

FIRST QUARTER 2017
INVESTOR CONFERENCE CALL

May 11, 2017

CNFR
Nasdaq Listed



**Conifer
Holdings
Inc.**

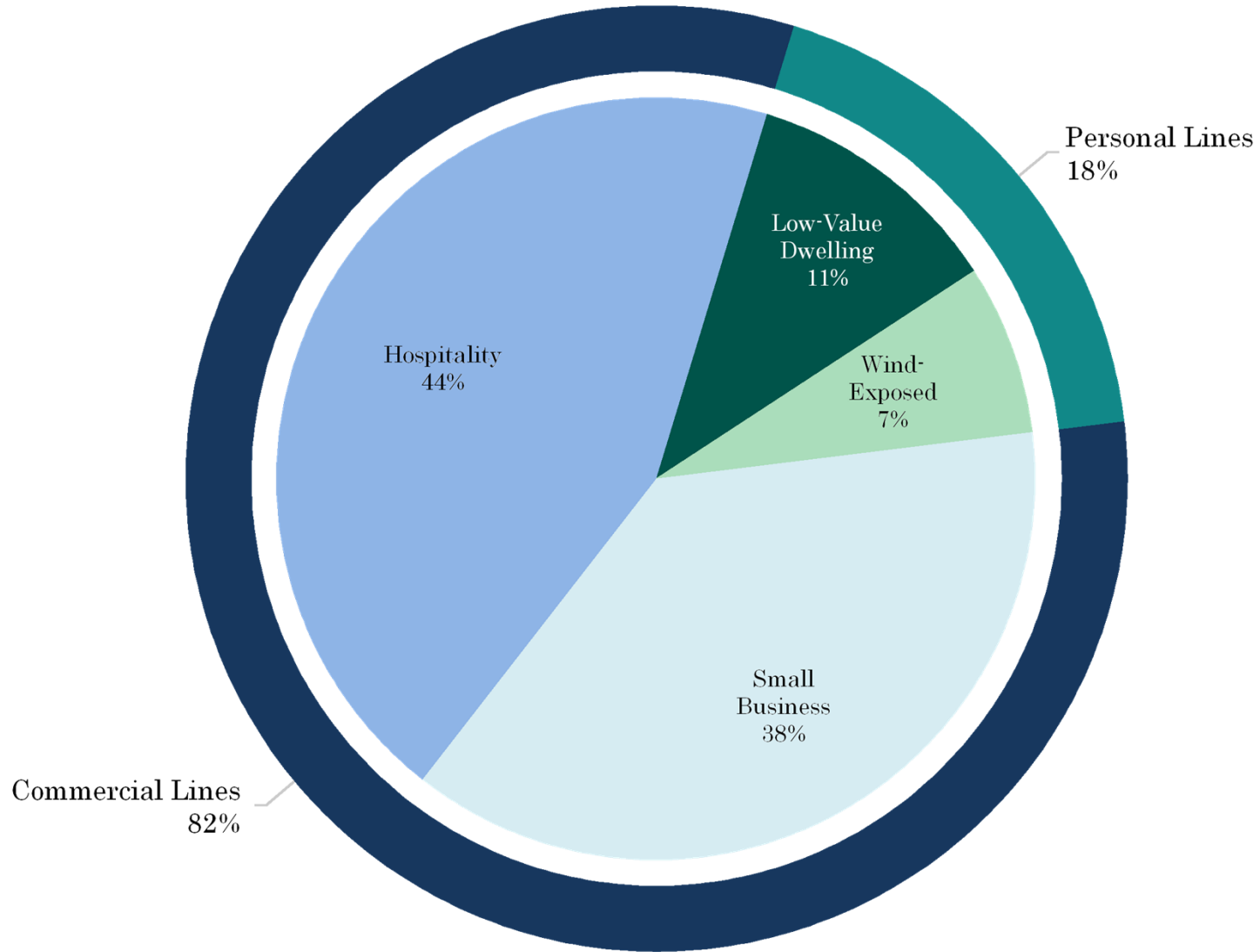


SAFE HARBOR STATEMENT

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, 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.

BUSINESS MIX – GROSS WRITTEN PREMIUM FOR Q1 2017



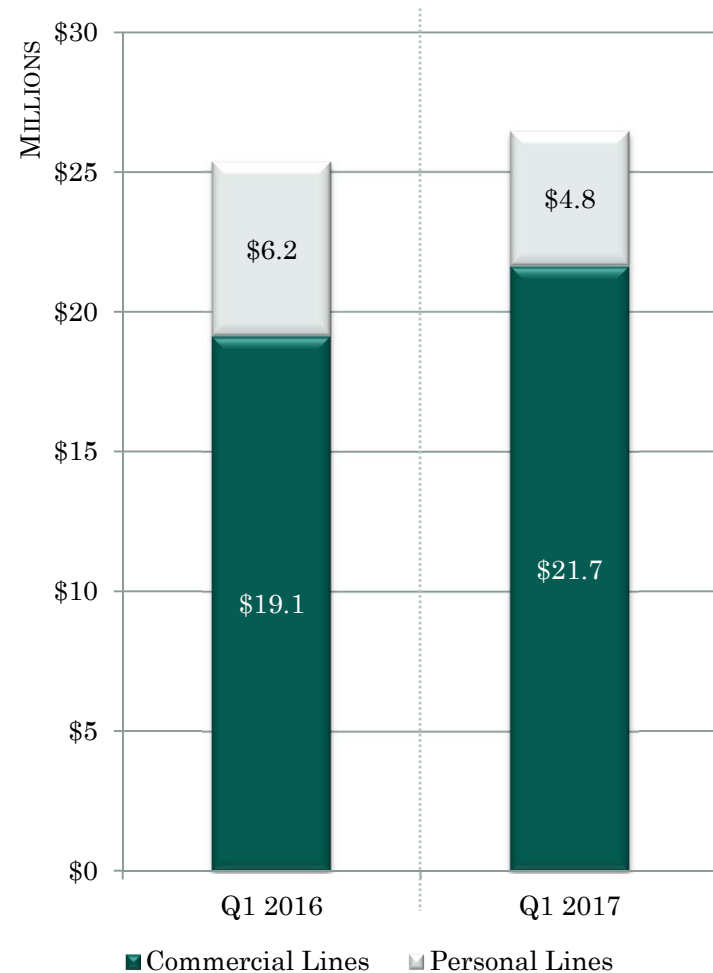
Q1 2017 RESULTS OVERVIEW



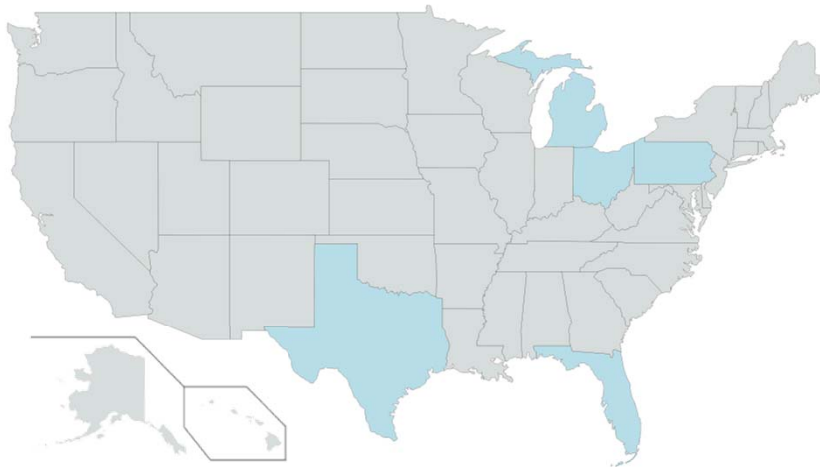
Significant Net Earned Premium growth:

- Total gross written premium was \$26.5 million for Q1 2017
 - Up 4% over the same period in 2016
 - Net earned premium was \$24.1 million, up 20% for the 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 low-value dwelling business while reducing wind-exposed homeowners
- Continuing Expense ratio improvement
 - Almost 500 basis point reduction quarter over quarter from 49.8% in Q1 2016 to 44.9% in Q1 2017
 - Expect continued downward trend as earned premiums ramp up

GROSS WRITTEN PREMIUM

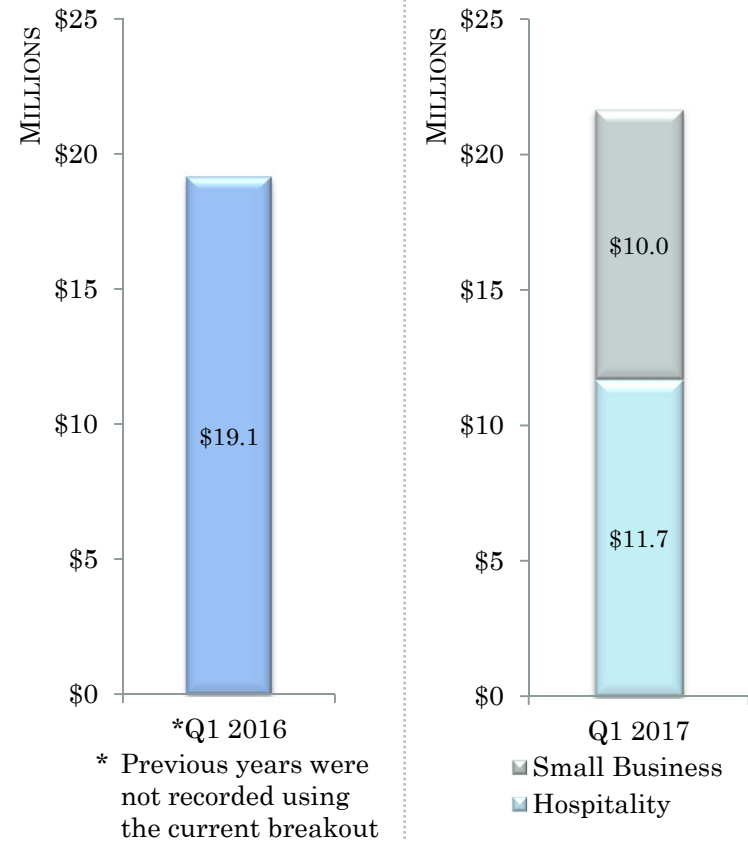


COMMERCIAL LINES OVERVIEW



2017 YTD Top Five States	GROSS WRITTEN PREMIUM \$ in thousands	
Florida	\$ 5,366	24.8%
Michigan	4,660	21.5%
Pennsylvania	2,226	10.3%
Ohio	1,147	5.3%
Texas	1,143	5.3%
All Other	7,102	32.8%
Total	\$ 21,644	100.0%

GROSS WRITTEN PREMIUM

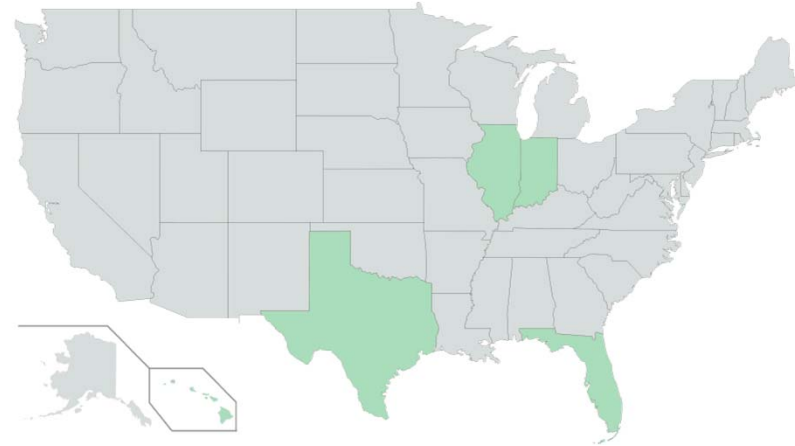
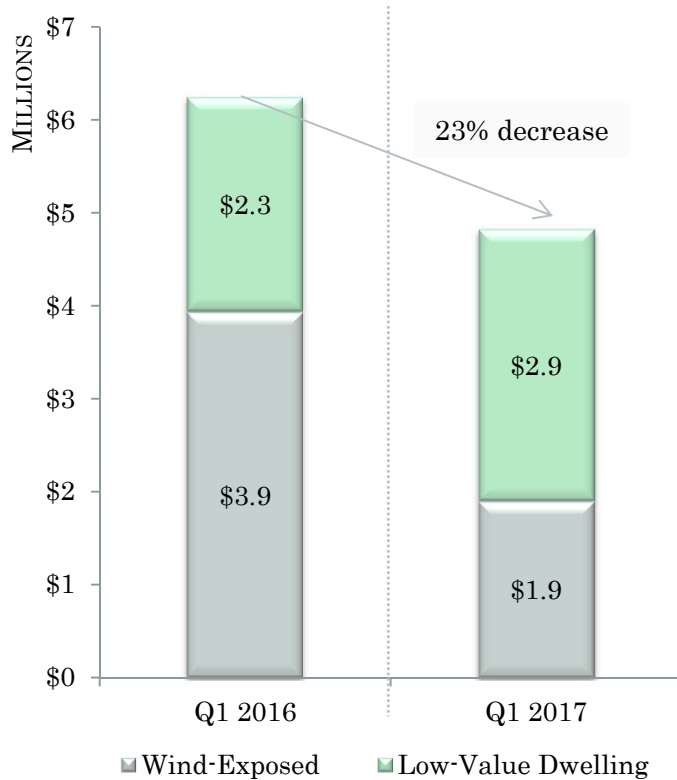


- Up 13% for Q1 2017 in gross written premium, compared to Q1 2016
- Seek leading position in specialized niche markets
 - Example: largest writer of liquor liability business in Michigan
- Writing commercial lines in all 50 states

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



GROSS WRITTEN PREMIUM



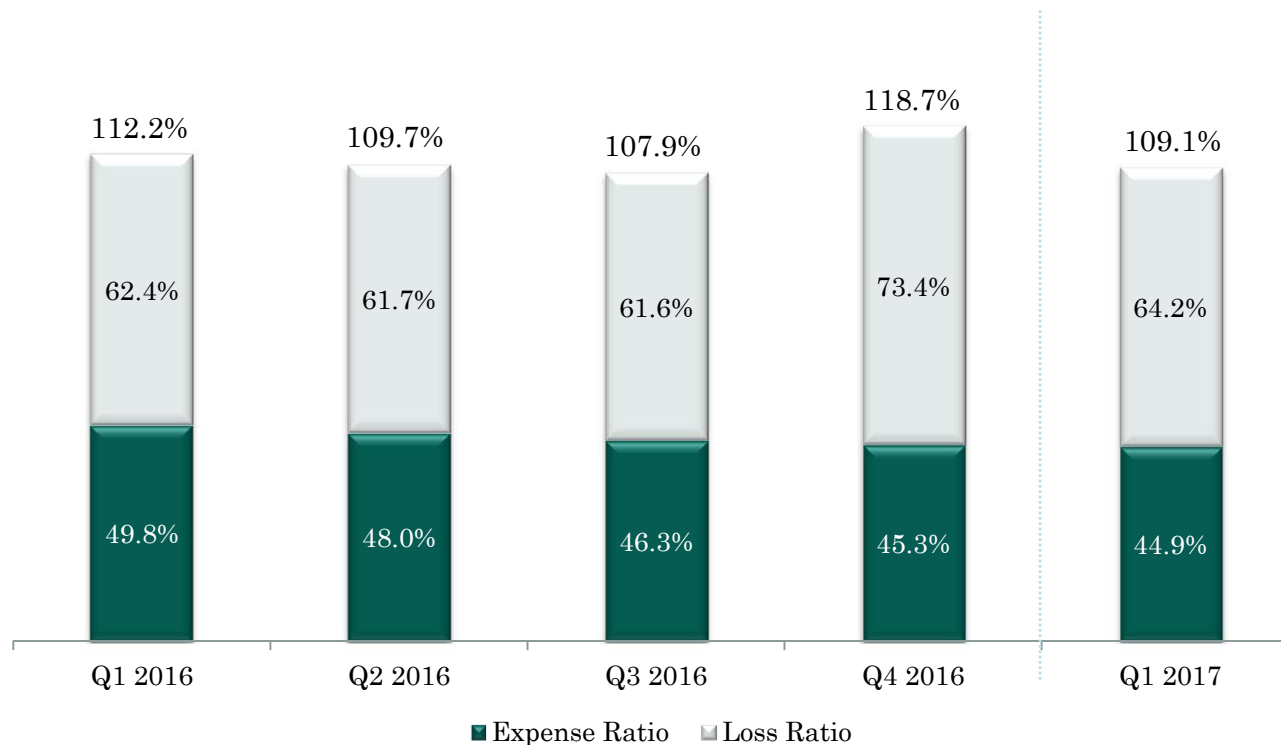
GROSS WRITTEN PREMIUM \$ in thousands	2017 YTD	
	Top Five States	
Texas	\$ 1,894	39.2%
Hawaii	981	20.3%
Florida	952	19.7%
Indiana	695	14.4%
Illinois	193	4.0%
All Other	115	2.4%
Total	\$ 4,830	100.0%

- Gross written premium was down 23% during Q1 2017, compared to Q1 2016
- Decrease in wind-exposed homeowners, specifically Florida homeowners
- Low-value dwelling ramp-up in southern states, such as Texas and northern Louisiana



COMBINED RATIO REFLECTS IMPROVED BUSINESS MIX

- Changing the mix of business (reduced wind exposure) yielded positive results
- Continued premium growth will help drive ongoing combined ratio improvement as well
 - 82% of total premiums in Q1 were from our core commercial business
 - For all of 2016, commercial lines accident year combined ratio was 88%

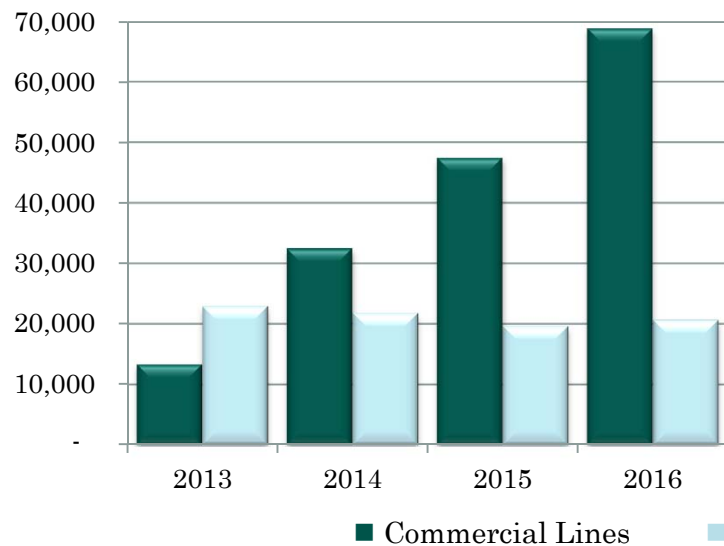




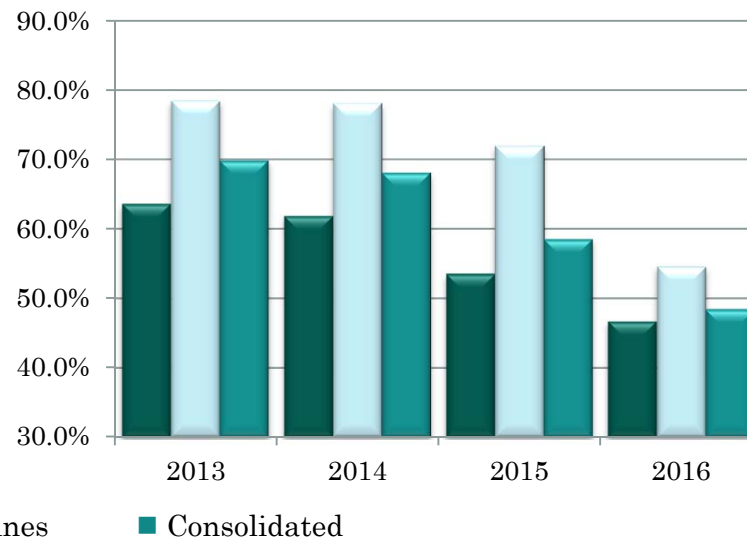
LOSS RATIO IMPROVEMENT: SHIFTING BUSINESS MIX TO DRIVE STABILITY

- The accident year loss ratio for Q1 2017 was 51.7%, versus 54.6% for Q1 2016
- With planned reduction in FL HO, expect loss ratio to continue improved trend. Shifting away from wind exposed business and focusing on low value dwelling premium (which runs at significantly improved loss ratios).
- Each renewal period has provided additional opportunities to re-underwrite, modify pricing and adapt claims strategies.
- Even with prior year reserve development, the accident year Loss Ratios have consistently decreased over 4 years – with 2016 AY Loss Ratio: 54%

NET EARNED PREMIUMS



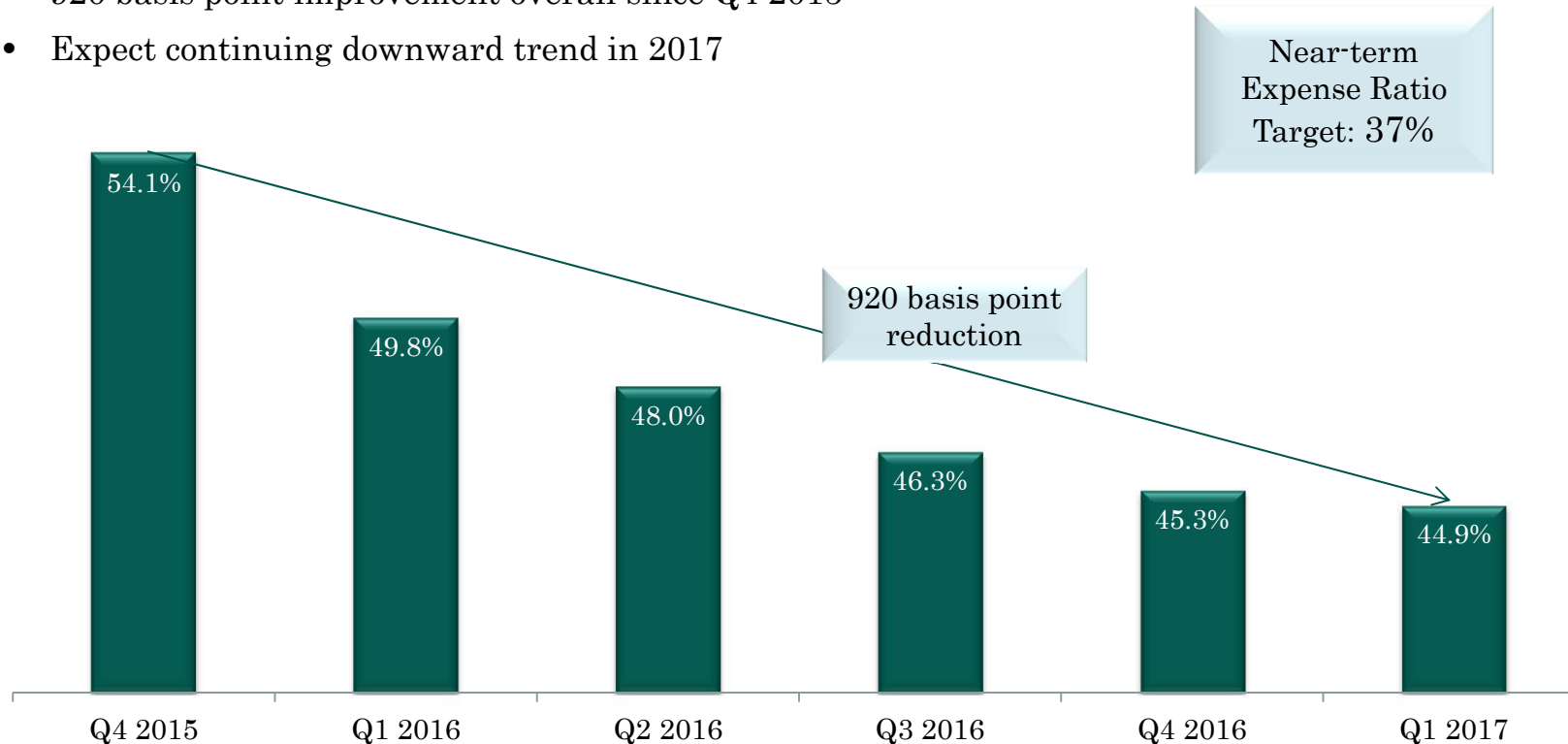
ACCIDENT YEAR NET LOSS RATIOS





EXPENSE RATIO TRENDING DOWNWARD

- Total expense ratio of 44.9% in Q1 2017
- Sequential expense ratio improvement quarter to quarter
 - Versus 49.8% in Q1 2016
 - Versus 48.0% in Q2 2016
 - Versus 46.3% in Q3 2016
 - Versus 45.3% in Q4 2016
- 920 basis point improvement overall since Q4 2015
- Expect continuing downward trend in 2017

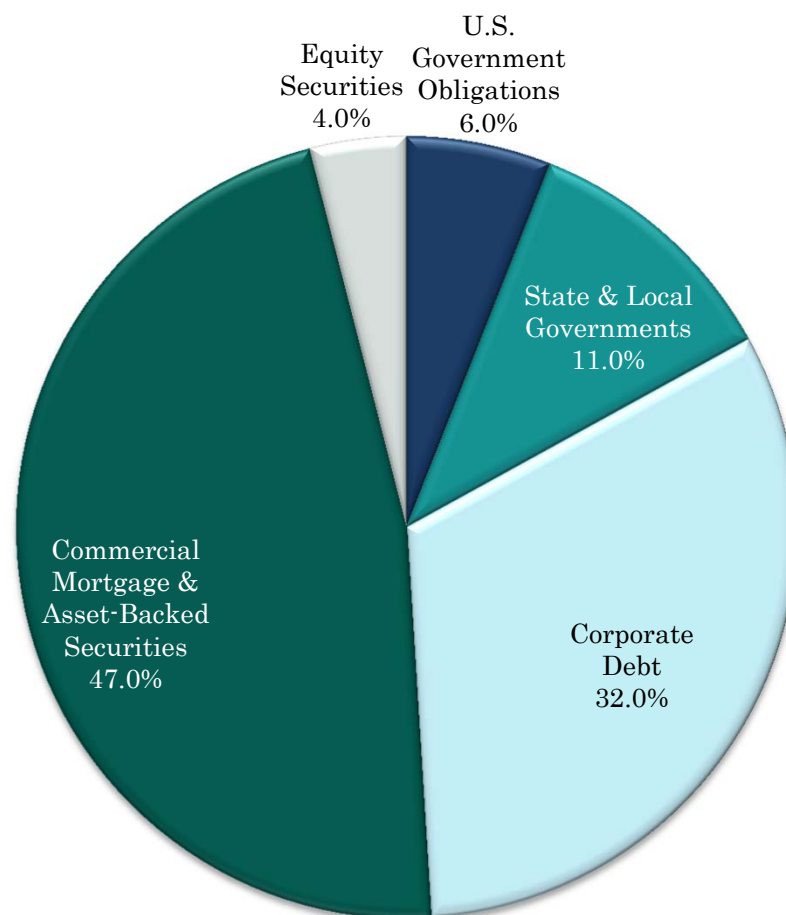


CONSERVATIVE INVESTMENT STRATEGY



- Investment philosophy is to maintain a highly liquid portfolio of investment-grade fixed income securities
- Total cash & investment securities of \$144.0M at March 31, 2017:
 - Average duration to worst: 3.0 years
 - Average tax-equivalent yield: ~2.2%
 - Average credit quality: AA

PORTFOLIO ALLOCATION



FIXED INCOME PORTFOLIO CREDIT RATING

\$ in thousands	March 31, 2017	
	Fair Value	% of Total
AAA	\$ 22,785	20.0%
AA	50,314	44.1%
A	26,509	23.2%
BBB	13,357	11.7%
BB	1,121	1.0%
TOTAL FIXED INCOME INVESTMENTS	\$ 114,086	100%



Q1 2017 INCOME STATEMENT

- Increased production in hospitality, small business, security services and select homeowners lines of business
- 2015 investments in experienced underwriting teams are driving organic growth
- Adjusted operating loss of \$0.24 per diluted share for Q1 2017
- \$1.19 per share for valuation allowance against deferred tax assets not reflected in book value
- \$8.72 per share, or \$66.6 million, of shareholders' equity

(\$ in thousands, except per share data and ratios)	Three Months Ended March 31,	
	2017	2016
Gross Written Premium	\$ 26,474	\$ 25,393
Net Written Premium	22,324	22,050
Net Earned Premium	24,140	20,109
Net Income (Loss)	(1,798)	(2,028)
EPS, Basic and Diluted	(0.24)	(0.27)
Adjusted Operating Income (Loss)	(1,790)	(2,020)
Adjusted Operating Income (Loss) per share	(0.24)	(0.27)



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APPENDIX



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FINANCIAL RESULTS: CHI CONSOLIDATED BALANCE SHEET



SUMMARY BALANCE SHEET		
\$ in thousands	March 31, 2017	December 31, 2016
Cash and invested assets	\$ 144,022	\$ 141,023
Reinsurance recoverables	10,186	7,498
Goodwill and intangible assets	1,002	1,007
Total assets	\$ 207,966	\$ 203,701
Unpaid losses and loss adjustment expenses	62,135	54,651
Unearned premiums	56,336	58,126
Senior debt	17,125	17,750
Total Liabilities	\$ 141,393	\$ 135,907
Total Shareholders' Equity	\$ 66,573	\$ 67,794

SUMMARY FINANCIAL STATEMENTS: INCOME STATEMENT



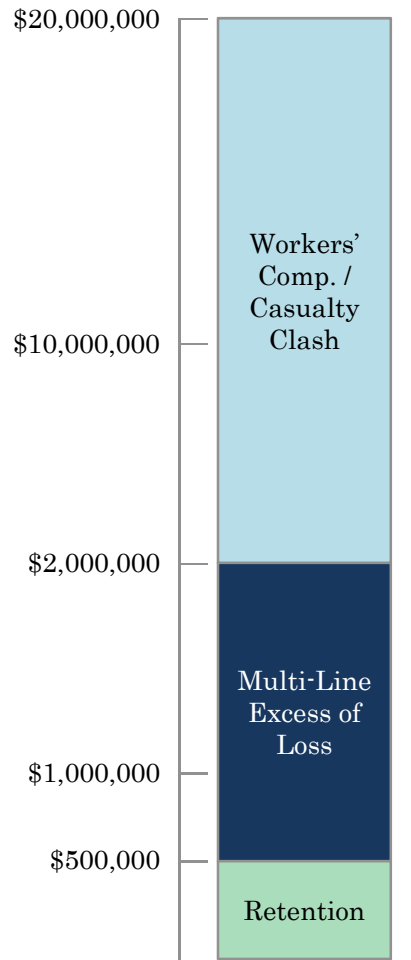
OPERATING RESULTS \$ in thousands, except per share data	Three Months Ended March 31,	
	2017	2016
Gross Written Premiums	26,474	25,393
Ceded Written Premiums	4,150	3,343
Net Written Premiums	22,324	22,050
Net Earned Premiums	24,140	20,109
Net investment income	577	537
Net realized investment gains	(8)	(8)
Other gains	0	0
Other income	354	245
Total revenue	25,063	20,883
Losses and loss adjustment expenses, net	15,733	12,699
Policy acquisition costs	6,472	6,003
Operating expenses	4,530	4,139
Interest expense	224	157
Total expenses	26,959	22,998
Income (loss) before equity earnings and income taxes	(1,896)	(2,115)
Equity earnings (losses) of affiliates, net of tax	104	87
Income tax (benefit) expense	6	0
Net income (loss)	(1,798)	(2,028)
Earnings (loss) per common share, basic and diluted	(0.24)	(0.27)
Weighted average common shares outstanding, basic and diluted	7,633,069	7,638,780

REINSURANCE: PRUDENT RISK MANAGEMENT TO PROTECT CAPITAL

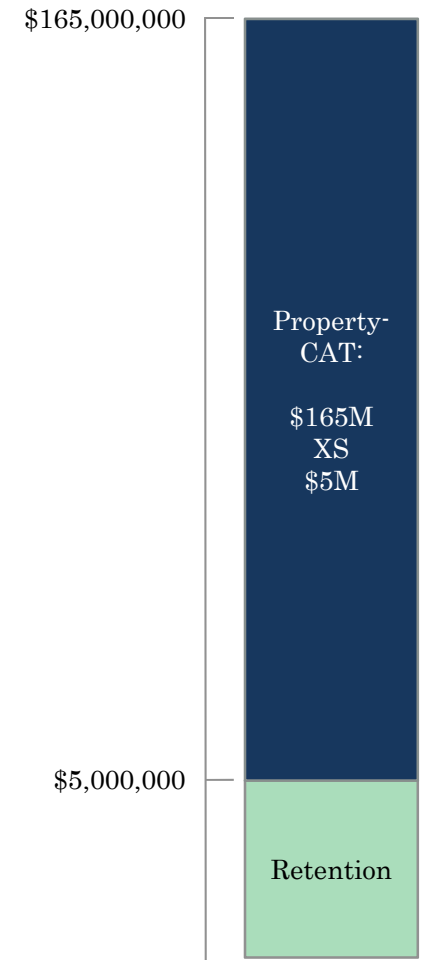


- Retain first \$500,000 of each specific loss/risk
 - Reinsurance coverage in excess of \$500,000 up to policy limits
- Catastrophe (CAT) reinsurance program provides \$165M of protection
 - All providers are rated minimum A-
 - Corresponds to the estimated 1-in-200 year probable maximum loss (PML)
 - Net retention of \$5M for first event
 - Following reinstatement, net retention of \$1M for each of the next two subsequent events
- Equipment Breakdown Reinsurance Treaty
 - 100% Quota Share through Hartford Steam Boiler (A+)
 - \$25M in coverage

CIC / WPIC
Specific Loss Reinsurance Treaties
Effective 01/01/2017 to 01/01/2018



CIC / WPIC / ACIC
Property-CAT Reinsurance Treaties
All layers 06/01/2016 to 06/01/2017

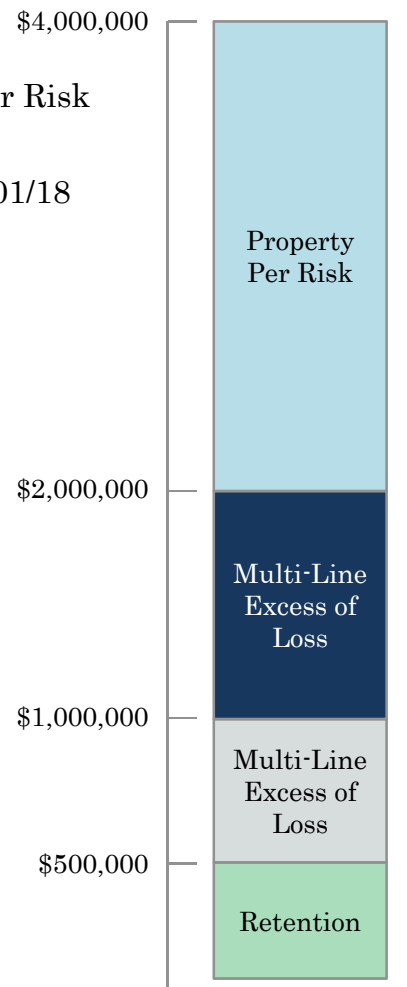


REINSURANCE: PRUDENT RISK MANAGEMENT TO PROTECT CAPITAL



Commercial Property Per Risk Reinsurance Treaty

Effective 07/01/16 to 01/01/18



Homeowners Property Per Risk Reinsurance Treaty

Effective 11/01/14 to 01/01/18



ORGANIZATION STRUCTURE: CORPORATE OVERVIEW

