

1347 Property Insurance Holdings, Inc.  
Form SC 13D/A  
October 27, 2017

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

SCHEDULE 13D

Under the  
Securities  
Exchange Act of  
1934

(Amendment No.  
2 )

1347 Property  
Insurance  
Holdings, Inc.  
(Name of Issuer)

Common Stock,  
\$0.001 par value  
(Title of Class of  
Securities)

68244P 107  
(CUSIP Number)

Eric Orsic, Esq.  
McDermott Will  
& Emery LLP  
444 West Lake  
Street, Suite 4000  
Chicago, Illinois  
60606-0029  
(312) 984-7617  
(Name, Address  
and Telephone  
Number of Person  
Authorized to  
Receive Notices

and  
Communications)

October 25, 2017  
(Date of Event  
Which Requires  
Filing of This  
Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. "

---

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

**CUSIP No. 68244P 107 SCHEDULE 13D**

|   |          |   |
|---|----------|---|
|   |          | NAME OF REPORTING PERSONS   |
| <b>1</b>  |          | Kingsway Financial Services Inc.  |
|   |          | CHECK THE APPROPRIATE BOX IF A MEMBER OF (b) x A GROUP  |
| <b>2</b>  |          | MEMBER OF (b) x A GROUP   |
| <b>3</b>  |          | SEC USE ONLY  |
| <b>4</b>  |          | SOURCE OF FUNDS   |
|   |          | OO CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION |
| <b>5</b>  |          |   |
|   | Delaware |   |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING | <b>7</b> | SOLE VOTING POWER   |
|   |          | - 0 - SHARED VOTING POWER   |
|   | <b>8</b> |   |
|   |          | 1,999,572   |
|   | <b>9</b> | SOLE DISPOSITIVE  |

PERSON WITH POWER

**10** - 0 -  
SHARED  
DISPOSITIVE  
POWER

1,999,572  
AGGREGATE  
AMOUNT  
BENEFICIALLY  
**11** OWNED BY EACH  
REPORTING PERSON

1,999,572  
CHECK IF THE  
AGGREGATE  
AMOUNT IN  
**12** ROW (11) ..  
EXCLUDES  
CERTAIN  
SHARES (See  
Item 5)

PERCENT OF CLASS  
REPRESENTED BY  
**13** AMOUNT IN ROW (11)  
(see Item 5(a))

26.8%  
TYPE OF REPORTING  
**14** PERSON

CO

**CUSIP No. 68244P 107 SCHEDULE 13D**

**1** NAME OF REPORTING PERSONS

1347 Advisors LLC

**2** CHECK THE APPROPRIATE BOX IF A

MEMBER OF (b) x

**3** A GROUP SEC USE ONLY SOURCE OF FUNDS

**4** OO CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING

**5** IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

**6** NUMBER OF **7** SOLE VOTING POWER

SHARES - 0 -

**8** BENEFICIALLY OWNED BY SHARED VOTING POWER

**9** EACH REPORTING PERSON WITH 1,500,000 SOLE DISPOSITIVE POWER

PERSON WITH

- 0 -  
SHARED  
DISPOSITIVE  
POWER

10

1,500,000

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING PERSON

11

1,500,000  
CHECK IF THE  
AGGREGATE  
AMOUNT IN  
ROW (11) ..  
EXCLUDES  
CERTAIN  
SHARES (See  
Item 5)

12

PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)  
(see Item 5(a))

13

20.1%  
TYPE OF REPORTING  
PERSON

14

CO

**CUSIP No. 68244P 107 SCHEDULE 13D**

|   |          |  |
|---|----------|--|
|   |          | NAME OF REPORTING PERSONS  |
| <b>1</b>  |          | Mendakota Casualty Company   |
|   |          | CHECK THE APPROPRIATE BOX IF A MEMBER OF (b) x A GROUP                                   |
| <b>2</b>  |          |  |
| <b>3</b>  |          | SEC USE ONLY   |
| <b>4</b>  |          | SOURCE OF FUNDS  |
|   |          | WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) |
| <b>5</b>  |          | CITIZENSHIP OR PLACE OF ORGANIZATION   |
|   | Illinois |  |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING | <b>7</b> | SOLE VOTING POWER  |
|   | <b>8</b> | - 0 - SHARED VOTING POWER  |
|   | <b>9</b> | 75,000 SOLE DISPOSITIVE  |

| PERSON WITH | POWER  |
|-------------|--|
|             | - 0 -  |
| <b>10</b>   | SHARED<br>DISPOSITIVE<br>POWER   |
|             | 75,000   |
| <b>11</b>   | AGGREGATE<br>AMOUNT<br>BENEFICIALLY<br>OWNED BY EACH<br>REPORTING PERSON   |
|             | 75,000   |
| <b>12</b>   | CHECK IF THE<br>AGGREGATE<br>AMOUNT IN<br>ROW (11)        "<br>EXCLUDES<br>CERTAIN<br>SHARES<br>PERCENT OF CLASS<br>REPRESENTED BY<br>AMOUNT IN ROW (11) |
| <b>13</b>   | (see Item 5(a))  |
|             | 1.3%   |
| <b>14</b>   | TYPE OF REPORTING<br>PERSON  |
|             | CO   |



**CUSIP No. 68244P 107 SCHEDULE 13D**

**1** NAME OF REPORTING PERSONS

Kingsway America Inc.

**2** CHECK THE APPROPRIATE BOX IF A

MEMBER OF (b) x

**3** A GROUP SEC USE ONLY

SOURCE OF FUNDS

**4** WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING

**5** IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

**6** NUMBER OF **7** SOLE VOTING POWER

SHARES - 0 -

**8** BENEFICIALLY OWNED BY **8** SHARED VOTING POWER

**9** EACH REPORTING PERSON WITH **9** 424,572 SOLE DISPOSITIVE POWER

PERSON WITH

- 0 -  
SHARED  
DISPOSITIVE  
POWER

10

424,572

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING PERSON

11

424,572  
CHECK IF THE  
AGGREGATE  
AMOUNT IN  
ROW (11)       ..  
EXCLUDES  
CERTAIN  
SHARES

12

PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)  
(see Item 5(a))

13

7.1%  
TYPE OF REPORTING  
PERSON

14

CO

## **Explanatory Note**

This Amendment No. 2 (this “Amendment No. 2”) relates to the common stock, \$0.001 par value per share (the “Common Stock”), of 1347 Property Insurance Holdings, Inc., a Delaware corporation (the “Issuer”). The principal executive offices of the Issuer are located at 1511 N. Westshore Blvd., Suite 870, Tampa, FL 33607. This Amendment No. 2 is being filed in connection with that certain transaction pursuant to which a Reporting Person, Kingsway America Inc. (“KAI”), sold 475,428 shares of Common Stock to Fundamental Global Investors, LLC. Except as otherwise set forth herein, this Amendment No. 2 does not modify any of the information previously reported by the Reporting Persons in the Schedule 13D as amended to date.

## **Item 2. IDENTITY AND BACKGROUND**

(d) During the last five years, none of the Reporting Persons nor any persons named in Schedule A has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons nor any persons named in Schedule A has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

## **Item 4. PURPOSE OF TRANSACTION**

See Item 5 below.

Except as set forth herein, the Reporting Persons have no present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer’s financial position and strategic direction, actions taken by the board of directors, price levels of the Common Stock, other investment opportunities available to the Reporting Persons, conditions in the securities market and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, purchasing additional Common Stock or selling some or all of their Common Stock or other securities and, alone or with others, pursuing discussions with the management, the board of directors, other shareholders of the Issuer and third parties with regard to their investments in the Issuer, and/or otherwise changing their intention with respect to any and all matters referred to in Item 4 of Schedule 13D.

## **Item 5. INTEREST IN SECURITIES OF THE ISSUER**

On February 24, 2015, 1347 Advisors LLC (“Advisors”), a subsidiary of Kingsway Financial Services Inc. (“KFSI”), entered into an Agreement to Buyout and Release (the “Buyout Agreement”) between Advisors and the Issuer. The Buyout Agreement terminates a Management Services Agreement (the “MSA”) dated February 11, 2014 between the same parties in which Advisors provided to the Issuer certain services, including forecasting, analysis of capital structure and reinsurance programs, consultation in future restructuring or capital raising transactions, and

consultation in corporate development initiatives.

In connection with the Buyout Agreement and in consideration for Advisors agreeing to voluntarily terminate the MSA effective February 24, 2015 pursuant to the Buyout Agreement, Advisors: (i) received \$2,000,000 in cash, (ii) received 120,000 shares of the Issuer's Series B Preferred Shares having a liquidation amount per share equal to \$25.00, (iii) received a seven-year warrant (the "Warrant") to purchase up to 1,500,000 shares of the Common Stock at an exercise price of \$15.00 per share, and (iv) entered into a Performance Shares Grant Agreement dated February 24, 2015, with the Issuer, whereby Advisors will be entitled to receive 100,000 shares of the Common Stock from the Issuer if at any time the last sales price of the Common Stock equals or exceeds \$10.00 per share for any 20 trading days within any 30-trading day period (collectively, the "Transaction"). The Transaction closed on February 24, 2015.

- 6 -

The Warrant issued to Advisors is immediately exercisable to purchase up to 1,500,000 shares (the “Warrant Shares”) of the Common Stock at \$15.00 per share.

The amounts below do not include 100,000 shares of the Issuer’s Common Stock that could be issued to Advisors at any time the last sales price of the Issuer’s Common Stock equals or exceeds \$10.00 per share for any 20 trading days within any 30-trading day period.

(a) By virtue of its control relationship, KFSI may be deemed the beneficial owner of 1,999,572 shares of Common Stock representing approximately 26.8% of the outstanding shares of the Issuer’s Common Stock.

Advisors may be deemed the beneficial owner of 1,500,000 shares of Common Stock representing approximately 20.1% of the outstanding shares of the Issuer’s Common Stock.

Mendakota Casualty Company (“MCC”) may be deemed the beneficial owner of 75,000 shares of Common Stock representing approximately 1.3% of the outstanding shares of the Issuer’s Common Stock.

KAI may be deemed the beneficial owner of 424,572 shares of Common Stock representing approximately 7.1% of the outstanding shares of the Issuer’s Common Stock.

The aggregate percentage of the Issuer’s Common Stock beneficially owned by the Reporting Persons is calculated based upon 5,956,766 shares of Common Stock outstanding as reported by the Issuer in its Form 10-Q for the period ended June 30, 2017 as adjusted to reflect the exercise of 1,500,000 Warrant Shares in the case of the beneficial owner thereof.

(b) By virtue of its control relationship, KFSI shares the power to (i) vote or direct the voting and (ii) dispose or direct the disposition of all of the 1,999,572 shares of Common Stock beneficially owned by Advisors, MCC and KAI.

Advisors shares the power to (i) vote or direct the voting and (ii) dispose or direct the disposition of all of the 1,500,000 shares of Common Stock issuable upon exercise of the Warrant.

MCC shares the power to (i) vote or direct the voting and (ii) dispose or direct the disposition of all of the 75,000 shares of Common Stock it holds.

KAI shares the power to (i) vote or direct the voting and (ii) dispose or direct the disposition of all of the 424,572 shares of Common Stock it holds.

(c) Other than the transactions described in Items 3 and 4 above, the Reporting Persons have not effected any transactions in the Common Stock in the past 60 days.

(d) No person (other than the Reporting Persons) is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by the Reporting Persons.

(e) Not applicable.

- 7 -

**Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER**

On October 25, 2017, KAI entered into a Purchase Agreement (the “Purchase Agreement”) by and between KAI and Fundamental Global Investors, LLC (“FGI”), pursuant to which KAI agreed to sell 900,000 shares of Common Stock to FGI or one of its affiliates in two separate transactions. The first transaction (the “First Transaction”) provides for the sale by KAI of 475,428 shares of Common Stock for a purchase price of \$3,732,109.80. The second transaction (the “Second Transaction”) provides for the sale by KAI of 424,572 shares of Common Stock for a purchase price of \$3,332,890.20. The First Transaction is scheduled to close on November 1, 2017. The Second Transaction is conditioned on FGI obtaining approval of the Second Transaction from the Louisiana Department of Insurance and the Florida Office of Insurance Regulation within ninety days of the date of the Purchase Agreement. If the approvals referred to in the immediately preceding sentence are not obtained within ninety days of the date of the Purchase Agreement, KAI’s and FGI’s obligations to complete the Second Transaction automatically terminate. This description of the Purchase Agreement is qualified in its entirety by reference to the full contents of the Purchase Agreement filed as Exhibit 7 herewith.

Other than the agreements described in the Exhibit hereto or previously reported on this Schedule 13D, as of the date hereof, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 hereof and between such persons and any person with respect to any securities of the Issuer.

**MATERIAL TO BE FILED AS EXHIBITS**

**Item 7.**

Item 7 is hereby amended to add the following exhibit:

**Exhibit Description**

7 Purchase Agreement dated October 25, 2017, by and between Kingsway America Inc. and Fundamental Global Investors, LLC.

## SIGNATURES

After reasonable inquiry and to the best of his, her or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: October 27, 2017

KINGSWAY FINANCIAL  
SERVICES INC.

By: /s/ Larry G. Swets, Jr.

Name: Larry G. Swets, Jr.

Its: Chief Executive Officer

1347 ADVISORS LLC

By: /s/ William A. Hickey, Jr.

Name: William A. Hickey, Jr.

Its: Managing Director

MENDAKOTA CASUALTY  
COMPANY

By: /s/ Steven Harrison

Name: Steven Harrison

Its: President

KINGSWAY AMERICA INC.

By: /s/ Larry G. Swets, Jr.

Name: Larry G. Swets, Jr.

Its: President and Chief  
Executive Officer



## Schedule A

### Directors and Officers of Certain Reporting Persons

#### Kingsway Financial Services Inc.

The following sets forth the name, position and principal occupation of each director and executive officer of KFSI. Each such person is a citizen of the United States of America or Canada (as indicated by an \*). The business address of each director and executive officer is 150 Pierce Road, 6th Floor, Itasca, IL 60143.

| Name                   | Position and Principal Occupation                                       |
|------------------------|---|
| Larry G. Swets, Jr.    | Chief Executive Officer and Director; executive                         |
| William A. Hickey, Jr. | Executive Vice President, Chief Financial Officer; Secretary; executive |
| Terence Kavanagh*      | Chairman of the Board and Director; investment manager                  |
| Gregory Hannon*        | Director; investment manager  |
| Gary Schaevitz         | Director; investment manager  |
| Joseph Stilwell        | Director; investment manager  |
| John Fitzgerald        | President, Chief Operating Officer and Director; executive              |

#### 1347 Advisors LLC

The following sets forth the name, position and principal occupation of each director and executive officer of Advisors. Each such person is a citizen of the United States of America. The business address of each director and executive officer is 150 Pierce Road, 6th Floor, Itasca, IL 60143.

| Name                   | Position and Principal Occupation |
|------------------------|-----------------------------------|
| Hassan Raza Baqar      | Managing Director; executive      |
| William A. Hickey, Jr. | Managing Director; executive      |
| Larry G. Swets, Jr.    | Managing Director; executive      |

#### Mendakota Casualty Company

The following sets forth the name, position and principal occupation of each director and executive officer of MCC. Each such person is a citizen of the United States of America. The business address of each director and executive officer is 150 Pierce Road, 6th Floor, Itasca, IL 60143.

| Name                   | Position and Principal Occupation             |
|------------------------|---|
| William A. Hickey, Jr. | Director; executive                           |
| Sandra Marie Pappas    | Treasurer, Secretary and Director; accountant |
| Leeann H. Repta        | Director; manager                             |
| Scott Walker           | Vice President and Director; executive        |
| Steven Harrison        | President and Director; executive             |

**Kingsway America Inc.**

The following sets forth the name, position and principal occupation of each director and executive officer of KAI. Each such person is a citizen of the United States of America. The business address of each director and executive officer is 150 Pierce Road, 6th Floor, Itasca, IL 60143.

| Name                   | Position and Principal Occupation                          |
|------------------------|--|
| Larry G. Swets, Jr.    | President and Chief Executive Officer; Director; executive |
| William A. Hickey, Jr. | VP, COO and Director; executive                            |
| Hassan Raza Baqar      | VP and Treasurer; executive                                |
| Leeann H. Repta        | VP; manager  |
| Robert P. Hames        | VP; executive  |
| Kelly A. Marketti      | VP and Secretary; accountant                               |
| John Fitzgerald        | VP; executive  |