

CAPITAL MARKETS ANNOUNCEMENT

Kingstone Companies, Inc. (NASDAQ: KINS; Kingston, NY) Closes \$20.5 Million Upsized Public Offering, Including Exercise of Over-Allotment Option

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

This transaction represents the 312th public offering or private placement of common stock or preferred stock for a financial services company since January 1, 2009 for which Sandler O'Neill acted as book-runner, co-manager, placement agent, remarketing agent or selling agent. These transactions have raised over \$84 billion for our clients.¹

About the Offering:

On December 13, 2013, Kingstone Companies, Inc. (the "Company" or "Kingstone"), the parent company of Kingstone Insurance Company, announced the closing of its underwritten follow-on offering of 3,450,000 shares of its common stock, including 450,000 shares issued pursuant to the underwriter's 30-day over-allotment option, at a price of \$5.95 per share. The net proceeds to the Company after deducting underwriting discounts and commissions and estimated offering expenses are expected to be approximately \$18.9 million.

The Company expects to use the net proceeds of the offering to contribute capital to Kingstone Insurance Company to support growth, including possible product expansion, to repay indebtedness, and for general corporate purposes, which may include acquisitions.

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

About the Company:

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

(1) Does not combine the results of advisors which have merged until the date such merger was completed.

Source: SNL Financial

December 13, 2013

Common Stock

\$20.5 Million



Sole Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights

(in millions, except per share data)

LTM Gross Premium Written	\$57.5
LTM Net Premiums Earned	\$20.1
Total Cash and Investments	\$37.8
Total Assets	\$94.5
Pro Forma Total Shareholders' Equity	\$35.9
Pro Forma Book Value per Common Share	\$4.94

Note: Financial data as of 9/30/13, pro forma data as adjusted for the completion of the offering.

Source: Company filings

Sandler O'Neill Contacts:

Bob Kleinert
Managing Principal
(212) 466-7806

George Johns
Principal
(212) 466-7998

Jace Day
Principal
(212) 466-7831

Steve McAuley
Managing Director
(212) 466-7828

Jennifer Docherty
Managing Director
(212) 466-7796

Andrew Atkins
Associate Director
(212) 466-7766

Demetrios Hadgis
Associate Director
(212) 466-8019

Sikander Khan
Analyst
(212) 466-7969