

KINGSTONE COMPANIES, INC.
Form 8-K/A
November 13, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A
AMENDMENT NO. 2

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: June 30, 2009
(Date of earliest event reported)

KINGSTONE COMPANIES, INC.
(formerly DCAP Group, Inc.)
(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	0-1665 (Commission File No.)	36-2476480 (IRS Employer Identification Number)
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1 1 5 8 B r o a d w a y , 1 1 5 5 7
Hewlett, NY
(Address of Principal(Z i p
Executive Offices) Code)

Registrant's telephone number, including area code: (516) 374-7600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

_____ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. Completion of Acquisition or Disposition of Assets.

As previously reported in a Current Report on Form 8-K for an event dated June 30, 2009 (the "Form 8-K"), Kingstone Companies, Inc. (formerly DCAP Group, Inc.) (the "Company" or "Kingstone") completed the acquisition of Commercial Mutual Insurance Company ("CMIC") (renamed Kingstone Insurance Company) on July 1, 2009 pursuant to the conversion of CMIC from an advance premium cooperative to a stock property and casualty insurance company. This Amendment No. 2 on Form 8-K/A amends and supplements the Form 8-K, as amended, to include financial statements of CMIC. Pro forma financial information will be filed by further amendment.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The following financial statements required by Item 9.01(a) of Form 8-K are included:

- (i) Report of Independent Certified Public Accounting Firm
- (ii) Consolidated Balance Sheets of CMIC as of December 31, 2008, December 31, 2007 and June 30, 2009 (unaudited)
- (iii) Consolidated Statements of Income of CMIC for the years ended December 31, 2008 and 2007 and the six months ended June 30, 2009 (unaudited) and 2008 (unaudited)
- (iv) Consolidated Statements of Cash Flows of CMIC for the years ended December 31, 2008 and 2007 and the six months ended June 30, 2009 (unaudited) and 2008 (unaudited)
- (v) Consolidated Statement of Policyholders' Surplus for the years ended December 31, 2008 and 2007 and the six months ended June 30, 2009 (unaudited)
- (vi) Notes to Consolidated Financial Statements of CMIC

(b) Pro Forma Financial Information.

The following unaudited condensed consolidated pro forma financial information required by Item 9.01(b) of Form 8-K will be filed by amendment:

- (i) Selected Pro Forma Consolidated Financial Information*
- (ii) Unaudited Condensed Consolidated Pro Forma Balance Sheets of the Company as of December 31, 2008 and June 30, 2009*

* To be filed by amendment.

- (iii) Unaudited Condensed Consolidated Pro Forma Statements of Operations of the Company for the year ended December 31, 2008 and the six months ended June 30, 2009*
- (iv) Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements*

* To be filed by amendment.

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Report of Independent Certified Public Accounting Firm

To the Board of Directors
Commercial Mutual Insurance Company

We have audited the accompanying consolidated balance sheets of Commercial Mutual Insurance Company and subsidiaries (“the Company”) as of December 31, 2008 and 2007, and the related consolidated statements of income and comprehensive income, changes in policyholders’ surplus and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and 2007, and the results of its operations and changes in policyholders’ surplus and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Amper, Politziner & Mattia, LLP

Edison, New Jersey
November 11, 2009

Commercial Mutual Insurance Company and Subsidiaries
Consolidated Balance Sheets

	December 31,		June 30,
	2008	2007	2009 (unaudited)
Assets			
Short term investments	\$ 1,213,460	\$ 963,271	\$ 811,738
Fixed-maturity securities, available for sale, at fair value (amortized cost of \$7,677,046, \$4,807,848 and \$9,091,704)	7,597,123	4,716,407	9,266,253
Equity securities, available-for-sale, at fair value (cost of \$1,097,193, \$660,602 and \$1,880,291)	903,717	739,979	1,823,045
Total investments	9,714,300	6,419,657	11,901,036
Cash and cash equivalents	5,248,159	4,481,698	1,327,057
Investment income receivable	59,120	44,748	70,216
Premiums receivable, net of of provision for uncollectible amounts	4,143,669	3,861,149	4,418,094
Receivables - reinsurance contracts	355,370	1,140,884	1,137,832
Reinsurance receivables, net of of provision for uncollectible amounts	17,722,546	15,259,804	20,049,199
Deferred acquisition costs	2,498,700	2,359,939	2,665,802
Deferred income taxes	899,266	603,673	475,782
Property and equipment, net of accumulated depreciation	1,414,871	1,255,265	1,369,570
Equities in pools and associations	194,912	188,232	191,136
Other assets	230,857	328,464	340,855
Total assets	\$ 42,481,770	\$ 35,943,513	\$ 43,946,579
Liabilities			
Loss and loss adjustment expenses	\$ 15,587,000	\$ 11,669,999	\$ 16,191,784
Unearned premiums	13,047,510	12,148,484	13,879,374
Reinsurance balances payable	786,131	1,029,600	2,005,590
Deferred ceding commission revenue	3,270,164	3,120,077	2,700,376
Accounts payable, accrued liabilities and other liabilities	938,718	749,829	1,157,829
Income taxes payable	717,819	282,329	-
Other liabilities	267,974	200,536	4,994
Mortgage payable	542,443	597,642	-
Surplus notes	5,935,704	5,747,031	5,996,461
Total liabilities	41,093,463	35,545,527	41,936,408
Minority interest	-	129,600	-
Policyholders' Surplus			
Special contingent surplus	839,816	783,219	868,898
Accumulated other comprehensive income	(148,214)	24,267	109,649
Unassigned surplus	696,705	(539,100)	1,031,624
Total policyholders' surplus	1,388,307	268,386	2,010,171

Total liabilities and policyholders' surplus