

1347 Property Insurance Holdings, Inc.
Form SC 13D/A
March 20, 2018

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 4)

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)

March 15, 2018
(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

1

Kingsway Financial Services Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2(a) ..

(b) x

3 SEC USE ONLY

SOURCE OF FUNDS

4

OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

5

..

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

NUMBER OF SOLE VOTING POWER

7

SHARES - 0 -

SHARED VOTING POWER

BENEFICIALLY **8**

1,575,000

OWNED BY SOLE DISPOSITIVE POWER

9

EACH - 0 -

SHARED DISPOSITIVE POWER

REPORTING **10**

1,575,000

PERSON WITH

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

1,575,000

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

21.0%

14 TYPE OF REPORTING PERSON

CO

-2-

CUSIP No. 68244P 107 SCHEDULE 13D

NAME OF REPORTING PERSONS

1

1347 Advisors LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2(a) ..

(b) x

3 SEC USE ONLY

SOURCE OF FUNDS

4

OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

5

..

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

NUMBER OF SOLE VOTING POWER

7

SHARES - 0 -

SHARED VOTING POWER

BENEFICIALLY **8**

1,500,000

OWNED BY SOLE DISPOSITIVE POWER

9

EACH - 0 -

SHARED DISPOSITIVE POWER

REPORTING **10**

1,500,000

PERSON WITH

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

20.0%

14 TYPE OF REPORTING PERSON

CO

-3-

CUSIP No. 68244P 107 SCHEDULE 13D

NAME OF REPORTING PERSONS

1

Mendakota Casualty Company

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2(a) ..

(b) x

3 SEC USE ONLY

SOURCE OF FUNDS

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

5

..

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Illinois

NUMBER OF SOLE VOTING POWER

7

SHARES - 0 -

SHARED VOTING POWER

BENEFICIALLY **8**

75,000

OWNED BY SOLE DISPOSITIVE POWER

9

EACH - 0 -

SHARED DISPOSITIVE POWER

REPORTING **10**

75,000

PERSON WITH

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

75,000

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

1.3%

14 TYPE OF REPORTING PERSON

CO

-4-

CUSIP No. 68244P 107 SCHEDULE 13D

NAME OF REPORTING PERSONS

1

Kingsway America Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2(a) ..

(b) x

3 SEC USE ONLY

SOURCE OF FUNDS

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

5

..

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

NUMBER OF SOLE VOTING POWER

7

SHARES - 0 -

SHARED VOTING POWER

BENEFICIALLY **8**

- 0 -

OWNED BY SOLE DISPOSITIVE POWER

9

EACH - 0 -

SHARED DISPOSITIVE POWER

REPORTING **10**

- 0 -

PERSON WITH

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

- 0 -

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

0.0%

14 TYPE OF REPORTING PERSON

CO

-5-

Explanatory Note

This Amendment No. 4 (this “Amendment No. 4”) 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. 4 is being filed in connection with that certain transaction pursuant to which a Reporting Person, Kingsway America Inc. (“KAI”), sold 424,572 shares of Common Stock to Fundamental Global Investors, LLC. Except as otherwise set forth herein, this Amendment No. 4 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

(a) 1347 Advisors LLC (“Advisors”), a wholly-owned subsidiary of Kingsway Financial Services Inc. (“KFSI”), holds a seven-year warrant (expiring February 24, 2022) (the “Warrant”) to purchase up to 1,500,000 shares of Common Stock at an exercise price of \$15.00 per share. As a result, Advisors may be deemed the beneficial owner of 1,500,000 shares of Common Stock underlying the Warrant which represents approximately 20.0% of the outstanding shares of the Issuer’s Common Stock.

Mendakota Casualty Company (“MCC”), a wholly-owned subsidiary of KFSI, 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, a wholly-owned subsidiary of KFSI, holds performance rights representing the contingent right to receive up to 375,000 shares of the Issuer’s Common Stock. The performance rights vest as to: (i) 125,000 shares of Common Stock if the last sales price of the Common Stock equals \$12 for any 20 days in a 30-day period; (ii) 125,000 shares of Common Stock if the last sales price of the Common Stock equals \$15 for any 20 days in a 30-day period; and (iii) 125,000 shares of Common Stock if the last sales price of the Common Stock equals \$18 for any 20 days in a 30-day period.

By virtue of its control relationship with respect to Advisors and MCC, KFSI may be deemed the beneficial owner of 1,575,000 shares of Common Stock representing approximately 21.0% 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 5,984,766 shares of Common Stock outstanding as reported by the Issuer in its Form 10-Q for the period ended September 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 1,575,000 shares of Common Stock beneficially owned by Advisors and MCC.

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.

(c) Other than the transactions described in Section 6 below, 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.

Item CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO 6. 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 closed on November 1, 2017. The Second Transaction closed on March 15, 2018.

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.

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: March 19, 2018

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 |