



**Conifer
Holdings
Inc.**

Q3 2023 INVESTOR CONFERENCE CALL

November 10, 2023

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 earnings press release for the quarter ended September 30, 2023, 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



Conifer Insurance Services

- Wholly owned general agency
- Acts as a conduit for retail agents to access and write E&S and admitted policies for Conifer and White Pine Insurance Companies
- Facilitates specialty programs and markets on a select basis

PROGRAM PORTFOLIO



Cannabis



Craft Beverage



CBD & Hemp



Food & Beverage



Liquor Liability



Marijuana Liability



Workers' Compensation



Specialty Homeowners

Q3 2023 HIGHLIGHTS

TOP LINE GROWTH IN KEY VERTICALS

GWP Q3 2023: \$38.5M
+16.5% over Q3 2022

Focus is on expanding
profitable core premium within
select key verticals

EXPENSE RATIO BEATS NEAR-TERM TARGET

Q3 2023 Expense Ratio: 33.9%

600 bps improvement
compared to Q3 2022

Beat our near-term target
expense ratio of 35%

BOOK VALUE OF \$0.96 PER SHARE

Excludes \$23.9M of DTAs
(\$1.96 per share)

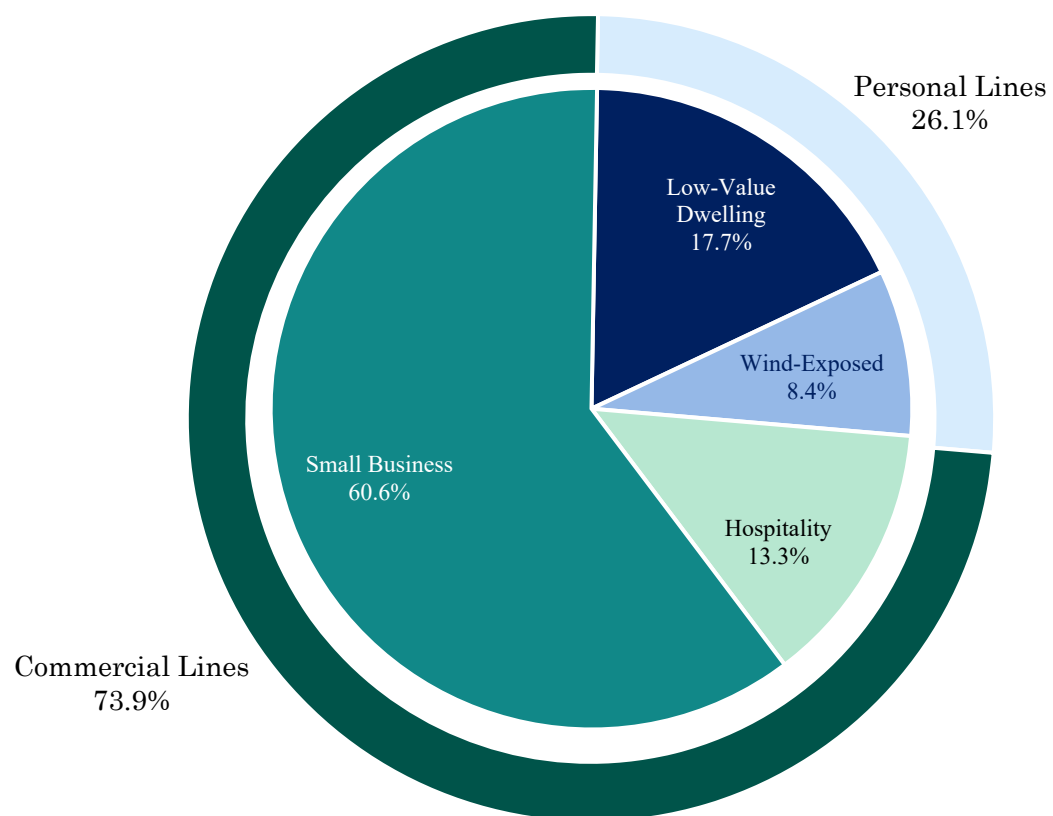
Total adjusted book value of
\$2.92 as of quarter ended
September 30, 2023

STRATEGIC INITIATIVES CONTINUE TO STRENGTHEN
FOUNDATION FOR SUSTAINABLE PROFITABILITY

Our Lines Of Business



GROSS WRITTEN PREMIUM FOR Q3 2023:
\$38.5 MILLION, UP 16.5% YOY



COMMERCIAL LINES

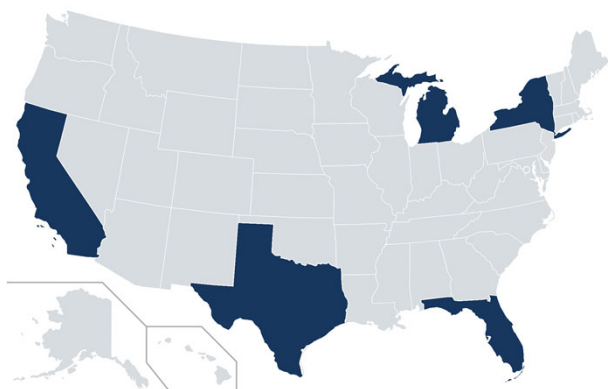
Focus: Disciplined, Quality Underwriting

- 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.
- 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.
 - 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 73.9% Specialty Commercial and 26.1% Personal Lines for Q3 2023.



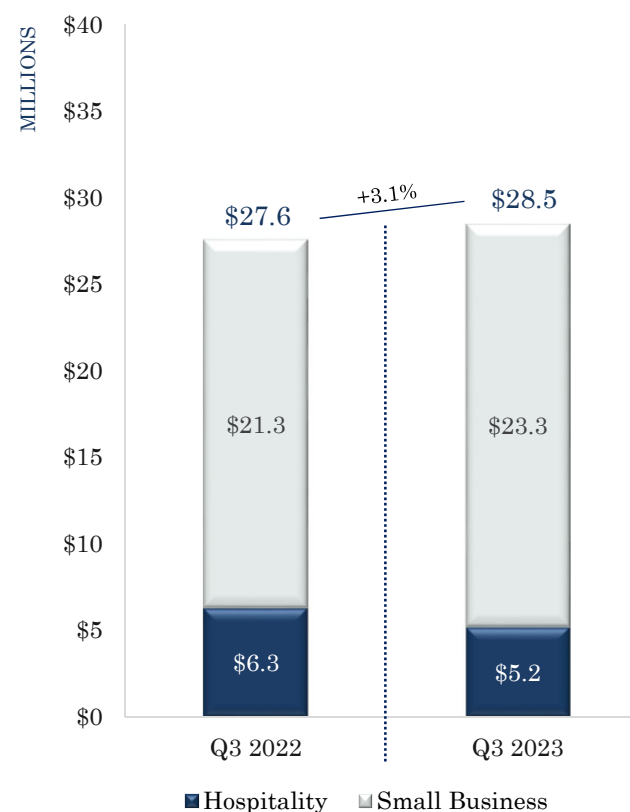
COMMERCIAL LINES

- Underwriting focus narrowing to select key verticals: commercial lines GWP increased 3.1% from Q3 2022
- Commercial Lines represented roughly 74% of the premium written in Q3 2023
- Sustained expansion of premium and market share in key geographies, including home state of Michigan



YTD September 30, 2023 Top Five States	Gross Written Premium \$ in thousands	
Michigan	\$ 26,430	28.7%
California	10,785	11.7%
New York	8,682	9.4%
Florida	7,587	8.2%
Texas	4,049	4.4%
All Other	34,695	37.6%
Total	\$ 92,228	100.0%

GROSS WRITTEN PREMIUM



PERSONAL LINES

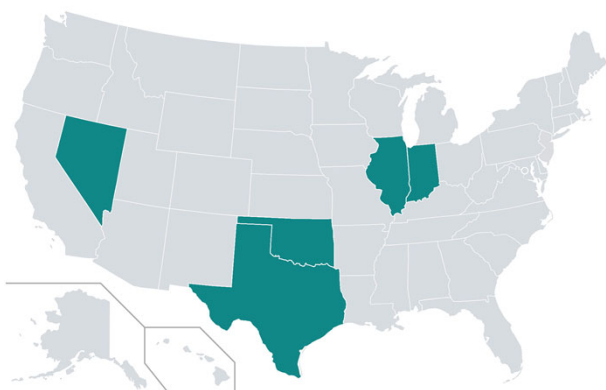
Focus: Niche Specialty Homeowners Products

- 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

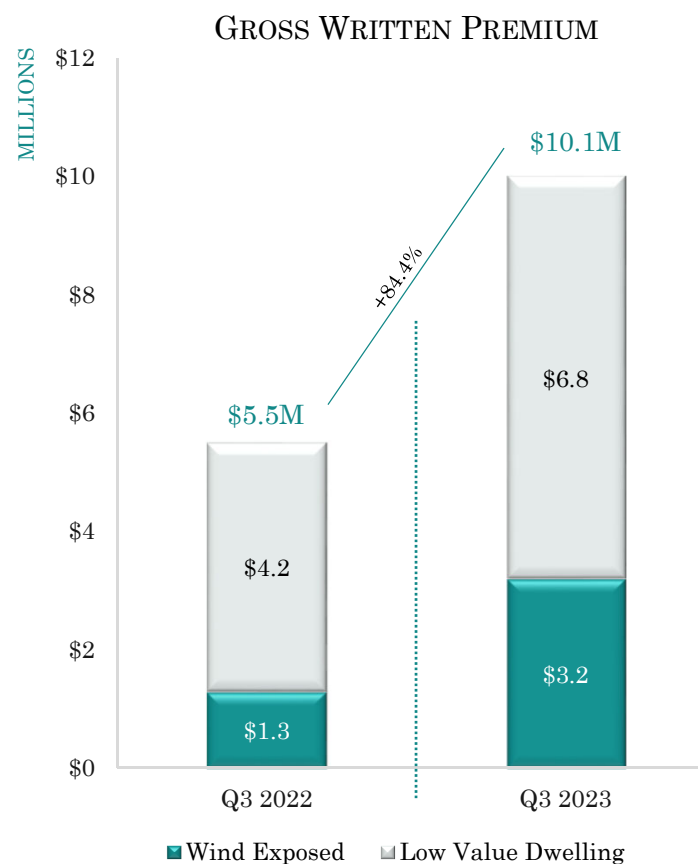


PERSONAL LINES

- Personal Lines production comprised approximately 26% of total premium in Q3 2023
- Growth in low-value dwelling segment with Texas as the largest state
- Texas book is performing well – loss ratio for the first nine months of 2023 is 53%



YTD September 30, 2023 Top Five States	Gross Written Premium \$ in thousands	
Texas	\$ 12,950	47.6%
Oklahoma	12,484	45.9%
Indiana	1,216	4.5%
Illinois	374	1.4%
Nevada	116	0.4%
All Other	68	0.2%
Total	\$ 27,208	100.0%



STRATEGIC INITIATIVES: PROGRESS TO DATE

Focusing on select key verticals in specialty commercial and personal lines

Narrowing focus to select specialty markets and reliable geographic venues

Significant Rate Increases

Rate continues to contribute to premium growth in select lines

Infrastructure in place to handle anticipated organic growth

Emphasis on achieving appropriate scale and utilizing native data for optimal performance

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 initiatives delivering results

Expense ratio beat near-term target – posted 33.9% for Q3 2023

Q3 2023 RESULTS OVERVIEW

Results Reflect Disciplined Growth

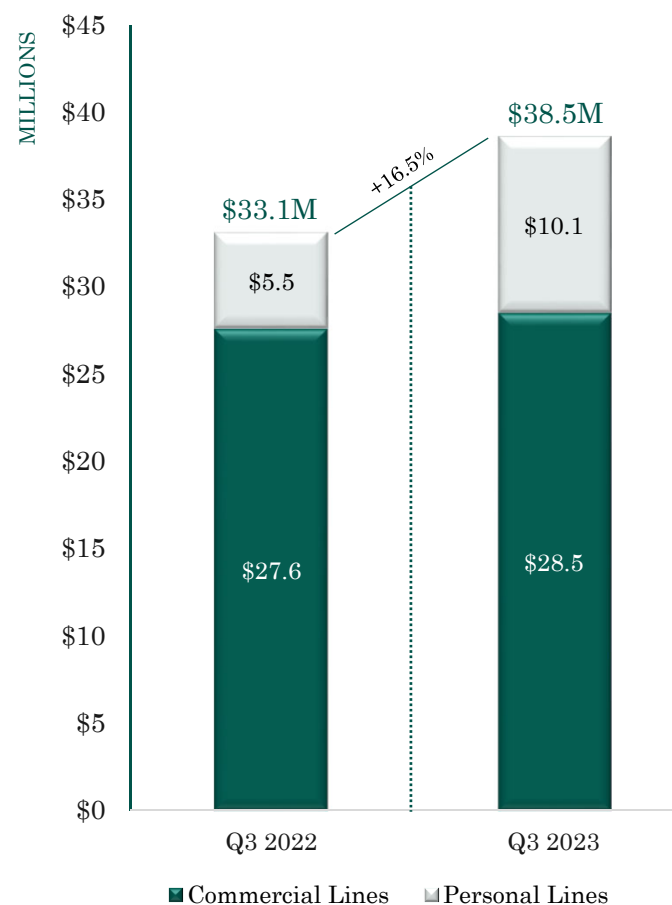
Gross Written Premium:

- GWP was \$38.5M in Q3 2023 – up 16.5% from Q3 2022
 - Commercial Lines GWP increased 3.1% in Q3 2023
 - Personal Lines GWP increased 84.4% over Q3 2022, in historically profitable business lines

Net Earned Premium:

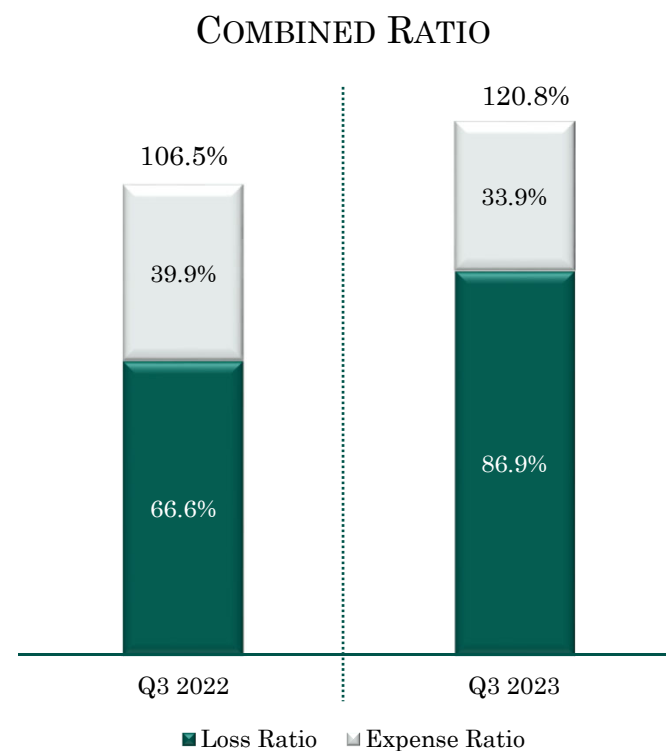
- NEP was \$24.0M in Q3 2023, compared to \$25.0M in Q3 2022
 - Commercial Lines NEP was \$17.3M in Q3 2023, down 16.7% year over year
 - The decrease was primarily due to higher specific loss property reinsurance rates, effective January 1, 2023
 - Personal Lines NEP increased 59.8% to \$6.7M for Q3 2023, compared to \$4.2M for the same period in 2022

GROSS WRITTEN PREMIUM



Q3 2023 COMBINED RATIO

- Continued focus on disciplined underwriting in select key verticals within our most profitable specialty lines of business
- For Q3 2023:
 - Personal Lines combined ratio was 121.7%, though before the impact of storms, combined ratio was:
 - 90.5% for Q3 2023
 - 89.7% for YTD 2023
 - Commercial Lines combined ratio was 120.5%
 - Since 2018, significant re-underwriting has taken place in our Commercial Lines, eliminating poor performers and geographies
 - 74% of total premiums in Q3 2023 were from core specialty commercial business in historically profitable lines and geographies
- Continued organic growth is expected to come from select key commercial lines verticals and low-value dwelling programs through 2023 and beyond



Q3 2023 INVESTMENT PORTFOLIO

- Net Investment Income for Q3 2023: \$1.5M
- Highly liquid portfolio of investment grade debt securities
- Total investment portfolio of \$159.0M at September 30, 2023:
 - Average duration: 2.8 years
 - Average tax-equivalent yield: ~2.9%
 - Average credit quality: AA+

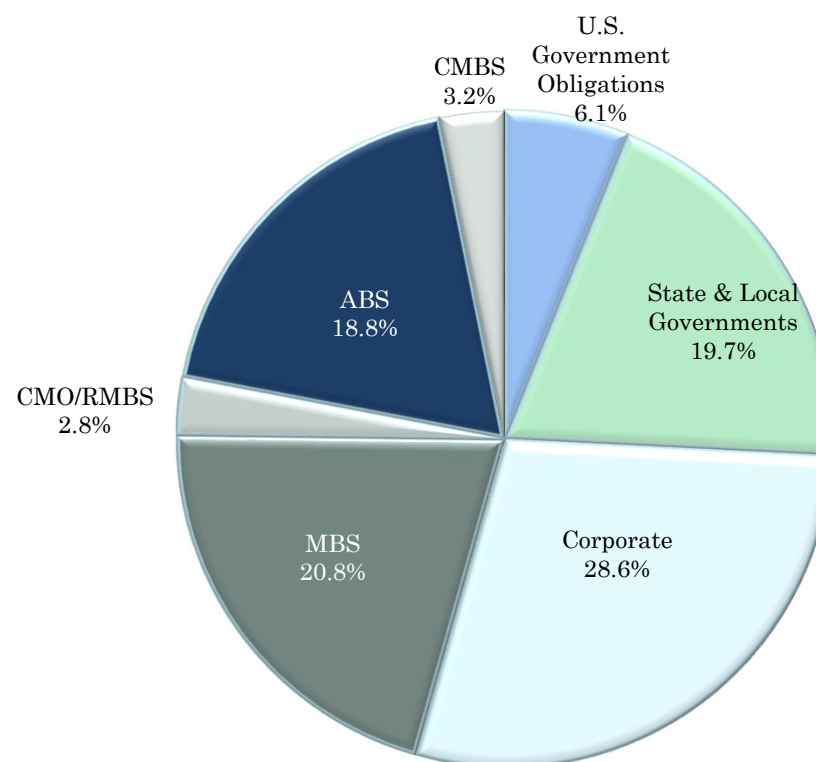
DEBT SECURITY PORTFOLIO CREDIT RATING

\$ in thousands

September 30, 2023

	Fair Value	% of Total
AAA	\$ 47,362	47%
AA	32,986	32%
A	13,654	13%
BBB	7,743	8%
TOTAL DEBT SECURITIES	\$ 101,745	100%

DEBT SECURITY PORTFOLIO ALLOCATION



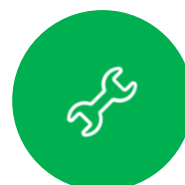
WHY CONIFER



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 nearly 72% of outstanding stock

JAMES PETCOFF Executive Chairman & Co-CEO	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. 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. Mr. Petcoff's extensive executive leadership and public company expertise provides irreplaceable direction for the continued growth of the Company.
NICHOLAS PETCOFF Director & Co-CEO	As Director & Co-Chief Executive Officer of Conifer Holdings, Inc., Nick Petcoff oversees the Company's Underwriting, Reinsurance, Claims and Information Technology operations. 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. 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.
BRIAN RONEY President	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 24 years of experience in the insurance industry. 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 34 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. Mr. Roney's prior experience with multiple publicly traded insurance companies brings vital public company expertise to the executive leadership team.
HAROLD MELOCHE Chief Financial Officer & Treasurer	As Chief Financial Officer and Treasurer of Conifer Holdings, Inc., Harold Meloche has primary responsibility over accounting and financial reporting. Mr. Meloche has been with the Company since 2013 and has over 28 years of experience in the insurance industry. Mr. Meloche is a registered Certified Public Accountant and his analytical expertise bears considerable value to the Company's financial leadership team.

APPENDIX

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

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Conifer
Holdings
Inc.

Q3 2023 INCOME STATEMENT

- Net loss of \$2.7 million, or \$0.22 per share, based on 12.2 million average shares outstanding
- For Q3 2023, adjusted operating loss was \$5.0 million, or \$0.41 per share

(\$ in thousands, except per share data)	Three Months Ended September 30,	
	2023	2022
Gross Written Premium	\$ 38,548	\$ 33,088
Net Written Premium	5,689	23,693
Net Earned Premium	23,979	24,958
Net Income (Loss)	(2,706)	(1,523)
EPS, Basic and Diluted	(\$ 0.22)	(\$ 0.14)
Adjusted Operating Income (Loss)	(4,954)	(1,438)
Adjusted Operating Income (Loss) per share	\$ (0.41)	\$ (0.13)

SEPTEMBER 30, 2023 BALANCE SHEET

- Shareholders' equity of \$11.8 million – book value of \$0.96 per share
- \$1.96 per share full valuation allowance against deferred tax assets not reflected in book value
- Total adjusted book value of \$2.92 as of quarter ended September 30, 2023

SUMMARY BALANCE SHEET		
\$ in thousands	September 30, 2023	December 31, 2022
Cash & Invested Assets	\$ 158,974	\$ 165,432
Reinsurance Recoverables	53,725	89,304
Goodwill and Intangible Assets	985	985
Total Assets	\$ 293,443	\$ 312,350
Unpaid Losses and Loss Adjustment Expenses	139,214	165,539
Unearned Premiums	78,865	67,887
Debt	25,264	33,876
Total Liabilities	\$ 281,652	\$ 293,400
Total Shareholders' Equity	\$ 11,791	\$ 18,950

SUMMARY FINANCIAL INFORMATION

OPERATING RESULTS	Three Months Ended September 30,	
	2023	2022
\$ in thousands, except per share data		
Gross Written Premiums	\$38,548	33,088
Ceded Written Premiums	(32,859)	(9,395)
Net Written Premiums	5,689	23,693
Net Earned Premiums	23,979	24,958
Net Investment Income	1,450	860
Net Realized Investment Gains (Losses)	-	-
Change in Fair Value of Equity Securities	(87)	(151)
Other Gains (Losses)	-	66
Gain from sale of renewal rights	2,335	-
Other Income	439	603
Total Revenue and Other Income	28,116	26,336
Losses and Loss Adjustment Expenses, Net	20,911	16,671
Policy Acquisition Costs	4,725	6,230
Operating Expenses	4,403	4,380
Interest Expense	855	778
Total Expenses	30,894	28,059
Income (Loss) before Equity Earnings in Affiliate and Income Taxes	(2,778)	(1,723)
Equity Earnings in Affiliate, Net of Tax	72	199
Income Tax (Benefit) Expense	-	(1)
Net Income (Loss)	(2,706)	(1,523)
Earnings (Loss) per Common Share, Basic and Diluted	(0.22)	(0.14)
Weighted Average Common Shares Outstanding, Basic and Diluted	12,222,881	11,101,194

ADJUSTED OPERATING INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
(dollar in thousands, except share and per share amounts)				
Net income (loss)	\$ (2,706)	\$ (1,523)	\$ (6,444)	\$ (12,792)
Less:				
Net realized investment gains (losses), net of tax	-	-	-	(1,505)
Change in fair value of equity securities, net of tax	(87)	(151)	595	446
Gain from sale of renewal rights	2,335	-	2,335	-
Other gains (losses), net of tax	-	66	-	60
Adjusted operating income (loss)	<u>\$ (4,954)</u>	<u>\$ (1,438)</u>	<u>\$ (9,374)</u>	<u>\$ (11,793)</u>
Weighted average common shares, diluted	12,222,881	11,101,194	12,219,713	10,178,975
Diluted income (loss) per common share:				
Net income (loss)	\$ (0.22)	\$ (0.14)	\$ (0.53)	\$ (1.26)
Less:				
Net realized investment gains (losses), net of tax	-	-	-	(0.15)
Change in fair value of equity securities, net of tax	-	(0.01)	0.05	0.04
Gain from sale of renewal rights	0.19	-	0.19	-
Other gains (losses), net of tax	-	-	-	0.01
Adjusted operating income (loss), per share	<u>\$ (0.41)</u>	<u>\$ (0.13)</u>	<u>\$ (0.77)</u>	<u>\$ (1.16)</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.