,593,912</u>

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The following table provides a reconciliation of the beginning and ending balances for unpaid losses and LAE:

	Years ended December 31,	
	2024	2023
Balance at beginning of period	\$ 121,817,862	\$ 118,339,513
Less reinsurance recoverables	(33,288,650)	(27,659,500)
Net balance, beginning of period	<u>88,529,212</u>	<u>90,680,013</u>
Incurred related to:		
Current year	64,414,543	82,856,483
Prior years	(1,779,827)	(7,273)
Total incurred	<u>62,634,716</u>	<u>82,849,210</u>
Paid related to:		
Current year	32,956,899	49,146,173
Prior years	24,319,238	35,853,838
Total paid	<u>57,276,137</u>	<u>85,000,011</u>
Net balance at end of period	93,887,791	88,529,212
Add reinsurance recoverables	32,322,637	33,288,650
Balance at end of period	<u>\$ 126,210,428</u>	<u>\$ 121,817,862</u>

Incurred losses and LAE are net of reinsurance recoveries under reinsurance contracts of \$20,226,354 and \$41,091,205 for the years ended December 31, 2024 and 2023, respectively.

Prior year incurred loss and LAE development is based upon estimates by line of business and accident year. Prior year loss and LAE development incurred during the years ended December 31, 2024 and 2023 was \$1,779,827 favorable and \$7,273 favorable, respectively.

Loss and LAE reserves

The reserving process for loss and LAE reserves provides for the Company's best estimate at a particular point in time of the ultimate unpaid cost of all losses and LAE incurred, including settlement and administration of losses, and is based on facts and circumstances then known including losses that have occurred but that have not yet been reported. The process relies on standard actuarial reserving methodologies, judgments relative to estimates of ultimate claim severity and frequency, the length of time before losses will develop to their ultimate level ('tail' factors), and the likelihood of changes in the law or other external factors that are beyond the Company's control. Several actuarial reserving methodologies are used to estimate required loss reserves. The process produces carried reserves set by management based upon the actuaries' best estimate and is the cumulative combination of the best estimates made by line of business, accident year, and loss and LAE. The amount of loss and LAE reserves for individual reported claims (the "case reserve") is determined by the claims department and changes over time as new information is gathered. Such information is critical to the review of appropriate IBNR reserves and includes a review of coverage applicability, comparative liability on the part of the insured, injury severity, property damage, replacement cost estimates, and any other information considered pertinent to estimating the exposure presented by the claim. The amounts of loss and LAE reserves for unreported claims and development on known claims (IBNR reserves) are determined using historical information aggregated by line of insurance as adjusted to current conditions. Since this process produces loss reserves set by management based upon the actuaries' best estimate, there is no explicit or implicit provision for uncertainty in the carried loss reserves.

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Due to the inherent uncertainty associated with the reserving process, the ultimate liability may differ, perhaps substantially, from the original estimate. Such estimates are regularly reviewed and updated and any resulting adjustments are included in the current period's results. Reserves are closely monitored and are recomputed periodically using the most recent information on reported claims and a variety of statistical techniques. On at least a quarterly basis, the Company reviews by line of business existing reserves, new claims, changes to existing case reserves, and paid losses with respect to the current and prior periods. Several methods are used, varying by line of business and accident year, in order to select the estimated period-end loss reserves. These methods include the following:

Paid Loss Development – historical patterns of paid loss development are used to project future paid loss emergence in order to estimate required reserves.

Incurred Loss Development – historical patterns of incurred loss development, reflecting both paid losses and changes in case reserves, are used to project future incurred loss emergence in order to estimate required reserves.

Paid Bornhuetter-Ferguson ("BF") – an estimated loss ratio for a particular accident year is determined, and is weighted against the portion of the accident year claims that have been paid, based on historical paid loss development patterns. The estimate of required reserves assumes that the remaining unpaid portion of a particular accident year will pay out at a rate consistent with the estimated loss ratio for that year. This method can be useful for situations where an unusually high or low amount of paid losses exists at the early stages of the claims development process.

Incurred Bornhuetter-Ferguson ("BF") – an estimated loss ratio for a particular accident year is determined, and is weighted against the portion of the accident year claims that have been reported, based on historical incurred loss development patterns. The estimate of required reserves assumes that the remaining unreported portion of a particular accident year will pay out at a rate consistent with the estimated loss ratio for that year. This method can be useful for situations where an unusually high or low amount of reported losses exists at the early stages of the claims development process.

Incremental Claim-Based Methods – historical patterns of incremental incurred losses and paid LAE during various stages of development are reviewed and assumptions are made regarding average loss and LAE development applied to remaining claims inventory. Such methods more properly reflect changes in the speed of claims closure and the relative adequacy of case reserve levels at various stages of development. These methods may provide a more accurate estimate of IBNR for lines of business with relatively few remaining open claims but for which significant recent settlement activity has occurred.

Frequency / Severity Based Methods – historical measurements of claim frequency and average paid claim size (severity) are reviewed for more mature accident years where a majority of claims have been reported and/or closed. These historical averages are trended forward to more recent periods in order to estimate ultimate losses for newer accident years that are not yet fully developed. These methods are useful for lines of business with slow and/or volatile loss development patterns, such as liability lines where information pertaining to individual cases may not be completely known for many years. The claim frequency and severity information for older periods can then be used as reasonable measures for developing a range of estimates for more recent immature periods.

Management's best estimate of required reserves is generally based on an average of the methods above, with appropriate weighting of methods based on the line of business and accident year being projected. In some cases, additional methods or historical data from industry sources are employed to supplement the projections derived from the methods listed above.

Three key assumptions that materially affect the estimate of loss reserves are the loss ratio estimate for the current accident year used in the BF methods, the loss development factor selections used in the loss development methods, and the loss severity assumptions used in the frequency / severity method described above. The loss ratio estimates used in the BF methods are selected after reviewing historical accident year loss ratios adjusted for rate changes, trend, and mix of business. The severity assumptions used in the frequency / severity method are determined by reviewing historical average claim severity for older more mature accident periods, trended forward to less mature accident periods.

The Company reviews the carried reserves levels on a regular basis as additional information becomes available and makes adjustments in the periods in which such adjustments are determined to be necessary. The Company is not aware of any claim trends that have emerged or that would cause future adverse development that have not already been contemplated in setting current carried reserves levels.

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In New York State, lawsuits for negligence are subject to certain limitations and must be commenced within three years from the date of the accident or are otherwise barred. Accordingly, the Company's exposure to unreported claims ("pure" IBNR) for accident dates of December 31, 2021 and prior is limited, although there remains the possibility of adverse development on reported claims ("case development" IBNR). In certain rare circumstances states have retroactively revised a statute of limitations. The Company is not aware of any such effort that would have a material impact on the Company's results.

The following is information about incurred and paid claims development as of December 31, 2024, net of reinsurance, as well as the cumulative reported claims by accident year and total IBNR reserves as of December 31, 2024 included in the net incurred loss and allocated expense amounts. The historical information regarding incurred and paid claims development for the years ended December 31, 2015 to December 31, 2023 is presented as supplementary unaudited information.

All Lines of Business
(in thousands, except reported claims data)

Accident Year	Incurred Loss and Allocated Loss Adjustment Expenses, Net of Reinsurance										As of December 31, 2024		
	For the Years Ended December 31,										2024	IBNR	Cumulative Number of Reported Claims by Accident Year
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
	(Unaudited 2015 - 2023)												
2015	\$ 22,340	\$ 21,994	\$ 22,148	\$ 22,491	\$ 23,386	\$ 23,291	\$ 23,528	\$ 23,533	\$ 23,428	\$ 23,518	\$ 290	\$ 2,560	
2016		26,062	24,941	24,789	27,887	27,966	27,417	27,352	27,271	27,247	79	2,883	
2017			31,605	32,169	35,304	36,160	36,532	36,502	36,819	37,268	113	3,401	
2018				54,455	56,351	58,441	59,404	61,237	61,145	61,686	1,383	4,237	
2019					75,092	72,368	71,544	71,964	73,310	74,363	1,832	4,508	
2020						63,083	62,833	63,217	63,562	64,400	1,312	5,894	
2021							96,425	96,673	96,134	96,771	2,761	5,834	
2022								79,835	78,759	78,078	4,619	4,708	
2023									78,978	72,025	9,668	4,084	
2024										57,860	14,254	2,985	
									Total	\$ 593,216			

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All Lines of Business
(in thousands)

Accident Year	Cumulative Paid Loss and Allocated Loss Adjustment Expenses, Net of Reinsurance												
	For the Years Ended December 31,												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
	(Unaudited 2015 - 2023)												
2015	\$ 12,295	\$ 16,181	\$ 18,266	\$ 19,984	\$ 21,067	\$ 22,104	\$ 22,318	\$ 22,473	\$ 22,519	\$ 22,547			
2016		15,364	19,001	21,106	23,974	25,234	25,750	26,382	26,854	26,808			
2017			16,704	24,820	28,693	31,393	32,529	33,522	34,683	35,046			
2018				32,383	44,516	50,553	52,025	54,424	56,199	57,185			
2019					40,933	54,897	58,055	60,374	63,932	66,109			
2020						39,045	50,719	53,432	56,523	59,220			
2021							56,282	77,756	82,317	85,314			
2022								45,856	65,732	68,170			
2023									46,280	56,952			
2024										29,013			
										Total	\$ 506,365		
											Net liability for unpaid loss and allocated loss adjustment expenses for the accident years presented	\$ 86,851	
												All outstanding liabilities before 2015, net of reinsurance	968
												Liabilities for loss and allocated loss adjustment expenses, net of reinsurance	\$ 87,819

(Components may not sum to totals due to rounding)

Reported claim counts are measured on an occurrence or per event basis. A single claim occurrence could result in more than one loss type or claimant; however, the Company counts claims at the occurrence level as a single claim regardless of the number of claimants or claim features involved.

The reconciliation of the net incurred and paid claims development tables to the liability for loss and LAE reserves in the consolidated balance sheet is as follows:

**Reconciliation of the Disclosure of Incurred and Paid Loss Development
to the Liability for Loss and LAE Reserves**

<i>(in thousands)</i>	As of December 31, 2024
Liabilities for allocated loss and loss adjustment expenses, net of reinsurance	\$ 87,819
Total reinsurance recoverable on unpaid losses	32,323
Unallocated loss adjustment expenses	6,069
Total gross liability for loss and LAE reserves	\$ 126,210

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(Components may not sum to totals due to rounding)

The following is supplementary unaudited information about average historical claims duration as of December 31, 2024:

Years	Average Annual Percentage Payout of Incurred Loss and Allocated Loss Adjustment Expenses by Age, Net of Reinsurance									
	1	2	3	4	5	6	7	8	9	10
All Lines of Business	55.3 %	19.0 %	6.6 %	5.5 %	4.2 %	3.0 %	2.0 %	1.1 %	— %	0.1 %

The percentages in the above table do not add up to 100 because the percentages represent averages across all accident years at each development stage.

Note 12 – Stockholders’ Equity

Dividends Declared

On November 11, 2022, the Company’s Board of Directors determined to suspend regular quarterly dividends. Future dividend policy will be subject to the discretion of the Company’s Board of Directors.

Preferred Stock

The Board of Directors has the authority to issue shares of Preferred Stock from time to time in a series and to fix, before the issuance of each series, the number of shares in each series and the designation, liquidation preferences, conversion privileges, rights and limitations of each series. There was no preferred stock issued as of December 31, 2024 and 2023.

2014 Equity Participation Plan

Effective August 12, 2014, the Company’s stockholders approved the 2014 Equity Participation Plan (the “2014 Plan”) pursuant to which a maximum of 700,000 shares of Common Stock of the Company were initially authorized to be issued pursuant to the grant of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock and stock bonuses. Incentive stock options granted under the 2014 Plan expire no later than ten years from the date of grant (except no later than five years for a grant to a 10% stockholder). Non-statutory stock options granted under the 2014 Plan expire no later than ten years from the date of grant. The Board of Directors or the Compensation Committee determined the vesting provisions for stock awards granted under the 2014 Plan, subject to the provisions of the 2014 Plan. On August 5, 2020, the Company’s stockholders approved amendments to the 2014 Plan, including an increase in the maximum number of shares of Common Stock of the Company that were authorized to be issued pursuant to the 2014 Plan to 1,400,000. On August 9, 2023, the Company’s stockholders approved an amendment to the 2014 Plan to increase the maximum number of shares of Common Stock of the Company that were authorized to be issued pursuant to the 2014 Plan to 1,900,000. The 2014 Plan terminated on August 12, 2024 and no further awards may be granted under the 2014 Plan.

2024 Equity Participation Plan

Effective August 7, 2024, the Company’s stockholders approved the 2024 Equity Participation Plan (the “2024 Plan”) pursuant to which a maximum of 1,000,000 shares of Common Stock of the Company are authorized to be issued pursuant to the grant of incentive stock options, non-statutory stock options, stock appreciation rights, and stock bonus awards. Incentive stock options granted under the 2024 Plan expire no later than ten years from the date of grant (except no later than five years for a grant to a 10% stockholder). Non-statutory stock options granted under the 2024 Plan expire no later than ten years from the date of grant. The Board of Directors or the Compensation Committee determines the vesting provisions for stock awards granted under the 2024 Plan, subject to the provisions of the 2024 Plan. The 2024 Plan terminates on May 10, 2034 and no further awards may be granted under the 2024 Plan after such date.

As of December 31, 2024, there were 58,775 shares granted under the 2024 Plan.

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Stock Options

The results of operations for the years ended December 31, 2024 and 2023 include stock-based compensation expense for stock options totaling approximately \$196,000 and \$0, respectively, which is included in other operating expenses on the accompanying consolidated statements of operations and comprehensive income (loss). Stock-based compensation expense related to stock options for the year ended December 31, 2024 is net of estimated forfeitures of approximately 19%.

The weighted average estimated fair value of stock options granted during the year ended December 31, 2024 was \$1.24 per share. No options were granted during the year ended December 31, 2023. The fair value of stock options at the grant date was estimated using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

The following weighted average assumptions were used for grants during the following periods:

	Years ended December 31,	
	2024	2023
Dividend Yield	0.00%	n/a
Volatility	74.72%	n/a
Risk-Free Interest Rate	4.17%	n/a
Expected Life	3.50 years	n/a

A summary of stock option activity under the Company's 2014 Plan and 2024 Plan for the year ended December 31, 2024 is as follows:

Stock Options	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2024	107,201	\$ 8.31	0.94	\$ -
Granted	318,750	\$ 2.25	4.07	\$ 4,124,625
Exercised	(84,038)	\$ 8.42	-	\$ 166,145
Expired/Forfeited	(60,000)	\$ 2.25	4.55	\$ 241,900
Outstanding at December 31, 2024	<u>281,913</u>	<u>\$ 2.71</u>	<u>3.74</u>	<u>\$ 3,517,111</u>
Vested and Exercisable at December 31, 2024	<u>23,163</u>	<u>\$ 7.90</u>	<u>0.10</u>	<u>\$ 168,886</u>

The aggregate intrinsic value of options outstanding and options exercisable at December 31, 2024 is calculated as the difference between the exercise price of the underlying options and the market price of the Company's Common Stock for the options that had exercise prices that were lower than the \$15.19 closing price of the Company's Common Stock on December 31, 2024. No options were exercised, forfeited or expired during the year ended December 31, 2023. The total

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intrinsic value of options when forfeited are determined as of the date of forfeiture. The total intrinsic value of options when expired are determined as of the date of expiration.

Participants in the 2014 Plan and the 2024 Plan may exercise their outstanding vested options, in whole or in part, by having the Company reduce the number of shares otherwise issuable by a number of shares having a fair market value equal to the exercise price of the option being exercised ("Net Exercise"), or by exchanging a number of shares owned for a period of greater than one year having a fair market value equal to the exercise price of the option being exercised ("Share Exchange").

The Company received 52,719 shares from the exercise of options under a Share Exchange for the purchase of 63,333 shares of Common Stock during the year ended December 31, 2024. Such shares received under the Share Exchange have been included in the consolidated balance sheets within treasury stock. The Company received \$63,711 from the exercise of 7,974 options. The remaining options exercised during the year ended December 31, 2024 was a Net Exercise, resulting in the issuance of 690 shares of Common Stock. No options were exercised during the year ended December 31, 2023.

As of December 31, 2024, the estimated fair value of unamortized compensation cost related to 258,750 unvested stock option awards was approximately \$67,008. Unamortized compensation cost as of December 31, 2024 is expected to be recognized over a remaining weighted-average vesting period of 2.01 years

Restricted Stock Awards

A summary of the restricted Common Stock activity under the Company's 2014 Plan and 2024 Plan for the year ended December 31, 2024 is as follows:

Restricted Stock Awards	Shares	Weighted Average Grant Date Fair Value per Share	Aggregate Fair Value
Balance at January 1, 2024	550,581	\$ 3.82	\$ 2,103,219
Granted	237,214	\$ 5.52	\$ 1,308,699
Vested	(517,709)	\$ 3.86	\$ (1,998,357)
Forfeited	(2,500)	\$ 4.80	\$ (12,000)
Balance at December 31, 2024	267,586	\$ 5.24	\$ 1,402,151

Fair value was calculated using the closing price of the Company's Common Stock on the grant date. For the years ended December 31, 2024 and 2023, stock-based compensation for these grants was approximately \$1,187,000 and \$833,000, respectively, which is included in other operating expenses on the accompanying consolidated statements of operations and comprehensive income (loss). These amounts reflect the Company's accounting expense and do not correspond to the actual value that will be recognized by the directors, executives and employees. Unamortized compensation cost of \$730,661 as of December 31, 2024 is expected to be recognized over a remaining weighted-average vesting period of 2.13 years.

Employee Stock Purchase Plan

On June 19, 2021, the Company's Board of Directors adopted the Kingstone Companies, Inc. Employee Stock Purchase Plan (the "ESPP"), subject to stockholder approval. Such approval was obtained on August 10, 2021. The purpose of the ESPP is to provide eligible employees of the Company with an opportunity to use payroll deductions to purchase shares of Common Stock of the Company. The maximum number of shares of Common Stock that may be purchased under the ESPP is 750,000, subject to adjustment as provided for in the ESPP. The ESPP was effective August 10, 2021 and expires

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on August 10, 2031. A maximum of 5,000 shares of Common Stock may be purchased by an employee during any offering period.

The initial offering period under the ESPP was from November 1, 2021 through October 31, 2022 ("2021/2022 Offering"). There was no offering pursuant to the ESPP from November 1, 2022 through December 31, 2024. See Note 20 - Subsequent Events - Equity.

Warrants

In connection with the 2022 Exchange Agreement (see Note 9 – Debt – "Exchange Agreements"), as additional consideration, on December 15, 2022, the Company issued warrants (the "Warrants") to the 2022 Exchanging Noteholders to purchase 969,525 shares of Common Stock. Pursuant to the 2024 Exchange Agreement, the expiration date of the Warrants was extended to June 30, 2026 from December 30, 2025. The fair value of the Warrants, using the Black-Scholes valuation formula, was \$993,200, which has been capitalized as a deferred financing cost of the 2022 Notes and 2024 Notes. The fair value of the Warrants is being amortized over the life of the Warrants, which was 36.5 months through September 12, 2024 and effective as of such date, the unamortized balance is being amortized over the extended life of the Warrants, which is now 21.5 months.

In accordance with ASC 815-40-35 - Derivatives and Hedging – Subsequent Measurement, the effect of a modification or an exchange shall be measured as the difference between the fair value of the modified or exchanged instrument and the fair value of that instrument immediately before it is modified or exchanged. The Company calculated the respective fair values and determined the difference was immaterial.

The Warrants are exercisable through June 30, 2026 at an exercise price of \$1.00 per share. Holders of the Warrants may exercise their outstanding Warrants in cash, or, in whole or in part, by having the Company reduce the number of shares otherwise issuable by a number of shares having a fair market value equal to the exercise price of the Warrants being exercised ("Net Exercise").

During the year December 31, 2024, holders exercised 327,500 Warrants under Net Exercises, resulting in the issuance of 304,413 shares of Common Stock. No Warrants were exercised during the year ended December 31, 2023. As of December 31, 2024, Warrants for the purchase of an aggregate of 642,025 shares of Common Stock were outstanding.

No warrants were granted during the year ended December 31, 2024 and December 31, 2023.

Shelf Registration

On April 5, 2024, the Company filed a shelf registration statement on Form S-3 with the SEC under the Securities Act of 1933, as amended, with regard to the registration of \$50,000,000 of its equity and debt securities (the "Shelf Registration Statement"). The Shelf Registration Statement was declared effective by the SEC on April 22, 2024. Any offering made pursuant to the Shelf Registration Statement may only be made by means of a prospectus, including a prospectus supplement, forming a part of the effective Shelf Registration Statement, relating to the offering.

At-the-Market Offering

In May 2024, the Company entered into a Sales Agreement with Janney Montgomery Scott LLC (the "Sales Agent") under which the Company currently has the ability to issue and sell shares of its Common Stock, from time to time, through the Sales Agent, pursuant to the Shelf Registration Statement, up to an aggregate offering price of approximately \$16,400,000 in what is commonly referred to as an "at-the-market" ("ATM") program. During the year ended December 31, 2024, the Company sold 1,437,287 shares of its Common Stock at a weighted average price of \$9.79 per share and raised \$13,610,807 in net proceeds under the ATM program. As of December 31, 2024, the Company had remaining capacity to sell up to an additional \$2,325,087 of Common Stock under the ATM program. On January 7, 2025, the Company filed a prospectus supplement increasing the aggregate offering price for the ATM program to \$25,000,000. See Note 20 - Subsequent Events, Equity.

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Note 13 - Statutory Financial Information and Accounting Policies

For regulatory purposes, KICO prepares its statutory basis financial statements based on statutory accounting principles prescribed or permitted by the New York State Department of Financial Services (the "DFS"). The DFS requires insurance companies domiciled in New York State to prepare their statutory financial statements in accordance with Statements of Statutory Accounting Principles as promulgated by the National Association of Insurance Commissioners (the "NAIC"), subject to any deviations prescribed or permitted by the DFS. These statutory accounting practices differ substantially from GAAP used by most business entities. The more significant variances from GAAP are as follows:

- Policy acquisition costs are charged to operations in the year such costs are incurred, rather than being deferred and amortized as premiums are earned over the terms of the policies.
- Ceding commission revenues are earned when ceded premiums are written except for ceding commission revenues in excess of anticipated acquisition costs, which are deferred and amortized as ceded premiums are earned. GAAP requires that all ceding commission revenues be earned as the underlying ceded premiums are earned over the term of the reinsurance agreements.
- Certain assets including certain receivables, a portion of the net deferred tax asset, prepaid expenses and furniture and equipment are not admitted.
- Investments in fixed-maturity securities are valued at NAIC value for statutory financial purposes, which is primarily amortized cost. GAAP requires certain investments in fixed-maturity securities classified as available-for-sale, to be reported at fair value.
- Certain amounts related to ceded reinsurance are reported on a net basis within the statutory basis financial statements. GAAP requires these amounts to be shown gross.
- For SAP purposes, changes in deferred income taxes relating to temporary differences between net income for financial reporting purposes and taxable income are recognized as a separate component of gains and losses in surplus rather than included in income tax expense or benefit as required under GAAP.

State insurance laws restrict the ability of KICO to declare dividends. These restrictions are related to surplus and net investment income. Dividends are restricted to the lesser of 10% of surplus or 100% of investment income (on a statutory accounting basis) for the trailing 36 months, net of dividends paid by KICO during such period. State insurance regulators require insurance companies to maintain specified levels of statutory capital and surplus. Generally, dividends may be paid without the need for DFS approval from unassigned surplus, and the amount of an insurer's unassigned surplus following payment of any dividends must be reasonable in relation to the insurer's outstanding liabilities and adequate to meet its financial needs.

At December 31, 2024 and 2023, unassigned surplus (deficit) was \$13,658,183 and \$(7,661,958), respectively. KICO has an agreement with DFS that KICO may only pay dividends to the Holding Company for purposes of paying operating expenses and debt obligations. KICO has an agreement with the DFS that the maximum amount of dividends that can be paid in 12 months is \$12,000,000 without prior approval. As of December 31, 2024, the maximum allowable dividend that KICO may pay to KINS was \$7,640,412. For the years ended December 31, 2024 and 2023, KICO paid dividends to the Holding Company of \$0 and \$1,250,000, respectively. For the years ended December 31, 2024 and 2023, KICO recorded statutory basis net income of \$23,273,658 and \$1,343,111, respectively. At December 31, 2024 and 2023, KICO reported statutory basis surplus as regards policyholders of \$76,704,115 and \$62,683,794, respectively, as filed with the DFS.

Note 14 - Risk Based Capital

State insurance departments impose risk-based capital ("RBC") requirements on insurance enterprises. The RBC Model serves as a benchmark for the regulation of insurance companies by state insurance regulators. RBC provides for targeted surplus levels based on formulas, which specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk, and are set forth in the RBC requirements. Such formulas focus on four general types of risk: (a) the risk with respect to the company's assets (asset or default risk); (b) the risk of default on amounts due from reinsurers, policyholders, or other creditors (credit risk); (c) the risk of underestimating liabilities from business already written or inadequately pricing business to be written in the coming year (underwriting risk); and (d) the

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risk associated with items such as excessive premium growth, contingent liabilities, and other items not reflected on the balance sheet (off-balance sheet risk). The amount determined under such formulas is called the authorized control level RBC ("ACL").

The RBC guidelines define specific capital levels based on a company's ACL that are determined by the ratio of the company's total adjusted capital ("TAC") to its ACL. TAC is equal to statutory capital, plus or minus certain other specified adjustments. The Company's TAC was above the ACL for each of the last two years and is in compliance with RBC requirements as of December 31, 2024 and 2023.

Note 15 – Income Taxes

The Company files a consolidated U.S. federal income tax return that includes all wholly owned subsidiaries. State tax returns are filed on a consolidated or separate return basis depending on applicable laws. The Company records adjustments related to prior years' taxes during the period when they are identified, generally when the tax returns are filed. The effect of these adjustments on the current and prior periods (during which the differences originated) is evaluated based upon quantitative and qualitative factors and are considered in relation to the consolidated financial statements taken as a whole for the respective periods.

The provision for income taxes is comprised of the following:

<i>Years ended December 31,</i>	2024	2023
Current federal income tax expense	\$ -	\$ -
Current state income tax expense	2,160	2,730
Deferred federal and state income tax (benefit)	4,927,561	(1,199,915)
Income tax (benefit)	<u>\$ 4,929,721</u>	<u>\$ (1,197,185)</u>

A reconciliation of the federal statutory rate to the Company's effective tax rate is as follows:

<i>Years ended December 31,</i>	2024		2023	
Computed expected tax expense (benefit)	\$ 4,890,513	21.0 %	\$ (1,546,925)	21.0 %
State taxes, net of Federal benefit	(431,749)	(1.9)	(271,543)	3.7
State valuation allowance	439,905	1.9	282,864	(3.8)
Permanent differences				
Dividends received deduction	(64,525)	(0.3)	(74,323)	1.0
Non-taxable investment income	(122,194)	(0.5)	(98,767)	1.3
Stock-based compensation	(280,104)	(1.2)	62,801	(0.9)
Sale leaseback transaction	99,775	0.4	315,894	(4.3)
Other permanent differences	191,488	0.8	96,789	(1.3)
Prior year tax matters	173,572	0.8	27,460	(0.4)
Other	33,040	(0.1)	8,565	(0.1)
Income tax expense (benefit), as reported	<u>\$ 4,929,721</u>	<u>21.2 %</u>	<u>\$ (1,197,185)</u>	<u>16.3 %</u>

Deferred tax assets and liabilities are determined using the enacted tax rates applicable to the period the temporary differences are expected to be recovered. Accordingly, the current period income tax provision can be affected by the enactment of new tax rates. The net deferred income taxes on the balance sheets reflect temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and income tax purposes, tax effected at various rates depending on whether the temporary differences are subject to federal taxes, state taxes, or both.

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Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2024	December 31, 2023
Deferred tax asset:		
Net operating loss carryovers (1)	\$ 419,357	\$ 5,283,016
Claims reserve discount	1,305,466	1,204,334
Unearned premium	3,810,973	2,742,603
Deferred ceding commission revenue	2,423,660	1,986,782
Net unrealized losses on securities	3,069,900	3,357,463
Other	834,921	1,153,903
Total deferred tax assets	11,864,277	15,728,101
Deferred tax liability:		
Investment in KICO (2)	759,543	759,543
Deferred acquisition costs	5,193,798	4,158,538
Intangibles	105,000	105,000
Depreciation and amortization	208,016	153,201
Total deferred tax liabilities	6,266,357	5,176,282
Net deferred income tax asset	\$ 5,597,920	\$ 10,551,819

(1) The deferred tax assets from net operating loss carryovers are as follows:

Type of NOL	December 31, 2024	December 31, 2023	Expiration
Federal only, NOL from 2024 and 2023	\$ 419,357	\$ 5,283,016	None
State only (A)	3,075,395	2,560,372	December 2027 - December 2043
Valuation allowance	(3,075,395)	(2,560,372)	
State only, net of valuation allowance	-	-	
Total deferred tax asset from net operating loss carryovers	\$ 419,357	\$ 5,283,016	

(A) Kingstone generates operating losses for state purposes and has prior year NOLs available. The state NOL as of December 31, 2024 and 2023 was approximately \$47,313,775 and \$39,390,000, respectively. KICO, the Company's insurance underwriting subsidiary, is not subject to state income taxes. KICO's state tax obligations are paid through a gross premiums tax, which is included in the consolidated statements of operations and comprehensive income (loss) within other underwriting expenses. Kingstone has recorded a valuation allowance due to the uncertainty of generating enough state taxable income to utilize 100% of the available state NOLs over their remaining lives, which expire between 2027 and 2044.

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(2) Deferred tax liability - investment in KICO

On July 1, 2009, the Company completed the acquisition of 100% of the issued and outstanding common stock of KICO (formerly known as Commercial Mutual Insurance Company ("CMIC")) pursuant to the conversion of CMIC from an advance premium cooperative insurance company to a stock property and casualty insurance company. Pursuant to the plan of conversion, the Company acquired a 100% equity interest in KICO, in consideration for the exchange of \$3,750,000 principal amount of surplus notes of CMIC. In addition, the Company forgave all accrued and unpaid interest on the surplus notes as of the date of conversion. As of the date of acquisition, unpaid accrued interest on the surplus notes along with the accretion of the discount on the original purchase of the surplus notes totaled \$2,921,319 (collectively the "Untaxed Interest"). As of the date of acquisition, the deferred tax liability on the Untaxed Interest was \$1,169,000. Under GAAP guidance for business combinations, a temporary difference with an indefinite life exists when the parent company has a lower carrying value of its subsidiary for income tax purposes. The deferred tax liability was reduced to \$759,543 upon the reduction of federal income tax rates as of December 31, 2017. The Company is required to maintain its deferred tax liability of \$759,543 related to this temporary difference until the stock of KICO is sold, or the assets of KICO are sold or KICO and the parent are merged.

The table below reconciles the changes in net deferred income tax assets (liabilities) to the deferred income tax benefit for the year ended December 31, 2024:

Decrease in net deferred income tax assets	\$	4,953,899
Less: Deferred tax expense allocated to other comprehensive income		26,338
Deferred income tax	\$	<u>4,927,561</u>

In assessing the valuation of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. No valuation allowance against deferred tax assets has been established, except for NOL limitations, as the Company believes it is more likely than not the deferred tax assets will be realized based on the historical taxable income of KICO, or by offset to deferred tax liabilities.

The Company had no material unrecognized tax benefit and no adjustments to liabilities or operations were required. There were no interest or penalties related to income taxes that have been accrued or recognized as of and for the years ended December 31, 2024 and 2023. If any had been recognized these would have been reported in income tax expense.

Generally, taxing authorities may examine the Company's tax returns for the three years from the date of filing. The Company's tax returns for the years ended December 31, 2021 through December 31, 2023 remain subject to examination.

Note 16 - Employee Benefit Plans

Bonus Plans

Employee Bonus Plan

For the year ended December 31, 2024, the Company accrued approximately \$2,091,000 ("Cash Payments") related to an employee bonus plan (the "Bonus Plan"), of which \$477,000 is allocated and recorded in loss and LAE, and \$1,614,000 is recorded in other underwriting expenses on the accompanying consolidated statements of operations and comprehensive income (loss). In addition to the Cash Payments, the Bonus Plan also calls for a restricted stock award to the Company's senior leadership team ("SLT") in an amount equal to their Cash Payments if certain performance metrics have been met. The performance metrics for the year ended December 31, 2024 have been met, and accordingly, the SLT received in March 2025 an RSA for an aggregate of 58,755 shares of the Company's Common Stock valued at approximately \$892,000. For the year ended December 31, 2024, the Company accrued approximately \$278,000 of stock-based compensation recorded in other operating expenses on the accompanying consolidated statements of operations and comprehensive income (loss). For the year ended December 31, 2023 the Company did not accrue for, or pay, bonuses related to the Bonus Plan.

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Executive Bonus Plan

For the year ended December 31, 2024, the Company accrued approximately \$496,000 for a bonus pursuant to the Second Amended Golden Employment Agreement, of which \$446,000 is recorded in other underwriting expenses, and \$50,000 is recorded in other operating expenses on the accompanying consolidated statements of operations and comprehensive income (loss).

401(k) Plan

The Company maintains a salary reduction plan under Section 401(k) of the Internal Revenue Code (the "401(k) Plan") for its qualified employees. The Company matches 100% of each participant's contribution up to 4% of the participant's eligible contribution. The Company incurred approximately \$270,000 and \$292,000, respectively, of expense for the years ended December 31, 2024 and 2023, related to the 401(k) Plan, which is recorded in other underwriting expenses on the accompanying consolidated statements of operations and comprehensive income (loss).

Deferred Compensation Plan

On June 18, 2018, the Company adopted the Kingstone Companies, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"). Effective December 22, 2022, the Company terminated the Deferred Compensation Plan. The assets of the Deferred Compensation Plan were liquidated in September 2024, by making payments to participants in full satisfaction of their interest in the Deferred Compensation Plan.

The deferred compensation liability as of December 31, 2024 and 2023 amounted to \$0 and \$937,025, respectively, and is recorded in accounts payable, accrued expenses and other liabilities in the accompanying consolidated balance sheets.

Note 17 - Commitments and Contingencies

Litigation

From time to time, the Company is involved in various legal proceedings in the ordinary course of business. For example, to the extent a claim is asserted by a third party in a lawsuit against one of the Company's insureds covered by a particular policy, the Company may have a duty to defend the insured party against the claim. These claims may relate to bodily injury, property damage or other compensable injuries as set forth in the policy. Such proceedings are considered in estimating the liability for loss and LAE expenses.

Office Leases

The Company enters into lease agreements for real estate that is primarily used for office space in the ordinary course of business. These leases are accounted for as operating leases, whereby lease expense is recognized on a straight-line basis over the term of the lease. See Note 2 - Accounting Policies for additional information regarding the accounting for leases.

The Company was a party to a non-cancellable operating lease, dated March 27, 2015, for its office facility for KICO located in Valley Stream, New York which expired on March 31, 2024. The lease was not renewed.

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Additional information regarding the Company's office operating leases is as follows:

Lease cost	Year ended December 31, 2024	Year ended December 31, 2023
Operating lease	\$ 41,342	\$ 165,368
Total lease cost	\$ 41,342	\$ 165,368
Other information on operating leases		
Cash payments included in the measurement of lease liability reported in operating cash flows		
	\$ 49,145	\$ 191,919
Discount rate	5.50 %	5.50 %
Remaining lease term in years	—	0.25

Operating lease right-of-use assets, included in other assets, were \$0 and \$47,722 as of December 31, 2024 and 2023, respectively. Operating lease right-of-use liabilities, included in accounts payable, accrued expenses and other liabilities, were \$0 and \$47,722 as of December 31, 2024 and 2023, respectively.

Rent expense for the years ended December 31, 2024 and 2023 amounted to \$41,342 and \$165,368, respectively, and is included in the accompanying consolidated statements of operations and comprehensive income (loss) within other underwriting expenses.

Employment Agreements

Meryl Golden, President and Chief Executive Officer; formerly Chief Operating Officer

Employment Agreement effective as of January 1, 2021

On September 16, 2019, the Company and Meryl Golden entered into an employment agreement (the "Golden Employment Agreement") pursuant to which Ms. Golden served as the Company's Chief Operating Officer. Ms. Golden also served as KICO's President and Chief Operating Officer. The Golden Employment Agreement became effective as of September 25, 2019 (amended on December 24, 2020) and expired on December 31, 2022.

Pursuant to the Golden Employment Agreement, Ms. Golden was entitled to receive an annual salary of \$500,000. The Golden Employment Agreement also provided for the grant on the effective date of a five year option for the purchase of 50,000 shares of the Company's Common Stock pursuant to the 2014 Plan. The options granted vested in four equal installments, with the first installment vesting on the grant date, and the remaining installments vesting on the first, second, and third anniversaries of the grant date. Pursuant to the Golden Employment Agreement, as amended, in each of January 2021 and January 2022, Ms. Golden was granted 30,000 shares of restricted Common Stock pursuant to the 2014 Plan. Each such grant vested in three equal installments on each of the first, second and third anniversaries of the grant date. Pursuant to the 2014 Plan, Ms. Golden's outstanding stock options and restricted stock awards would vest in the event of a change in control of the Company.

Employment Agreement effective as of January 1, 2023

On June 27, 2022, the Company and Ms. Golden entered into a second amended and restated employment agreement which took effect as of January 1, 2023, and expired on December 31, 2024 (the "Second Amended Golden Employment Agreement").

Pursuant to the Second Amended Golden Employment Agreement, Ms. Golden was entitled to receive an annual base salary of \$500,000 and an annual bonus equal to 3% of the Company's consolidated income from operations before taxes, exclusive of the Company's consolidated net investment income (loss), net unrealized gains (losses) on equity securities

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and net realized gains (losses) on investments, up to a maximum of 1.25 times her base salary. In addition, pursuant to the Second Amended Golden Employment Agreement, Ms. Golden was granted, under the terms of the 2014 Plan, during each of January 2023 and January 2024, a number of shares of restricted stock determined by dividing \$136,500 by the fair market value of the Company's Common Stock on the date of grant. In January 2023, Ms. Golden was granted 101,111 shares of restricted stock pursuant to this provision. The 2023 grant vested with respect to one-half of the award on the first anniversary of the grant date and one-half of the award on December 31, 2024, based on the continued provision of services through such dates. In January 2024, Ms. Golden was granted 64,085 shares of restricted stock pursuant to this provision. The 2024 grant vested on January 2, 2025, based on the continued provision of services through such date. Further, pursuant to the Second Amended Golden Employment Agreement, Ms. Golden would be entitled to receive, under certain circumstances, a payment equal to 1.5 times her then annual base salary and her accrued bonus in the event of the termination of her employment within eighteen months following a change of control of the Company.

Effective as of October 1, 2023, Ms. Golden was appointed to the position of President and Chief Executive Officer of the Company.

Employment Agreement to be effective as of January 1, 2025

On April 15, 2024, the Company and Ms. Golden entered into a third amended and restated employment agreement (the "Third Amended Golden Employment Agreement"). The Third Amended Golden Employment Agreement was effective as of January 1, 2025 and extends the expiration date of the Second Amended Golden Employment Agreement currently in effect for Ms. Golden from December 31, 2024 to December 31, 2026. Pursuant to the Third Amended Golden Employment Agreement, Ms. Golden is entitled to receive an annual base salary of \$550,000 (increased from \$500,000 previously in effect) and an annual bonus equal to 3% of the Company's consolidated income from operations before taxes, exclusive of the Company's consolidated net investment income (loss), net unrealized gains (losses) on equity securities and net realized gains (losses) on investments, up to a maximum of 1.25 times her base annual salary (the same as previously in effect). Pursuant to the Third Amended Golden Employment Agreement (and as provided for in the Second Amended Golden Employment Agreement), in the event that Ms. Golden's employment is terminated by the Company without cause or she resigns for good reason (each as defined in the Third Amended Golden Employment Agreement), Ms. Golden would be entitled to receive her base salary and the 3% bonus for the remainder of the term. Ms. Golden would be entitled, under certain circumstances, to a payment equal to 1.5 times her then annual salary and her accrued 3% bonus in the event of the termination of her employment following a change of control of the Company (also as is provided for in the Second Amended Golden Employment Agreement). Pursuant to the Third Amended Golden Employment Agreement, Ms. Golden received during January 2025, and will be entitled to receive during January 2026, under certain circumstances, a grant of 40,000 shares of restricted stock. The 2025 grant will become vested with respect to one-half of the award on the first anniversary of the grant date and one-half on December 31, 2026. The 2026 grant will become vested on the first anniversary of the grant date. In the event that the Company is precluded from making a grant to Ms. Golden in 2026, she would instead be entitled to a cash bonus of \$136,500 for such year.

Barry Goldstein, formerly Executive Chairman of the Board, President and Chief Executive Officer (retired effective September 10, 2024)

Upon Mr. Goldstein's retirement on September 10, 2024, the balance of his previously unvested shares became fully vested.

Note 18 - Earnings (Loss) Per Common Share

Basic net earnings (loss) per common share is computed by dividing net income (loss) by the weighted-average number of shares of Common Stock outstanding. Diluted earnings (loss) per common share reflects, in periods in which it has a dilutive effect, the impact of common shares issuable upon exercise of stock options and warrants as well as non-vested restricted stock awards. The computation of diluted earnings (loss) per common share excludes those options and warrants with an exercise price in excess of the average market price of the Company's Common Stock during the periods presented. For the year ended December 31, 2024, there were 2,828 options with an exercise price in excess of the average market price of the Company's Common Stock during the period. For the year ended December 31, 2024, there were no warrants with an exercise price in excess of the average market price of the Company's Common Stock during the period.

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The computation of diluted earnings (loss) per common share excludes outstanding options, warrants and non-vested restricted stock awards in periods where the exercise of such options and warrants or vesting of such restricted stock awards would be anti-dilutive. For the year ended December 31, 2023, no options, warrants or restricted stock awards were included in the computation of diluted loss per common share as they would have been anti-dilutive for the relevant period and, as a result, the weighted average number of shares of Common Stock used in the calculation of diluted loss per common share has not been adjusted for the effect of such options, warrants and non-vested restricted stock awards.

The reconciliation of the weighted average number of shares of Common Stock used in the calculation of basic and diluted earnings (loss) per common share follows:

	Years ended	
	December 31,	
	2024	2023
Weighted average number of shares outstanding	11,478,899	10,756,487
Effect of dilutive securities, common share equivalents:		
Stock options	205,961	-
Warrants	554,516	-
Restricted stock awards	184,393	-
Weighted average number of shares outstanding, used for computing diluted earnings (loss) per share	<u>12,423,769</u>	<u>10,756,487</u>

Note 19 - Segment Information

The Company reports results of operations for its reportable segments consistent with the manner in which its chief operating decision maker ("CODM") reviews the business to assess performance and allocate resources. The Company identifies its CODM to be its President and Chief Executive Officer.

The Company evaluates the results of its single reportable segment as follows:

Insurance operations are evaluated on (i) underwriting results (net premiums earned, ceding commission earned, other income, loss and loss adjustment expenses, commission expense, and other underwriting expenses), equating to the components of the net combined ratio.

Investments from the insurance operation are primarily evaluated on net investment income and its return on equity contribution.

Net gains (losses) on investments, other operating expenses are corporate expenses, depreciation and amortization, interest expense, and income tax (benefit), which are broken out below the insurance operations components of the net combined ratio to return to the consolidated net income (loss).

The Company's CODM uses these measures of profit or loss predominantly in the annual budget and forecasting process, considering budget-to-actual variances throughout the year. The CODM also uses these profit measures for evaluating (i) financial performance, (ii) pricing in the Company's insurance operations, and (iii) employee compensation.

The Company does not allocate items not included in the net combined ratio. Such items include net gains on investments, depreciation and amortization, interest expense, corporate expenses included in other operating expenses, and assets to these segments. The Company does not allocate income taxes to its segments. The Company does not manage those segments on after-tax results.

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The following tables reconciles the revenue and expense components of the net combined ratio to consolidated net (income) loss for the periods presented.

Other Cost and Expense, Operating, Excluded from Net Combined Ratio	Years ended December 31,	
	2024	2023
Revenue components of net combined ratio		
Net premiums earned	\$ 128,497,920	\$ 114,384,263
Ceding commission revenue	18,837,946	21,053,494
Other income	549,967	600,993
Total revenue components of net combined ratio	<u>147,885,833</u>	<u>136,038,750</u>
Expense components of net combined ratio		
Loss and loss adjustment expenses	62,634,716	82,849,210
Commission expense	33,929,333	33,364,629
Other underwriting expenses	25,692,727	25,909,962
Total expense components of net combined ratio	<u>122,256,776</u>	<u>142,123,801</u>
Operating segment net income (loss)	<u>25,629,057</u>	<u>(6,085,051)</u>
Reconciliation of net income (loss) components excluded from net combined ratio:		
Revenue components excluded from net combined ratio		
Net investment income	6,823,590	6,008,682
Net gains on investments	414,551	2,134,554
Other income	18,129	8,728
Total revenue components excluded from net combined ratio	<u>7,256,270</u>	<u>8,151,964</u>
Expense components excluded from net combined ratio		
Other operating expenses	3,634,583	2,456,473
Depreciation and amortization	2,448,932	2,973,440
Interest expense	3,513,655	4,002,531
Income tax (benefit)	4,929,721	(1,197,185)
Total expense components excluded from net combined ratio	<u>14,526,891</u>	<u>8,235,259</u>
Total net loss components excluded from net combined ratio:	<u>(7,270,621)</u>	<u>(83,295)</u>
Consolidated net income (loss)	<u>\$ 18,358,436</u>	<u>\$ (6,168,346)</u>

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The following table shows the calculation of the net combined ratio and return on equity from net investment income for the periods presented.

	Years ended December 31,	
	2024	2023
Net combined ratio		
Net loss ratio	48.7 %	72.4 %
Net underwriting expense ratio	31.3 %	32.9 %
Net combined ratio	<u>80.0 %</u>	<u>105.3 %</u>
Reconciliation of net underwriting expense ratio:		
Commission expense and other		
underwriting expenses	59,622,060	59,274,591
Less: Ceding commission revenue	(18,837,946)	(21,053,494)
Less: Other income	(549,967)	(600,993)
Total commission expense and other		
underwriting expenses	<u>\$ 40,234,147</u>	<u>\$ 37,620,104</u>
Net earned premium	<u>\$ 128,497,920</u>	<u>\$ 114,384,263</u>
Net Underwriting Expense Ratio	31.3 %	32.9 %
Return on equity on net investment income		
Stockholders' equity beginning of period	\$ 34,504,139	\$ 36,169,432
Stockholders' equity end of period	\$ 66,708,451	\$ 34,504,139
Average stockholders' equity	\$ 50,606,295	\$ 35,336,786
Net investment income	\$ 6,823,590	\$ 6,008,682
Return on equity on net investment income	13.5 %	17.0 %
Return on equity on net investment income - annualized	13.5 %	17.0 %
Total assets	\$ 372,661,348	\$ 317,633,210

Note 20 - Subsequent Events

The Company has evaluated events that occurred subsequent to December 31, 2024 through March 18, 2025, the date these consolidated financial statements were issued, for matters that required disclosure or adjustment in these consolidated financial statements.

Reinsurance

Effective January 1, 2024, the Company entered into a new quota share reinsurance treaty for its personal lines business and a new underlying excess of loss treaty (see Note 7 – Reinsurance).

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

Equity

Employee Stock Purchase Plan

Effective January 1, 2025, the Company initiated an offering period of January 1, 2025 through December 31, 2025 under the ESPP. See Note 12 - Stockholders' Equity.

At-the-Market Offering

On January 7, 2025, the Company filed a prospectus supplement increasing the aggregate offering price for the ATM program to \$25,000,000 from approximately \$16,400,000. See Note 12 - Stockholders' Equity.

Sale of Real Estate

On February 5, 2025, a subsidiary of the Company entered into a contract of sale with Ulster County, New York (the "County") for the sale to the County of the Company's headquarters building in Kingston, New York, along with an adjacent mixed-use property (collectively, the "Property"). The purchase price for the Property is \$3,600,000. The closing of the sale is anticipated to take place in March 2025, subject to the satisfaction of the conditions to the closing. See Note 10 - Fixed Assets.

Debt

2024 Notes

On January 28, 2025, the Company made an optional prepayment of \$3,500,000 and on February 24, 2025 paid the final principal balance of \$2,450,000, and, accordingly, has fully satisfied all of its obligations under the 2024 Notes. Each prepayment of principal also included accrued and unpaid interest thereon. See Note 9 - Debt, 2024 Notes.

Commitments

Office Lease

On February 10, 2025, KICO entered into a lease agreement for an office facility located in Kingston, New York under an operating lease. The lease shall commence on March 1, 2025 (the "Commencement Date") and will expire on March 31, 2030. KICO has the option to renew the lease for an additional term of five years. KICO may terminate the lease anytime following the third anniversary of the Commencement Date if its insurance business is sold or substantially all of the Company's assets are sold. Base rent over the term of the lease is \$269,777 plus proportionate share of taxes, common area maintenance costs and insurance.

KINGSTONE COMPANIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

Note 21 – Quarterly Financial Data (Unaudited)

The following is a summary of unaudited quarterly results of operations for the years ended December 31, 2024 and 2023:

	2024				
	March 31,	June 30,	September 30,	December 31,	Total
Net premiums earned	\$ 28,819,902	\$ 30,303,612	\$ 33,407,194	\$ 35,967,212	\$ 128,497,920
Ceding commission revenue	4,567,111	4,561,961	4,741,676	4,967,198	18,837,946
Net investment income	1,502,860	1,764,596	1,649,673	1,906,461	6,823,590
Net gains (losses) on investments	726,391	(233,606)	826,522	(904,756)	414,551
Total revenues	35,765,177	36,502,115	40,771,728	42,103,083	155,142,103
Loss and loss adjustment expenses	17,859,587	14,238,308	13,027,597	17,509,224	62,634,716
Commission expense and other underwriting expenses	13,732,417	14,133,005	15,898,844	15,857,794	59,622,060
Net income	1,426,679	4,514,937	6,978,145	5,438,675	18,358,436
Basic earnings per share	\$ 0.13	\$ 0.41	\$ 0.61	\$ 0.44	\$ 1.60
Diluted earnings per share	\$ 0.12	\$ 0.37	\$ 0.55	\$ 0.40	\$ 1.48

	2023				
	March 31,	June 30,	September 30,	December 31,	Total
Net premiums earned	\$ 28,254,953	\$ 29,508,196	\$ 27,938,318	\$ 28,682,796	\$ 114,384,263
Ceding commission revenue	5,445,407	5,412,210	5,536,327	4,659,550	21,053,494
Net investment income	1,541,492	1,451,356	1,444,360	1,571,474	6,008,682
Net gains (losses) on investments	1,224,871	197,142	(824,370)	1,536,911	2,134,554
Total revenues	36,627,763	36,719,988	34,236,671	36,606,292	144,190,714
Loss and loss adjustment expenses	25,039,410	19,580,702	21,932,453	16,296,645	82,849,210
Commission expense and other underwriting expenses	15,411,381	15,154,820	14,529,055	14,179,335	59,274,591
Net (loss) income	(5,054,710)	(522,017)	(3,537,571)	2,945,952	(6,168,346)
Basic (loss) earnings per share	\$ (0.47)	\$ (0.05)	\$ (0.33)	\$ 0.27	\$ (0.57)
Diluted (loss) earnings per share	\$ (0.47)	\$ (0.05)	\$ (0.33)	\$ 0.26	\$ (0.57)

Due to changes in number of shares outstanding from quarter to quarter, the total earnings per share of the four quarters may not necessarily equal the total earnings per share for the year.

DESCRIPTION OF SECURITIES
REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of March 12, 2025, Kingstone Companies, Inc. (“we,” “us,” and “our”) had one class of securities registered under Section 12 of the Securities Act of 1934, as amended: our common stock, \$0.01 par value per share (the “common stock”).

The following summary of our capital stock does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of Delaware law, our Restated Certificate of Incorporation, as amended (the “charter”), and our Bylaws, as amended (the “bylaws”), copies of which are incorporated by reference into our Annual Report on Form 10-K.

Authorization

Our authorized capital stock consists of 22,500,000 shares of capital stock. We are authorized to issue 20,000,000 shares of common stock and 2,500,000 shares of preferred stock, par value \$0.01 per share.

As of March 12, 2025, there were 13,730,802 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

Common Stock

Dividend Rights. Subject to preferences that may be applicable to any shares of our preferred stock that may be issued, the holders of our common stock are entitled to share ratably in such dividends as may be declared by our Board of Directors out of funds legally available therefor.

As a Delaware corporation, we may not declare and pay dividends on our capital stock if the amount paid exceeds an amount equal to the surplus which represents the excess of our net assets over paid-in capital or, if there is no surplus, our net earnings for the current and/or immediately preceding fiscal year. Dividends cannot be paid from our net profits unless the paid-in capital represented by the issued and outstanding stock having a preference upon the distribution of our assets at the market value is intact. Under applicable Delaware case law, dividends may not be paid on our capital stock if we are then insolvent or the payment of the dividend will render us insolvent. To the extent we pay dividends and we are deemed to be insolvent or inadequately capitalized, a bankruptcy court could direct the return of any dividends.

Our ability to pay cash dividends to our shareholders is also primarily dependent upon the cash dividends received from our subsidiary, Kingstone Insurance Company.

Voting Rights. Each share of our common stock entitles its holder to one vote in the election of directors as well as all other matters to be voted on by shareholders. Holders of our common stock are entitled to cumulate their votes in the election of directors. This means that

each shareholder has the right to cumulate his votes and give to one or more nominees as many votes as equals the number of directors to be elected multiplied by the number of shares he is entitled to vote. A shareholder may therefore cast his votes for one nominee or distribute them among two or more of the nominees.

No Preemptive Rights. Holders of our common stock do not have any preemptive rights to subscribe for additional shares on a pro rata basis or otherwise when additional shares are offered for sale by us.

Liquidation Rights. Subject to preferences that may be applicable to any shares of our preferred stock that may be issued, in the event of our liquidation, dissolution or winding up, the holders of our common stock would be entitled to receive, pro rata, after payment of all of our debts and liabilities, all of our remaining assets available for distribution.

Other Rights. Holders of our common stock have no preferences or conversion or exchange rights. Shares of our common stock will not be liable for further calls or assessments by us and are not subject to redemption.

Certain Provisions Having Potential Anti-Takeover Effects

General. The following is a summary of the material provisions of the General Corporation Law of the State of Delaware, which we refer to as the DGCL, and our charter and bylaws that address matters of corporate governance and the rights of shareholders. Certain of these provisions may delay or prevent takeover attempts not first approved by our Board of Directors (including takeovers which certain shareholders may deem to be in their best interests). These provisions also could delay or frustrate the removal of incumbent directors or the assumption of control by shareholders. The primary purpose of these provisions is to encourage negotiations with our management by persons interested in acquiring control of our company. All references to the charter and bylaws are to our charter and bylaws in effect on the date of the filing of this Exhibit 4.1.

Filling Vacancies. Vacancies occurring in our Board of Directors and newly created directorships resulting from an increase in the authorized number of directors may be filled by a majority of the remaining directors, even if less than a quorum.

Amendment of Bylaws. Subject to certain restrictions described below, either our Board of Directors or our shareholders may amend or repeal our bylaws.

Special Meetings of Shareholders. Our bylaws provide that special meetings of shareholders may be called only by a majority of our Board of Directors.

Authorized But Unissued Shares. Delaware law does not require shareholder approval for any issuance of authorized shares. Authorized but unissued shares may be used for a variety of corporate purposes, including future public or private offerings to raise additional capital or to facilitate corporate acquisitions. One of the effects of the existence of authorized but unissued

shares may be to enable our Board of Directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the shareholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Preferred Stock. Under the terms of our charter, our Board of Directors is authorized to issue shares of preferred stock in one or more series without shareholder approval. Our Board of Directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. The purpose of authorizing our Board of Directors to issue preferred stock and determine its rights and preferences is to provide flexibility and eliminate delays associated with a shareholder vote on specific issues. However, the ability of our Board of Directors to issue preferred stock and determine its rights and preferences may have the effect of delaying or preventing a change in control.

Advance Notification of Shareholder Nominations and Proposals. Our bylaws establish advance notice procedures with respect to the nomination of persons for election as directors, other than nominations made by or at the direction of our Board of Directors, and shareholder proposals for business.

Shareholder Nominees. In order for a shareholder to nominate a candidate for director, under our bylaws, timely notice of the nomination must be received by us in advance of the meeting. To be timely, the notice must be received at our principal executive offices not less than 60 days nor more than 90 days prior to the meeting; however, if less than 70 days' notice of the date of the meeting is given to shareholders and public disclosure of the meeting date, pursuant to a press release, is either not made at all or is made less than 70 days prior to the meeting date, notice by a shareholder to be timely made must be so received no later than the close of business on the tenth day following the earlier of the following:

- the day on which the notice of the date of the meeting was made available to shareholders, or
- the day on which such public disclosure of the meeting date was made.

The shareholder sending the notice of nomination must describe various matters, including such information as:

- the name, age, business and residence addresses, occupation or employment and shares held by the nominee;
- any other information relating to such nominee required to be disclosed in a proxy statement; and
- the name, address and number of shares held by the shareholder.

Shareholder Proposals. In order for a shareholder to make a proposal at an annual meeting of shareholders, under our bylaws, timely notice must be received by us in advance of the meeting. To be timely, the proposal must be received by our Secretary at our principal executive offices on a date which is not less than 60 days nor more than 90 days prior to the date which is

one year from the date of the mailing of the notice regarding the availability of proxy materials for the prior year's annual meeting of shareholders. If during the prior year we did not hold an annual meeting, or if the date of the meeting for which a shareholder intends to submit a proposal has changed more than 30 days from the date of the meeting in the prior year, then the notice must be received a reasonable time before we mail the notice regarding the availability of proxy materials for the current year. A shareholder's notice must set forth as to each matter the shareholder proposes to bring before the annual meeting certain information regarding the proposal, including the following:

- a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at such meeting;
- the name and address of the shareholder proposing such business;
- the class and number of our shares which are beneficially owned by such shareholder;
- any material interest of such shareholder in such business.

Statutory and other Restrictions on Acquisition of our Capital Stock. We are subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any business combination with an interested shareholder, unless:

- prior to the time of the proposed action, the Board of Directors of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;
- upon completion of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time of the proposed action, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested shareholder.

These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board and in policies formulated by the board and to discourage certain types of transactions that may involve an actual or threatened change of control of our company. These provisions are designed to reduce our vulnerability to an unsolicited proposal for a takeover that does not contemplate the acquisition of all of our outstanding shares or an unsolicited proposal for the restructuring or sale of all or part of our company.

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **FLOYD R. TUPPER** (the “Grantee”).

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of three thousand four hundred eighty-nine (3,489) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Date (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES.** (a) The Shares shall vest on January 2, 2026 (the “Vesting Date”) provided that the Grantee continues to serve as a member of the Board of Directors of the Company (the “Board”) through the Vesting Date, subject to the provisions of the Plan. Notwithstanding the foregoing, in the event that the Grantee resigns or is removed without cause from the Board prior to the Vesting Date or is not re-elected as a director at the Company’s next annual meeting of stockholders, then, the Shares shall thereupon vest on a pro rata basis based on the number of days between the date hereof and the date of resignation or removal or the date of the annual meeting of stockholders, as the case may be, in relation to three hundred sixty-five (365); provided, however, that the foregoing shall not be deemed to limit the Grantee’s right to receive all of the Shares in the event of the death or Permanent Disability of the Grantee or a Change of Control prior to the Vesting Date, as provided for in the Plan.

(b) In the event that the Shares vest on the Vesting Date (or earlier as provided for in Section 3(a)), the certificate representing the Shares shall be issued by the Company as soon as reasonably practicable thereafter. In the event that the Grantee does not continue to serve as a member of the Board through the Vesting Date, then, except as set forth in the Plan or as provided for in Section 3(a), the Grantee shall not be entitled to receive the Shares issuable on the Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to the Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: CEO and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl S. Golden
Chief Executive Officer

Signature of Grantee

Floyd R. Tupper
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **CARLA D’ANDRE** (the “Grantee”).

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of three thousand four hundred eighty-nine (3,489) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Date (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES.** (a) The Shares shall vest on January 2, 2026 (the “Vesting Date”) provided that the Grantee continues to serve as a member of the Board of Directors of the Company (the “Board”) through the Vesting Date, subject to the provisions of the Plan. Notwithstanding the foregoing, in the event that the Grantee resigns or is removed without cause from the Board prior to the Vesting Date or is not re-elected as a director at the Company’s next annual meeting of stockholders, then, the Shares shall thereupon vest on a pro rata basis based on the number of days between the date hereof and the date of resignation or removal or the date of the annual meeting of stockholders, as the case may be, in relation to three hundred sixty-five (365); provided, however, that the foregoing shall not be deemed to limit the Grantee’s right to receive all of the Shares in the event of the death or Permanent Disability of the Grantee or a Change of Control prior to the Vesting Date, as provided for in the Plan.

(b) In the event that the Shares vest on the Vesting Date (or earlier as provided for in Section 3(a)), the certificate representing the Shares shall be issued by the Company as soon as reasonably practicable thereafter. In the event that the Grantee does not continue to serve as a member of the Board through the Vesting Date, then, except as set forth in the Plan or as provided for in Section 3(a), the Grantee shall not be entitled to receive the Shares issuable on the Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to the Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: CEO and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl S. Golden
Chief Executive Officer

Signature of Grantee

Carla D'Andre
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **WILLIAM L. YANKUS** (the “Grantee”).

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of three thousand four hundred eighty-nine (3,489) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Date (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES.** (a) The Shares shall vest on January 2, 2026 (the “Vesting Date”) provided that the Grantee continues to serve as a member of the Board of Directors of the Company (the “Board”) through the Vesting Date, subject to the provisions of the Plan. Notwithstanding the foregoing, in the event that the Grantee resigns or is removed without cause from the Board prior to the Vesting Date or is not re-elected as a director at the Company’s next annual meeting of stockholders, then, the Shares shall thereupon vest on a pro rata basis based on the number of days between the date hereof and the date of resignation or removal or the date of the annual meeting of stockholders, as the case may be, in relation to three hundred sixty-five (365); provided, however, that the foregoing shall not be deemed to limit the Grantee’s right to receive all of the Shares in the event of the death or Permanent Disability of the Grantee or a Change of Control prior to the Vesting Date, as provided for in the Plan.

(b) In the event that the Shares vest on the Vesting Date (or earlier as provided for in Section 3(a)), the certificate representing the Shares shall be issued by the Company as soon as reasonably practicable thereafter. In the event that the Grantee does not continue to serve as a member of the Board through the Vesting Date, then, except as set forth in the Plan or as provided for in Section 3(a), the Grantee shall not be entitled to receive the Shares issuable on the Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to the Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: CEO and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl S. Golden
Chief Executive Officer

Signature of Grantee

William L. Yankus
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **TIMOTHY P. MCFADDEN** (the “Grantee”).

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS**. All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT**. Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of three thousand four hundred eighty-nine (3,489) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Date (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES**. (a) The Shares shall vest on January 2, 2026 (the “Vesting Date”) provided that the Grantee continues to serve as a member of the Board of Directors of the Company (the “Board”) through the Vesting Date, subject to the provisions of the Plan. Notwithstanding the foregoing, in the event that the Grantee resigns or is removed without cause from the Board prior to the Vesting Date or is not re-elected as a director at the Company’s next annual meeting of stockholders, then, the Shares shall thereupon vest on a pro rata basis based on the number of days between the date hereof and the date of resignation or removal or the date of the annual meeting of stockholders, as the case may be, in relation to three hundred sixty-five (365); provided, however, that the foregoing shall not be deemed to limit the Grantee’s right to receive all of the Shares in the event of the death or Permanent Disability of the Grantee or a Change of Control prior to the Vesting Date, as provided for in the Plan.

(b) In the event that the Shares vest on the Vesting Date (or earlier as provided for in Section 3(a)), the certificate representing the Shares shall be issued by the Company as soon as reasonably practicable thereafter. In the event that the Grantee does not continue to serve as a member of the Board through the Vesting Date, then, except as set forth in the Plan or as provided for in Section 3(a), the Grantee shall not be entitled to receive the Shares issuable on the Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to the Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: CEO and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl S. Golden
Chief Executive Officer

Signature of Grantee

Timothy P. McFadden
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **MERYL S. GOLDEN** (the “Grantee”).

WHEREAS, the Grantee is an employee of the Company or a subsidiary thereof;

WHEREAS, the Company and the Grantee are parties to a Third Amended and Restated Employment Agreement dated as of April 15, 2024 (the “Employment Agreement”);

WHEREAS, pursuant to the Employment Agreement, the Compensation and Finance Committee of the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan or the Employment Agreement.
2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of forty thousand (40,000) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Dates (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.
3. **VESTING OF SHARES.** (a) The Shares shall vest on the Vesting Dates set forth below, provided that the Grantee continues to serve as an employee of the Company or a subsidiary thereof as of the applicable Vesting Date (or sooner as provided for in paragraph (c) hereof), subject to the provisions of the Plan:
 - (i) twenty thousand (20,000) of the Shares on the first anniversary of the date hereof (the “First Vesting Date”); and
 - (ii) twenty thousand (20,000) of the Shares on December 31, 2026 (the “Second Vesting Date”); each of the First Vesting Date and the Second Vesting Date is referred to hereinafter as a “Vesting Date”.
- (b) Subject to the provisions of the Plan, in the event that the Grantee does not continue to serve as an employee of the Company or a subsidiary thereof as of a particular Vesting Date as a result of the termination of the Grantee’s employment for Cause or the Grantee’s resignation (other than for Good Reason), the Grantee shall not be entitled to receive any of the Shares issuable on such Vesting Date, and this Agreement shall terminate and be of no further force or effect.
- (c) In the event that, prior to a particular Vesting Date (i) the Grantee’s employment with the Company is terminated other than for Cause or (ii) the Grantee resigns her

employment with the Company for Good Reason, the Shares that were scheduled to vest on such Vesting Date shall instead vest on the date of termination of employment or the date of resignation of employment, as the case may be (the "Termination Date").

(d) In the event that the Shares vest on a particular Vesting Date or the Termination Date, as the case may be, the certificate representing the portion of the Shares then vested shall be issued by the Company as soon as reasonably practicable thereafter.

(e) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to a particular Vesting Date or the Termination Date, as the case may be.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: Chief Financial Officer and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement

are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Victor Brodsky
Chief Accounting Officer

Signature of Grantee

Meryl S. Golden _____
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **THOMAS NEWGARDEN** (the “Grantee”).

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS**. All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT**. Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of three thousand four hundred eighty-nine (3,489) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Date (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES**. (a) The Shares shall vest on January 2, 2026 (the “Vesting Date”) provided that the Grantee continues to serve as a member of the Board of Directors of the Company (the “Board”) through the Vesting Date, subject to the provisions of the Plan. Notwithstanding the foregoing, in the event that the Grantee resigns or is removed without cause from the Board prior to the Vesting Date or is not re-elected as a director at the Company’s next annual meeting of stockholders, then, the Shares shall thereupon vest on a pro rata basis based on the number of days between the date hereof and the date of resignation or removal or the date of the annual meeting of stockholders, as the case may be, in relation to three hundred sixty-five (365); provided, however, that the foregoing shall not be deemed to limit the Grantee’s right to receive all of the Shares in the event of the death or Permanent Disability of the Grantee or a Change of Control prior to the Vesting Date, as provided for in the Plan.

(b) In the event that the Shares vest on the Vesting Date (or earlier as provided for in Section 3(a)), the certificate representing the Shares shall be issued by the Company as soon as reasonably practicable thereafter. In the event that the Grantee does not continue to serve as a member of the Board through the Vesting Date, then, except as set forth in the Plan or as provided for in Section 3(a), the Grantee shall not be entitled to receive the Shares issuable on the Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to the Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: CEO and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl S. Golden
Chief Executive Officer

Signature of Grantee

Thomas Newgarden
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 2nd day of January, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **MANMOHAN SINGH** (the “Grantee”).

WHEREAS, the Grantee is a non-employee member of the Board of Directors of the Company;

WHEREAS, the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of three thousand four hundred eighty-nine (3,489) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Date (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES.** (a) The Shares shall vest on January 2, 2026 (the “Vesting Date”) provided that the Grantee continues to serve as a member of the Board of Directors of the Company (the “Board”) through the Vesting Date, subject to the provisions of the Plan. Notwithstanding the foregoing, in the event that the Grantee resigns or is removed without cause from the Board prior to the Vesting Date or is not re-elected as a director at the Company’s next annual meeting of stockholders, then, the Shares shall thereupon vest on a pro rata basis based on the number of days between the date hereof and the date of resignation or removal or the date of the annual meeting of stockholders, as the case may be, in relation to three hundred sixty-five (365); provided, however, that the foregoing shall not be deemed to limit the Grantee’s right to receive all of the Shares in the event of the death or Permanent Disability of the Grantee or a Change of Control prior to the Vesting Date, as provided for in the Plan.

(b) In the event that the Shares vest on the Vesting Date (or earlier as provided for in Section 3(a)), the certificate representing the Shares shall be issued by the Company as soon as reasonably practicable thereafter. In the event that the Grantee does not continue to serve as a member of the Board through the Vesting Date, then, except as set forth in the Plan or as provided for in Section 3(a), the Grantee shall not be entitled to receive the Shares issuable on the Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to the Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: CEO and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl S. Golden
Chief Executive Officer

Signature of Grantee

Manmohan Singh
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 3rd day of March, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **SARAH CHEN** (the “Grantee”).

WHEREAS, the Grantee is an employee of the Company or a subsidiary thereof;

WHEREAS, the Compensation Committee of the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of ten thousand nine hundred thirty-five (10,935) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Dates (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES.** (a) The Shares shall vest on the Vesting Dates set forth below, provided that the Grantee continues to serve as an employee of the Company or a subsidiary thereof as of the applicable Vesting Date (subject to the provisions of the Plan):

- (i) Three thousand six hundred forty-five (3,645) of the Shares on the date of grant (the “First Vesting Date”);
- (ii) Three thousand six hundred forty-five (3,645) of the Shares on March 3, 2026 (the “Second Vesting Date”); and
- (iii) Three thousand six hundred forty-five (3,645) of the Shares on March 3, 2027 (the “Third Vesting Date”); each of the First Vesting Date, the Second Vesting Date and the Third Vesting Date is referred to hereinafter as a “Vesting Date”).

(b) In the event that Shares vest on a Vesting Date, the certificate representing the portion of the Shares then vested shall be issued by the Company as soon as reasonably practicable thereafter. Subject to the provisions of the Plan, in the event that the Grantee does not continue to serve as an employee of the Company or a subsidiary thereof as of a Vesting Date for any reason, the Grantee shall not be entitled to receive any of the Shares issuable on such Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to a particular Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.

5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: President and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.

6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.

8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.

9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.

11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

KINGSTONE COMPANIES, INC.

By: _____
Meryl Golden, President

Signature of Grantee

Sarah Chen
Name of Grantee

Address of Grantee

STOCK GRANT AGREEMENT made as of the 3rd day of March, 2025 between **KINGSTONE COMPANIES, INC.**, a Delaware corporation (the “Company”), and **JENNIFER GRAVELLE** (the “Grantee”).

WHEREAS, the Grantee is an employee of the Company or a subsidiary thereof;

WHEREAS, the Compensation Committee of the Board of Directors of the Company has approved the grant to the Grantee of common stock of the Company (“Common Stock”) pursuant to the Company’s 2024 Equity Participation Plan (the “Plan”).

NOW, THEREFORE, in consideration of the foregoing, the Company hereby grants to the Grantee an award of shares of Common Stock upon the following terms and conditions:

1. **DEFINED TERMS.** All terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Plan.

2. **GRANT.** Subject to the terms and conditions of the Plan and the provisions hereof, the Company hereby agrees to grant to the Grantee, pursuant to Section 14 of the Plan, an award of eight thousand seven hundred eighty-seven (8,787) shares of Common Stock (the “Shares”), such Shares being issuable on the Vesting Dates (as hereinafter defined) set forth in, and subject to the provisions of, Section 3 hereof.

3. **VESTING OF SHARES.** (a) The Shares shall vest on the Vesting Dates set forth below, provided that the Grantee continues to serve as an employee of the Company or a subsidiary thereof as of the applicable Vesting Date (subject to the provisions of the Plan):

- (i) Two thousand nine hundred twenty-nine (2,929) of the Shares on the date of grant (the “First Vesting Date”);
- (ii) Two thousand nine hundred twenty-nine (2,929) of the Shares on March 3, 2026 (the “Second Vesting Date”); and
- (iii) Two thousand nine hundred twenty-nine (2,929) of the Shares on March 3, 2027 (the “Third Vesting Date”); each of the First Vesting Date, the Second Vesting Date and the Third Vesting Date is referred to hereinafter as a “Vesting Date”).

(b) In the event that Shares vest on a Vesting Date, the certificate representing the portion of the Shares then vested shall be issued by the Company as soon as reasonably practicable thereafter. Subject to the provisions of the Plan, in the event that the Grantee does not continue to serve as an employee of the Company or a subsidiary thereof as of a Vesting Date for any reason, the Grantee shall not be entitled to receive any of the Shares issuable on such Vesting Date, and this Agreement shall terminate and be of no further force or effect.

(c) The number of Shares issuable to the Grantee is subject to adjustment for any stock splits, reverse stock splits and other recapitalizations that take effect prior to a particular Vesting Date.

4. **INCORPORATION BY REFERENCE.** The terms and conditions of the Plan are hereby incorporated by reference and made a part hereof.
5. **NOTICES.** Any notice or other communication given hereunder shall be deemed sufficient if in writing and hand delivered or sent by registered or certified mail, return receipt requested, addressed to the Company, 15 Joys Lane, Kingston, New York 12401, Attention: President and to the Grantee at the address indicated below, or, in each case, at such other address notice of which is given in accordance with the foregoing provisions. Notices shall be deemed to have been given on the date of hand delivery or mailing as provided for above, except notices of change of address, which shall be deemed to have been given when received.
6. **BINDING EFFECT.** This Stock Grant Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.
7. **ENTIRE AGREEMENT.** This Stock Grant Agreement, together with the Plan, contains the entire understanding of the parties hereto with respect to the subject matter hereof and may be modified only by an instrument executed by the party sought to be charged.
8. **GOVERNING LAW.** This Stock Grant Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding choice of law rules thereof.
9. **EXECUTION IN COUNTERPARTS.** This Stock Grant Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.
10. **FACSIMILE SIGNATURES.** Signatures hereon which are transmitted via facsimile, or other electronic image, shall be deemed original signatures.
11. **INTERPRETATION; HEADINGS.** The provisions of this Stock Grant Agreement shall be interpreted in a reasonable manner to give effect to the intent of the parties hereto. The headings and captions under sections and paragraphs of this Stock Grant Agreement are for convenience of reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Stock Grant Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Stock Grant Agreement as of the day and year first above written.

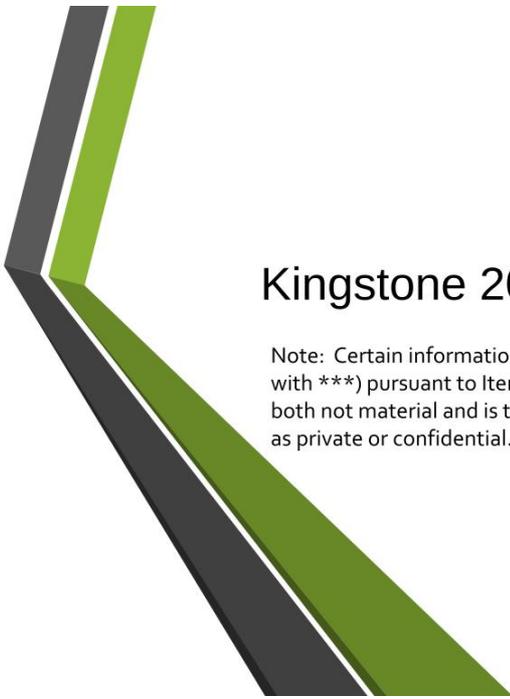
KINGSTONE COMPANIES, INC.

By: _____
Meryl Golden, President

Signature of Grantee

Jennifer Gravelle
Name of Grantee

Address of Grantee



Kingstone 2025 Bonus Structure

Note: Certain information in this exhibit has been redacted as indicated with ***) pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and is the type of information that the registrant treats as private or confidential.



2025 Bonus Matrix

- The bonus pool cash is up to 7.5% of the company's underwriting profit. If we achieve the plan, the bonus pool is 5% of the company's underwriting profit.
- 2025 plan is based on profitability and premium growth
- If plan is achieved, the pool is estimated to be \$XK^{***}. If maximum pool is achieved, the total cost is estimated to be \$XM.^{***}
- The SLT also gets a restricted stock award

2025 Bonus Matrix

Growth (DWP)***	Net Combined Ratio***				
	More Profit	Plan	Less Profit	Even Less	No Profit
More Growth	1.50	1.15	1.00	0.85	0.00
Plan	1.30	1.00	0.85	0.70	0.00
Less Growth	1.00	0.85	0.70	0.55	0.00

Bonus Formula=Salary X Target X Bonus Matrix Factor

2025 Restricted Stock

SLT Only		
>=1.15	1.0-1.15	<1.0
1.00	0.50	0.00

Formula:
Vesting:

Restricted Stock = (SLT Employee Bonus \$ X RS Factor)/Closing Stock Price
Over 3 years, 1/3 upon grant, 1/3 in 2026 and 1/3 in 2027

KINGSTONE COMPANIES, INC.
2024 EQUITY PARTICIPATION PLAN

1. **Purpose.** The Kingstone Companies, Inc. 2024 Equity Participation Plan (the “Plan”) is intended to advance the interests of the Company by inducing individuals or entities of outstanding ability and potential to join and remain with, or provide consulting or advisory services to, the Company or a parent or subsidiary of the Company, by encouraging and enabling eligible employees, non-employee directors, consultants and advisors to acquire proprietary interests in the Company, and by providing the participating employees, non-employee directors, consultants and advisors with an additional incentive to promote the success of the Company. This is accomplished by providing for the granting of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, and Stock Bonuses, as such terms are defined in Section 2 hereof, to employees, non-employee directors, consultants and advisors. As used herein, the term “parent” or “subsidiary” shall mean any present or future entity which is or would be a “parent corporation” or “subsidiary corporation” of the Company as the term is defined in Section 424 of the Code (as hereinafter defined) (determined as if the Company were the employer corporation).

2. **Definitions.** Capitalized terms not otherwise defined in the Plan shall have the following meanings:

(a) “Award Agreement” shall mean a written agreement, as amended, in such form as the Committee shall determine, that evidences the terms and conditions of a Stock Award granted under the Plan.

(b) “Board” shall mean the Board of Directors of the Company.

(c) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(d) “Committee” shall mean a committee or subcommittee of the Board to whom authority has been granted by the Board to make determinations with regard to the Plan, which committee or subcommittee shall consist of at least two persons, each of whom is intended to be an “outside independent director” to the extent required by the rules and regulations of any established stock exchange or a national market system, including, without limitation, The Nasdaq Stock Market (“Nasdaq”).

(e) “Common Stock” shall mean the common stock, \$.01 par value, of the Company.

(f) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(g) “Fair Market Value” on a specified date means the value of a share of Common Stock, determined as follows:

(i) if the Common Stock is listed on any established stock exchange or a national market system, including, without limitation, Nasdaq, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day immediately preceding the day of determination (or, if the determination is made after the close of business for trading, then on the day of determination) as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(ii) if the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Common Stock on the day immediately preceding the day of determination (or, if the determination is made after the close of business for trading, then on the day of determination), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(iii) in the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Committee under a method that complies with Code Sections 422 and 409A, if applicable.

(h) "Incentive Stock Option" shall mean an Option that is an "incentive stock option" within the meaning of Section 422 of the Code and that is identified as an Incentive Stock Option in the Award Agreement by which it is evidenced.

(i) "Nonstatutory Stock Option" shall mean an Option that is not an Incentive Stock Option within the meaning of Section 422 of the Code.

(j) "Option" shall mean an Incentive Stock Option or a Nonstatutory Stock Option.

(k) "Section 409A of the Code" means the nonqualified deferred compensation rules under Section 409A of the Code and any applicable Treasury regulations thereunder.

(l) "Securities Act" shall mean the Securities Act of 1933, as amended.

(m) "Stock Appreciation Right" or "SAR" shall mean a right to receive payment of the appreciated value of shares of Common Stock as provided for in Section 9 hereof.

(n) "Stock Award" shall mean an Incentive Stock Option, a Nonstatutory Stock Option, a Stock Appreciation Right or a Stock Bonus award.

(o) "Stock Bonus" shall mean a bonus award payable in shares of Common Stock as provided for in Section 14 hereof.

3. **Administration.** The Plan shall be administered by the Board or the Committee. All references in the Plan to the "Committee" shall be deemed to refer to the "Board" if no committee is established for the purpose of making determinations with respect to the Plan. Except as herein specifically provided, the interpretation and construction by the Committee of any provision of the Plan or of any Stock Award granted under it shall be final and conclusive. The Committee may, in its sole discretion, adopt special guidelines and provisions for persons who are residing in or employed in, or subject to the taxes of, any domestic or foreign jurisdictions to comply with applicable tax and securities laws of such domestic or foreign jurisdictions. The receipt of a Stock Award by any members of the Committee shall not preclude their vote on any matters in connection with the administration or interpretation of the Plan.

4. **Shares Subject to the Plan.** The shares subject to Stock Awards granted under the Plan shall be the Common Stock, whether authorized but unissued or held in the Company's treasury, or shares purchased from stockholders expressly for use under the Plan. The maximum number of shares of Common Stock which may be issued pursuant to Stock Awards granted under the Plan shall not exceed in the aggregate one million (1,000,000) shares. The Company shall at all times while the Plan is in force reserve such number of shares of Common Stock as will be sufficient to satisfy the requirements of all outstanding Stock Awards granted under the Plan. In the event any Option or SAR granted under the Plan shall expire or terminate for any reason without having been exercised in full or shall cease for any reason to be exercisable in whole or in part, the unpurchased shares subject thereto shall again be available for Stock Awards under the Plan. In the event the right to receive any Stock Bonus is terminated for any reason, the shares forfeited shall again be available for Stock Awards under the Plan. In the event shares of Common Stock are delivered to, or withheld by, the Company pursuant to Section 12(b) or 29 hereof, such delivered or withheld shares shall be considered to have been issued pursuant to the Plan and shall not be available for Stock Awards under the Plan.

5. **Participation.** The class of individuals and entities that shall be eligible to receive Stock Awards ("Grantees") under the Plan shall be (a) with respect to Incentive Stock Options, all employees of either the Company or any parent or subsidiary of the Company, and (b) with respect to all other Stock Awards, all employees and non-employee directors of, and consultants and advisors to, either the Company or any parent or subsidiary of the Company; provided, however, no Stock Award shall be granted to any such consultant or advisor unless (i) the consultant or advisor is a natural person (or an entity wholly-owned, directly or indirectly, by a natural person), (ii) bona fide services have been or are to be rendered by such consultant or advisor and (iii) such services are not in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities. The Committee, in its sole discretion, but subject to the provisions of the Plan, shall determine the employees and non-employee directors of, and the consultants and advisors to, the Company and its parents and subsidiaries to whom Stock Awards shall be granted, and the number of shares to be covered by each Stock Award grant, taking into account the nature of the employment or services rendered by the individuals or entities being considered, their annual compensation, their present and potential contributions to the success of the

Company, and such other factors as the Committee may deem relevant. For purposes hereof, a non-employee to whom an offer of employment has been extended shall be considered an employee, provided that the Stock Award granted to such individual shall not be exercisable or vest, in whole or in part, for a period of at least one year from the date of grant and, in the event the individual does not commence employment with the Company, the Stock Award granted shall be considered null and void.

6. **Award Agreement.** Each Stock Award granted under the Plan shall be authorized by the Committee and shall be evidenced by an Award Agreement which shall be executed by the Company and, in the discretion of the Committee, by the individual or entity to whom such Stock Award is granted. The Award Agreement shall specify the number of shares of Common Stock as to which the Stock Award is granted, the period during which any Option or SAR is exercisable and the option or base price per share thereof, the vesting periods for any Stock Bonus, any performance-based vesting criteria (the "Performance Goals") and such other terms and provisions as the Committee may deem necessary or appropriate; provided, however, that, no more than one-third of any Stock Award may vest before the first anniversary of the date of grant of such Stock Award. The terms of an Award Agreement, including the option or base price per share for an Option or SAR, may be amended from time to time upon the mutual written agreement of the Company (as authorized by the Committee) and the Grantee; provided, however, that an Award Agreement may not be amended to accelerate the vesting period(s) of a Stock Award (except in the event of the death or termination of employment of a Grantee due to Permanent Disability (as hereinafter defined)).

7. **Incentive Stock Options.** The Committee may grant Incentive Stock Options under the Plan which are subject to the following terms and conditions and any other terms and conditions as may at any time be required by Section 422 of the Code:

(a) No Incentive Stock Option shall be granted to individuals other than employees of the Company or of a parent or subsidiary of the Company.

(b) Each Incentive Stock Option under the Plan must be granted prior to May 10, 2034, which is within ten years from the date the Plan was adopted by the Board.

(c) The option price of the shares subject to any Incentive Stock Option shall not be less than the Fair Market Value of the Common Stock at the time such Incentive Stock Option is granted; provided, however, if an Incentive Stock Option is granted to an individual who owns, at the time the Incentive Stock Option is granted, more than 10% of the total combined voting power of all classes of stock of the Company or of a parent or subsidiary of the Company (a "10% Stockholder"), the option price of the shares subject to the Incentive Stock Option shall be at least 110% of the Fair Market Value of the Common Stock at the time such Incentive Stock Option is granted.

(d) No Incentive Stock Option granted under the Plan shall be exercisable after the expiration of ten years from the date of its grant; provided, however, if an Incentive Stock Option is granted to a 10% Stockholder, such Incentive Stock Option shall not

be exercisable after the expiration of five years from the date of its grant. Every Incentive Stock Option granted under the Plan shall be subject to earlier termination as expressly provided in Section 11 hereof.

(e) For purposes of determining stock ownership under this Section 7, the attribution rules of Section 424(d) of the Code shall apply.

8. **Nonstatutory Stock Options.** The Committee may grant Nonstatutory Stock Options under the Plan. Nonstatutory Stock Options shall be subject to the following terms and conditions:

(a) A Nonstatutory Stock Option may be granted to any individual or entity eligible to receive an Option under the Plan pursuant to clause (b) of Section 5 hereof.

(b) The option price of the shares subject to a Nonstatutory Stock Option shall not be less than the Fair Market Value of the Common Stock at the time such Nonstatutory Stock Option is granted.

(c) No Nonstatutory Stock Option granted under the Plan shall be exercisable after the expiration of ten years from the date of its grant.

9. **Stock Appreciation Rights.**

(a) The Committee may grant Stock Appreciation Rights to such persons eligible under the Plan as the Committee may select from time to time. SARs shall be granted at such times, in such amounts and under such other terms and conditions as the Committee shall determine, which terms and conditions shall be evidenced under an Award Agreement, subject to the terms of the Plan. Subject to the terms and conditions of the Award Agreement, an SAR shall entitle the Grantee to exercise the SAR, in whole or in part, in exchange for a payment of shares of Common Stock, cash or a combination thereof, as determined by the Committee and provided for in the Award Agreement, equal in value to the excess of the Fair Market Value of the shares of Common Stock underlying the SAR, determined on the date of exercise, over the base amount set forth in the Award Agreement for the shares of Common Stock underlying the SAR, which base amount shall not be less than the Fair Market Value of such Common Stock, determined as of the date the SAR is granted. The Company may, in its sole discretion, withhold from any such cash payment any amount necessary to satisfy the Company's obligation for withholding taxes with respect to such payment.

(b) No SAR granted under the Plan shall be exercisable after the expiration of ten years from the date of its grant.

(c) All references in the Plan to "Options" shall be deemed to include "SARs" where applicable.

10. **Transferability.**

(a) No Option granted under the Plan shall be transferable by the individual or entity to whom it was granted other than by will or the laws of descent and distribution, and, during the lifetime of an individual, shall not be exercisable by any other person, but only by him. Rights with respect to Stock Bonuses may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except by will or the laws of descent and distribution (subject to the provisions of the Plan).

(b) Notwithstanding Section 10(a) above, a Nonstatutory Stock Option granted under the Plan may be transferred in whole or in part during a Grantee's lifetime, upon the approval of the Committee, to a Grantee's "family members" (as such term is defined in Rule 701(c)(3) of the Securities Act and General Instruction A(1)(a)(5) to Form S-8) through a gift or domestic relations order. The transferred portion of a Nonstatutory Stock Option may only be exercised by the person or entity who acquires a proprietary interest in such Option pursuant to the transfer. The terms applicable to the transferred portion shall be the same as those in effect for the Option immediately prior to such transfer and shall be set forth in such documents issued to the transferee as the Committee may deem appropriate. As used in the Plan, the terms "Grantee" (when referring to an Option recipient) and "holder of an Option" shall refer to the grantee of the Option and not any transferee thereof.

11. **Effect of Termination of Employment or Death on Options.**

(a) Unless otherwise provided in the Award Agreement and except as provided in subsections (b) and (c) of this Section 11 and Section 17 hereof, if the employment of an employee by, or the services of a non-employee director for, or consultant or advisor to, the Company or a parent or subsidiary of the Company, shall terminate for any reason, then his Option may be exercised at any time within three months after such termination, subject to the provisions of subsection (d) of this Section 11. For purposes of this subsection (a), an employee, non-employee director, consultant or advisor who leaves the employ or services of the Company to become an employee or non-employee director of, or a consultant or advisor to, a parent or subsidiary of the Company or a corporation (or subsidiary or parent of the corporation) which has assumed the Option of the Company as a result of a corporate reorganization or like event shall not be considered to have terminated his employment or services.

(b) Unless otherwise provided in the Award Agreement, if the holder of an Option under the Plan dies (i) while employed by, or while serving as a non-employee director for or a consultant or advisor to, the Company or a parent or subsidiary of the Company, or (ii) within three months after the termination of his employment or services for any reason, then such Option may, subject to the provisions of subsection (d) of this Section 11, be exercised by the estate of the employee or non-employee director, consultant or advisor, or by a person who acquired the right to exercise such Option by bequest or inheritance or by reason of the death of such employee or non-employee director, consultant or advisor, at any time within one year after such death.

(c) Unless otherwise provided in the Award Agreement, if the holder of an Option under the Plan ceases employment or services because of permanent and total disability (within the meaning of Section 23(e)(3) of the Code) ("Permanent Disability") while employed by, or while serving as a non-employee director for or consultant or advisor to, the Company or a parent or subsidiary of the Company, then such Option may, subject to the provisions of subsection (d) of this Section 11, be exercised at any time within one year after his termination of employment, termination of directorship or termination of consulting or advisory services, as the case may be, due to the disability. Notwithstanding the foregoing, in the event the Company is a party to an employment, consulting or advisory agreement with a Grantee and such agreement provides for termination of employment or engagement based upon a disability or other incapacity, then, for such Grantee, a termination of employment or engagement for disability or other incapacity pursuant to the provisions thereof shall be considered to be a termination based upon Permanent Disability for purposes hereof. Furthermore, notwithstanding the foregoing, with respect to Stock Awards that are subject to Section 409A of the Code, Permanent Disability shall mean that a Grantee is disabled under Section 409A(a)(2)(c)(i) or (ii) of the Code.

(d) Subject to Sections 6 and 17 hereof and this Section 11, an Option may not be exercised pursuant to this Section 11 except to the extent that the holder was entitled to exercise the Option at the time of termination of employment, termination of directorship, termination of consulting or advisory services, or death, and in any event may not be exercised after the expiration of the Option.

(e) For purposes of this Section 11, the employment relationship of an employee of the Company or of a parent or subsidiary of the Company will be treated as continuing intact while he is on military or sick leave or other bona fide leave of absence (such as temporary employment by the Government) if such leave does not exceed 90 days, or, if longer, so long as his right to reemployment is guaranteed either by statute or by contract.

12. **Exercise of Options**

(a) Unless otherwise provided in the Award Agreement, any Option granted under the Plan shall be exercisable, subject to vesting, in whole at any time, or in part from time to time, prior to expiration. The Committee, in its absolute discretion, may provide in any Award Agreement that the exercise of any Options granted under the Plan shall be subject (i) to such condition or conditions as it may impose, including, but not limited to, a condition that the holder thereof remain in the employ or service of, or continue to provide consulting or advisory services to, the Company or a parent or subsidiary of the Company for such period or periods from the date of grant of the Option as the Committee, in its absolute discretion, shall determine; and (ii) to such limitations as it may impose, including, but not limited to, a limitation that the aggregate Fair Market Value (determined at the time the Option is granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any employee during any calendar year (under all plans of the Company and its parents and subsidiaries) shall not exceed \$100,000. In addition, in the event that under any Award

Agreement the aggregate Fair Market Value (determined at the time the Option is granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any employee during any calendar year (under all plans of the Company and its parents and subsidiaries corporations) exceeds \$100,000, the Committee may, when shares are transferred upon exercise of such Options, designate those shares which shall be treated as transferred upon exercise of an Incentive Stock Option and those shares which shall be treated as transferred upon exercise of a Nonstatutory Stock Option.

(b) An Option granted under the Plan shall be exercised by the delivery by the holder thereof to the Company at its principal office (attention of the Secretary) of written notice of the number of shares with respect to which the Option is being exercised. Such notice shall be accompanied, or followed within ten days of delivery thereof, by payment of the full option price of such shares, and payment of such option price shall be made by the holder's delivery of (i) his check payable to the order of the Company, or (ii) previously acquired Common Stock, the Fair Market Value of which shall be determined as of the date of exercise (provided that the shares delivered pursuant hereto are acceptable to the Committee in its sole discretion) or (iii) if provided for in the Award Agreement, and subject to the provisions of applicable law, his check payable to the order of the Company in an amount at least equal to the par value of the Common Stock being acquired, together with a promissory note, in form and upon such terms as are acceptable to the Committee, made payable to the order of the Company in an amount equal to the balance of the exercise price, or (iv) by the holder's delivery of any combination of the foregoing (i), (ii) and (iii). Alternatively, if provided for in the Award Agreement, the holder may elect to have the Company reduce the number of shares otherwise issuable by a number of shares having a Fair Market Value equal to the exercise price of the Option being exercised.

13. **Further Conditions of Exercise of Options.**

(a) Unless prior to the exercise of the Option the shares issuable upon such exercise have been registered with the Securities and Exchange Commission pursuant to the Securities Act, the notice of exercise shall be accompanied by a representation or agreement of the person or estate exercising the Option to the Company to the effect that such shares are being acquired for investment purposes and not with a view to the distribution thereof, and such other documentation as may be required by the Company, unless in the opinion of counsel to the Company such representation, agreement or documentation is not necessary to comply with the Securities Act.

(b) If the Common Stock is listed on any securities exchange, including, without limitation, Nasdaq, the Company shall not be obligated to deliver any Common Stock pursuant to this Plan until it has been listed on each such exchange. In addition, the Company shall not be obligated to deliver any Common Stock pursuant to this Plan until there has been qualification under or compliance with such federal or state laws, rules or regulations as the Company may deem applicable. The Company shall use reasonable efforts to obtain such listing, qualification and compliance.

14. **Stock Bonus Grants.**

(a) The Committee may grant Stock Bonus awards to such persons eligible under the Plan as the Committee may select from time to time. Stock Bonus awards shall be granted at such times, in such amounts and under such other terms and conditions as the Committee shall determine, which terms and conditions shall be evidenced under an Award Agreement, subject to the terms of the Plan. Upon satisfaction of any conditions, limitations and restrictions set forth in the Award Agreement, a Stock Bonus award shall entitle the recipient to receive payment of a bonus described under the Stock Bonus award in the form of shares of Common Stock. Prior to the date on which a Stock Bonus award is required to be paid under an Award Agreement, the Stock Bonus award shall constitute an unfunded, unsecured promise by the Company to distribute Common Stock in the future.

(b) The Committee may condition the grant or vesting of Stock Bonus Awards upon the attainment of specified Performance Goals set forth on Exhibit A as the Committee may determine, in its sole discretion. Such Performance Goals may incorporate provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. The applicable Performance Goals shall be based on one or more of the performance criteria set forth in Exhibit A hereto.

(c) Shares granted pursuant to a Stock Bonus shall vest as determined by the Committee, as provided for in the Award Agreement. The foregoing notwithstanding (but subject to the discretion of the Committee and Section 17 hereof and except as otherwise provided in the Award Agreement), a Grantee shall forfeit the right to receive all shares not previously vested, if any, at such time as the Grantee is no longer employed by, or serving as a director of, or rendering consulting or advisory services to, the Company or a parent or subsidiary of the Company for any reason.

15. **Adjustment Upon Change in Capitalization.**

(a) In the event that the outstanding Common Stock is hereafter changed by reason of reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, combination of shares, reverse split, stock dividend or the like, an appropriate adjustment shall be made by the Committee in (i) the aggregate number of shares available under the Plan, (ii) the number of shares and option price per share subject to outstanding Options, (iii) the number of shares issuable pursuant to outstanding Stock Bonus grants, and (iv) any limitation on exercisability referred to in Section 12(a)(ii) hereof which is set forth in outstanding Incentive Stock Options. If the Company shall be reorganized, consolidated, or merged with another corporation, subject to the provisions of Section 20 hereof, the holder of an Option shall be entitled to receive upon the exercise of his Option, and the Grantee of a Stock Bonus shall be entitled to receive upon satisfaction of any conditions, limitations and restrictions set forth in the Award Agreement with respect to the Stock Bonus, the same number and kind of shares of stock or the same amount of property, cash or securities as he would have been entitled to receive upon the happening of any such corporate event as if he had been, immediately prior to such event, the

holder of the number of shares covered by his Option or subject to the Stock Bonus; provided, however, that, in such event, the Committee shall have the discretionary power to take any action necessary or appropriate to prevent any Incentive Stock Option granted hereunder which is intended to be an "incentive stock option" from being disqualified as such under the then existing provisions of the Code or any law amendatory thereof or supplemental thereto; and provided, further, that in such event the Committee shall have the discretionary power to take any action necessary or appropriate to prevent such adjustment from being deemed or considered as the adoption of a new plan requiring shareholder approval under Section 422 of the Code and the regulations promulgated thereunder.

(b) Any adjustment in the number of shares shall apply proportionately to only the unexercised portion of the Option, or the unissued shares subject to an outstanding Stock Bonus, granted hereunder. If fractions of a share would result from any such adjustment, the adjustment shall be revised to the next lower whole number of shares.

16. **Rights of Grantees.** The holder of an Option granted under the Plan shall have none of the rights of a stockholder with respect to the Common Stock covered by his Option until such Common Stock shall be transferred to him upon the exercise of his Option. The recipient of a Stock Bonus under the Plan shall have none of the rights of a stockholder with respect to the Common Stock covered by the Stock Bonus until the date on which the Grantee is entitled to receive the Common Stock pursuant to the Award Agreement.

17. **Special Provisions as to Vesting.**

(a) Notwithstanding anything hereinabove to the contrary, in the event a Grantee is not an employee or non-employee director of, or a consultant or advisor to, the Company as of a particular vesting date for a Stock Award due to death or termination of employment, termination of directorship, or termination of consulting or advisory services due to Permanent Disability, then, for purposes of the Plan and the Stock Award, the Grantee shall be deemed to have remained an employee or non-employee director of, or a consultant or advisor to, the Company through the vesting date next following the Grantee's death or termination of employment, termination of directorship, or termination of consulting or advisory services due to Permanent Disability.

(b) Notwithstanding anything to the contrary, in the event a Change of Control (as hereinafter defined) occurs, then, immediately prior to the Change of Control, all outstanding Stock Awards granted pursuant to Section 14 hereof shall become fully vested.

(c) For purposes hereof, a "Change of Control" shall be deemed to have occurred if:

(i) any "person" or "group of persons" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Grantee or any "group of persons" that includes the Grantee), becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company

representing more than thirty-three and one-third percent (33-1/3%) of the Company's then outstanding securities having the right to vote on the election of directors ("Voting Securities"), except that there shall be excluded from the calculation any Voting Securities acquired from the Company with respect to which the Grantee, if a director, gave his approval as a member of the Board;

(ii) individuals who, as of the date on which the Plan is adopted by the Board, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to such date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; or

(iii) the Company consummates (A) a reorganization, merger or consolidation of the Company, with respect to which in each case all or substantially all of the persons who were the beneficial owners of the Voting Securities of the Company immediately prior to such reorganization, merger or consolidation do not, following such reorganization, merger or consolidation, beneficially own, directly and indirectly, more than 50% of the then combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation or other person resulting from such reorganization, merger or consolidation, or (B) the sale or other disposition of all or substantially all of the assets of the Company.

(d) Notwithstanding the provisions of Section 11 hereof, in the event a Grantee is deemed to have remained an employee or non-employee director of, or a consultant or advisor to, the Company through the vesting date next following the Grantee's death or termination of employment, termination of directorship, or termination of consulting or advisory services due to Permanent Disability, as provided for above, then, with respect to any Option that is subject thereto, such Option, with respect to such next vesting, shall remain exercisable until the later of (A) three months following such next vesting date or (B) one year following the date of death or date of termination of employment, termination of directorship, or termination of consulting or advisory services due to Permanent Disability, as the case may be, subject to the provisions of paragraph (d) of Section 11 hereof.

18. **Restrictions Upon Shares; Right of First Refusal.**

(a) No Grantee shall, for value or otherwise, sell, assign, transfer or otherwise dispose of all or any part of the shares issued pursuant to the exercise of an Option or pursuant to a Stock Bonus (collectively, the "Shares"), or of any beneficial interest therein (collectively a "Disposition"), except as permitted by and in accordance with the provisions of the Plan. The Company shall not recognize as valid or give effect to any Disposition of any Shares or interest therein upon the books of the Company unless and until the Grantee desiring to make such Disposition shall have complied with the provisions of the Plan.

(b) No Grantee shall, without the written consent of the Company, pledge, encumber, create a security interest in or lien on, or in any way attempt to otherwise impose or suffer to exist any lien, attachment, levy, execution or encumbrance on the Shares.

(c) If, at any time, a Grantee desires to make a Disposition of any of the Shares (the "Offered Shares") to any third-party individual or entity pursuant to a bona fide offer (the "Offer"), he shall give written notice of his intention to do so ("Notice of Intent to Sell") to the Company, which notice shall specify the name(s) of the offeror(s) (the "Proposed Offeror(s)"), the price per share offered for the Offered Shares and all other terms and conditions of the proposed transaction. Thereupon, the Company shall have the option to purchase from the Grantee all, but not less than all, the Offered Shares upon the same terms and conditions as set forth in the Offer.

(d) If the Company desires to purchase all of the Offered Shares, it must send a written notice to such effect to the Grantee within 30 days following receipt of the Notice of Intent to Sell.

(e) The closing of any purchase and sale of the Offered Shares shall take place 60 days following receipt by the Company of the Notice of Intent to Sell.

(f) If the Company does not elect to purchase all of the Offered Shares within the period set forth in paragraph (d) hereof, no Shares may be purchased by the Company, and the Grantee shall thereupon be free to dispose of such Shares to the Proposed Offeror(s) strictly in accordance with the terms of the Offer. If the Offered Shares are not disposed of strictly in accordance with the terms of the Offer within a period of 120 days after the Grantee gives a Notice of Intent to Sell, such Shares may not thereafter be sold without compliance with the provisions hereof.

(g) All certificates representing the Shares shall bear on the face or reverse side thereof the following legend:

"The shares represented by this certificate are subject to the provisions of the Kingstone Companies, Inc. 2024 Equity Participation Plan, a copy of which is on file at the offices of the Company."

(h) The provisions of this Section 18 shall only take effect if expressly provided for in the particular Award Agreement, shall be of no force or effect during such time that the Company is subject to the reporting requirements of the Exchange Act pursuant to Section 13 or 15(d) thereof and shall be subject to the provisions of any and all agreements hereafter entered into to which both the Company and any Grantee are parties that provide for a right of first refusal with respect to the Disposition of Shares.

19. **Transactions Requiring Stockholder Approval.** Each of the following shall require approval by the affirmative vote of the holders of a majority of the voting power present in person or represented by proxy at a meeting of stockholders and entitled to vote thereon (or in the case of action by written consent in lieu of a meeting of stockholders, the number of votes required by applicable law to act in lieu of a meeting) (“Stockholder Approval”):

- (a) the amendment of an outstanding Option to reduce the exercise price thereof;
- (b) the cancellation of an outstanding Option in exchange for either the grant of an Option that has an exercise price that is less than the exercise price of the cancelled Option or the grant of another Stock Award;
- (c) the cancellation of an Option whose exercise price is greater than the then Fair Market Value of the Common Stock (“Underwater Option”) in exchange for a Stock Award;
- (d) a cash buyout of an Underwater Option; and
- (e) the transfer of an Option to a third-party financial institution.

20. **Liquidation, Merger or Consolidation.** Notwithstanding Section 12(a) hereof, if the Board approves a plan of complete liquidation or a merger or consolidation (other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), at least 50% of the combined voting power of the voting securities of the Company (or such surviving entity) outstanding immediately after such merger or consolidation), the Committee may, in its sole discretion, upon written notice to the holder of an Option, provide that the Option must be exercised within 20 days following the date of such notice or it will be terminated. In the event such notice is given, the Option shall become immediately exercisable in full. With regard to a merger or consolidation, any such Option exercise shall take effect immediately prior to the closing of such transaction. In the event such merger or consolidation is not consummated within six (6) months of the date of the notice given to the holder of the Option, such notice and any such exercise shall be deemed null and void.

21. **“Market Stand-off”.** No Grantee may, without the prior written consent of the managing underwriter, do any of the following during the period commencing on the date of the final prospectus relating to any underwritten public offering of the Company’s Common Stock under the Securities Act (the “Public Offering”) and ending on the date specified by the Company and the managing underwriter (such period not to exceed 180 days; provided, however, that, if (a) during the last 17 days of the initial lock-up period, the Company releases earnings results or announces material news or a material event or (b) prior to the expiration of the initial lock-up period, the Company announces that it will release earnings results during the

15-day period following the last day of the initial lock-up period, then in each case the lock-up period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event, as applicable): (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any of the Shares held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 21 shall be applicable to the Grantees only if all officers, directors, and stockholders individually owning more than 5% of the Company's outstanding Common Stock are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 21 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party to the Award Agreement executed pursuant hereto. Each Grantee shall execute such agreements as may be reasonably requested by the Company in connection with such registration that are consistent with this Section 21 or that are necessary to give further effect thereto.

22. **Effectiveness of the Plan**. The Plan was adopted by the Board on May 10, 2024 (the "Adoption Date"). The Plan shall be subject to Stockholder Approval on or before May 10, 2025 (the "Outside Date"), which is within one year of the Adoption Date. In the event such Stockholder Approval is withheld or otherwise not received on or before the Outside Date, the Plan and, unless otherwise provided in the Award Agreement, all Options and SARs, and all rights with respect to a Stock Bonus, that may have been granted hereunder shall become null and void.

23. **Termination, Modification and Amendment**

(a) The Plan (but not Options, SARs and Stock Bonuses previously granted under the Plan) shall terminate on May 10, 2034 (the "Termination Date"), which is within ten years from the Adoption Date, or sooner as hereinafter provided, and no Stock Award shall be granted after termination of the Plan. The foregoing shall not be deemed to limit the vesting period for Options, SARs, or Stock Bonuses granted pursuant to the Plan.

(b) The Plan may from time to time be terminated, modified, or amended if Stockholder Approval of the termination, modification or amendment is obtained.

(c) Notwithstanding paragraph (b) hereof, the Board may at any time, on or before the Termination Date, without Stockholder Approval, terminate the Plan, or from time to time make such modifications or amendments to the Plan as it may deem advisable; provided, however, that the Board shall not, without Stockholder Approval, (i) increase (except as otherwise provided by Section 15 hereof) the maximum number of shares as to which Incentive Stock Options may be granted hereunder, change the designation of the employees or class of employees eligible to receive Incentive Stock Options, or make any other change which

would prevent any Incentive Stock Option granted hereunder which is intended to be an “incentive stock option” from qualifying as such under the then existing provisions of the Code or any law amendatory thereof or supplemental thereto or (ii) make any other modifications or amendments that require Stockholder Approval pursuant to applicable law, regulation or exchange requirements. In the event Stockholder Approval is not received within one year of adoption by the Board of the change provided for in (i) or (ii) above, then, unless otherwise provided in the Award Agreement (but subject to applicable law), the change and all Stock Awards that may have been granted pursuant thereto shall be null and void.

(d) No termination, modification, or amendment of the Plan may, without the consent of the Grantee to whom any Stock Award shall have been granted, adversely affect the rights conferred by such Stock Award.

24. **Not a Contract of Employment.** Nothing contained in the Plan or in any Award Agreement executed pursuant hereto shall be deemed to confer upon any individual or entity to whom a Stock Award is or may be granted hereunder any right to remain in the employ or service of the Company or a parent or subsidiary of the Company or any entitlement to any remuneration or other benefit pursuant to any consulting or advisory arrangement.

25. **Use of Proceeds.** The proceeds from the sale of shares pursuant to Stock Awards granted under the Plan shall constitute general funds of the Company.

26. **Indemnification of Board of Directors or Committee.** In addition to such other rights of indemnification as they may have, the members of the Board or the Committee, as the case may be, shall be indemnified by the Company to the extent permitted under applicable law against all costs and expenses reasonably incurred by them in connection with any action, suit, or proceeding to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any rights granted thereunder and against all amounts paid by them in settlement thereof or paid by them in satisfaction of a judgment of any such action, suit or proceeding, except a judgment based upon a finding of bad faith. Upon the institution of any such action, suit, or proceeding, the member or members of the Board or the Committee, as the case may be, shall notify the Company in writing, giving the Company an opportunity at its own cost to defend the same before such member or members undertake to defend the same on his or their own behalf.

27. **Captions.** The use of captions in the Plan is for convenience. The captions are not intended to provide substantive rights.

28. **Disqualifying Dispositions.** If Common Stock acquired upon exercise of an Incentive Stock Option granted under the Plan is disposed of within two years following the date of grant of the Incentive Stock Option or one year following the issuance of the Common Stock to the Grantee, or is otherwise disposed of in a manner that results in the Grantee being required to recognize ordinary income, rather than capital gain, from the disposition (a “Disqualifying Disposition”), the holder of the Common Stock shall, immediately prior to such Disqualifying Disposition, notify the Company in writing of the date and terms of such

Disqualifying Disposition and provide such other information regarding the Disqualifying Disposition as the Company may reasonably require.

29. **Withholding Taxes.**

(a) Whenever under the Plan shares of Common Stock or cash are to be delivered to a Grantee upon exercise of a Nonstatutory Stock Option or to a Grantee of a Stock Bonus, the Company shall be entitled to require as a condition of delivery that the Grantee remit or, at the discretion of the Committee, agree to remit when due, an amount sufficient to satisfy all current or estimated future Federal, state and local income tax withholding requirements, including, without limitation, the employee's portion of any employment tax requirements relating thereto. At the time of a Disqualifying Disposition, the Grantee shall remit to the Company in cash the amount of any applicable Federal, state and local income tax withholding and the employee's portion of any employment taxes.

(b) The Committee may, in its discretion, provide any or all holders of Nonstatutory Stock Options or Grantees of Stock Bonus with the right to use shares of Common Stock in satisfaction of all or part of the withholding taxes to which such holders may become subject in connection with the exercise of their Options or their receipt of a Stock Bonus. Such right may be provided to any such holder in either or both of the following formats:

(i) The election to have the Company withhold, from the shares of Common Stock otherwise issuable upon the exercise of such Nonstatutory Stock Option or the satisfaction of the conditions, limitations and restrictions with respect to a Stock Bonus, a portion of those shares with an aggregate fair market value equal to the percentage of the withholding taxes (not to exceed 100%) designated by the holder.

(ii) The election to deliver to the Company, at the time the Nonstatutory Stock Option is exercised or the conditions, limitations and restrictions are satisfied for a Stock Bonus, one or more shares of Common Stock previously acquired by such holder (other than in connection with the Option exercise or Stock Bonus grant triggering the withholding taxes) with an aggregate Fair Market Value equal to the percentage of the withholding taxes (not to exceed 100%) designated by the holder.

(c) Notwithstanding the foregoing, the Committee may, in its discretion, permit the use of shares of Common Stock, as provided for in paragraph (b) hereof, to satisfy income tax liabilities of the Grantee in excess of withholding tax requirements provided that such additional income tax liabilities are reasonably likely to be incurred by the Grantee.

30. **Excise Tax.** In the event any Stock Award hereunder shall become subject to the excise tax imposed under Section 4999 of the Code, or any similar or successor provision of federal, state or local law, the Grantee shall not be paid any amounts to offset the tax effect of such excise tax or taxes.

31. **Section 409A of the Code.** Although the Company does not guarantee the particular tax treatment of Stock Awards granted under the Plan, Stock Awards made under the Plan are intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and the Plan and any Award Agreement hereunder shall be limited, construed and interpreted in accordance with such intent. To the extent that any Stock Award is subject to Section 409A of the Code, it shall be paid in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. In no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on a Grantee by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code or this Section 31. Notwithstanding anything in the Plan or in a Stock Award to the contrary, the following provisions shall apply to any Stock Award granted under the Plan that constitutes "non-qualified deferred compensation" pursuant to Section 409A of the Code (a "409A Covered Award"):

(a) A termination of employment shall not be deemed to have occurred for purposes of any provision of a 409A Covered Award providing for payment upon or following a termination of the Grantee's employment unless such termination is also a "Separation from Service" within the meaning of Code Section 409A and, for purposes of any such provision of a 409A Covered Award, references to a "termination," "termination of employment" or like terms shall mean Separation from Service. Notwithstanding any provision to the contrary in the Plan or the Stock Award, if the Grantee is deemed on the date of the Grantee's termination of service to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B) and using the identification methodology selected by the Company from time to time, or if none, the default methodology set forth in Code Section 409A, then, with regard to any such payment under a 409A Covered Award, to the extent required to be delayed in compliance with Code Section 409A(a)(2)(B), such payment shall not be made prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of the Grantee's Separation from Service, and (ii) the date of the Grantee's death. All payments delayed pursuant to this Section 31 shall be paid to the Grantee on the first day of the seventh month following the date of the Grantee's Separation from Service or, if earlier, on the date of the Grantee's death.

(b) Whenever a payment under a 409A Covered Award specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(c) If under a 409A Covered Award an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment.

32. **Other Provisions.** Each Stock Award under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Committee, in its sole discretion. Notwithstanding the foregoing, each Incentive Stock Option granted under the Plan shall include those terms and conditions which are necessary to qualify the Incentive Stock Option as an "incentive stock option" within the meaning of Section 422 of the Code and the regulations thereunder and shall not include any terms and conditions which are inconsistent therewith.

33. **Governing Law.** The Plan shall be governed by, and all questions arising hereunder shall be determined in accordance with, the laws of the State of Delaware, excluding choice of law principles thereof.

Exhibit A
PERFORMANCE GOALS

Performance Goals for the purposes of the vesting of performance-based Stock Awards shall be based upon one or more of the following business criteria (which may be determined for these purposes by reference to (i) the Company as a whole, (ii) any of the Company's subsidiaries, operating divisions, regional business units or other operating units, or (iii) any combination thereof): profit before taxes, stock price, market share, gross revenue, net revenue, pre-tax income, operating income, cash flow, earnings per share, return on equity, return on invested capital or assets, cost reductions and savings, return on revenues or productivity, or any other business criteria the Committee deems appropriate, which may be modified at the discretion of the Committee to take into account significant nonrecurring items, or an event or events either not directly relating to the operations of the Company or not within the reasonable control of the Company's management, or a change in accounting standards required by generally accepted accounting principles, or which may be adjusted to reflect such costs or expenses as the Committee deems appropriate.

KINGSTONE COMPANIES, INC.

INSIDER TRADING POLICY

Effective March 12, 2025

I. Introduction

The purpose of this Insider Trading Policy (the "Policy") is to promote compliance with applicable securities laws by Kingstone Companies, Inc. and its subsidiaries (the "Company") and all directors, officers and certain employees thereof as set forth on Schedule I hereto (the "Designated Employees") in order to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it.

II. Applicability

The Policy is applicable to all directors, officers and Designated Employees of the Company (collectively, "Policy Insiders").

Questions regarding this Policy should be directed to Meryl Golden, the Company's Chief Executive Officer, at mgolden@kingstoneic.com or (203) 246-5602. Policy Insiders are also encouraged to seek independent legal advice for matters other than routine reporting.

III. Policy

It is the Company's policy that neither Policy Insiders nor any Related Person (as defined below) may buy or sell securities of the Company ("Company Securities") or engage in any other action to take advantage of, or pass on to others, material nonpublic information. This Policy also applies to material nonpublic information relating to any other company with publicly traded securities, including, but not limited to, the Company's customers or suppliers, obtained in the course of employment by or association with the Company. Any questions with respect to whether certain information is considered material nonpublic information should be referred to the Chief Executive Officer.

This Policy in no way reduces the obligations imposed by law on an insider. Compliance with the insider trading and disclosure requirements remains the personal responsibility of each Policy Insider.

IV. Definitions/Explanations

A. What is "Material Nonpublic Information?"

Information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell a security. Any information that could reasonably be expected to affect the price of Company Securities is material. Common examples of material information are the following:

- Projections of future earnings or losses or other earnings guidance

- Earnings that are inconsistent with the consensus expectations of the investment community
- A pending or proposed merger, tender offer, joint venture or acquisition or disposition of significant assets
- A change in management
- Major events regarding the Company Securities, including, but not limited to, the declaration of a stock split or a reverse stock split, the offering of additional securities or change in dividend policy
- Severe financial liquidity problems
- Actual or threatened material litigation, or the resolution of such litigation
- New material contracts, orders, suppliers, customers or finance sources, or the loss thereof
- Significant changes in corporate objectives
- Company restructuring
- Bank borrowing or other financing transactions out of the ordinary course
- Change in auditors or notification that the auditors' reports may no longer be relied upon
- Development of a significant new product, process or service.

Both positive and negative information can be material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved in favor of materiality, and trading should be avoided. **If you are unsure whether information is material, you should consult the Chief Executive Officer before making any decision to disclose such information or to trade in or recommend Company Securities.**

Nonpublic information is information that is not generally known or available to the public. One common misconception is that material information loses its "nonpublic" status as soon as a press release is issued disclosing the information. In fact, information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or by filings with the Securities and Exchange Commission (the "SEC")) *and the investing public has had time to absorb the information fully*. As a general rule, information is considered nonpublic until the second full trading day after the information is released. For example, if the Company announces financial earnings *before* trading begins on Tuesday, the first time you can buy or sell Company Securities is the opening of the market on Thursday (assuming that, at that time, you are not aware of other material nonpublic information and there is no event-specific blackout in place). However, if the Company announces earnings *after*

trading begins on that Tuesday, the first time you can buy or sell Company Securities is the opening of the market on Friday. **As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Chief Executive Officer or assume that the information is “non-public” and treat it as confidential.**

B. Who is a “Related Person?”

For purposes of this Policy, a Related Person includes your spouse, minor children and anyone else living in your household or who does not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control; corporations or limited liability companies which you control; partnerships in which you are a general partner; trusts of which you are a trustee; and estates of which you are an executor. Although a person’s parent or sibling may not be considered a Related Person (unless living in the same household or under the person’s influence or control), a parent or sibling may be a “tippee” for securities laws purposes. See Section V below for a discussion on the prohibition on “tipping.”

V. Guidelines

A. Non-Disclosure of Material Nonpublic Information

Maintaining the confidentiality of Company information is essential for competitive, security and other business reasons, as well as to comply with securities laws. You should treat all information you learn about the Company or its business plans in connection with your employment or association as confidential and proprietary to the Company. Inadvertent disclosure of confidential or inside information may expose the Company and you to significant risk of investigation and litigation.

The timing and nature of the Company’s disclosure of material information to outsiders is subject to legal rules, the breach of which could result in substantial liability to you, the Company and its management. Accordingly, material nonpublic information must not be disclosed to anyone, except to persons within the Company or third party agents of the Company (such as investment banking advisors or outside legal counsel) whose positions require them to know it, until such information has been publicly released by the Company. The responsibility for determining whether you are in possession of material nonpublic information rests with you and any action on the part of the Company, the Chief Executive Officer of any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate you from liability under applicable securities laws.

B. Prohibited Trading in Company Securities

No person may place a purchase or sell order or recommend that another person place a purchase or sell order in Company Securities (including, but not limited to, initial elections, changes in elections or reallocations of funds relating to 401(k) plan accounts) when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. This rule does not apply to the purchase of stock under, or upon exercise of securities issued under, the Company’s 2024 Equity Participation Plan, as amended, or any other stock option, equity participation plan or similar plan hereafter adopted by the Company (collectively,

the “Plans”). However, stock that is acquired through or under the Plans is subject to this Policy and may not be sold by a Policy Insider who is in possession of material nonpublic information.

C. “Tipping” Information to Others

Insiders may be liable for communicating or tipping material nonpublic information to any third party (“tippee”), not limited to just Related Persons. Further, insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including, but not limited to, tippees who trade on material information which has been misappropriated.

Tippees inherit an insider’s duties and generally are liable for trading on material nonpublic information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is generally no different from that of the insider from whom he or she obtained the information.

D. Avoid Speculation

Policy Insiders and their Related Persons may not trade in options, warrants, puts and calls or similar instruments on Company Securities or sell Company Securities “short.” In addition, Policy Insiders and their Related Persons may not hold Company Securities in margin accounts. Investing in Company Securities provides an opportunity to share in the future growth of the Company. Investment in the Company and sharing in the growth of the Company, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the Policy Insider in conflict with the best interests of the Company and its securityholders. Anyone may exercise options granted to him or her by the Company and have shares withheld to pay withholding taxes in connection with an option exercise or the vesting of restricted shares, and subject to the restrictions discussed in this Policy and any other applicable Company policies, sell shares acquired through the exercise of options or the vesting of restricted shares.

Special circumstances related to the trading activities described above that do not involve short-range speculation may be reviewed and approved by the Company’s Board of Directors or a committee thereof.

E. Trading in Other Securities

No Policy Insider may place purchase or sell orders or recommend that another person place a purchase or sell order in the securities of another corporation or other entity if the person learns of material nonpublic information about the other corporation or other entity in the course of his or her employment or association with the Company.

VI. Trading Restrictions

A. Event-Specific Blackouts

The Company may on occasion disclose material information by means of a press release, SEC filing on Form 8-K or other means designed to achieve widespread dissemination of the information. All Policy Insiders with knowledge of the material nonpublic information

should anticipate that trading will be blacked out while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

From time to time, an event may occur that is material to the Company and is known by only a few directors, officers or employees of the Company. So long as the event remains material and nonpublic, the persons who are aware of the event may not trade in Company Securities. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a person whose trades are subject to the pre-clearance procedures outlined below requests permission to trade in Company Securities during an event-specific blackout, the Chief Executive Officer will inform the requesting person of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. The failure of the Chief Executive Officer to designate a person as being subject to an event-specific blackout will not relieve that person of the obligation not to trade while aware of material nonpublic information.

B. Quarterly Blackouts

The Company's announcement of its quarterly financial results almost always has the potential to have a material effect on the market for Company Securities. Therefore, to avoid even the appearance of trading on the basis of material nonpublic information, Policy Insiders may not trade in Company Securities during the period beginning on the day following the end of a fiscal quarter and ending after the second full business day following the release of the Company's earnings for that quarter (or, in the case of the last quarter of a fiscal year, for that year).

C. Pension Plan Blackouts

Policy Insiders may also be subject to event-specific blackouts which prohibit certain sales and other transfers by insiders during certain pension plan blackout periods.

D. Hardship Exceptions

Policy Insiders who are subject to a quarterly earnings blackout period and who have an unexpected and urgent need to sell Company Securities in order to generate cash may, in appropriate circumstances, be permitted to sell Company Securities even during the quarterly blackout period. Hardship exceptions may be granted only by the Chief Executive Officer and must be requested at least two days in advance of the proposed trade. A hardship exception may be granted only if the Chief Executive Officer concludes that the Company's earnings information for the applicable quarter does not constitute material nonpublic information and there exists no event-specific blackout at that time.

E. Pre-Clearance Requirements for Policy Insiders

Policy Insiders must obtain prior clearance from the Company's Chief Executive Officer, or his or her designee, before he, she or a Related Person makes any purchases or sales of Company Securities. Prior clearance is required for all purchases or sales of Company Securities (if an available investment option) in any Company 401(k) plan. Each proposed transaction will be evaluated to determine whether it raises insider trading concerns or other

concerns under federal or state securities laws and regulations. Any advice will relate solely to the restraints imposed by law and will not constitute advice regarding the investment aspects of any transaction. Clearance of a transaction is valid only for a 48-hour period. If the transaction order is not placed within that 48-hour period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

F. Pre-Arranged Trading Plan under SEC Rule 10b5-1

Any Policy Insider who wishes to establish or modify a pre-arranged trading plan under SEC Rule 10b5-1 must first obtain approval of the plan or modification from the Chief Executive Officer. The following requirements, restrictions and limitations, among others, are applicable to all pre-arranged trading plans entered into or modified by a Policy Insider subsequent to the effective date of this Policy:

- Policy Insiders may enter into a pre-arranged trading plan only when he or she is not in possession of material nonpublic information.
- Policy Insiders may not enter into a pre-arranged trading plan during a blackout period.
- The first trade pursuant to an approved pre-arranged trading plan may not be executed until the later of (i) 90 days after the adoption or modification of the plan and (ii) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or modified (but not to exceed 120 days after the plan was adopted or modified).

A transaction effected pursuant to an approved pre-arranged trading plan will not require pre-clearance at the time of the transaction; however, officers and directors must immediately notify the Chief Executive Officer and the Company's outside counsel when any such transaction has been completed for Section 16 reporting purposes.

VII. Reporting of Insider Transactions

All officers and directors must promptly report their ownership and trading in securities of the Company to the SEC. This Policy requires officers and directors to notify the Company of their ownership and trades in Company Securities and provides for the Company or its counsel to file reports with the SEC on their behalf.

A. Initial Form 3

A person who becomes an officer or director of the Company must file with the SEC an Initial Statement of Beneficial Ownership of Securities on Form 3 within ten (10) days of becoming such. The report must disclose the beneficial ownership of Company Securities by the officer or director. The Form 3 must be filed whether or not the officer or director beneficially owns any Company Securities.

B. Subsequent Forms 4 and 5

To comply with applicable federal securities laws, subsequent Statements of Changes in Beneficial Ownership of Securities on Form 4 must be filed with the SEC within two (2) business days after the date of any change in the beneficial ownership of Company Securities by an officer or director, including the grant and exercise of options and gifts. In addition, an Annual Statement of Beneficial Ownership of Securities on Form 5 must be filed with the SEC within 45 days after the end of the fiscal year to disclose certain transactions that were not required to be reported on a Form 4 and certain transactions after a person ceases to be an officer or director of the Company.

Ownership is deemed to pass on the date of trade (i.e., the date the offer to buy or sell is accepted) and not on the settlement date.

It should be noted that the sale and purchase or purchase and sale of Company Securities by an officer or director within a six (6) month period of time could result in liability on the part of the officer or director to the Company for short-swing profits.

C. Reporting Procedures

The Company's counsel will assist each officer and director in preparing and filing his/her Forms 3, 4 and 5 with the SEC. The Company's counsel will have the authority to execute the Forms 3, 4 and 5 provided the officer or director has signed a Power of Attorney authorizing such counsel to sign and file such forms on his/her behalf. The reporting procedure will be as follows:

- All trades, including the grant and exercise of options and the grant of restricted stock, must be reported immediately to the Chief Executive Officer and the Company's counsel in order to meet the two (2) business day filing requirement.
- The Company's counsel will complete and file the Form 3, 4 or 5 on behalf of the officer or director with the SEC.
- The Company's counsel will notify the officer or director that the Form 3, 4 or 5 has been filed on his/her behalf.

It should be noted that the timely filing of the Forms 3, 4 and 5 is the personal responsibility of the officer or director.

VIII. Other Matters

A. Company Assistance

Your compliance with this Policy is of the utmost importance both for you and for the Company. If you have any questions about this Policy or its application to any proposed transaction, you may obtain additional guidance from the Chief Executive Officer.

B. Certification

All Policy Insiders, as well as other employees or consultants determined from time to time by the Chief Executive Officer to be subject to the procedures set forth in this Policy, must

certify their understanding of, and intent to comply with, this Policy on the Company's form of Insider Trading Policy Certification which is attached to this Policy.

C. Insider Liability

Each person who fails to comply with insider trading laws is exposed to significant financial and legal liability including fines and imprisonment, in addition to general embarrassment and damage to his or her reputation. Further, the reputation of the Company may be damaged, and it may be exposed to liability. A breach of the Company's Insider Trading Policy is considered a breach of any employment contract with the Company and, as such, violators may be immediately dismissed for cause.

KINGSTONE COMPANIES, INC.

**INSIDER TRADING POLICY
CERTIFICATION**

To the Chief Executive Officer:

I, _____ (name), have received and read a copy of the Insider Trading Policy of Kingstone Companies, Inc. (the "Company"), effective _____, 2025 (the "Policy"). I hereby agree to comply with the specific requirements of the Policy in all respects during my employment or other association with the Company. I understand that my failure to comply in all respects with the Policy is a basis for termination for cause of my employment or other association.

(Signature)

(Name - Please Print)

(Date)

SCHEDULE I

DESIGNATED EMPLOYEES

Senior Leadership Team members
Finance Department members
Senior Manager, Pricing and Product
Assistant Actuary

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of Kingstone Companies, Inc. on Form S-3 (No. 333-278539) and Form S-8 (No. 333-207986, No. 333-245013, No. 333-258877, No. 333-274008 and No. 333-281544) of our report dated March 18, 2025, with respect to our audits of the consolidated financial statements of Kingstone Companies, Inc. and Subsidiaries as of December 31, 2024 and 2023 and for the years then ended, which report is included in this Annual Report on Form 10-K of Kingstone Companies, Inc. for the year ended December 31, 2024.

Marcum llp
Hartford, CT
March 18, 2025

CERTIFICATION

I, Meryl S. Golden, certify that:

1. I have reviewed this Annual Report on Form 10-K of Kingstone Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2025

/s/ Meryl S. Golden
Meryl S. Golden
Chief Executive Officer

CERTIFICATION

I, Jennifer L. Gravelle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Kingstone Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2025

/s/ Jennifer L. Gravelle

Jennifer L. Gravelle
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER**AND CHIEF FINANCIAL OFFICER****PURSUANT TO****18 U.S.C. SECTION 1350,****AS ADOPTED PURSUANT TO****SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certify, pursuant to, and as required by, 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Kingstone Companies, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 18, 2025

/s/ Meryl S. Golden

Meryl S. Golden
Chief Executive Officer

/s/ Jennifer L. Gravelle

Jennifer L. Gravelle
Chief Financial Officer