

NYSSA INSURANCE INDUSTRY CONFERENCE PRESENTATION

March 21, 2016



CNFR
Nasdaq Listed



**Conifer
Holdings
Inc.**

*Our mission is to exceed our clients' needs with tailored insurance products
delivered with exceptional customer service.*

SAFE HARBOR STATEMENT



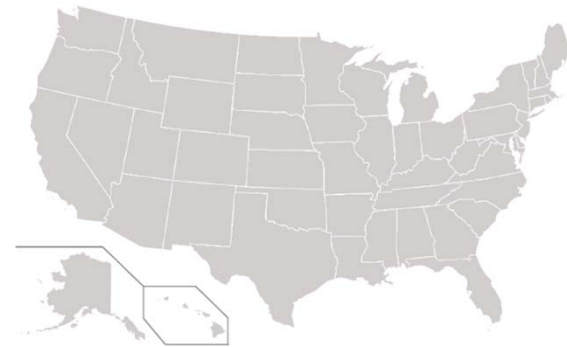
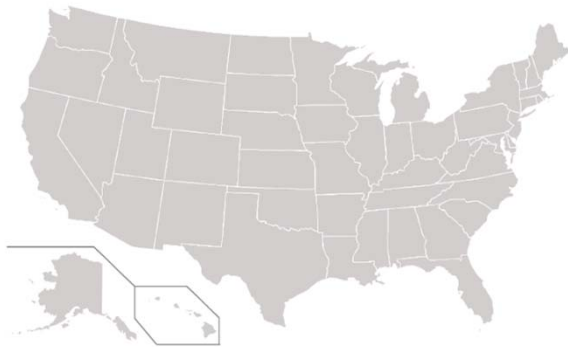
This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our management’s beliefs and assumptions and on information currently available to 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 Annual Report on Form 10-K for the year ended December 31, 2015, 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.

BROAD & FLEXIBLE UNDERWRITING PLATFORM



- Well-developed underwriting platform overall
- Ability to pivot between Excess & Surplus lines and Admitted opportunities
 - Surplus lines eligible in 44 states
 - Admitted in 28 states with 10 pending
- Writing policies in all 50 states – utilizing a fronting carrier where we are as yet unlicensed
- Goal is to be licensed on both E&S and Admitted basis in all 50 states



ORGANIZATION STRUCTURE: EXPERIENCED MANAGEMENT TEAM



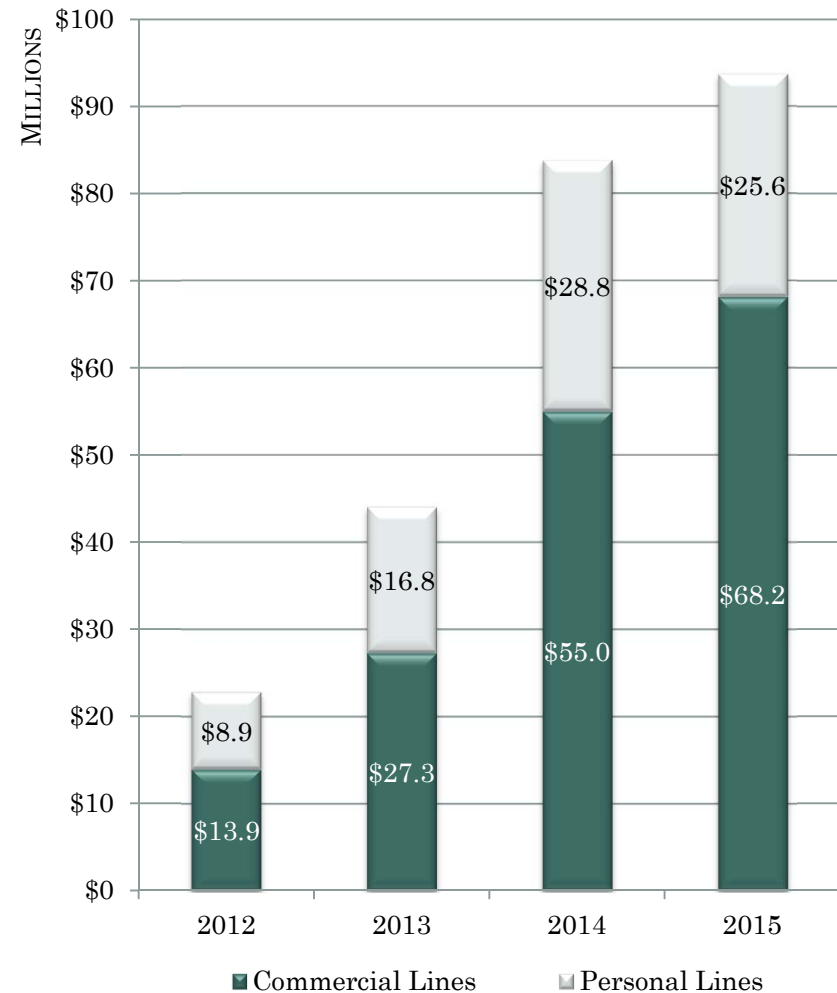
- Executives have an average of over 20 years of insurance industry experience
- All Senior Executives are significant investors in Conifer – considerable percentage of individuals’ net worth
- As of 12/31/2015, insider ownership in CNFR was as follows:
 - Senior Executives: 33% (26.4% owned by Jim Petcoff)
 - Board of Directors Members: 15%
- Significant inside ownership purchases in 2016, as evidenced by recent Form 4 filings
- Talented underwriting group with over 25 years of insurance industry experience and strong track record of growing specialty insurance businesses:

Title	Industry Experience	Underwriting Product Specialty
SVP, Commercial Lines	42 years	Hospitality, Artisan Contractors & Auto Facilities
President, Blue Spruce Underwriting	26 years	Quick Service Restaurants
President, Home Value	29 years	Low-value Dwellings
President, Venture Agency Holdings	27 years	Security Services
SVP, Personal Lines	10 years	Homeowners

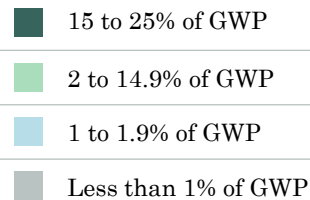
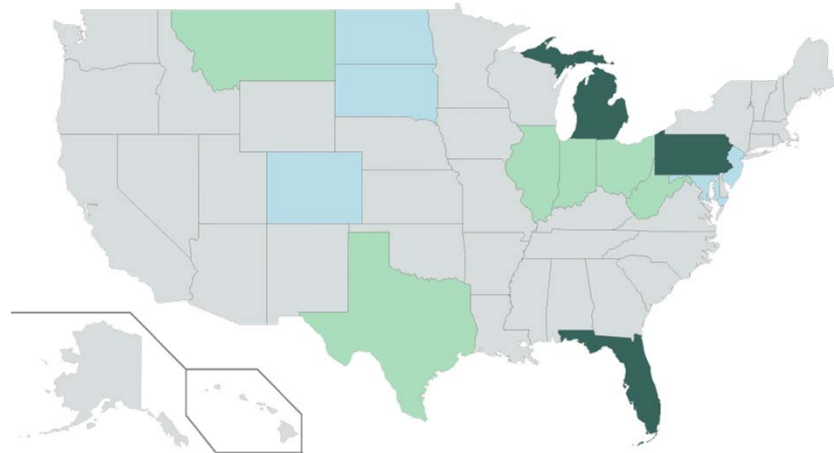
ANNUAL GROSS WRITTEN PREMIUM VOLUME



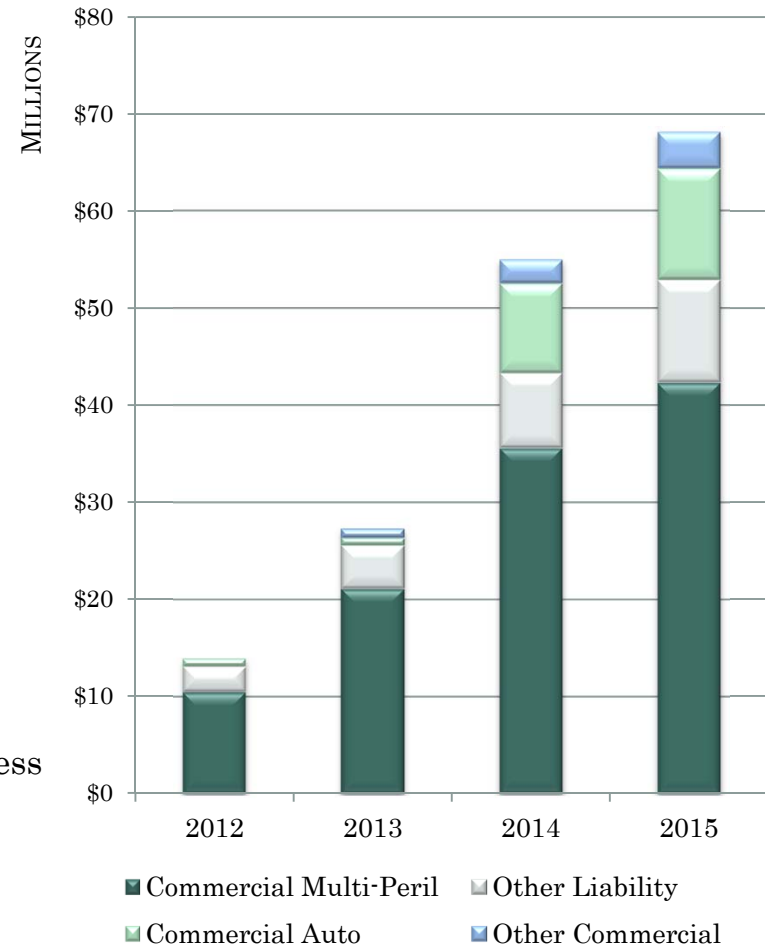
- Gross written premium:
 - Volume was up 11.8% for the twelve months ended December 31, 2015
 - Up 21.6% excluding Personal Auto / Florida Homeowners
- Total gross written premium was \$93.8 million for the twelve months ended December 31, 2015
- Net Written Premium – up 20.2% for 2015
 - Net earned premium up 16.1% for same period
- Factors driving premium growth include:
 - Strong commercial lines experience in hospitality & small business accounts
 - Particularly in commercial multi-peril and other liability lines
 - Personal lines focus on wind-exposed homeowners (away from personal auto)



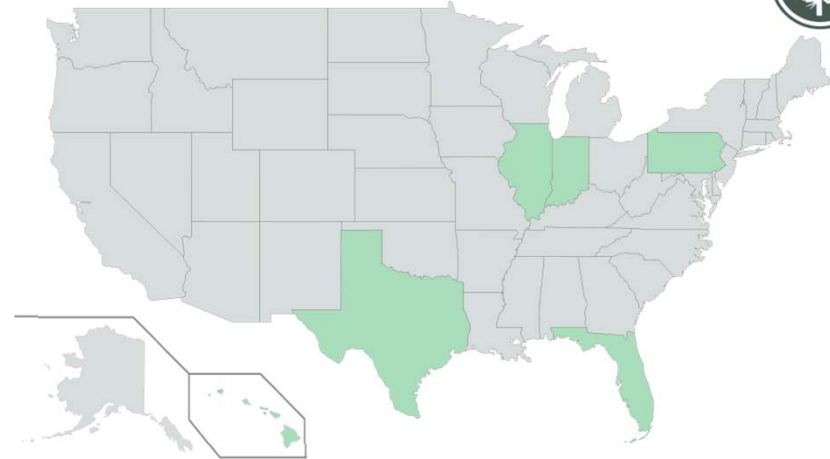
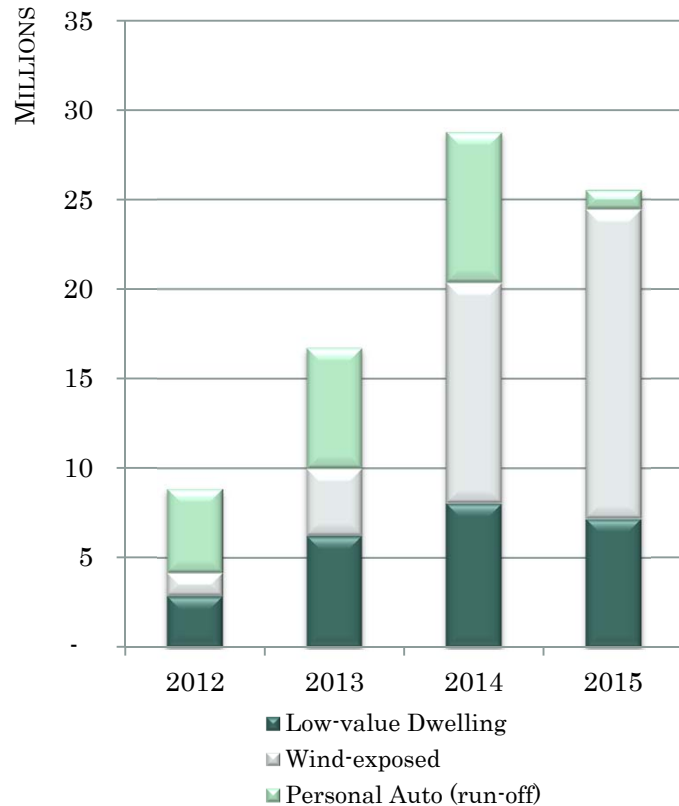
COMMERCIAL LINES: HOSPITALITY & SECURITY BUSINESS



- 23.9% growth in gross written premium to \$68.2 million for the twelve months ended December 31, 2015
- Expansion of hospitality and security services business
- Focus on niche underserved markets
- Writing in all 50 states
 - Florida, Michigan and Pennsylvania each generated more than 15% of twelve-month gross written premium



PERSONAL LINES: LOW-VALUE DWELLING & WIND-EXPOSED HOMEOWNERS



(\$ in thousands)	YE December 31, 2015	
Florida	\$8,694	34%
Texas	8,374	33%
Indiana	4,706	19%
Hawaii	2,657	10%
Illinois	874	3%
Pennsylvania	264	1%
Total	\$ 25,589	100.0 %

- \$25.6 million in gross written premium for the twelve months ended December 31, 2015, down 11.2% from 2014
- Premiums down as a segment mainly due to the personal auto run-off
- Increase in Wind-exposed Homeowners (up 40%) focusing on coastal exposures in Florida, Hawaii and Texas
- Low-value Dwelling ramp up primarily in southern states, such as Texas and northern Louisiana

YEAR-END 2015 INCOME STATEMENT



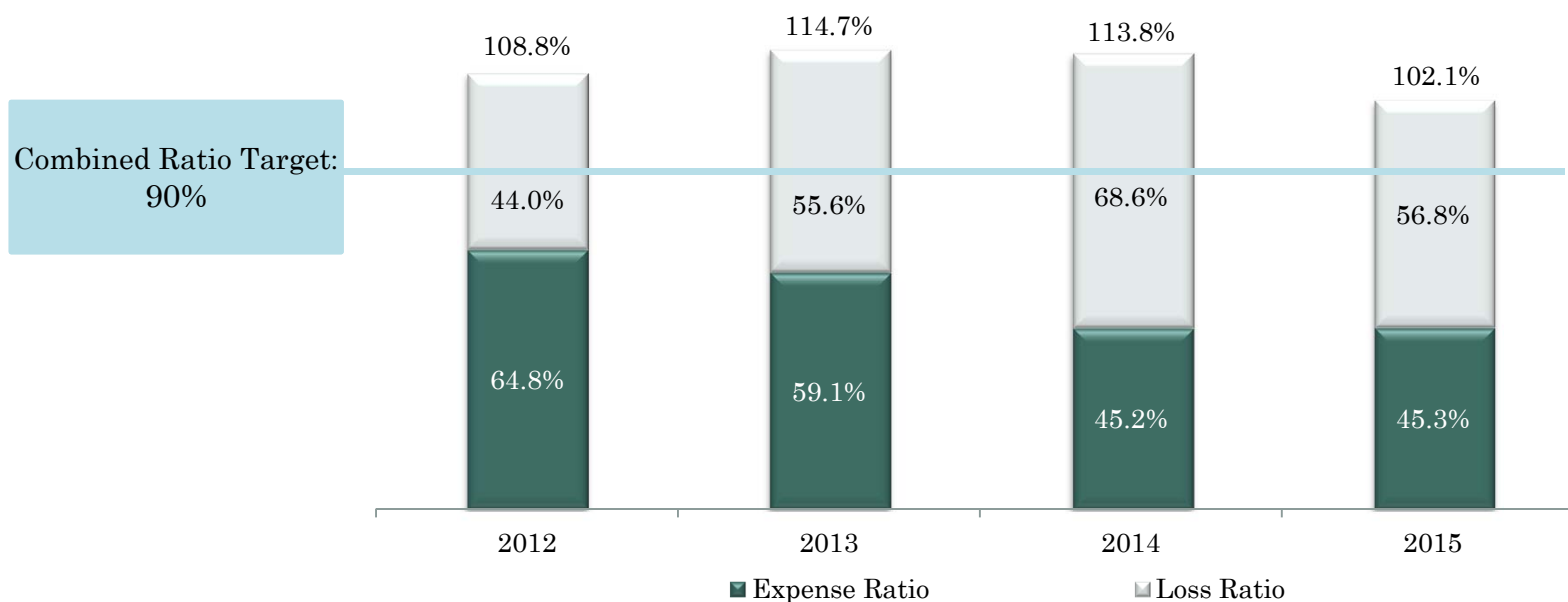
- Increased production in Hospitality, Small Commercial, Security Services and Homeowners lines of business
- Invested in several experienced underwriting teams to support growth
- Operating loss of \$0.16 per diluted share for the full year 2015
- \$10.11 per share, or \$77.3 million, of shareholders' equity

(\$ in thousands, except per share data and ratios)	Year Ended December 31, 2015	Year Ended December 31, 2014
Gross Written Premium	\$93,750	\$83,847
Net Written Premium	79,674	66,299
Net Earned Premium	66,765	57,528
Net Income (Loss)	(17)	(6,939)
Net Income (Loss) Allocable to Common Shareholders	(476)	(7,200)
EPS, Basic and Diluted	\$(0.09)	\$(2.69)
Operating Income (Loss)	(865)	(7,617)
Operating Income (Loss) per share	\$(0.16)	\$(2.85)

COMBINED RATIO REFLECTS BUSINESS MIX



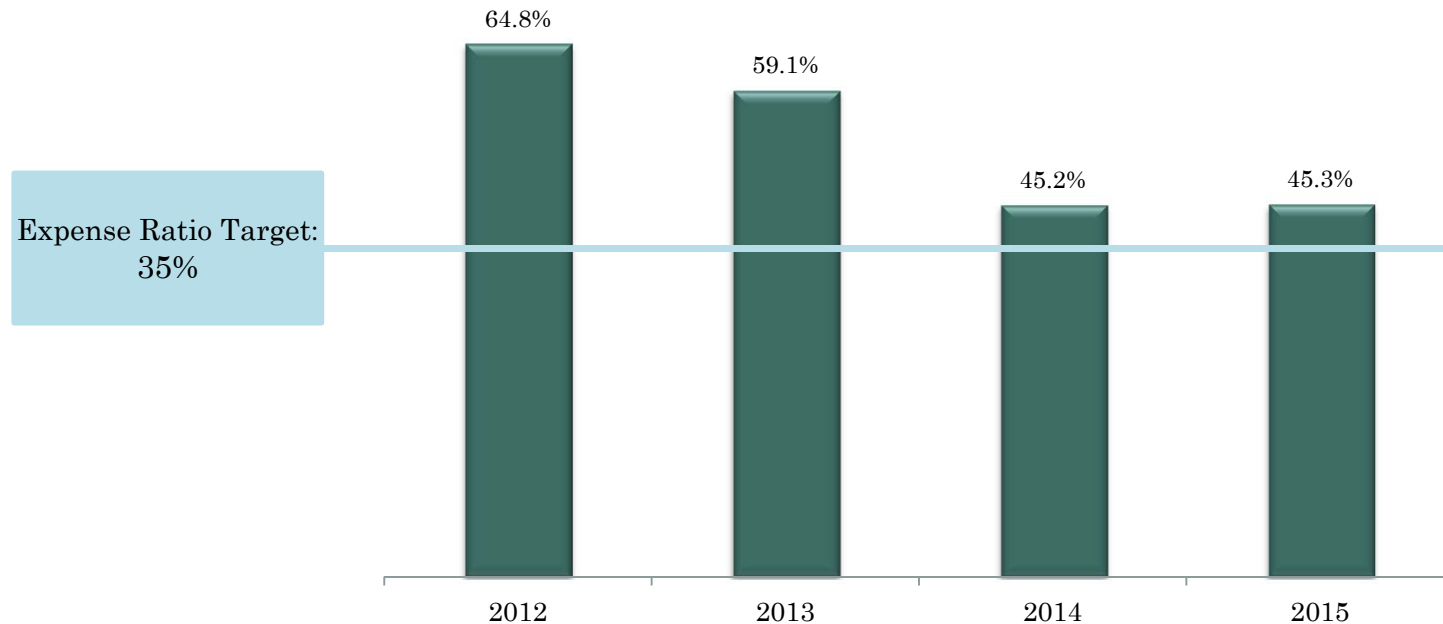
- Over time, expect to achieve combined ratio target through incremental underwriting profitability and improved fixed-cost utilization
- Enhanced mix of business and premium growth should help drive combined ratio improvement
- Scalable technology possesses high capacity / bandwidth for growth
- 11.7 percentage point improvement in combined ratio for the year ended December 31, 2015, compared to the same period in 2014



EXPENSE RATIO: CALCULATED TO GENERATE LONG-TERM GROWTH



- Infrastructure to support long-term growth
 - Scalable technology possesses high capacity / bandwidth for growth
- Recently hired several experienced underwriting teams
 - Select security guard business roll out - nationally
 - Low-value dwelling homeowners expansion in the southwest
 - Hospitality-related book of business – focused on quick service restaurants

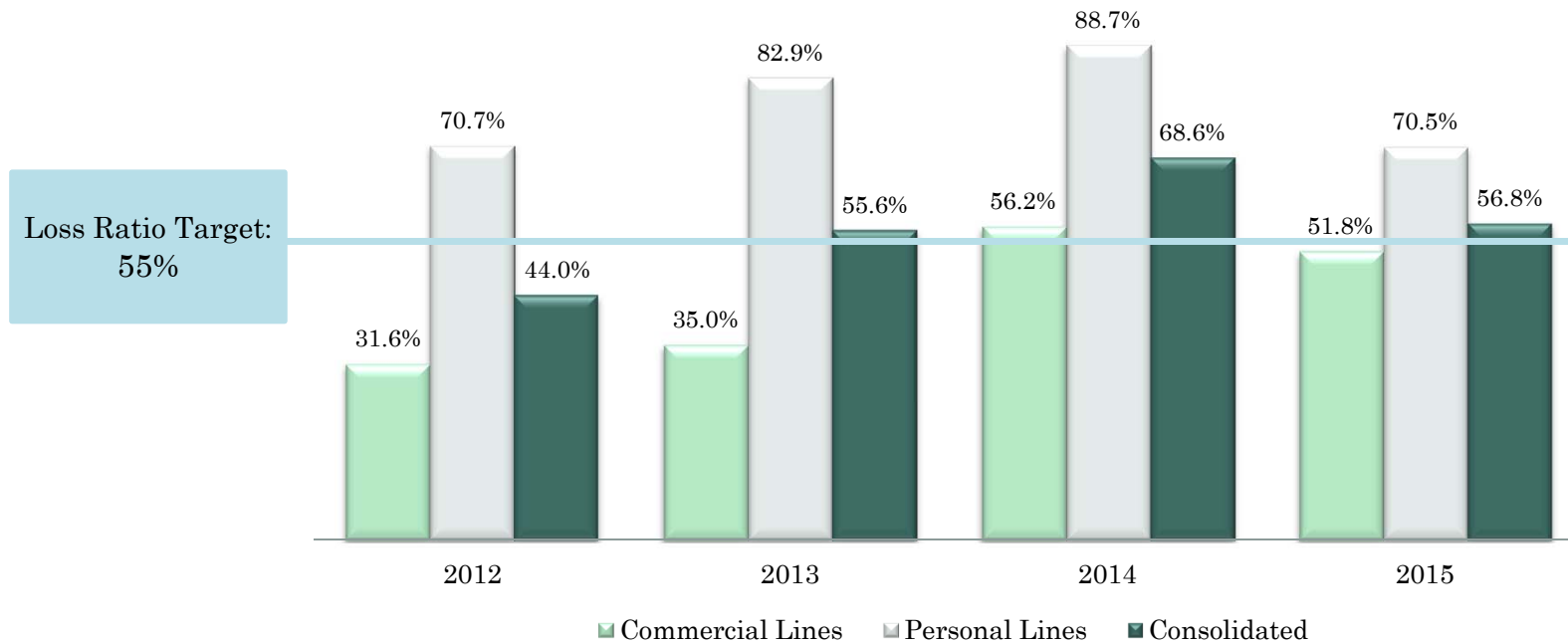


CHI CONSOLIDATED LOSS RATIO: AUTO IMPACT



SHIFTING BUSINESS MIX TO IMPROVE PROFITABILITY

- Private Passenger Auto impact (in run-off): added 3 percentage points to 2015 loss ratio
- Commercial Auto reserve strengthening impact: added 1.3 percentage points to 2015 loss ratio
- Expect continued shift in mix toward Commercial Liability, geographic expansion of Low Value Dwelling, and measured growth in Wind Exposed Homeowners
- Even with full impact of above, loss ratio was 56.8% for the twelve months ended December 31, 2015



LOSS RESERVES: RESERVING PHILOSOPHY



- Conservative reserving practices
 - Based on experience and industry-standard actuarial methods
 - Consistent favorable reserve development for each of the years 2010 to 2014
- The table below represents the prior year reserve development from 2011 through 2015 by entity. CIC's adverse development in 2015 is mostly due to personal automobile business, which is in runoff, and to greater than expected claim frequency and severity in commercial auto:

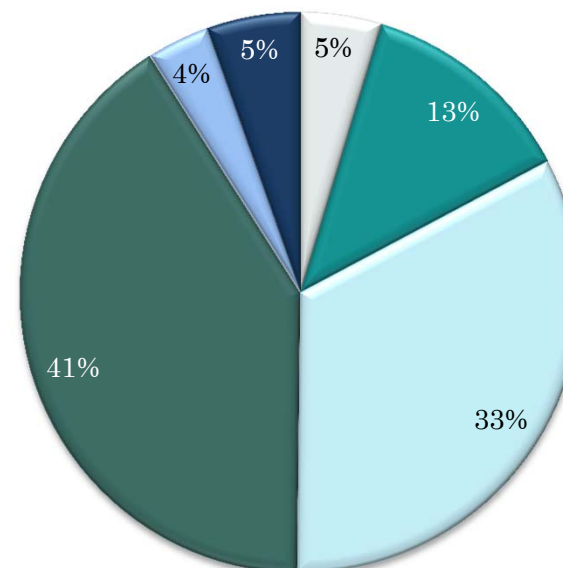
TOTAL RESERVE REDUNDANCY (dollars in thousands)						
	(Favorable) / Unfavorable Development Reported in:					
	2011	2012	2013	2014	2015	Total
CIC	(151)	(1,615)	(1,521)	(61)	1,633	(1,715)
WPIC	(2,579)	(3,852)	(3,639)	(367)	(345)	(10,782)
ACIC	-	-	-	(723)	417	(306)
CHI	(2,223)	(4,356)	(5,021)	(1,193)	1,458	(11,335)
CONSOLIDATED						

CONSERVATIVE INVESTMENT STRATEGY



- Investment philosophy is to maintain a highly liquid portfolio of investment-grade fixed income securities
- Total investment securities of \$117.7M at December 31, 2015:
 - Average duration: 3.09 years
 - Average tax-equivalent yield: ~2.1%
 - Average credit quality: AA
- At December 31, 2015 CMBS represents 6.5% of fixed income portfolio
 - Almost all super senior tranches – rated AAA
 - High performing: 30% credit enhancement

PORTFOLIO ALLOCATION



- U.S. Government Obligations
- State & Local Governments
- Corporate Debt
- Commercial Mortgage & Asset-Backed Securities
- Equity Securities
- Short-Term Investments

FIXED INCOME PORTFOLIO CREDIT RATING

(\$ in thousands)

December 31, 2015

	Fair Value	% of Total
AAA	\$ 33,180	29.2%
AA	42,032	37.1%
A	23,362	20.6%
BBB	14,891	13.1%
TOTAL FIXED INCOME INVESTMENTS	\$ 113,465	100.0%



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