Palomar

Investor Presentation

May 2022

Disclaimer

This presentation contains forward-looking statements about Palomar Holdings, Inc. (the "Company"). These statements involve known and unknown risks that relate to the Company's future events or future financial performance and the actual results could differ materially from those discussed in this presentation. This presentation also includes financial measures which are not prepared in accordance with generally accepted accounting principles ("GAAP"). For a description of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendix to this present.

Forward-looking statements generally relate to future events or the Company's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may'', ''will'', "should", ''expects'', ''plans'', ''anticipates'', "could", "intends", "target'', "projects", "contemplates'', "believes", "estimates", "predicts", "would'', "potential" or "continue'' or the negative of these words or other similar terms or expressions that concern the Company's expectations, strategy, plans or intentions. These forward-looking statements include, among others, statements relating to our future financial performance, our business prospects and strategy, anticipated financial position, liquidity and capital needs and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Such risks and uncertainties include, among others, future results of operations; financial position; the impact of the ongoing and global COVID-19 pandemic; general economic, political and other risks, including currency and stock market fluctuations and uncertain economic environment; the volatility of the trading price of our common stock; and our expectations about market trends.

The Company may not actually achieve the plans, intentions or expectations disclosed in its forward-looking statements, and you should not place undue reliance on the Company's forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements the Company makes. While the Company may elect to update these forward-looking statements at some point in the future, the Company has no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing the Company's views as of any date subsequent to the date of this presentation. Additional risks and uncertainties relating to the Company and its business can be found in the "Risk Factors" section of Palomar Holdings, Inc.'s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and other filings with the United States Securities and Exchange Commission.

Company Profile

TRACK RECORD OF DELIVERING STRONG GROWTH AND CONTINUED PROFITABILITY

Specialty insurer using data analytics and underwriting acumen to capitalize on market dislocations and provide disruptive products that resonate with producers, other insurers and reinsurers

Leading Earthquake insurer in the United States

Multi-channel distribution serving residential and commercial clients

Admitted and E&S offerings with nationwide scope
A.M. Best "A- (Excellent)" FSC group rating

Risk transfer strategy limits exposure to major events and reduces earnings volatility

Committed to environmental, social, governance, diversity and inclusion initiatives

NASDAQ: PLMR Q1 2022 HIGHLIGHTS

- ☑ GWP of $170.9 million, up 65% from Q1 2021
- ☑ Adjusted net income of $17.6 million, compared to $19.3 million of Q1 2021
- ☑ Annualized adjusted ROE of 18.1%, compared to 20.8% of Q1 2021
- ☑ Adjusted combined ratio of 72.1%, compared to 53.3% of Q1 2021
- ☑ Successfully renewed aggregate reinsurance program effective April 2022
- ☑ Authorized new two-year $100 million share repurchase program in January 2022
  - 219,061 shares repurchased, equivalent to $13 million
- ☑ Released second annual Sustainability & Citizenship report in February 2022
- ☑ Full year 2022 adjusted net income guidance of $80 to $85 million
  - Adjusted ROE of 19% at the mid-point of the range
  - Adjusted ROE floor of 14% with renewed aggregate program

1. *This slide contains non-GAAP metrics. See GAAP reconciliation in the Appendix.*

Our Strategy

Combining data analytics, underwriting acumen and technology to create flexible products that deliver value for policy holders, producers, reinsurers and insurance company partners

MARKETS	• Markets with attractive long term returns but fragmented competition • Straightforward risks, legal environments and claims processes • Willingness to enter dislocated markets
PRODUCTS	• Products that are A.M. Best rated and clearly differentiated from alternatives • Flexible coverages compared to alternatives with rigid forms or limited options • Personal and commercial products available on an admitted and E&S basis
UNDERWRITING	• Scalable underwriting approach combining data analysis with human expertise • Lines of business that can leverage automation and improved risk selection at scale • Straightforward risks that can be quoted efficiently and perform homogenously
DISTRIBUTION	• Open architecture model that leverages multiple distribution channels • Opportunities to solve a clear market need for producers • Internal Inside Sales team extends agency reach and offers personalized service
RISK TRANSFER	• Comprehensive risk transfer program utilizing excess of loss, quota share and property per risk coverages • Accumulate risks with attractive returns that are hard for reinsurers to access or aggregate • Flexibility to modify risk appetite and strategy to suit market conditions and maturity of programs

Q1 Update: 2022 Strategic Initiatives

SUSTAIN STRONG GROWTH

- **Generated exceptional top line growth of 65% year-over-year**
- Residential Earthquake and Commercial Earthquake increased 29% and 18% respectively
- Record new business sales for Residential Earthquake in Q1
- Additional product growth: Inland Marine 133%, Commercial All Risk 37% and Residential Flood 31%
- PESIC delivered $66.9 million of GWP, representing 182% year-over-year growth

MONETIZE RECENT INVESTMENTS

- **Traction at PLMR-FRONT with $29.8 million of Q1 GWP**
- Affirmed target of $80 to $100 million of managed Fronting GWP for YE 2022
- Continued progress within Commercial General Liability, Professional Liability and Excess Property development
- Prioritized quota share reinsurance, distribution network buildout and development of systems, forms and filings for new products

ENHANCE EARNINGS PREDICTABILITY

- **Concerted efforts to mitigate earnings volatility**
- Renewed aggregate reinsurance to protect from multiple severe events and establish an adjusted ROE floor of 14%
- Successfully placed new quota shares for our new professional lines and Casualty products
- Continued reduction of continental wind exposure; non-Texas Homeowners business is in run-off and halting exposure growth within Commercial All Risk

SCALE THE ORGANIZATION

- **Using technology and process optimization to reduce organizational costs enabling future scale and margin expansion**
- Hired talent and expertise within actuarial, analytics, operations and technology departments to support growth
- New hires leverage existing technology and infrastructure platforms to scale new initiatives efficiently

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2021 Strategic Initiatives Check-In

	E&S COMPANY	PLMR-FRONT	CASUALTY DIVISION
WHY	• Serve certain risks that our admitted products cannot satisfy • React quickly to changes in market conditions • More efficient path to a national footprint and ability to service national business	• Compelling risk-adjusted returns and reliable, fee-based income stream • Enter new markets as a non-risk bearing insurance entity with the flexibility to selectively participate in risk over time • Strong MGA sector momentum with increasing demand for capacity and minimal market penetration	• Complement existing property insurance footprint and enhance economics • Limited incremental investment and new sources of fee income
HOW	• Write business on a direct basis and via trusted and proven program administrators to scale quickly • Leverage our analytically driven underwriting framework to write business on a national scale	• Leverage existing talent and expertise within our Programs team • Fully reinsured and collateralized model • Target specialty MGAs, insurance carriers and reinsurers seeking an A.M. Best rated issuing carrier	• Hired Casualty veterans that bring industry experience, expertise and relationships • Initial focus on lines with a low claims frequency and severity that can enhance overall ROE • Utilize reinsurance to manage net exposure and minimize volatility • Leverage existing technology infrastructure
STATUS	• $41 million of Q1 2022 GWP • 39% of overall Q1 2022 GWP • 71% year-over-year growth	• Strong pipeline with three announced deals: D&O, Cyber, DIC • $30 million of Q1 2022 GWP • Targeting $80 to $100 million of managed Fronting GWP for YE 2022	• Launched Commercial General Liability and Professional Liability products • Completed quota share placements • Continued distribution network buildout

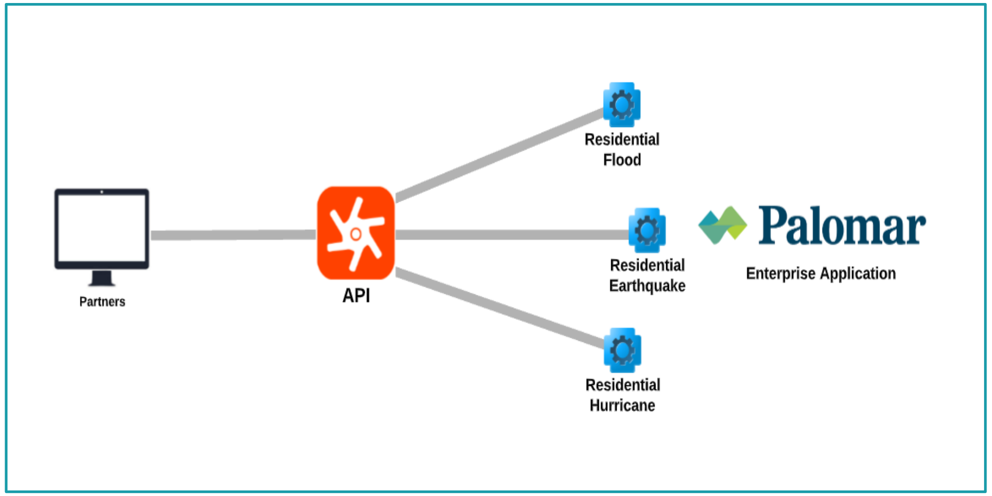
Innovative Technology Platform

Emphasis on the use of technology and analytics across our business

- Technology systems built for automation and efficiency
- Integration between pricing models, policy administration and analytics
- Ability to rapidly quote and bind policies for producers
- API development for partners with Palomar Automated Submission System (PASS)
- Real-time data and event reporting
- Seamless communication with partner carriers and reinsurers
- Scalable platform reduces operating costs & improves efficiency

API Capabilities

Customized API integration providing a streamlined transaction process to satisfy partner needs



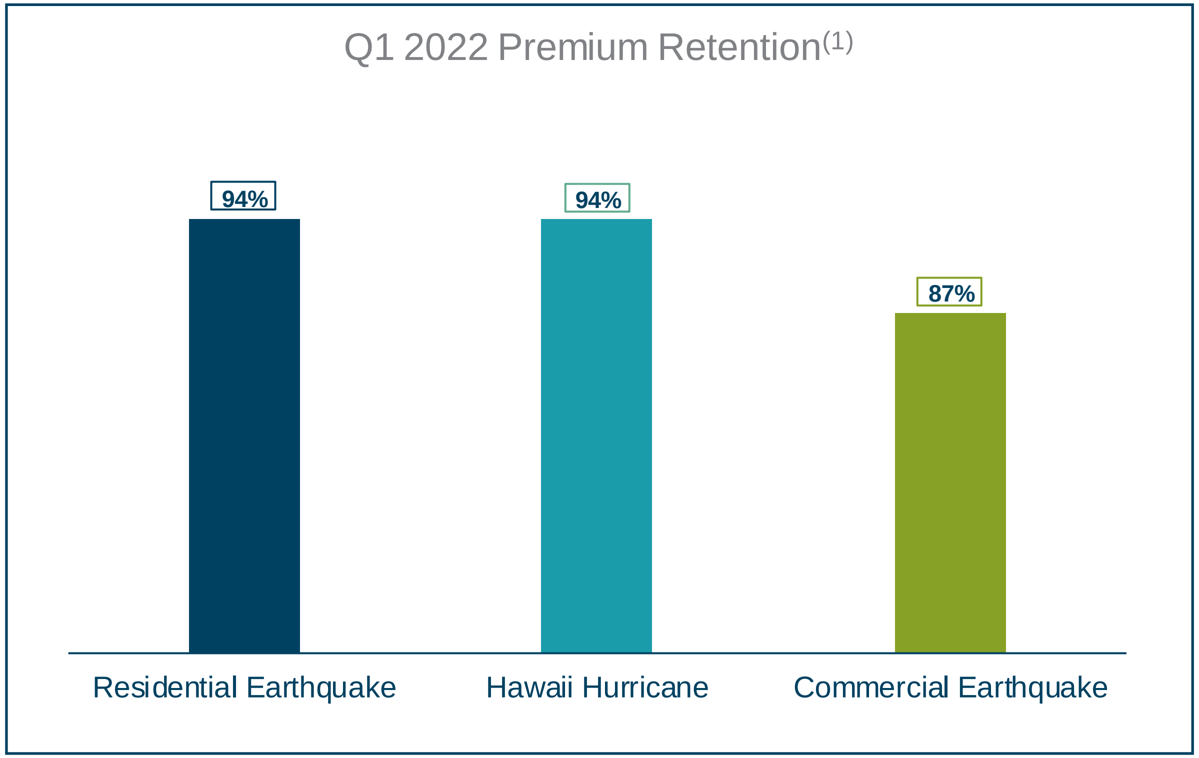
Case Study: Flood

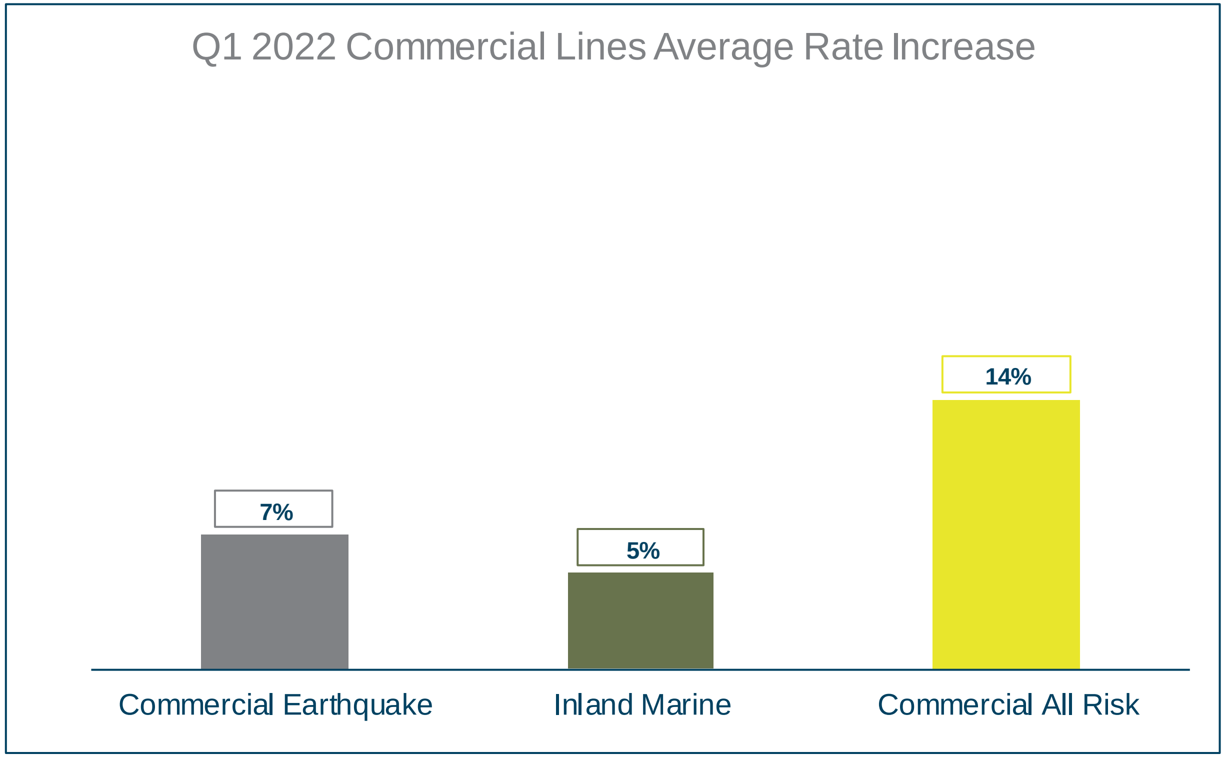
Flood business demonstrates the application of technology to enhance both underwriting and distribution

PALOMAR FLOOD PRICING MODEL

NFIP FLOOD PRICING MODEL

Favorable Market Dynamics





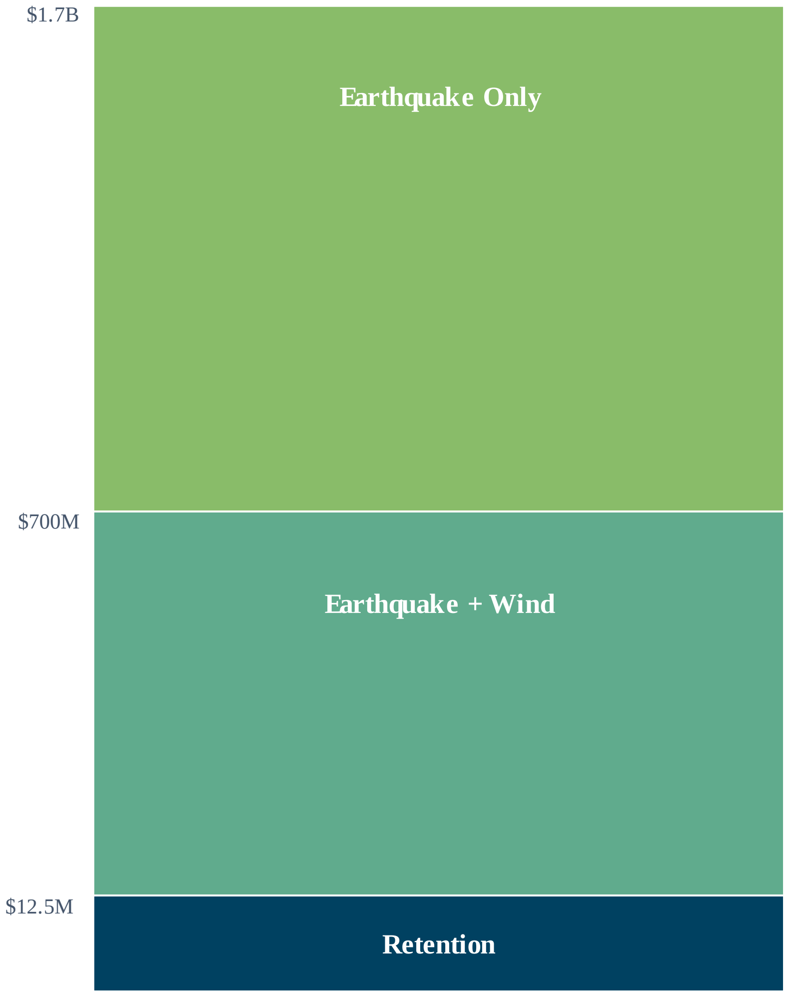
- **Products with no attritional loss represented 46% of Q1 GWP**
- **Strong premium retention enhances visibility into future results**

- **Ongoing opportunity for rate increases in dislocated market**
- **Inflation guards supplement base rate increases**

1. *Residential Earthquake, Commercial Earthquake and Hawaii Hurricane lines of business are not subject to attritional loss.*

Comprehensive Risk Transfer Program

- **XOL reinsurance coverage up to $1.7 billion for earthquake events and $700 million for hurricane events**
  - Reinstatement provisions facilitate cover for multiple events
  - Panel includes over 80 highly rated reinsurers
  - $400 million multi-year catastrophe bond via Torrey Pines Re; covers earthquake only
  - Event retention of $12.5 million represents less than 3% of stockholders' equity as of 12/31/21
- **$25 million xs $30 million of catastrophe aggregate limit effective 4/1/2022**
  - Completed the renewal of the $25 million aggregate cover
  - Renewal has established a full year adjusted ROE floor of 14% for 2022 given the mid-point of our previously announced adjusted net income range of $80 - $85 million
  - Coverage will apply across all perils including but not limited to earthquake, hurricane, convective storms, and floods above a qualifying level of $2.0 million in ultimate gross loss
- **Quota share reinsurance used to further mitigate the impact of attritional losses**
  - Successfully placed new quota share placements for professional lines and casualty programs in Q1
  - Cede majority of exposure for attritional lines of business and earn attractive ceding commission
  - Utilize quota share and per risk reinsurance to manage net exposure to any single risk

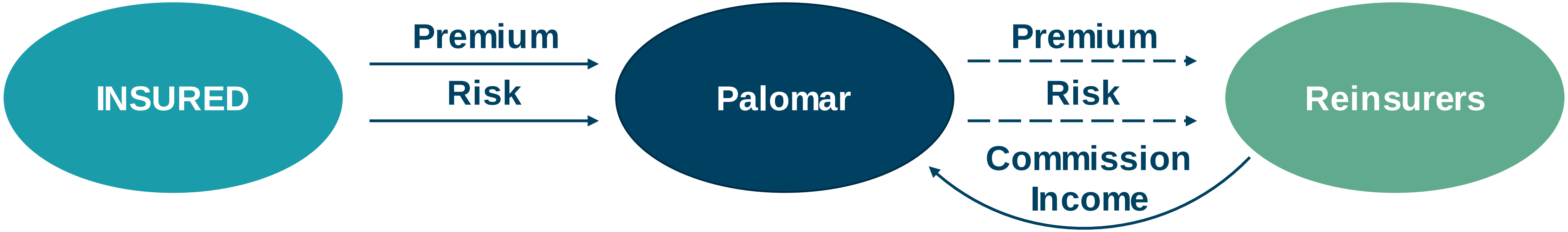


Quota Share Reinsurance

- We utilize quota share reinsurance across our book of business to augment underwriting income with fee income generated through ceding commissions

- Reduce our net limit exposed to any given account

Quota Share Attributes	Programs	PLMR-FRONT	Internal(1)
Current PLMR Retention	15-40%	0%	25-80%
PLMR Gross Limit Exposed	$1-20M	N/A	$1-25M
PLMR Net Limit Exposed	$325K-[1.3M]	N/A	$370K-2.5M
PLMR Override	3-9%	5-8%	4-15%



1. *Binary lines are excluded form the net line exposure*

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Entrepreneurial and Experienced Management Team

NAME	EXPERIENCE (YRS)	PRIOR PROFESSIONAL EXPERIENCE
Mac Armstrong | Chairman & CEO	25+	Arrowhead General Insurance Agency | Spectrum Equity | Alex. Brown & Sons
Jon Christianson | President	20+	Holborn Corporation | John B. Collins Associates | Guy Carpenter
Chris Uchida | Chief Financial Officer	25+	Arrowhead General Insurance Agency | PwC
Jonathan Knutzen | Chief Risk Officer	25+	TigerRisk Partners | Holborn Corporation | Guy Carpenter
Michelle Johnson | Chief Talent & Diversity Officer	20+	Option One Mortgage | AMN Healthcare | Panasonic Avionics Corporation
Angela Grant | Chief Legal Officer	30+	CSE Insurance Group | Hippo | GEICO
Robert Beyerle | Chief Underwriting Officer	20+	Great American Insurance Company | Acordia Southeast
Bill Bold | Chief Strategy Officer	30+	U.C. San Diego School of Global Policy & Strategy | Qualcomm
Mark Brose | Chief Technology Officer	25+	Agosto Inc. | Gravie | Best Buy

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Steadfast Commitment To ESG

ENVIRONMENTAL

- Conducting third-party assessment of carbon footprint; will publicly disclose the results in 2022
- Adopted the Task Force on Climate-Related Financial Disclosures and Sustainability Accounting Standards Board frameworks
- Committed to maintain at least 1% of portfolio in 'green' investments
- Published second annual Sustainability and Citizenship Report in February 2022

SOCIAL RESPONSIBILITY

- Inclusive and welcome workplace, regardless of race, ethnicity, sexual orientation, or gender identification
- Issued supplier diversity statement; driving improved metrics with women and minority-owned suppliers and partners
- Launched Palomar Protects, a partnership with non-governmental organization Team Rubicon; investing a portion of earned premium in Team Rubicon's recovery operations following catastrophe events

GOVERNANCE

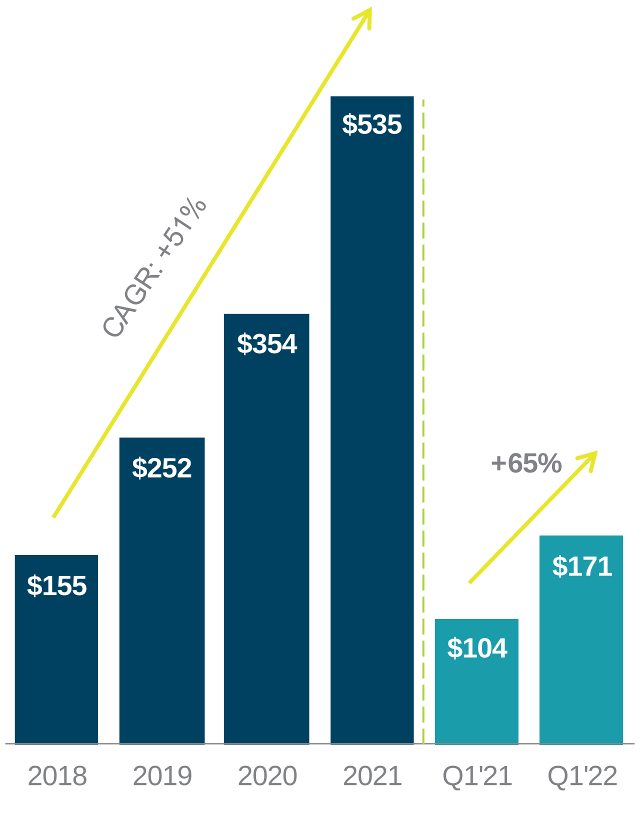
- Board of Directors includes dedicated ESG Committee
- Board diversity and independence:
  - 86% are independent of management
  - 71% are women or members of underrepresented communities
  - Members offer diversity of skills and expertise through multiple business backgrounds
- Signed UN Principles for Responsible Investment; pledge to incorporate ESG matters in all investment decisions

Access Our ESG Portal Here: https://plmr.com/esg/

Proven Business Model

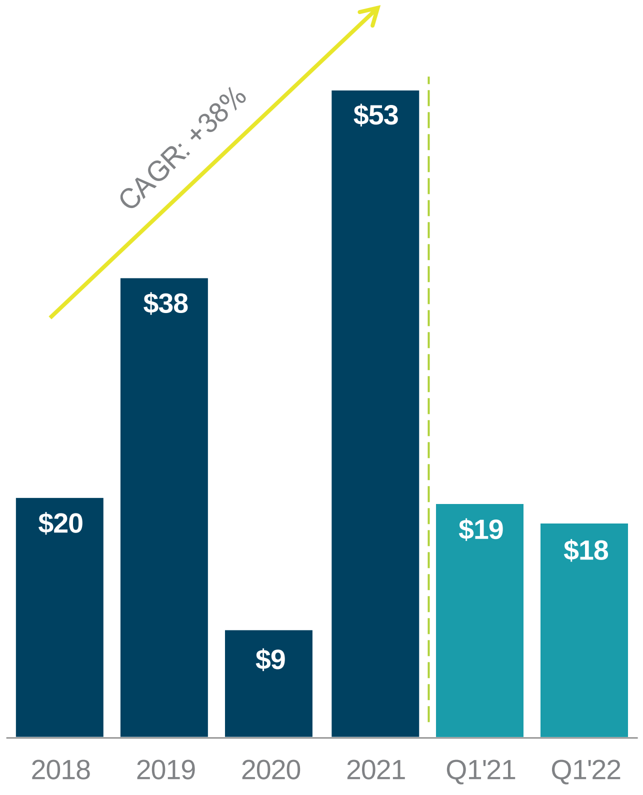
GROWTH

Gross Written Premium ($M)



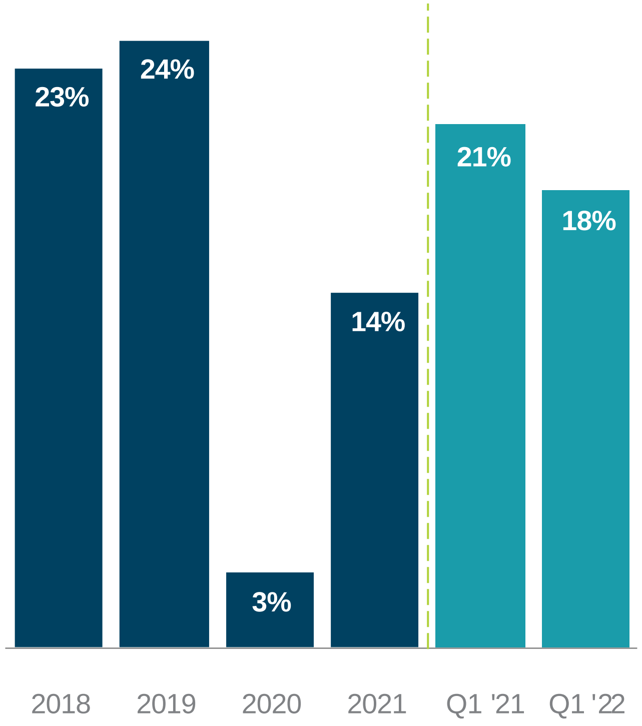
PROFITABILITY

Adjusted Net Income



SHAREHOLDER RETURNS

Adjusted Return on Equity



1. *This slide contains non-GAAP metrics. See GAAP reconciliation in the Appendix.*

2022 Guidance

FULL YEAR 2022 CURRENT OUTLOOK	
Adjusted net income	**$80 to $85 million**

- Adjusted net income growth of 54% at the midpoint of the guidance range
- Full year adjusted ROE of 19% at the midpoint of the guidance range
- Full year adjusted ROE floor of 14% with renewed aggregate program effective 4/1/2022
- Guidance excludes any major catastrophe losses
- Continental U.S. wind projected net average annual loss of approximately $6 million at 9/30/2022

1. *This slide contains non-GAAP metrics. See GAAP reconciliation in the Appendix.*

Financial Highlights

First Quarter & Full Year 2021 Financial Highlights

In Thousands	Three Months Ended March 31	
	2022	2021
Gross written premiums	$ 170,934	$ 103,577
Ceded written premium	(89,552)	(43,364)
Net written premiums	81,382	60,213
Net earned premiums	76,032	47,053
Commission and other income	777	711
Total underwriting revenues [1]	76,809	47,764
Losses and loss adjustment expenses	14,954	(4,423)
Acquisition expenses	28,054	19,313
Other underwriting expenses	15,925	14,248
Underwriting income [1]	17,876	18,626
Interest Expense	(93)	--
Net investment income	2,579	2,219
Net realized and unrealized gains (losses) on investments	(1,278)	(739)
Income before income taxes	19,084	20,106
Income tax expense	4,547	3,476
Net income	**$ 14,537**	**$ 16,630**
Expenses associated with transactions and stock offerings	86	410
Stock-based compensation expense	2,760	938
Amortization of intangibles	315	337
Expenses associated with catastrophe bond	200	1,683
Tax Impact	(325)	(712)
Adjusted net income [1]	**$ 17,573**	**$ 19,286**
Key Financial and Operating Metrics		
Annualized Return on equity	15.0%	18.0%
Annualized Adjusted return on equity [1]	18.1%	20.8%
Loss ratio	19.7%	(9.4)%
Expense ratio	56.8%	69.8%
Combined ratio	76.5%	60.4%
Adjusted combined ratio[1]	72.1%	53.3%
Diluted earnings per share	$ 0.56	$ 0.63
Diluted adjusted earnings per share[1]	$ 0.68	$ 0.73
Catastrophe losses	$ 481	$ (9,631)
Catastrophe loss ratio[1]	0.6%	(20.5)%
Adjusted combined ratio excluding catastrophe losses[1]	71.4%	73.7%

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Reconciliation Of Non-GAAP Metrics Used In This Presentation

In Thousands	Three Months Ended March 31	
	2022	**2021**
Gross earned premiums	$ 138,924	$ 91,293
Ceded earned premiums	(62,892)	(44,240)
Net earned premiums	$ 76,032	$ 47,053
Net earned premium ratio	**54.7%**	**51.5%**
Total revenue	$ 78,110	$ 49,244
Net Investment income	(2,579)	(2,219)
Net realized and unrealized (gains) losses on investments	1,278	739
Underwriting Revenue	**$ 76,809**	**$ 47,764**
Income before income taxes	$ 19,084	$ 20,106
Net investment income	(2,579)	(2,219)
Net realized and unrealized (gains) losses on investments	1,278	739
Underwriting income	**$ 17,876**	**$ 18,626**
Net income	$ 14,537	$ 16,630
Adjustments:		
Expenses associated with transactions and stock offerings	86	410
Stock-based compensation expense	2,760	938
Amortization of intangibles	315	337
Expenses associated with catastrophe bond, net of rebate	200	1,683
Tax impact	(325)	(712)
Adjusted net income	**$ 17,573**	**$ 19,286**
Annualized adjusted net income	$ 70,292	$ 77,144
Average stockholders' equity	$ 387,284	$ 370,048
Annualized adjusted return on equity	**18.1%**	**20.8%**

Reconciliation Of Non-GAAP Metrics Used In This Presentation

In Thousands	Three Months Ended March 31	
	2022	2021
Numerator: Sum of losses and loss adjustment expenses, acquisition expenses, and other underwriting expenses, net of commission and other income	$ 58,156	$ 28,427
Denominator: Net earned premiums	$ 76,032	$ 47,053
Combined Ratio	**76.5%**	**60.4%**
Adjustments to numerator:		
Expenses associated with transactions and stock offerings	$ (86)	$ (410)
Stock-based compensation expense	(2,760)	(938)
Amortization of intangibles	(315)	(337)
Expenses associated with catastrophe bond, net of rebate	(200)	(1,683)
Adjusted combined ratio	**72.1%**	**53.3%**
Adjusted net income	$ 17,573	$ 19,286
Weighted-average common shares outstanding, diluted	25,899,290	26,256,281
Diluted adjusted earnings per share	**$ 0.68**	**$ 0.73**
Numerator: Losses and Loss adjustment expenses	$ 14,954	$ (4,423)
Denominator: Net earned premiums	$ 76,032	$ 47,053
Loss ratio	**19.7%**	**(9.4)%**
Numerator: Catastrophe losses	$ 481	$ (9,631)
Denominator: Net earned premiums	$ 76,032	$ 47,053
Catastrophe loss ratio	**0.6%**	**(20.5)%**

Reconciliation Of Non-GAAP Metrics Used In This Presentation

In Thousands	Three Months Ended March 31	
	2022	**2021**
Numerator: Sum of losses and loss adjustment expenses, acquisition expenses, and other underwriting expenses, net of commission and other income	$ 58,156	$ 28,427
Denominator: Net earned premiums	$ 76,032	$ 47,053
Combined ratio	**76.5%**	**60.4%**
Adjustments to numerator:		
Expenses associated with transactions and stock offerings	$ (86)	$ (410)
Stock-based compensation expense	(2.760)	(938)
Amortization of intangibles	(315)	(337)
Expenses associated with catastrophe bond, net of rebate	(200)	(1,683)
Catastrophe Losses	(481)	9,361
Adjusted combined ratio excluding catastrophe losses	**71.4%**	**73.7%**

Case Study: Quota Share Economics

Example - 35% Retention @ 45% loss ratio		
	Underwriting Profit	
Written Premium	100.0	A
Commission	(20.0)	B
Losses	(45.0)	C
Underwriting profit before Ceding	35.0	D=A+B+C
Underwriting profit on Retained Business (35%)	**12.3**	E=D x 35%
	Ceding profit	
Ceding Commission received	26.0	F
Commission paid	(20.0)	G
Ceding commission override	6.0	H=F+G
Ceding profit on ceded business (65%)	**3.9**	I= H x 65%
Underwriting Risk Margin	12.3%	E
Fee income Margin	3.9%	I
Combined Margin	**16.2%**	J=E+I

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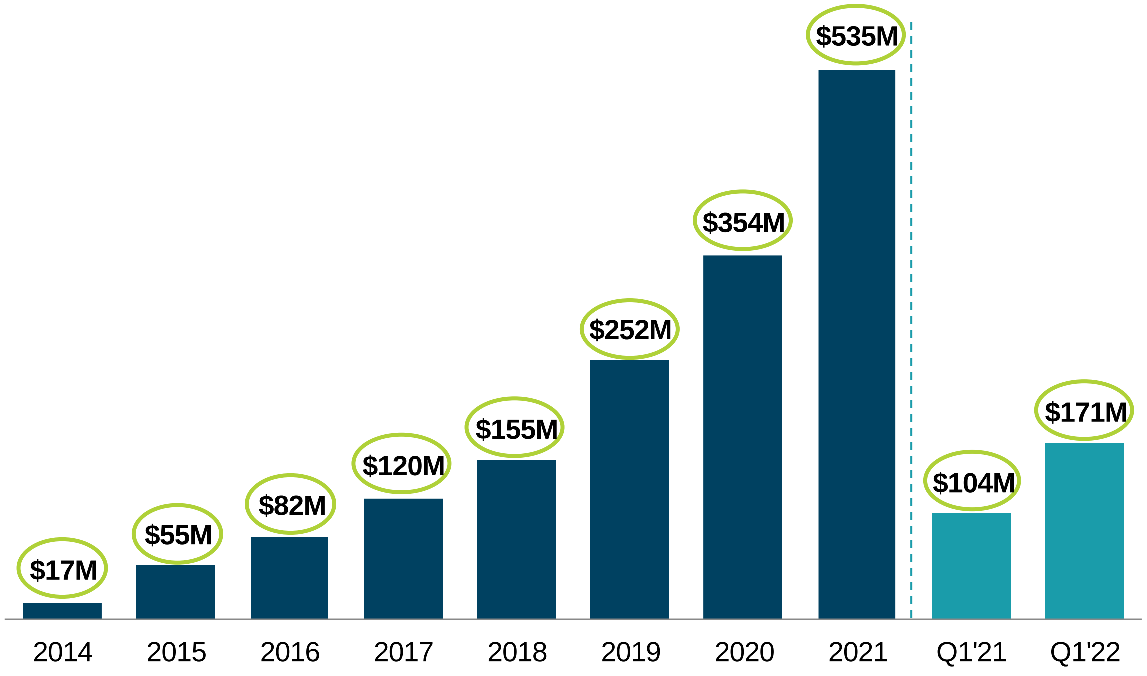
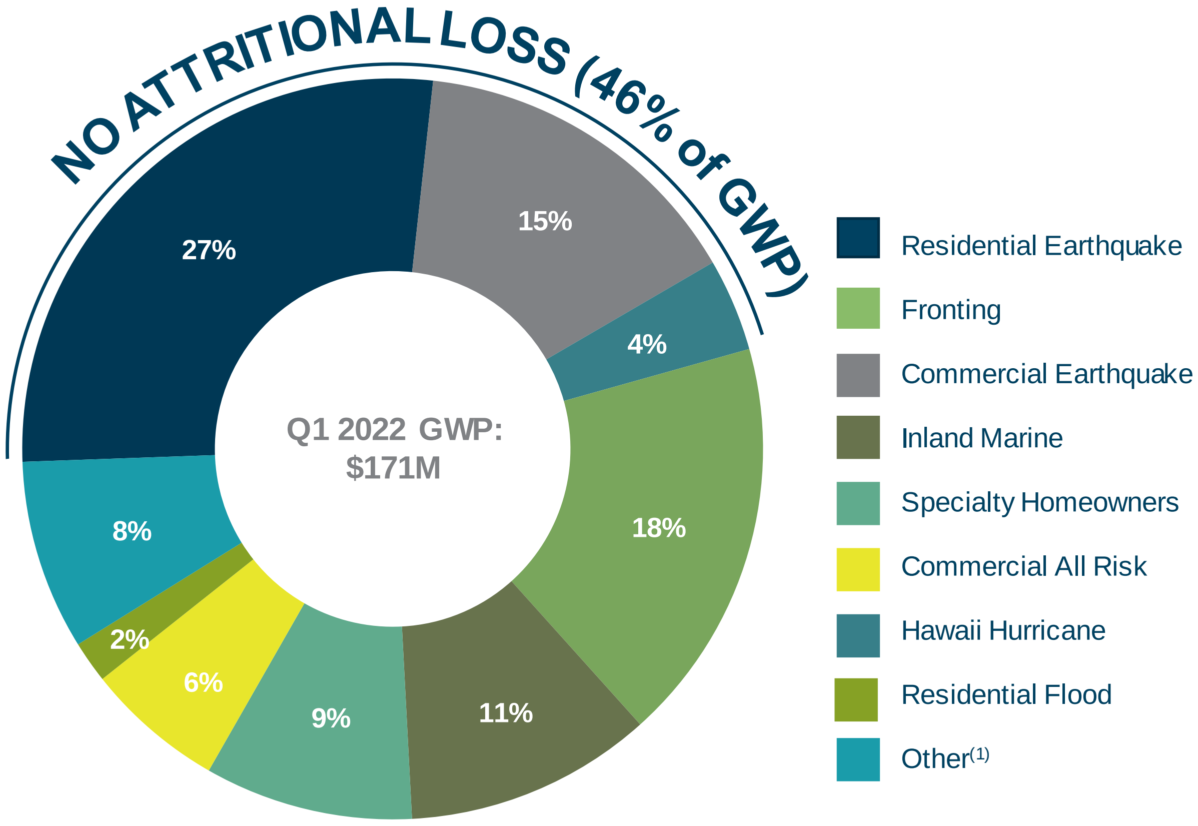
Historical Growth and Current Business Mix

Annual Gross Written Premium By Year





1. *Includes Assumed Reinsurance and Casualty*

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Flexible Distribution Network

RETAIL AGENTS

- Primarily distribute personal lines products
- High retention rates and rate stability
- Cross-selling potential
- Direct access to PASS, our agency portal

WHOLESALE BROKERS

- Predominant channel for commercial property insurance
- Much higher average premium than retail business

PROGRAM ADMINISTRATORS

- Rapid scale via utilization of existing distribution infrastructures
- Products ultimately sold by retailers and wholesalers

CARRIER PARTNERSHIPS

- Companion offers
- Direct appointments with captive agents
- Reinsurance for existing and new risks

Increased distribution footprint by 16% Year over Year

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Strategic Partnerships

Eight years of partnerships continue with one of the most robust pipelines in the company's history across multiple product categories

2014	2015	2016	2017	2018	2019	2020	2021	2022
Oregon Mutual	The WRC Group	Grinnell Mutual	Madison Mutual Insurance Company	NatGen Premier	Allstate	Farmers Insurance	GEICO	Progressive
CSE Insurance Group		American National	Liberty Mutual Insurance	Mountain West Farm Bureau Mutual Insurance Company		Travelers	AEGIS	USAA
Great American Insurance Group			Lemonade					

*Does not include all partnerships