

AMERICAN SAFETY INSURANCE HOLDINGS LTD
Form 10-Q
August 10, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10 Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED June 30, 2009

“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 1-14795

AMERICAN SAFETY INSURANCE HOLDINGS, LTD.
(Exact name of Registrant as specified in its charter)

Bermuda
(State or other jurisdiction
of incorporation)

Not Applicable
(I.R.S. Employer
Identification No.)

The Boyle Building, 2nd Floor
31 Queen Street
Hamilton, HM 11, Bermuda
(Address, zip code of principal executive offices)

(441) 296-8560
(Registrant's telephone number, including area code)

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Indicate by check mark whether 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 such shorter period that 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate number of shares outstanding of Registrant's common stock, \$0.01 par value, on August 4, 2009 was 10,320,153.

AMERICAN SAFETY INSURANCE HOLDINGS, LTD.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

American Safety Insurance Holdings, Ltd. and Subsidiaries

Consolidated Balance Sheets

(dollars in thousands except per share data)

<u>Assets</u>	<u>June 30, 2009</u> <u>(Unaudited)</u>	<u>December 31, 2008</u>
Investments:		
Fixed maturity securities available for sale,		
at fair value	\$ 604,639	\$ 569,910
Common stock, at fair value	14,588	20,537
Preferred stock, at fair value	2,903	3,287
Short-term investments, at fair value	<u>111,265</u>	<u>80,005</u>
Total investments	733,395	673,739
Cash and cash equivalents	14,591	12,898
Accrued investment income	5,653	6,214
Premiums receivable	18,400	19,917
Ceded unearned premiums	26,110	36,118
Reinsurance recoverable	200,526	199,455
Deferred income taxes	9,238	11,784
Deferred policy acquisition costs	17,637	18,171
Property, plant and equipment, net	10,488	10,976
Goodwill	11,128	9,696
Other assets	<u>39,735</u>	<u>27,396</u>
Total assets	<u>\$1,086,901</u>	<u>\$1,026,364</u>
<u>Liabilities and Shareholders' Equity</u>		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 605,478	\$ 586,647
Unearned premiums	108,861	122,259
Ceded premiums payable	16,568	20,732
Deferred revenues	1,823	1,770
Accounts payable and accrued expenses	11,627	8,586
Deferred rent	1,391	1,626
Funds held	35,427	25,684
Securities payable	19,645	-

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Loans payable	<u>37,479</u>	<u>38,932</u>
Total liabilities	<u>\$ 838,299</u>	<u>\$ 806,236</u>

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	June 30, 2009 <u>(Unaudited)</u>	<u>December 31, 2008</u>
Shareholders' equity		
Preferred stock, \$0.01 par value; authorized 5,000,000 shares; no shares issued and outstanding	\$ -	\$ -
Common stock, \$0.01 par value; authorized 30,000,000 shares; issued and outstanding at June 30, 2009, 10,302,511 and December 31, 2008, 10,274,368		
Additional paid-in capital	103 101,630	103 100,645
Retained earnings	131,960	119,491
Accumulated other comprehensive income (loss), net	<u>11,496</u>	<u>(3,209)</u>
Total American Safety Insurance Holdings shareholders' equity	<u>245,189</u>	<u>217,030</u>
Equity in non-controlling interest	3,413	3,098
Total shareholders' equity	<u>248,602</u>	<u>220,128</u>
Total liabilities and shareholders' equity	1,086,901	\$1,026,364
Book value per share	\$23.80	\$21.12
Diluted book value per share	\$22.96	\$20.55

See accompanying notes to consolidated interim financial statements (unaudited).

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American Safety Insurance Holdings, Ltd. and Subsidiaries

Consolidated Statements of Operations

(Unaudited)

(dollars in thousands except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:				
Direct premiums earned	\$50,401	\$47,903		