

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 and Exchange Act of 1934

Date of Report (Date of earliest event reported): August 9, 2018

HC2 HOLDINGS, INC.

Delaware
(State or other jurisdiction
of incorporation)

001-35210
(Commission File Number)

54-1708481
(IRS Employer
Identification No.)

450 Park Avenue, 30th Floor
New York, NY 10022
(Address of principal executive offices)

(212) 235-2690
(Registrant's telephone number, including area code)

Not Applicable
(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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company 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 2.01 Completion of Acquisition or Disposition of Assets

On August 9, 2018, Continental General Insurance Company (“CGIC”), an indirect subsidiary of HC2 Holdings, Inc. (the “Company”), consummated the previously announced transactions contemplated by a Stock Purchase Agreement (the “SPA”) with Humana, Inc., a public company incorporated in Delaware (“Humana”). Pursuant to the SPA, CGIC acquired all of the outstanding shares of KMG America Corporation (“KMG”), the parent company of Kanawha Insurance Company (“KIC”), Humana’s long-term care insurance subsidiary (the “Acquisition”).

As consideration for the Acquisition, (a) CGI paid \$10,000 to Humana for all outstanding KMG shares, and (b) Humana made a capital contribution of approximately \$195 million to KIC prior to the closing of the Acquisition, subject to adjustment based on certain operating results from June 30, 2017 through the closing date of the SPA.

As a condition to the approval of the Acquisition by the South Carolina Department of Insurance, CGIC agreed to redomesticate KIC from South Carolina to Texas and simultaneously merge KIC with and into CGIC, with CGIC surviving (the “Merger”), and to maintain a risk-based capital ratio of no less than 450 percent for two years following the closing. Similarly, CGIC agreed with the Texas Commissioner of Insurance that it will maintain a total adjusted capital to authorized control risk-based capital level of no less than 450 percent for two years from the date of the Merger and of no less than 400 percent for the subsequent three years.

The foregoing information is a summary of the transactions described above and, as such, is not complete, and is qualified in its entirety by reference to the full text of the SPA, which was filed as an exhibit to the Company’s Current Report on Form 8-K filed on November 6, 2017.

Item 7.01 Regulation FD Disclosure

On August 9, 2018, the Company issued a press release entitled “HC2 Portfolio Company Continental General Insurance Completes Acquisition of \$2.4 Billion Long-Term Care Insurance Business From Humana Inc.” A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statement of Business Acquired

The Company intends to file the historical financial statements of Humana for the periods specified in Rule 3-05(b) of Regulation S-X in an amendment to this report under cover of Form 8-K/A no later than 71 calendar days after the date this Current Report on Form 8-K was required to be filed.

(b) Pro Forma Financial Information

The Company intends to furnish pro forma financial information relating to the Acquisition required pursuant to Article 11 of Regulation S-X in an amendment to this report under cover of Form 8-K/A no later than 71 calendar days after the date this Current Report on Form 8-K was required to be filed.

(d) Exhibits

Exhibit No.	
99.1	Press Release dated August 9, 2018, titled "HC2 Portfolio Company Continental General Insurance Completes Acquisition of \$2.4 Billion Long-Term Care Insurance Business From Humana Inc."

Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference in a filing.

SIGNATURES

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.

HC2 Holdings, Inc.

August 9, 2018

By: /s/ Michael J. Sena

Name: Michael J. Sena

Title: Chief Financial Officer



FOR IMMEDIATE RELEASE

**HC2 PORTFOLIO COMPANY CONTINENTAL GENERAL INSURANCE
COMPLETES ACQUISITION OF \$2.4 BILLION LONG-TERM CARE INSURANCE BUSINESS
FROM HUMANA INC.**

*Acquisition Significantly Increases Insurance Investment Portfolio
to Approximately \$3.8 Billion of Cash and Invested Assets*

New York, August 9, 2018 - HC2 Holdings, Inc. ("HC2") (NYSE: HCHC), a diversified holding company, announced today that its insurance subsidiary, Continental General Insurance Company ("CGIC"), has completed its acquisition of the long-term care ("LTC") insurance business KMG America Corporation ("KMG") from Humana Inc. (NYSE:HUM).

As of March 31, 2018, KMG's subsidiary, Kanawha Insurance Company ("Kanawha"), had approximately \$150 million in statutory surplus and approximately \$160 million of statutory total adjusted capital with approximately \$2.4 billion of cash and invested assets. Under the terms of the Stock Purchase Agreement, Humana made an approximate \$195 million cash capital contribution to KMG's subsidiary Kanawha Insurance Company prior to closing.

Post-close, CGIC will have cash and invested assets of approximately \$3.8 billion, up from \$1.5 billion prior to the transaction. Upon completion of the transaction, pro-forma statutory surplus for the combined entities is estimated to be between \$155 - \$175 million and total adjusted capital is estimated at between \$185 - \$205 million, subject to closing adjustments.

"Completing the acquisition of Humana's long-term care insurance business marks another significant milestone in the growth of our insurance subsidiary and significantly increases the size of our insurance investment portfolio and more than doubles our total adjusted insurance capital base from approximately \$85 million to the estimated \$185 million to \$205 million, providing incremental value to our shareholder base," said Philip Falcone, Chairman, President and Chief Executive Officer of HC2. "We believe this transaction validates our platform and positions us as the counterparty of choice for future LTC transactions."

Please refer to HC2's Current Report on Form 8-K that was filed on November 7, 2017 with the Securities and Exchange Commission for a more complete description of the terms and conditions of the Stock Purchase Agreement.

Keefe, Bruyette & Woods, Inc. acted as financial advisor to Continental General Insurance Company. Drinker Biddle & Reath LLP acted as legal advisor to Continental General Insurance Company.

About HC2

HC2 Holdings, Inc. is a publicly traded (NYSE: HCHC) diversified holding company, which seeks opportunities to acquire and grow businesses that can generate long-term sustainable free cash flow and attractive returns in order to maximize value for all stakeholders. HC2 has a diverse array of operating subsidiaries across eight reportable segments, including Construction, Marine Services, Energy, Telecommunications, Life Sciences, Broadcasting, Insurance and Other. HC2's largest operating subsidiaries include DBM Global Inc., a family of companies providing fully integrated structural and steel construction services, and Global Marine Systems Limited, a leading provider of engineering and underwater services on submarine cables. Founded in 1994, HC2 is headquartered in New York, New York. Learn more about HC2 and its portfolio companies at www.hc2.com. For information on HC2 Holdings, Inc., please contact Andrew G. Backman - Managing Director - Investor Relations & Public Relations - abackman@hc2.com - 212-339-5836

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This release contains, and certain oral statements made by HC2's representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. The forward-looking statements in this press release include, without limitation, statements regarding HC2's expectation regarding building shareholder value and future cash and invested assets. Such statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries and portfolio companies. HC2 believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and HC2's actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, issues related to the restatement of HC2's financial statements; the fact that HC2 has historically identified material weaknesses in its internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions; the ability of HC2's subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition opportunities; HC2's ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. Although HC2 believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. These risks and other important factors discussed under the caption "Risk Factors" in HC2's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), and HC2's other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

For information on HC2 Holdings, Inc., please contact:

Andrew G. Backman
Managing Director
Investor Relations & Public Relations
abackman@hc2.com
212-339-5836

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