



Conifer
Holdings
Inc.

Q2 2022 INVESTOR CONFERENCE CALL

August 11, 2022

Nasdaq: CNFR

**Fulfilling the Unique Needs of
Specialty Insurance Markets as
a Long-Term Partner**



SAFE HARBOR STATEMENT

This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, margins, profitability, future efficiencies, and other financial and operating information. When used in this discussion, the words “may,” “believes,” “intends,” “seeks,” “anticipates,” “plans,” “estimates,” “expects,” “should,” “assumes,” “continues,” “potential,” “could,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, inherent risks and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. Our actual future results may be materially different from what we expect due to factors largely outside our control, including the occurrence of severe weather conditions and other catastrophes, the cyclical nature of the insurance industry, future actions by regulators, our ability to obtain reinsurance coverage at reasonable rates and the effects of competition. These and other risks and uncertainties associated with our business are described under the heading “Risk Factors” in our most recently filed Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, which should be read in conjunction with this presentation. The company and subsidiaries operate in a dynamic business environment, and therefore the risks identified are not meant to be exhaustive. Risk factors change and new risks emerge frequently. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

CONIFER'S INFRASTRUCTURE

Conifer Holdings, Inc. provides niche market insurance programs through Conifer Insurance Company and White Pine Insurance Company on both an admitted and E&S basis.



Conifer Insurance Company

- Founded in 2009
- Licensed & Admitted in 4 States (MI, IL, IN, SD)
- E&S in 49 States (Exc. NY)



White Pine Insurance Company

- Founded in 2010
- Licensed & Admitted in 44 States & DC

PROGRAM PORTFOLIO



Hospitality



Liquor Liability



Security Guards, Alarm Contractors &
Private Investigators



Quick Service Restaurants



Workers' Compensation



Cannabis



Specialty Homeowners

Q2 2022 HIGHLIGHTS

TOP LINE GROWTH IN BOTH COMMERCIAL AND PERSONAL LINES

GWP Q2 2022: \$37M
+7.0% over Q2 2021

Achieving rate across many lines

Focus is on expanding
profitable core premium

PERSONAL LINES GROWTH IN PROFITABLE PROGRAMS

GWP Q2 2022: \$5M
+32.4% over Q2 2021

Q2 2022 Combined Ratio:
106.1%

Low-value dwelling product
performance demonstrating
consistent profitability

BOOK VALUE OF \$1.75 PER SHARE

Shareholders' equity of \$17.0M

Does not include \$19.5M of DTA
(\$2.01 per share)

Total adjusted book value of
\$3.76 as of quarter ended
June 30, 2022

STRATEGIC INITIATIVES CONTINUE TO DRIVE GROWTH



INVESTMENT THESIS



Conifer
Holdings
Inc.

1

Focused Expertise in Niche
Specialty Insurance Markets

2

Operating Strategy

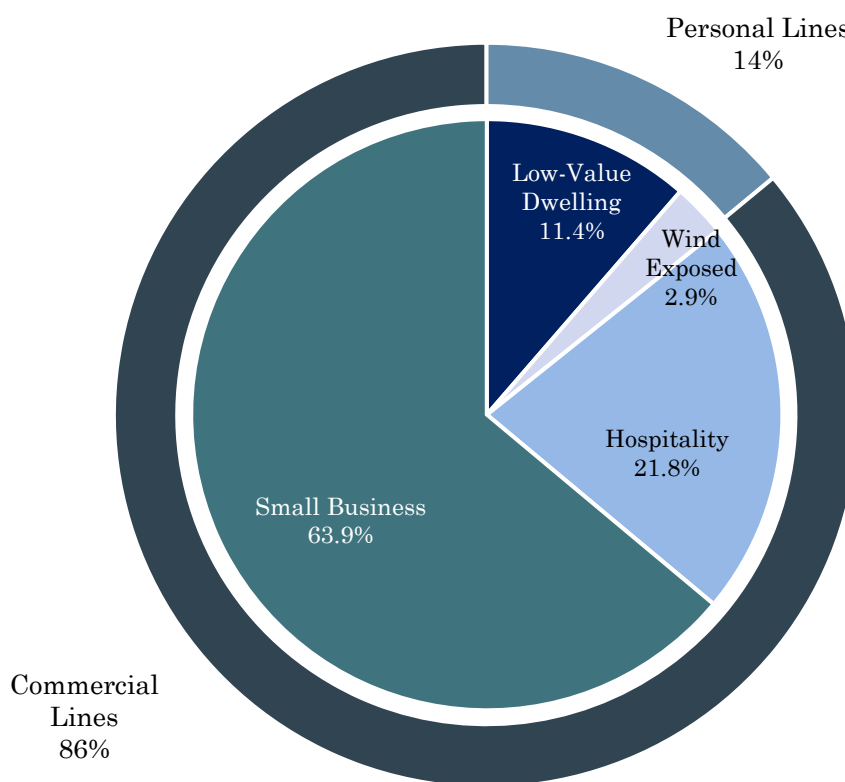
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Attractive Entry Point Valuation
Based on Operating Trajectory

Our Lines Of Business



GROSS WRITTEN PREMIUM FOR Q2 2022:
\$37 MILLION, UP 7.0% YOY



COMMERCIAL LINES

Experts in Niche Markets

Example: Restaurants, Bars and Taverns

Conifer has had ties to the Hospitality Industry since the late 1980s, providing coverage and peace of mind for proprietors.



PREFERRED CLASSES OF BUSINESS	
• Family Restaurants	• Bars/Taverns
• Pizza/Sub Shops	• Wineries
• Delis	• Micro-Breweries and Craft Beer & Wine Shops
• Bakeries	• Convenience Stores
• Brew Pubs	• Fraternal Organizations

COMMERCIAL LINES

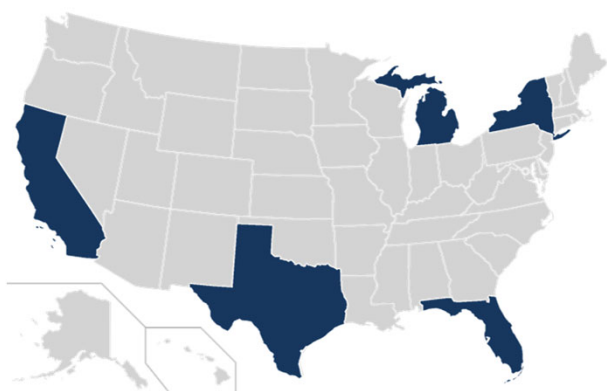
Focus: Disciplined, Quality Underwriting

- Focus on classes where we have deep underwriting knowledge and experience
- Partner with retail and select wholesale agencies and retain underwriting authority in-house:
 - Underwriting teams have established strong relationships with retail and wholesale specialists in these lines of business.
 - With agents who specialize in our unique classes, we remain closer to our insureds and underwrite a stronger account / risk profile overall.
- A hallmark of our success has always been tight agent relationships that generate high account retention:
 - Commercial retention in the quarter was over 90%.
 - High account retention allows us to selectively grow market share where we see the best pricing and profitability.
- Leverage ability to write on E&S and admitted paper for rate and form flexibility:
 - Our markets continue firming, and we are seeing rate increases in our specialty markets –
 - Including increasing rate especially Excess & Surplus lines.
- Maintain low limits as much as possible: vast majority of property TIV is under \$1M
- Also, we are seeing opportunities for additional market share movement in our space
- Continuing to emphasize specialty business, our premium mix remains firmly dedicated to Commercial Lines with 85.7% Specialty Commercial and 14.3% Personal Lines for Q2 2022.



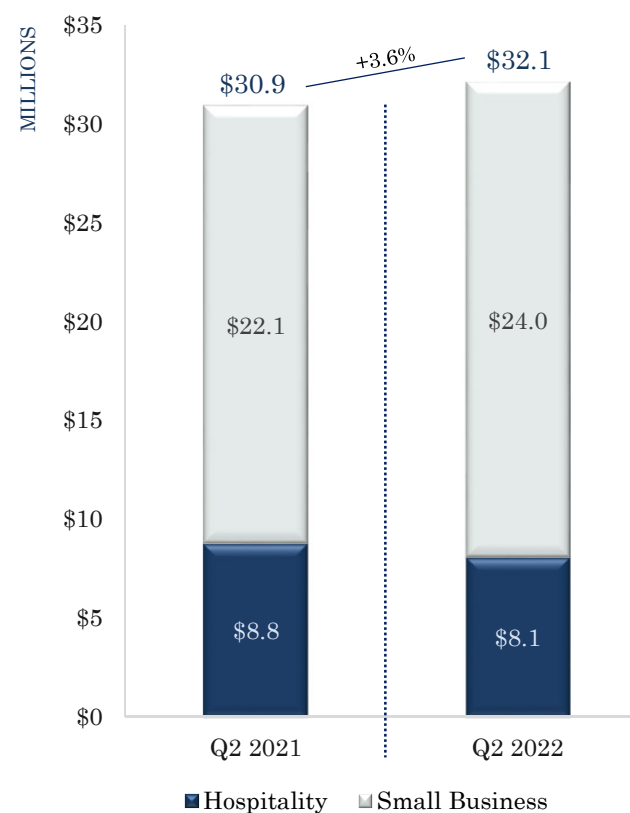
COMMERCIAL LINES

- Commercial Lines represented roughly 86% of the premium written in Q2 2022
- Sustained expansion of Michigan state premium and market share
- Conifer continues to write Commercial Lines in all 50 states



YTD June 30, 2022 Top Five States	Gross Written Premium \$ in thousands	
Michigan	\$ 18,328	30.2%
Florida	7,816	12.9%
California	7,327	12.1%
New York	4,067	6.7%
Texas	2,927	4.8%
All Other	20,197	33.3%
Total	\$ 60,662	100.0%

GROSS WRITTEN PREMIUM



PERSONAL LINES

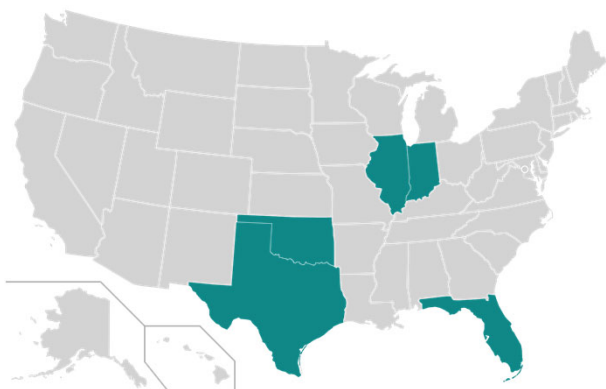
Focus: Niche Specialty Homeowners Products

- Underwriting teams have established strong relationships with retail and wholesale specialists in low value dwelling markets
- Leverage ability to write on E&S and admitted paper, where possible, for rate and form flexibility
- Utilize technology to appropriately price our property risks
- Maintain competitive advantage in ease of use for agency portal and submission/bind process
- Cloud-based agency portal system with strong data mining and predictive outcome capabilities
- Maintain rate and underwriting discipline regardless of market cycles



PERSONAL LINES

- Personal Lines production was approximately 14% of total premium in Q2 2022
- Growth in low-value dwelling segment with Oklahoma as largest state
- Q2 2022 Combined Ratio for Personal Lines: 106.1%

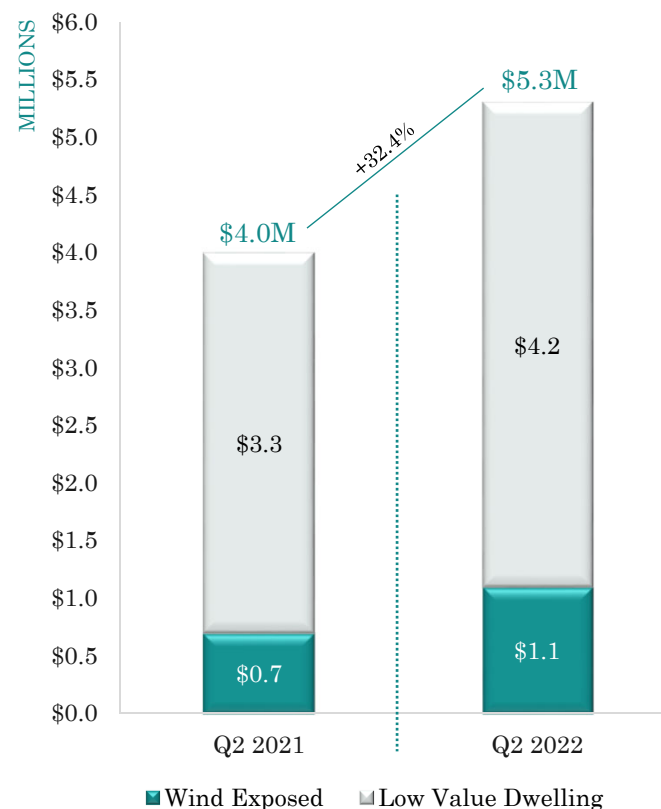


YTD June 30, 2022 Top Five States

Gross Written Premium \$ in thousands

Oklahoma	\$ 4,949	50.9%
Texas	3,694	38.0%
Indiana	709	7.3%
Illinois	198	2.0%
Florida	71	0.7%
All Other	99	1.1%
Total	\$ 9,720	100.0%

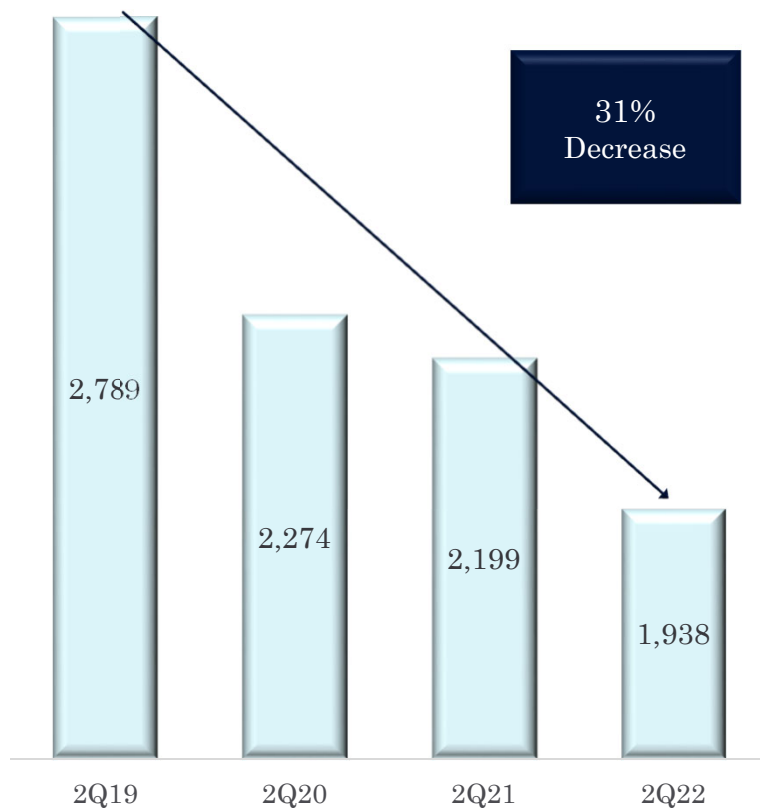
GROSS WRITTEN PREMIUM



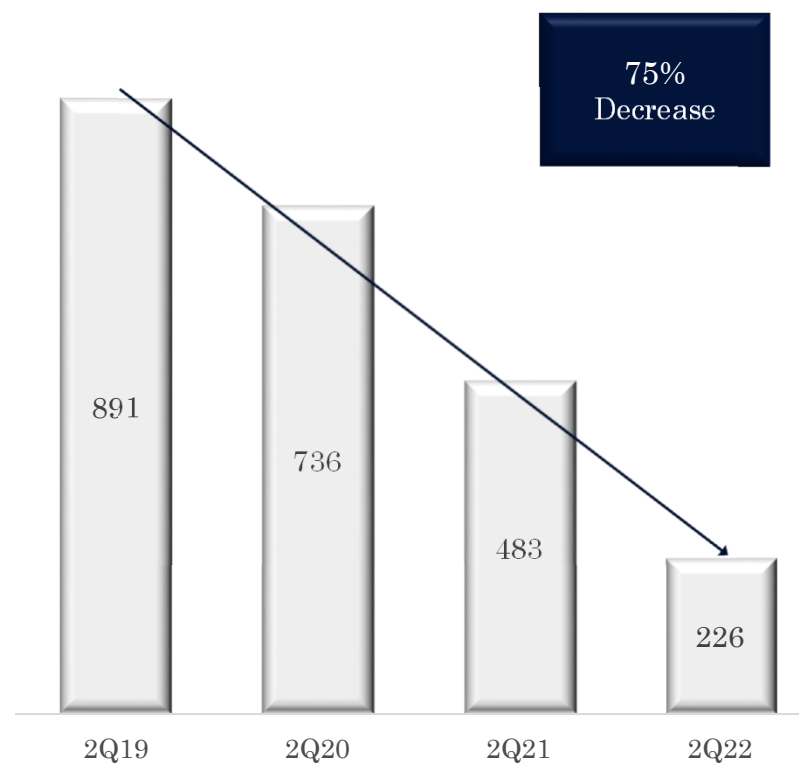
CLAIMS MANAGEMENT

*open claims as of June 30, 2022

ALL OPEN CLAIMS



OPEN QSR CLAIMS





INVESTMENT THESIS



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STRATEGIC INITIATIVES: PROGRESS TO DATE

Focusing on most profitable specialty commercial and personal lines

Expansion in select specialty markets and reliable geographic venues

Significant Rate Increases

Rate contributed significantly to Q2 2022 premium growth

Infrastructure in place to handle anticipated growth

Emphasis on achieving appropriate scale

Reducing exposure to underperforming markets and geographies

Substantial decrease in number of open claims leads to more predictable loss-cost predictions in future periods

Expense management showing results

Expense ratio 39.0% for Q2 2022

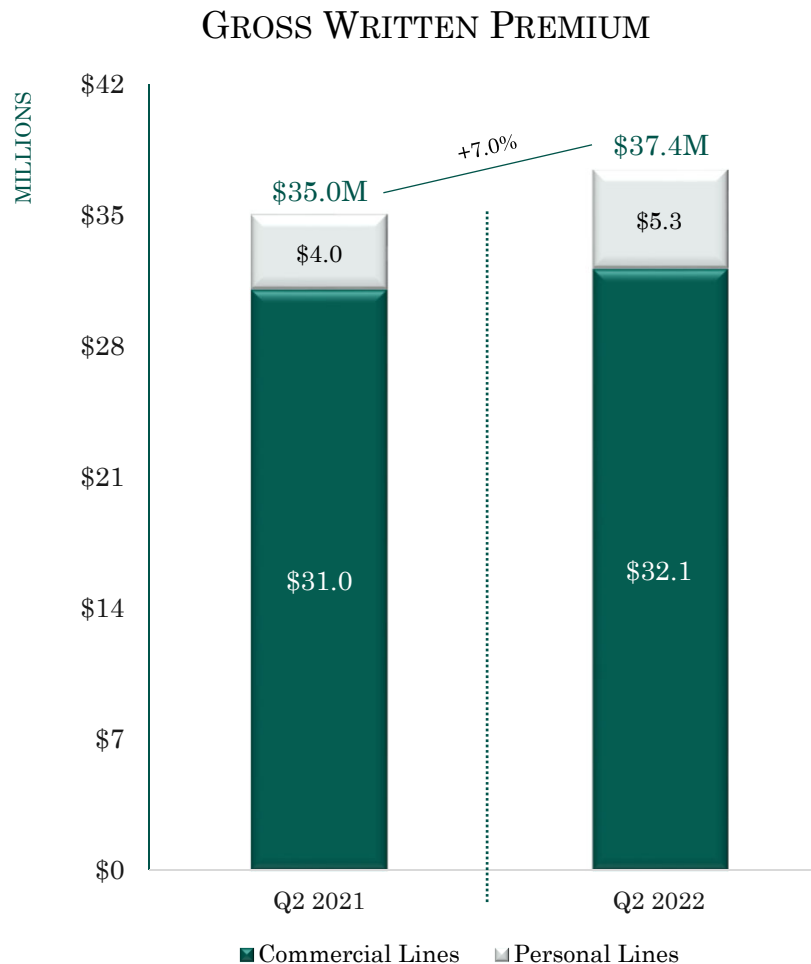
Q2 2022 RESULTS OVERVIEW

Gross Written Premium:

- GWP was \$37.4M in Q2 2022
 - Commercial Lines GWP increased approximately 4% over Q2 2021
 - Commercial Lines accident year combined ratio was 89.1% for the three months
 - Personal Lines GWP increased 32.4% over Q2 2021, in historically profitable business lines
 - Personal Lines accident year combined ratio was 99.1% for the three months
- Overall GWP increase of 7.0% from Q2 2021

Net Earned Premium:

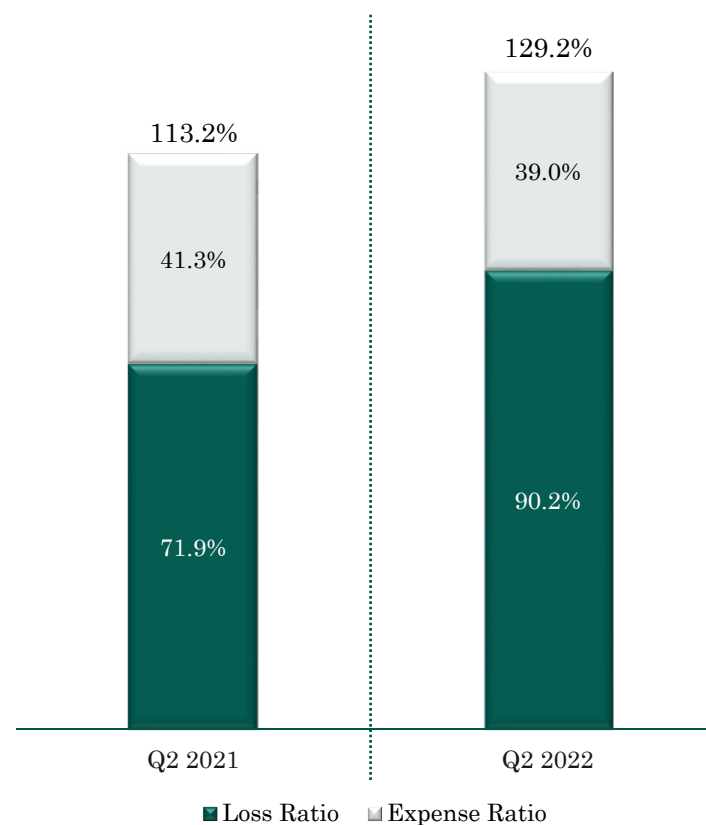
- NEP was \$24.6M in Q2 2022, essentially unchanged from the prior year period
- Personal Lines NEP grew 43.1% year over year to \$3.8M for Q2 2022
- Commercial Lines NEP was \$20.8M for the quarter, down 6.3% year over year



Q2 2022 RESULTS OVERVIEW

Combined Ratio

- Continued focus on disciplined underwriting in our most profitable specialty lines of business
 - Personal Lines combined ratio was 106.1% for Q2 2022
 - Accident Year combined ratio for Personal Lines was 99.1% for the quarter
 - Commercial Lines combined ratio was 133.5% for Q2 2022
 - Due in large part to the Company's efforts to strengthen its reserves in specific, deemphasized lines of business
 - Since 2018, significant re-underwriting has taken place in the quick service restaurant (QSR) book, eliminating poor performers and geographies
 - QSR premiums are down more than 95% from peak, refined to core performing book
 - 86% of total premiums in Q2 2022 were from core specialty commercial business in historically profitable lines and geographies
- Continued growth expected to come from small business and low-value dwelling programs for the remainder of 2022 and beyond



Q2 2022 INVESTMENT PORTFOLIO

- Net Investment Income for Q2 2022: \$564,000
- Highly liquid portfolio of investment grade debt securities
- Total cash & investment securities of \$161.3M at June 30, 2022:
 - Average duration: 3.5 years
 - Average tax-equivalent yield: ~1.7%
 - Average credit quality: AA+

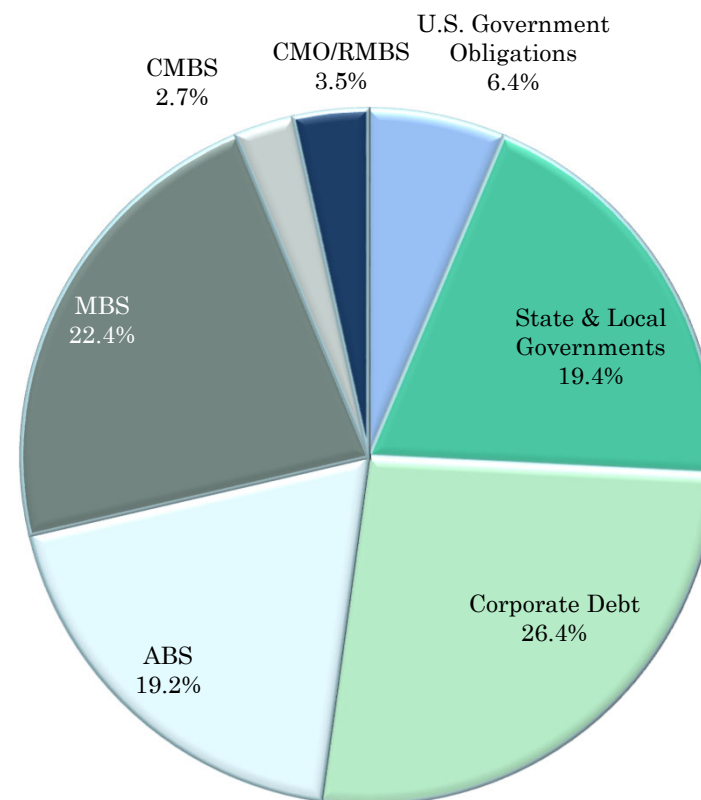
DEBT SECURITY PORTFOLIO CREDIT RATING

\$ in thousands

June 30, 2022

	Fair Value	% of Total
AAA	\$ 50,067	42%
AA	42,915	36%
A	15,497	13%
BBB	10,728	9%
TOTAL DEBT SECURITIES	\$ 119,207	100%

DEBT SECURITY PORTFOLIO ALLOCATION





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WHY CONIFER



Tech Investments
Create a
Scalable Platform



Financial Trends
Moving Toward
Sustainably
Profitable
Operations



Significant Runway
for Additional
Growth
Opportunities



Balance Sheet
Remains
Well-Positioned to
Support Companies

ALIGNED AND EXPERIENCED MANAGEMENT TEAM

Insiders own over 72% of outstanding stock

<p>JAMES PETCOFF Executive Chairman & Co-CEO</p>	<p>As Executive Chairman & Co-Chief Executive Officer of Conifer Holdings, Inc., Jim Petcoff is responsible for establishing the overall direction and materializing the strategy of the Company.</p> <p>Mr. Petcoff and Mr. Nicholas Petcoff founded the Company in 2009. He has over 35 years of insurance industry experience, including founding North Pointe Insurance Company in 1986, taking it public in 2005 and facilitating the sale to QBE Holdings Inc. in 2008. Mr. Petcoff has a B.A. from Michigan State University, a M.B.A. from University of Detroit and a J.D. from University of Detroit School of Law.</p> <p>Mr. Petcoff's extensive executive leadership and public company expertise provides irreplaceable direction for the continued growth of the Company.</p>
<p>NICHOLAS PETCOFF Director & Co-CEO</p>	<p>As Director & Co-Chief Executive Officer of Conifer Holdings, Inc., Nick Petcoff oversees the Company's Underwriting, Reinsurance, Claims and Information Technology operations.</p> <p>Mr. Petcoff is also Director and President of Conifer Insurance Company and President of White Pine Insurance Company, both wholly owned subsidiaries of Conifer Holdings, Inc. He has been with the Company since 2009 and has more than 17 years of experience in the insurance industry.</p> <p>Mr. Petcoff's distinctive skillset in the areas of Underwriting, Claims and Treaty Reinsurance equips him to direct the Company's overall strategy, growing the business while enabling the Company to conceptualize and deftly respond to market needs.</p>
<p>BRIAN RONEY President</p>	<p>As President of Conifer Holdings, Inc., Brian Roney oversees the Company's finance and investor relations functions, as well as general operations. He has been with the Company since 2010 and has over 20 years of experience in the insurance industry.</p> <p>Mr. Roney has a B.A. from the University of Notre Dame and a M.B.A. from the University of Detroit. Mr. Roney has more than 30 years of financial services experience and spent 10 years in the securities industry as a principal with a broker-dealer, where he specialized in public and private offerings and held FINRA (NASD) Series 7, 24 and 63 licenses.</p> <p>Mr. Roney's prior experience with multiple publicly traded insurance companies brings vital public company expertise to the executive leadership team.</p>
<p>HAROLD MELOCHE Chief Financial Officer & Treasurer</p>	<p>As Chief Financial Officer and Treasurer of Conifer Holdings, Inc., Harold Meloche has primary responsibility over accounting and financial reporting.</p> <p>Mr. Meloche has been with the Company since 2013 and has over 28 years of experience in the insurance industry.</p> <p>Mr. Meloche is a registered Certified Public Accountant and his analytical expertise bears considerable value to the Company's financial leadership team.</p>

APPENDIX

- *Income Statement*
- *Balance Sheet*
- *Summary Financial Information*
- *Adjusted Operating EPS*

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Conifer
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Q2 2022 INCOME STATEMENT

- Net loss of \$8.4 million, or \$0.86 per share, based on 9.7 million average shares outstanding
- For Q2 2022, adjusted operating loss was \$7.3 million, or \$0.75 per share

	Three Months Ended June 30,	
(\$ in thousands, except per share data)	2022	2021
Gross Written Premium	\$ 37,418	\$ 34,981
Net Written Premium	27,266	28,532
Net Earned Premium	24,576	24,838
Net Income (Loss)	(8,399)	5,552
EPS, Basic and Diluted	(\$ 0.86)	\$ 0.57
Adjusted Operating Income (Loss)	(7,279)	(3,893)
Adjusted Operating Income (Loss) per share	\$ (0.75)	\$ (0.40)

JUNE 30, 2022 BALANCE SHEET

- Shareholders' equity of \$17.0 million – book value of \$1.75 a share
 - \$1.80 per share, inclusive of Board-raised equity subsequent to quarter end
- \$2.01 per share full valuation allowance against deferred tax assets not reflected in book value
- Total adjusted book value of \$3.76 as of quarter ended June 30, 2022

SUMMARY BALANCE SHEET		
\$ in thousands	June 30, 2022	December 31, 2021
Cash & Invested Assets	\$ 161,346	\$ 192,640
Reinsurance Recoverables	42,248	41,691
Goodwill and Intangible Assets	985	985
Total Assets	\$ 275,055	\$ 290,404
Unpaid Losses and Loss Adjustment Expenses	140,996	139,085
Unearned Premiums	69,104	65,269
Debt	33,720	33,564
Total Liabilities	\$ 258,078	\$ 249,901
Total Shareholders' Equity	\$ 16,977	\$ 40,503

SUMMARY FINANCIAL INFORMATION

OPERATING RESULTS	Three Months Ended June 30,	
	2022	2021
\$ in thousands, except per share data		
Gross Written Premiums	\$37,418	\$ 34,981
Ceded Written Premiums	(10,152)	(6,449)
Net Written Premiums	27,266	28,532
Net Earned Premiums	24,576	24,838
Net Investment Income	564	503
Net Realized Investment Gains (Losses)	(1,436)	1,060
Change in Fair Value of Equity Securities	317	(525)
Other Gains (Losses)	(1)	8,910
Other Income	663	666
Total Revenue	24,683	35,452
Losses and Loss Adjustment Expenses, Net	22,251	17,926
Policy Acquisition Costs	5,725	6,896
Operating Expenses	4,470	4,342
Interest Expense	727	732
Total Expenses	33,173	29,896
Income (Loss) before Equity Earnings and Income Taxes	(8,490)	5,556
Equity Earnings in Affiliate, Net of Tax	93	180
Income Tax (Benefit) Expense	2	184
Net Income (Loss)	(8,399)	5,552
Earnings (Loss) per Common Share, Basic and Diluted	(0.86)	0.57
Weighted Average Common Shares Outstanding, Basic and Diluted	9,712,602	9,686,631

ADJUSTED OPERATING INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(dollar in thousands, except share and per share amounts)				
Net income (loss)	\$ (8,399)	\$ 5,552	\$ (11,269)	\$ 916
Less:				
Net realized investment gains (losses), net of tax	(1,436)	1,060	(1,505)	3,984
Other gains (losses), net of tax	(1)	8,910	(6)	8,910
Change in fair value of equity securities, net of tax	317	(525)	597	(1,065)
Adjusted operating income (loss)	<u>\$ (7,279)</u>	<u>\$ (3,893)</u>	<u>\$ (10,355)</u>	<u>\$ (10,913)</u>
Weighted average common shares, diluted	9,712,602	9,686,631	9,710,223	9,684,193
Diluted income (loss) per common share:				
Net income (loss)	\$ (0.86)	\$ 0.57	\$ (1.16)	\$ 0.09
Less:				
Net realized investment gains (losses), net of tax	(0.14)	0.11	(0.15)	0.41
Other gains (losses), net of tax	-	0.92	-	0.92
Change in fair value of equity securities, net of tax	0.03	(0.06)	0.06	(0.11)
Adjusted operating income (loss), per share	<u>\$ (0.75)</u>	<u>\$ (0.40)</u>	<u>\$ (1.07)</u>	<u>\$ (1.13)</u>

Definitions of Non-GAAP Measures

Conifer prepares its public financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, and therefore is not reconciled to GAAP data.

We believe that investors' understanding of Conifer's performance is enhanced by our disclosure of adjusted operating income. Our method for calculating this measure may differ from that used by other companies and therefore comparability may be limited. We define adjusted operating income (loss), a non-GAAP measure, as net income (loss) excluding net realized investment gains and losses, and other gains and losses, after-tax, and excluding the tax impact of changes in unrealized gains and losses. Beginning in 2018, the change in fair value of equity securities, net of tax, and the deferred gain on losses ceded to the ADC are also excluded from net income to arrive at adjusted operating income. We use adjusted operating income as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance.