

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **October 28, 2019**

NI Holdings, Inc.

(Exact name of registrant as specified in its charter)

North Dakota
(State or other jurisdiction of
incorporation)

001-37973
(Commission
File Number)

81-2683619
(IRS Employer
Identification No.)

1101 First Avenue North
Fargo, North Dakota
(Address of principal executive offices)

58102
(Zip code)

(701) 298-4200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

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 (see General Instruction A.2. below):

- 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))
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Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value per share	NODK	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On October 28, 2019, the Company issued a press release announcing the execution of the Purchase Agreement (as defined below). A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference.

The information in this Item 7.01 and the Exhibit attached hereto is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such document or filing.

Item 8.01. Other Items.

On October 28, 2019, NI Holdings, Inc., a North Dakota corporation (the “Company”), entered into a Stock Purchase Agreement (the “Purchase Agreement”) with Westminster American, LLC, a Maryland limited liability company (“Seller”), and John Scott, Sr. (“Scott, Sr.”), pursuant to which the Company will, among other things, purchase from Seller all of the issued and outstanding shares of common stock (the “Shares”) of Westminster American Insurance Company, a Maryland corporation (“Westminster”), and a commercial real estate insurance company located in Owings Mills, Maryland, after all of the closing conditions set forth in the Purchase Agreement have been satisfied or waived (the “Closing”). The transactions contemplated by the Purchase Agreement are referred to herein as the “Transactions”. The Company will retain Westminster’s current President and Chief Executive Officer, John Scott, Jr., as the President of Westminster following the Closing pursuant to an employment agreement between John Scott, Jr. and Westminster. Westminster will pay John Scott, Jr. a retention bonus in the aggregate amount of \$5,000,000, payable over the five-year period from the date of Closing.

As consideration for the Transactions, the Company will pay Seller \$40,000,000 as follows:

- First, at the Closing, the Company will pay Seller \$20,000,000 less Transaction Expenses (as defined in the Purchase Agreement).
- Second, on each of the first and second anniversaries of the Closing, and on the first business day of the month preceding the third anniversary of the Closing, the Company will pay Seller an amount equal to one-third of \$20,000,000.

The Company’s payment obligations will be secured by a Pledge Agreement entered into with Seller, pursuant to which the Company will pledge to Seller the Shares until such time as all payment obligations of the Company to Seller have been satisfied.

The Transactions are expected to close early next year and are subject to customary closing conditions, including regulatory approvals. The Purchase Agreement contains representations, warranties, and covenants of the parties customary for a transaction of this type, including, among other things, a covenant of Seller not to solicit alternative transactions or to provide information or enter into discussions in connection with alternative transactions.

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated October 28, 2019.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NI Holdings, Inc.

Date: October 28, 2019

By: /s/ Michael J. Alexander
Michael J. Alexander
President and Chief Executive Officer

NI Holdings, Inc.

NI Holdings, Inc. Announces Signing of Agreement to Acquire Westminster American Insurance Company

FARGO, North Dakota, October 28, 2019 – NI Holdings, Inc. (NASDAQ: NODK) today announced the signing of a definitive agreement to purchase 100 percent of the issued and outstanding stock of Westminster American Insurance Company from private shareholders.

Westminster American is headquartered in Owings Mills, Maryland and underwrites commercial multi-peril insurance in the states of Delaware, Georgia, Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, Virginia, and West Virginia, and the District of Columbia through independent agents. John Scott, Jr., the President of Westminster American, will continue to manage the Westminster American insurance operations along with the current staff and management team. Closing the transaction is expected early next year subject to customary closing conditions, including regulatory approval.

Under the terms of the stock purchase agreement, NI Holdings has agreed to pay Westminster American shareholders \$20 million at the closing date, and approximately \$6.7 million annually over the three-year period from the date of closing. In addition, in connection with his continued employment after closing, NI Holdings has agreed to pay the President of Westminster American a retention bonus in the aggregate amount of \$5 million, payable over the five-year period from the date of closing.

“The acquisition of Westminster American furthers our goal of diversifying our business geographically and by segment, along with growing our insurance operations,” said President & CEO of NI Holdings, Inc., Michael J. Alexander. “John and his team have built an exceptional company and we believe it will continue its profitable growth. Given its past success, Westminster American is a sound insurance underwriter with a wealth of experience in the commercial multi-peril insurance market. We believe that Westminster American will enhance our earnings and provide additional avenues for top-line growth, along with providing long-term stability to our results,” Alexander said. “We believe that Westminster American will fit very well with NI Holdings and provide additional geographic diversification for us.”

Venable LLP served as Westminster American Insurance Company’s legal advisor. Sherman & Company served as NI Holdings’ financial advisor and Dorsey & Whitney LLP was NI Holdings’ legal advisor in this transaction.

About NI Holdings, Inc.

NI Holdings, Inc. is an insurance holding company. The company is a North Dakota business corporation that is the stock holding company of Nodak Insurance Company and became such in connection with the conversion of Nodak Mutual Insurance Company from a mutual to stock form of organization and the creation of a mutual holding company. The conversion was consummated on March 13, 2017. Immediately following the conversion, all of the outstanding shares of common stock of Nodak Insurance Company were issued to Nodak Mutual Group, Inc., which then contributed the shares to NI Holdings in exchange for 55% of the outstanding shares of common stock of NI Holdings. Nodak Insurance Company then became a wholly-owned stock subsidiary of NI Holdings.

Nodak Insurance Company owns American West Insurance Company and Primero Insurance Company. Nodak Insurance Company also manages Battle Creek Mutual Insurance Company and reinsures 100% of the risk on all insurance policies issued by Battle Creek.

NI Holdings' financial statements are the consolidated financial results of NI Holdings, Direct Auto Insurance Company, and Nodak Insurance, including Nodak Insurance's subsidiaries American West and Primero, and its affiliate Battle Creek.

Safe Harbor Statement

Some of the statements included in this news release, including but not limited to those pertaining to the consummation of the acquisition of Westminster American, the future growth and profitability of Westminster American, and the impact of the acquisition on the earnings and growth of NI Holdings, Inc., are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations, estimates, and projections about our industry, our management's beliefs, and certain assumptions made by our management. Actual results could vary materially. Factors that could cause the actual financial results of NI Holdings, Inc. to vary materially include: its ability to successfully close and integrate this acquisition, Westminster American's ability to continue growing and achieving profitability, and other risks described in the periodic reports that NI Holdings, Inc. files with the Securities and Exchange Commission. You should not place undue reliance on any such forward-looking statements. NI Holdings, Inc. disclaims any obligation to update such statements or to announce publicly the results of any revisions that it may make to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

For a detailed discussion of the risk factors that could affect the actual financial results of NI Holdings, Inc., please refer to the risk factors identified in its SEC reports, including, but not limited to its Annual Report on Form 10-K, as filed with the SEC.

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