

FIRST QUARTER 2018
INVESTOR CONFERENCE CALL

May 10, 2018

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.



Q1 2018: Maintaining Profitability and Reducing Risk

Improved Combined Ratio Driven by Strong Underwriting Performance

Business Mix Changes Reflect Positive Financial Results

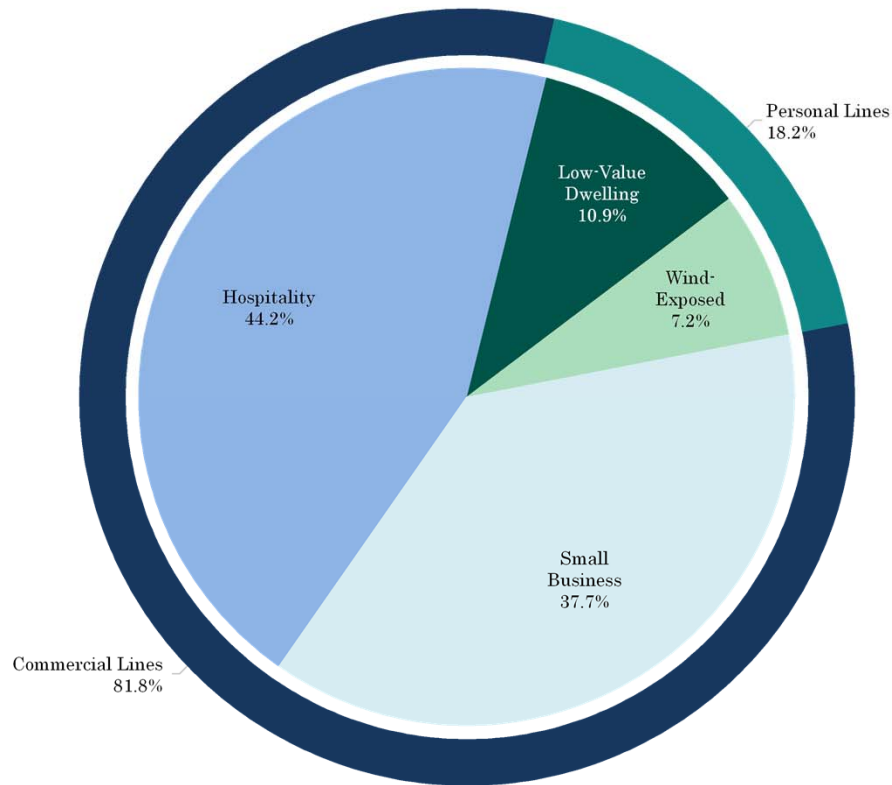
Balance Sheet Remains Well Positioned to Support Companies

2018: Strive for Continued Growth and Profitability

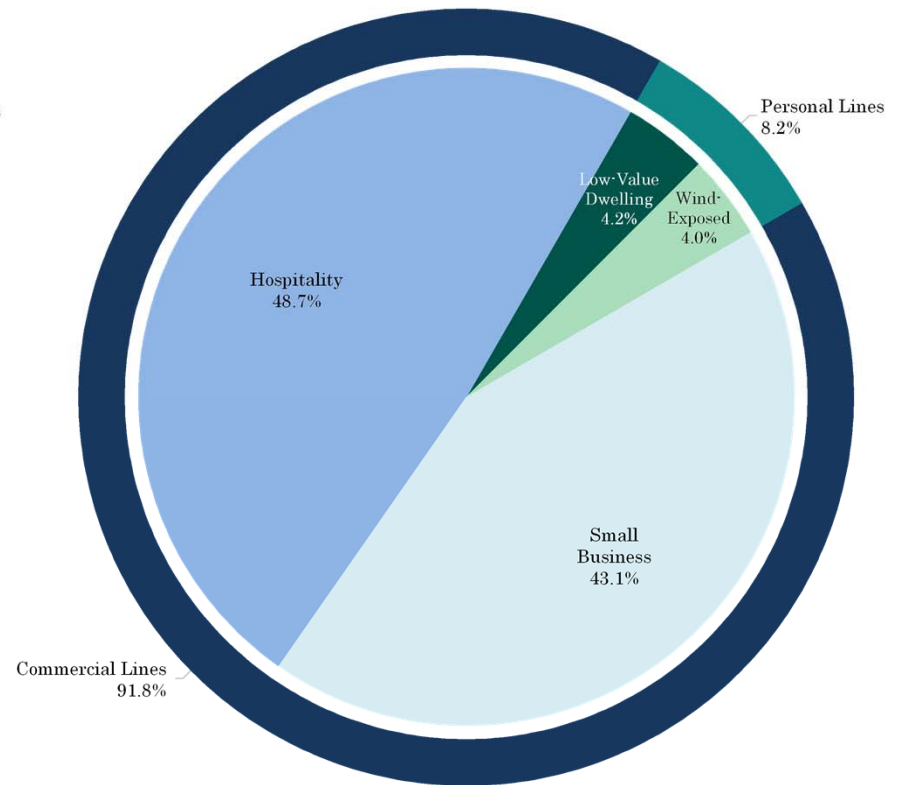
BUSINESS MIX: GRADUAL SHIFT TOWARD COMMERCIAL LINES



GROSS WRITTEN PREMIUM FOR Q1 2017



GROSS WRITTEN PREMIUM FOR Q1 2018



Q1 2018 RESULTS OVERVIEW



Gross Written Premium:

- GWP was \$23.7M in Q1 2018, a 10.3% decrease from the same period in 2017
 - Commercial Lines GWP increased 0.7% from Q1 2017
 - Quick Service Restaurants and Security Guards business performed well in the period
 - Personal Lines GWP decreased 59.6% from Q1 2017 – aligned with the Company’s plan to focus on core lines of businesses
 - Florida homeowners was down 51%

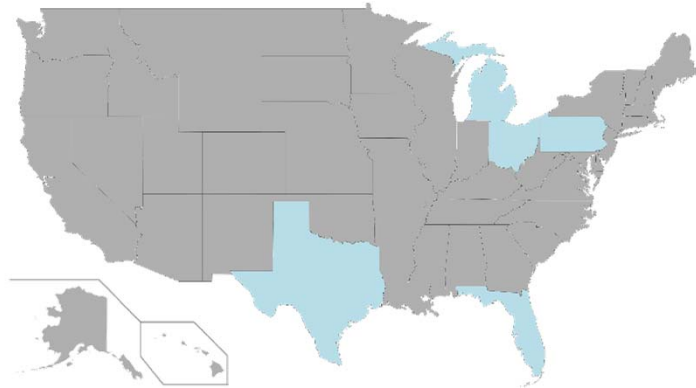
Net Earned Premium:

- Overall NEP decreased 1.4% to \$23.8M in Q1 2018 due to repositioning of the Company’s personal lines
 - Commercial Lines NEP increased 2.2% in Q1 2018
 - Personal Lines NEP decreased almost 18%, consistent with planned shift in business mix

GROSS WRITTEN PREMIUM



COMMERCIAL LINES OVERVIEW



As of March 31, 2018 Top Five States	GROSS WRITTEN PREMIUM \$ in thousands	
Florida	\$ 5,485	25.2%
Michigan	4,911	22.5%
Texas	1,620	7.4%
Pennsylvania	1,541	7.1%
Ohio	1,119	5.1%
All Other	7,112	32.7%
Total	\$ 21,788	100.0%

GROSS WRITTEN PREMIUM

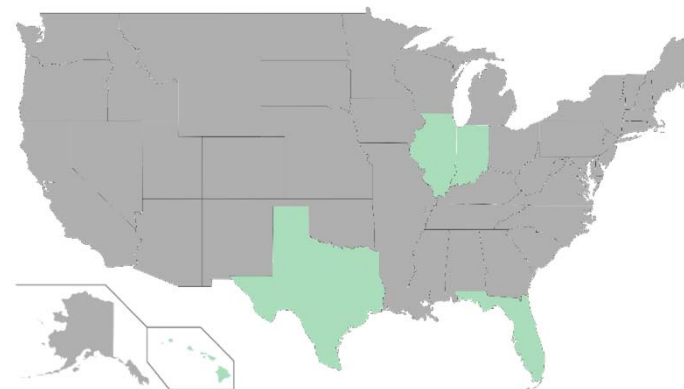
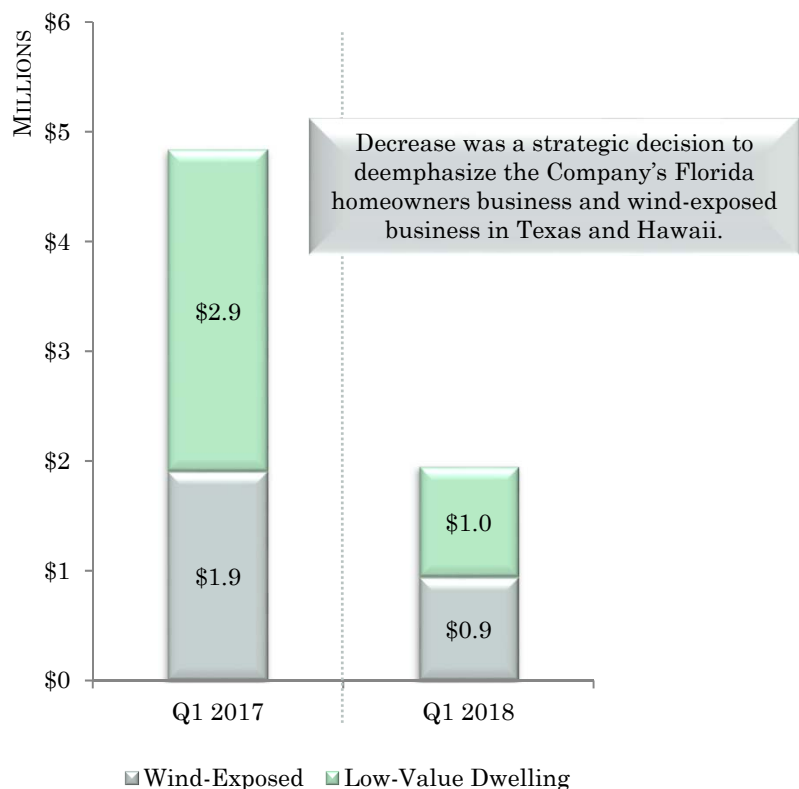


- Commercial Lines represented roughly 92% of the premium written in the first quarter 2018 – and 82% for 2017 as a whole
- Quarter over quarter, Commercial gross written premium was flat in Q1 2018
- Conifer continues to write Commercial Lines in all 50 states

PERSONAL LINES OVERVIEW



GROSS WRITTEN PREMIUM



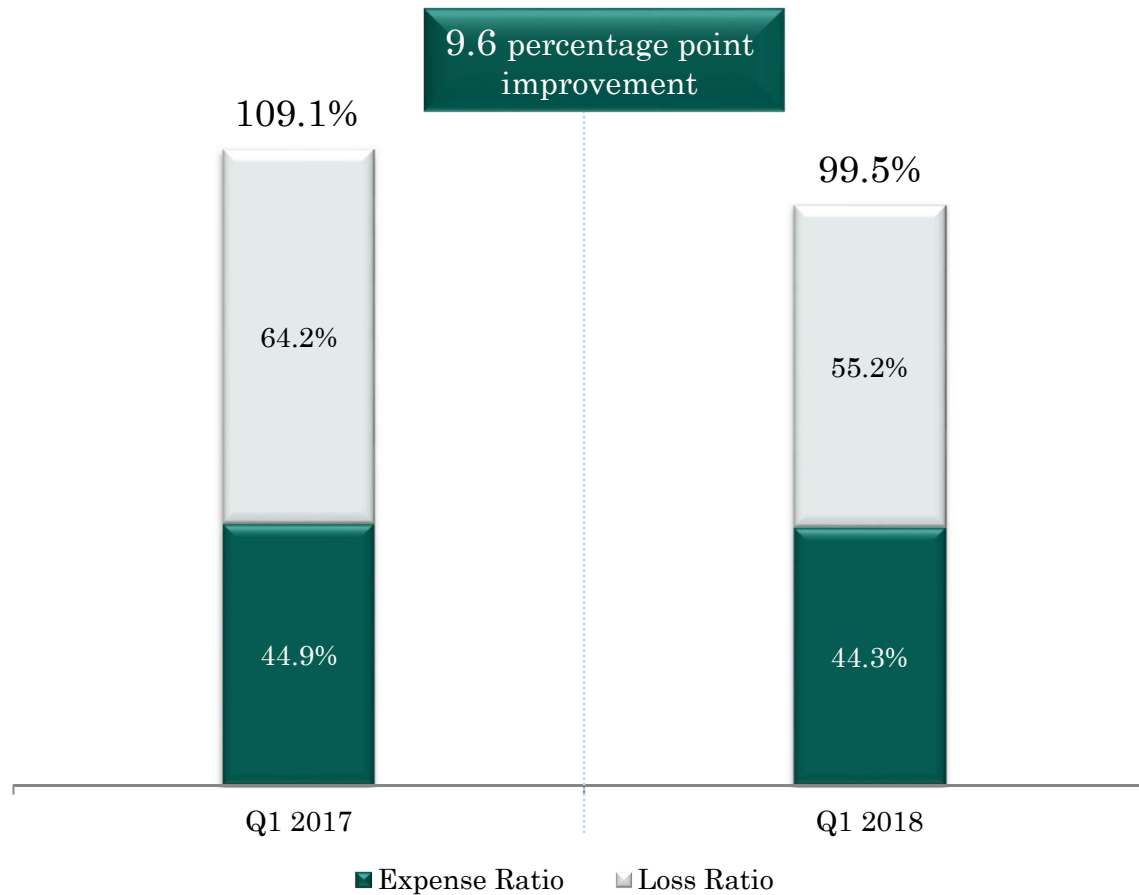
As of March 31, 2018 Top Five States	GROSS WRITTEN PREMIUM \$ in thousands	
Indiana	\$ 558	28.6%
Florida	468	24.0%
Hawaii	447	22.9%
Texas	232	11.9%
Illinois	148	7.6%
All Other	96	5.0%
Total	1,949	100.0%

- Personal Lines production was approximately 8% of total premium in Q1 2018
- Net earned premium in personal lines declined almost 18% in the first quarter
- Planned decrease in wind-exposed homeowners, specifically Florida homeowners, which was down 50.5% in Q1 2018
- Florida assumption business started non-renewing February 9th
- Continuing efforts to reduce wind exposure overall

RESULTS OVERVIEW: COMBINED RATIO



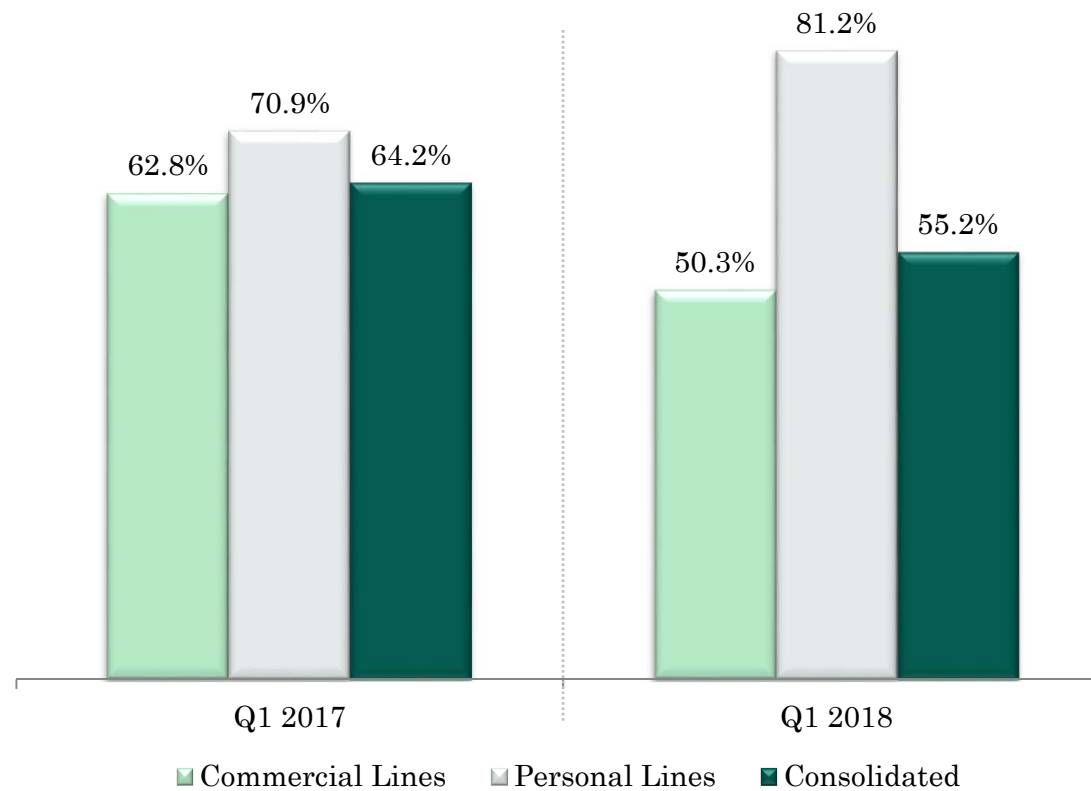
- Continued focus on core commercial lines will help drive overall combined ratio improvement
 - 92% of total premiums in Q1 were from our core commercial business
 - Expense ratio was down slightly, quarter over quarter





RESULTS OVERVIEW: Q1 2018 LOSS RATIO

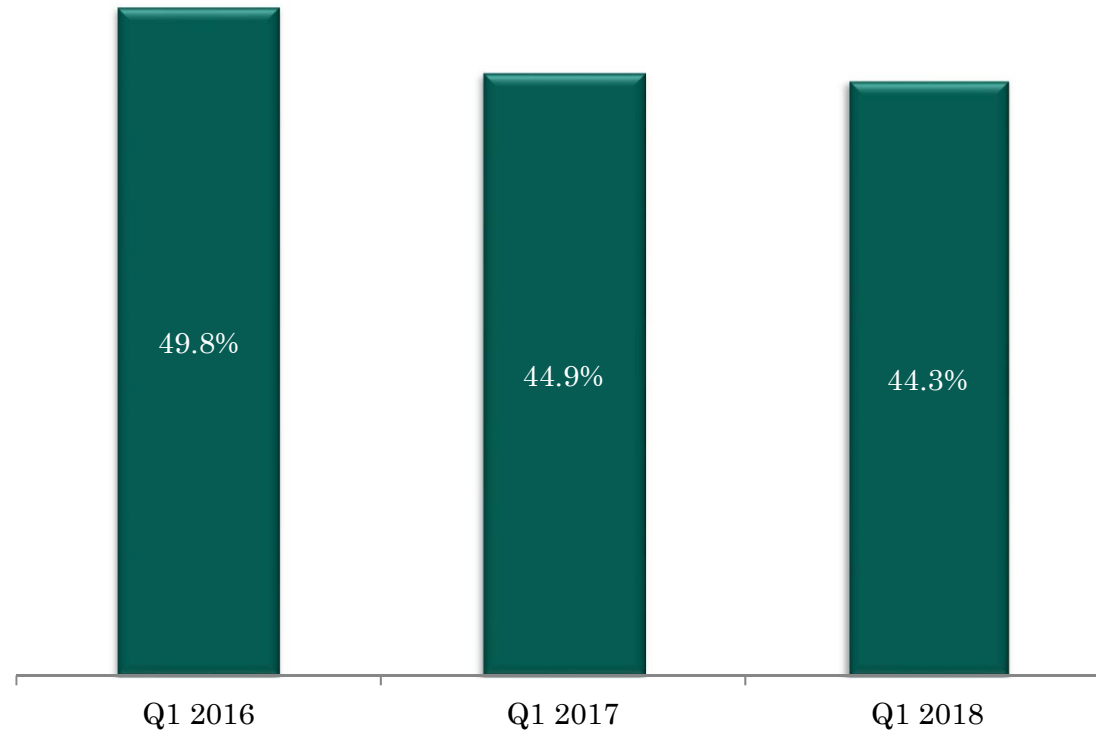
- Consolidated loss ratio improved by 9.0 percentage points from Q1 2017
- For Q1 2018, Commercial Lines loss ratio was 50.3% and Personal Lines was 81.2%
- Continued focus on core solid performing Commercial Lines business
- Ongoing planned trend of shifting away from wind-exposed Personal Lines premium





RESULTS OVERVIEW: Q1 2018 EXPENSE RATIO

- Continued sequential expense ratio improvement - quarter over quarter
- Almost 980 basis point improvement overall since Q4 2015
- Downward trend reflects commitment to focused expense management



FINANCIAL RESULTS: Q1 2018 INCOME STATEMENT



- Company reported net income of \$213,000, or \$0.02 per share for Q1 2018
- For Q1 2018, adjusted operating income was \$1.78 million, or \$0.21 per share

(\$ in thousands, except per share data)	Three Months Ended March 31,	
	2018	2017
Gross Written Premium	\$23,737	\$26,474
Net Written Premium	19,845	22,324
Net Earned Premium	23,800	24,140
Net Income (Loss)	213	(1,798)
EPS, Basic and Diluted	\$0.02	\$(0.24)
Adjusted Operating Income (Loss)	\$1,780	(1,790)
Adjusted Operating Income (Loss) per share	\$0.21	\$(0.24)

FINANCIAL RESULTS: CHI CONSOLIDATED BALANCE SHEET



- Book value of \$6.04 as of quarter ended March 31, 2018
- \$1.19 per share full valuation allowance against deferred tax assets not reflected in book value
- Shareholders' equity of \$51.4 million

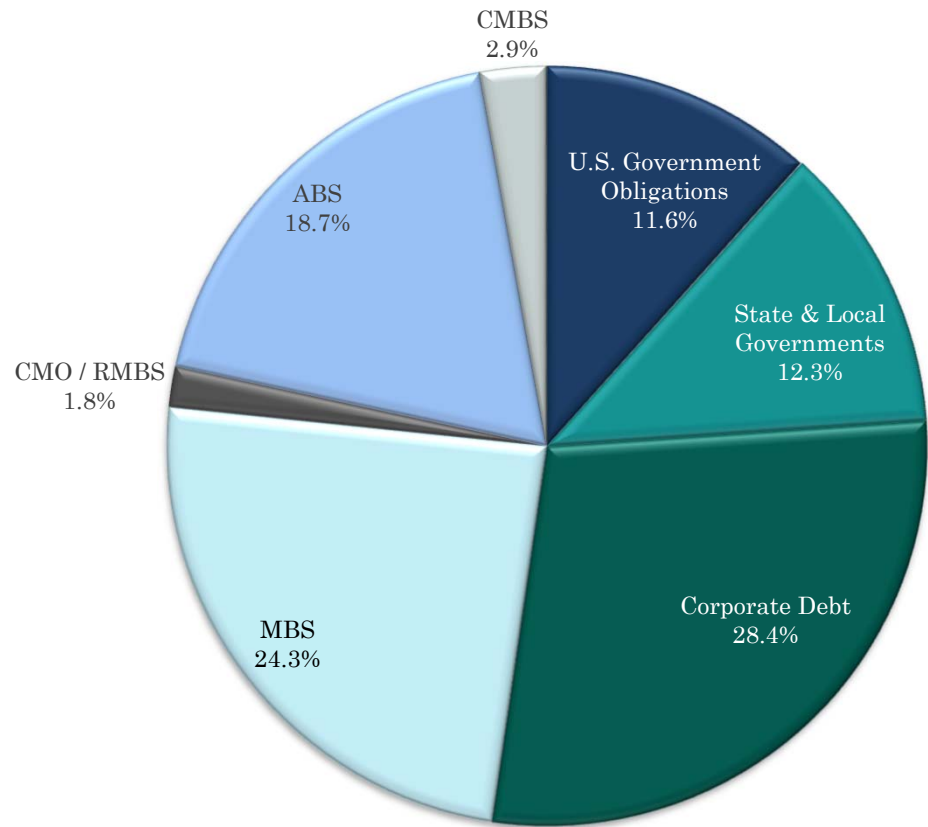
SUMMARY BALANCE SHEET	March 31, 2018	December 31, 2017
\$ in thousands		
Cash and Invested Assets	\$ 161,047	\$ 169,518
Reinsurance Recoverables	24,658	24,539
Goodwill and Intangible Assets	985	987
Total Assets	\$ 229,654	\$ 239,032
Unpaid Losses and Loss Adjustment Expenses	85,491	87,896
Unearned Premiums	53,685	57,672
Senior Debt	29,043	29,027
Total Liabilities	\$ 178,230	\$ 186,206
Total Shareholders' Equity	\$ 51,424	\$ 52,826

Q1 2018 INVESTMENT PORTFOLIO



- Maintain a highly liquid portfolio of investment grade fixed income securities
- Total cash & investment securities of \$161.0M at March 31, 2018:
 - Average duration: 3 years
 - Average tax-equivalent yield: ~2.55%
 - Average credit quality: AA

PORTFOLIO ALLOCATION



FIXED INCOME PORTFOLIO CREDIT RATING

CREDIT RATING	March 31, 2018	
	Fair Value	% of Total
AAA	\$ 32,331	24.0%
AA	62,102	46.1%
A	25,326	18.8%
BBB	13,740	10.2%
BB	1,212	0.9%
NR	--	--
TOTAL FIXED INCOME INVESTMENTS	\$ 134,711	100.0%



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APPENDIX



**Conifer
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SUMMARY FINANCIAL STATEMENTS: INCOME STATEMENT



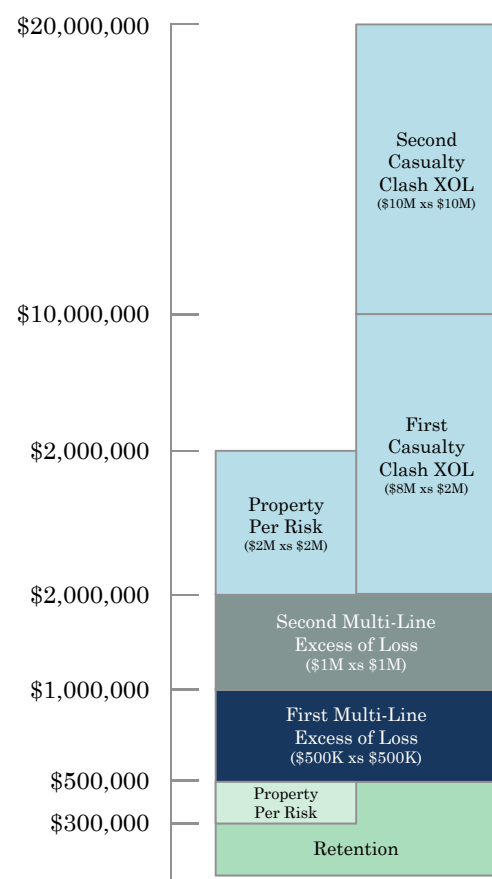
OPERATING RESULTS	Three Months Ended March 31,	
	2018	2017
\$ in thousands, except per share data		
Gross Written Premiums	23,738	26,474
Ceded Written Premiums	3,924	4,124
Net Written Premiums	19,845	22,324
Net Earned Premiums	23,800	24,140
Net Investment Income	802	577
Net Realized Investment Gains (Losses)	161	(8)
Change in Fair Value of Equity Securities	(297)	--
Other Income	357	354
Total Revenue	24,823	25,063
Losses and Loss Adjustment Expenses, Net	13,328	15,733
Policy Acquisition Costs	6,513	6,472
Operating Expenses	4,187	4,530
Interest Expense	619	224
Total Expenses	24,647	26,959
Income (Loss) before Equity Earnings and Income Taxes	176	(1,896)
Equity Earnings of Affiliates, Net of Tax	55	104
Income Tax Expense	18	6
Net Income (Loss)	213	(1,798)
Earnings (Loss) per Common Share, Basic and Diluted	0.02	(0.24)
Weighted Average Common Shares Outstanding, Basic and Diluted	8,520,328	7,633,069



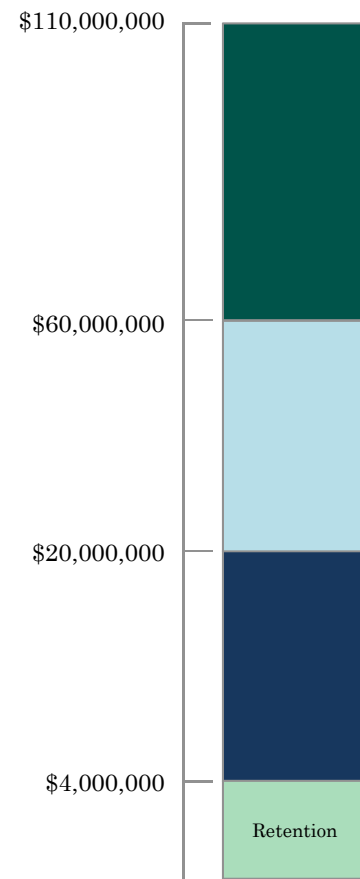
REINSURANCE: PRUDENT RISK MANAGEMENT TO PROTECT CAPITAL

- 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 \$110M of protection
 - All providers are rated minimum A-
 - Net retention of \$4M for first event

CIC / WPIC
Specific Loss Reinsurance Treaties
Effective 01/01/2018 to 01/01/2019



CIC / WPIC
Property-CAT Reinsurance Treaties
All layers 06/01/2017 to 06/01/2018

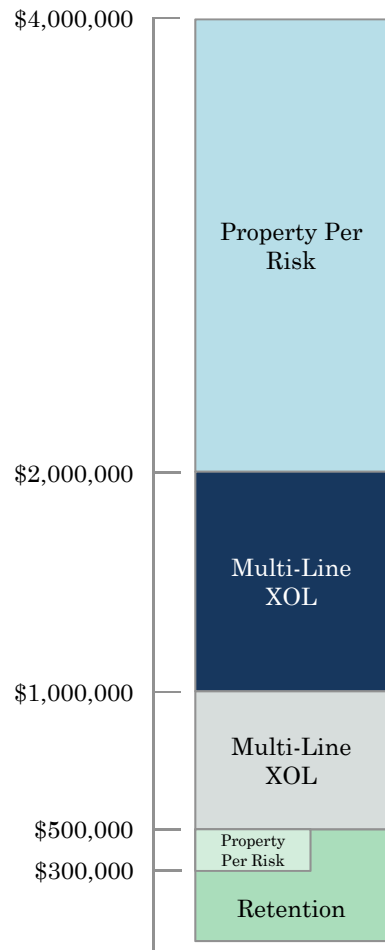


REINSURANCE: PRUDENT RISK MANAGEMENT TO PROTECT CAPITAL



Commercial Property Per Risk Reinsurance Treaty

Effective 01/01/18 to 01/01/19



Homeowners Property Per Risk Reinsurance Treaty

Effective 01/01/18 to 01/01/19

