

**SECOND QUARTER 2018
INVESTOR CONFERENCE CALL**

August 9, 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 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, 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.



**STRONG GROWTH IN
CORE COMMERCIAL
BUSINESS**

Commercial Lines
gross written premium
increased 18.5%
over Q2 2017

**COMBINED RATIO
IMPROVEMENT**

Significant improvement
from 110% in Q2 2017
to 106% in Q2 2018
(100.8% in Q2 2018 before
deferred gain on ADC &
hurricane costs)

**OPPORTUNITIES
FOR GROWTH**

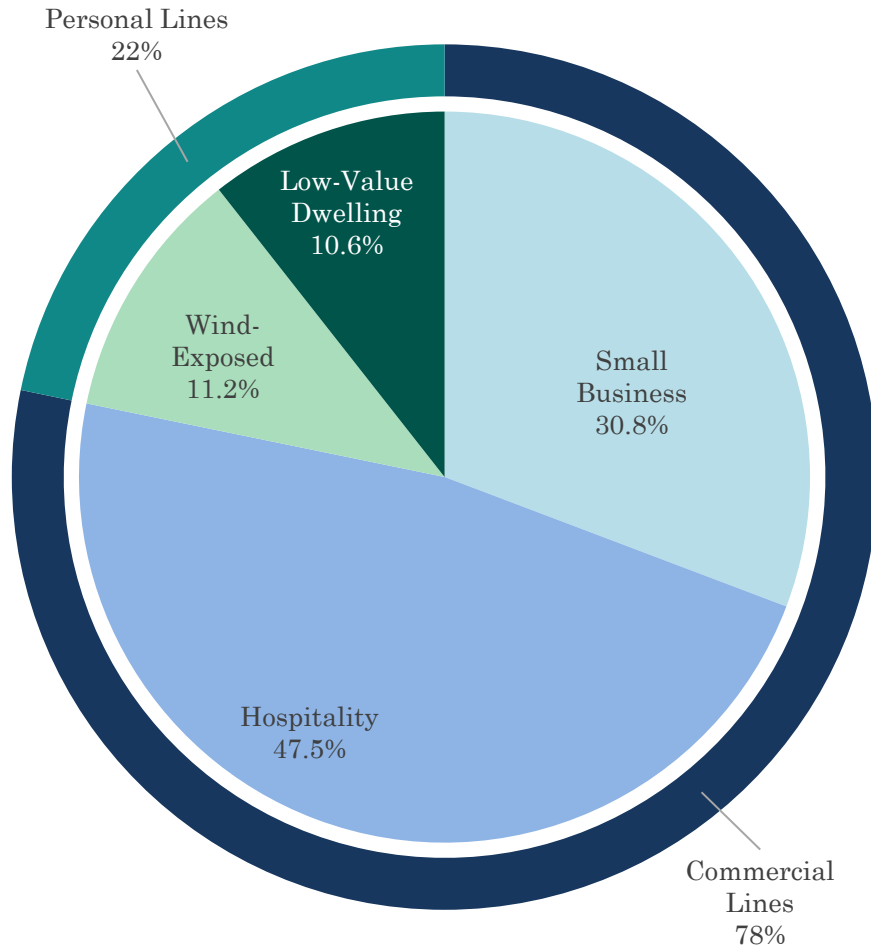
Committed to
disciplined growth in
specialty markets
to generate positive
underwriting results

FOCUS: STRIVE FOR CONTINUED GROWTH AND PROFITABILITY

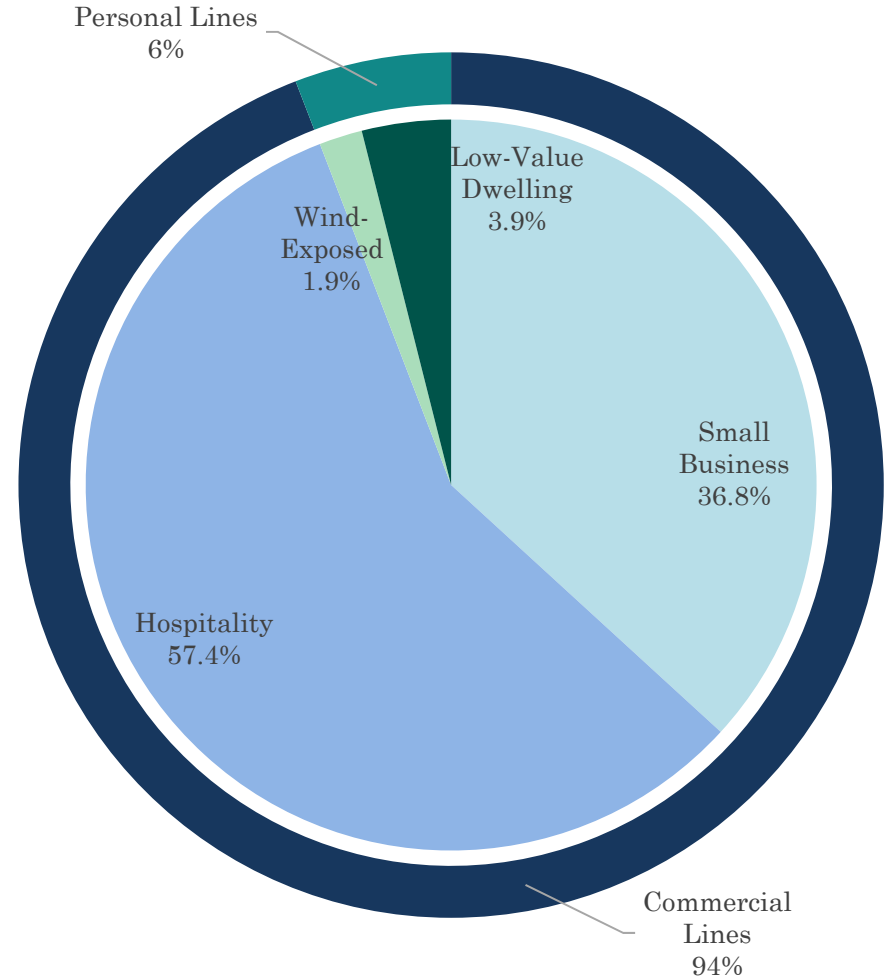
BUSINESS MIX: SHIFT TOWARD COMMERCIAL LINES



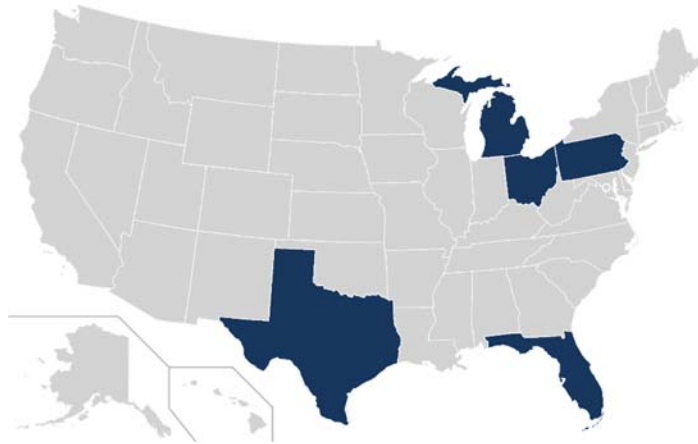
GROSS WRITTEN PREMIUM FOR Q2 2017



GROSS WRITTEN PREMIUM FOR Q2 2018

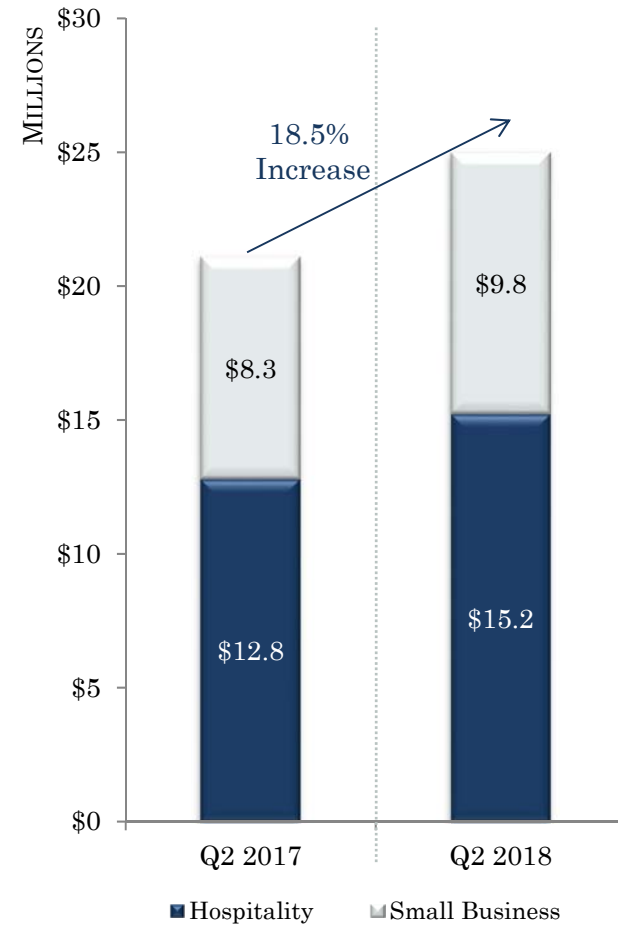


COMMERCIAL LINES OVERVIEW



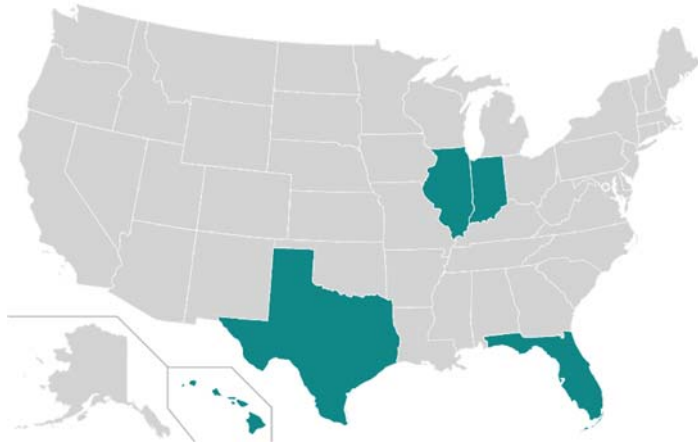
YTD June 30, 2018 Top Five States		Gross Written Premium \$ in thousands	
Florida	\$ 12,873	27.5%	
Michigan	9,626	20.6%	
Pennsylvania	3,081	6.6%	
Texas	2,697	5.8%	
Ohio	2,190	4.7%	
All Other	16,329	34.8%	
Total	\$ 46,796	100.0%	

GROSS WRITTEN PREMIUM



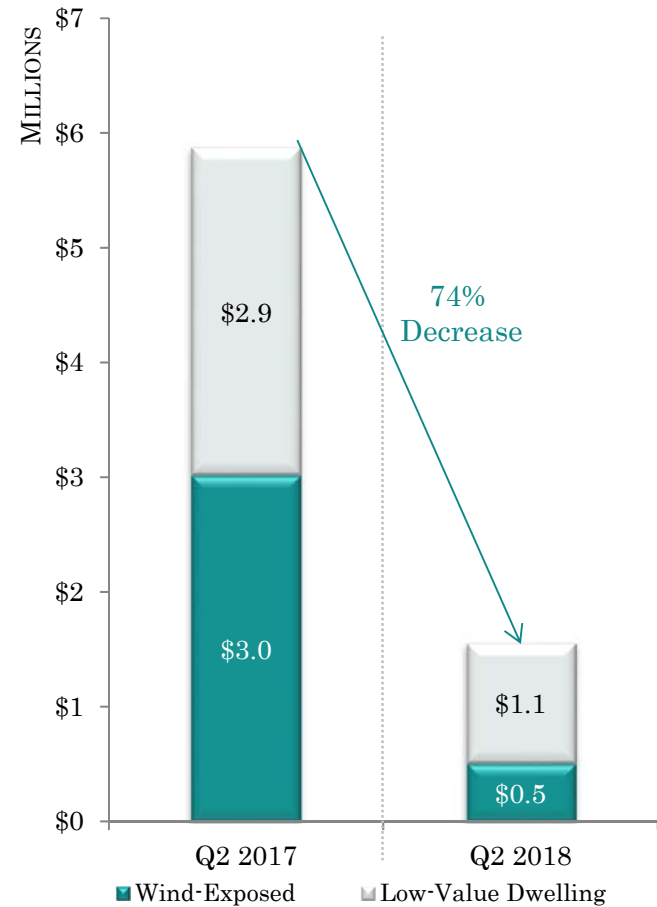
- Commercial Lines represented roughly 94% of the premium written in Q2 2018, compared to 78% in the same period 2017
- Quarter over quarter, Commercial gross written premium increased 18.5% in Q2 2018
- Conifer continues to write Commercial Lines in all 50 states

PERSONAL LINES OVERVIEW



YTD June 30, 2018 Top Five States	Gross Written Premium \$ in thousands	
Indiana	\$ 1,116	31.9%
Florida	825	23.6%
Texas	617	17.6%
Hawaii	440	12.5%
Illinois	288	8.2%
All Other	217	6.2%
Total	\$ 3,503	100%

GROSS WRITTEN PREMIUM



- Personal Lines production was approximately 6% of total premium in Q2 2018
- Gross written premium in personal lines decreased 74% in the second quarter
- Planned decrease in wind-exposed homeowners, specifically Florida homeowners, which was down 78% in Q2 2018
- Florida assumption business started non-renewing February 9th
- Continuing efforts to reduce wind exposure overall

Q2 2018 RESULTS OVERVIEW: REFLECTS CONTINUED LOB REPOSITIONING



Gross Written Premium:

- GWP was \$26.6M in Q2 2018, a slight decrease from the same period in 2017
 - Commercial Lines GWP increased 18.5% from Q2 2017
 - Hospitality and Small Business segments both performed well in the period
 - Personal Lines GWP decreased 74% from Q2 2017 – aligned with the Company’s plan to focus on core lines of business
 - Florida homeowners was down 78%

Net Earned Premium:

- Overall NEP decreased 2% to \$23.9M in Q2 2018 due to repositioning of the Company’s personal lines
 - Commercial Lines NEP increased 4% in Q2 2018
 - Personal Lines NEP decreased 30%, consistent with planned shift in business mix

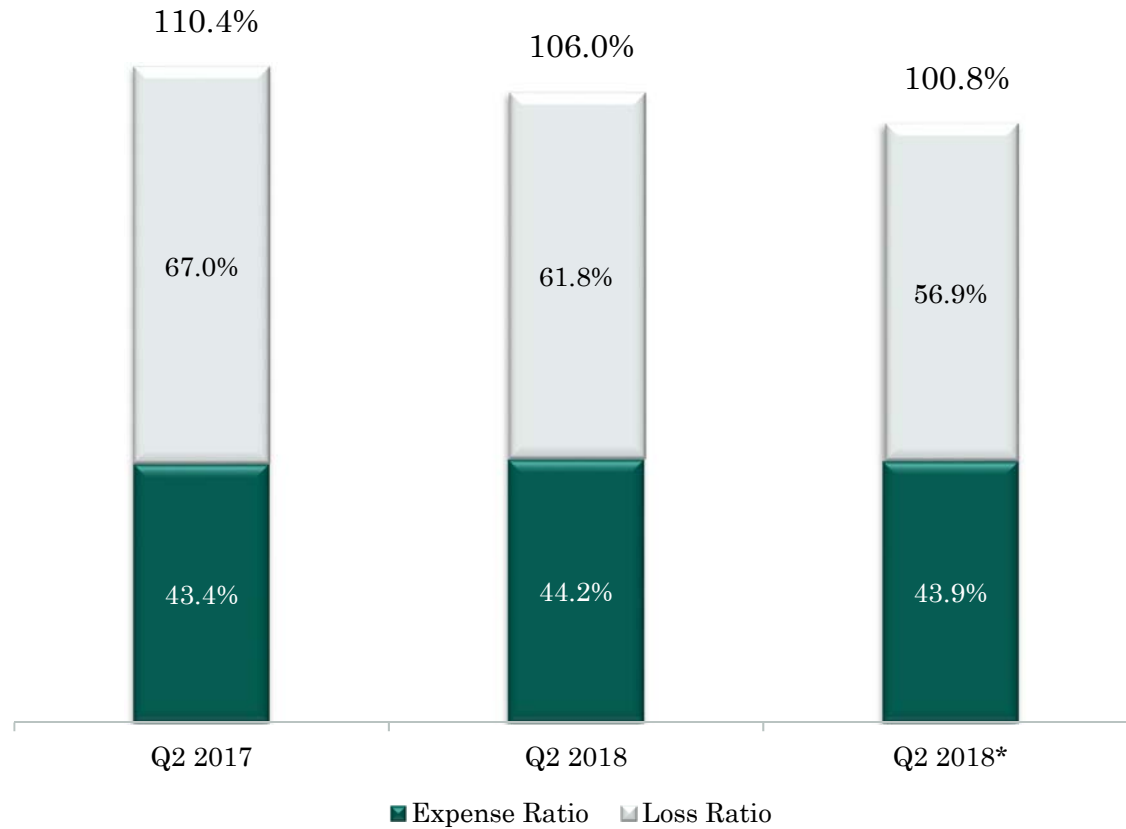
GROSS WRITTEN PREMIUM



RESULTS OVERVIEW: COMBINED RATIO



- Continued focus on core commercial lines will help drive overall combined ratio improvement
 - 94% of total premiums in Q2 were from our core commercial business
 - Combined ratio improved 440 basis points over Q2 2017
 - Q2 2018 combined ratio was 100.8% (before deferred gain on ADC and hurricane costs)

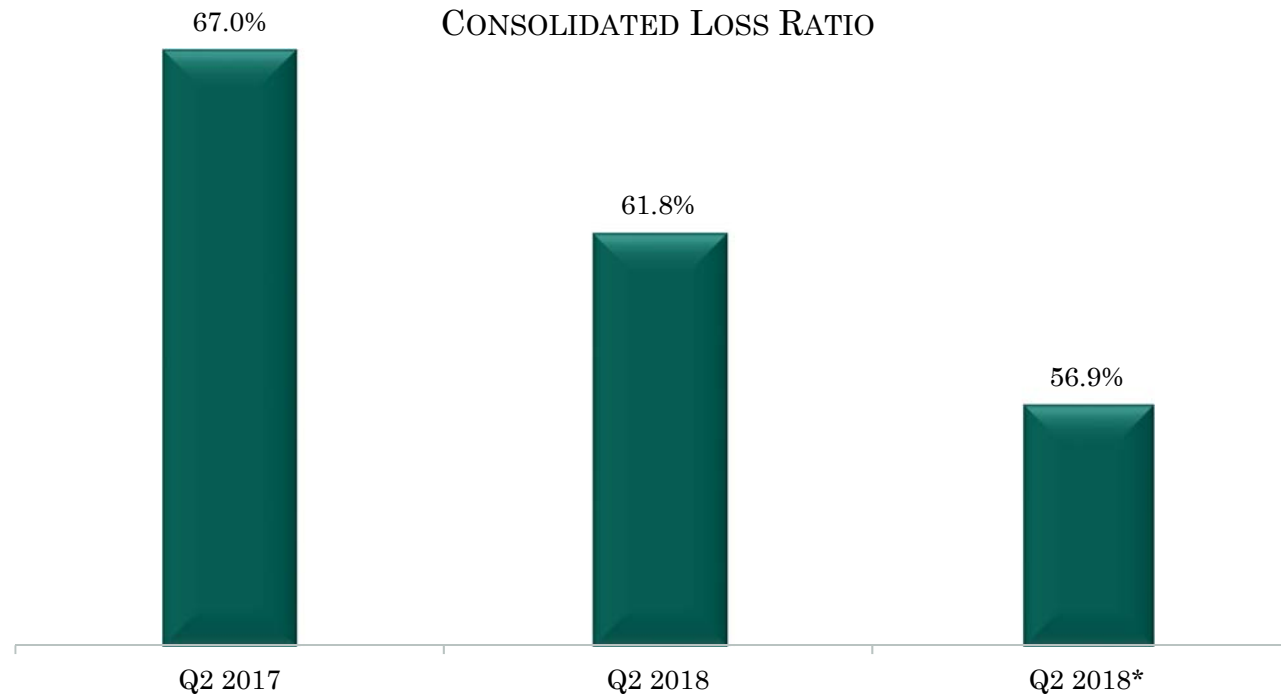


*before deferred gain on ADC & hurricane costs



RESULTS OVERVIEW: Q2 2018 LOSS RATIO

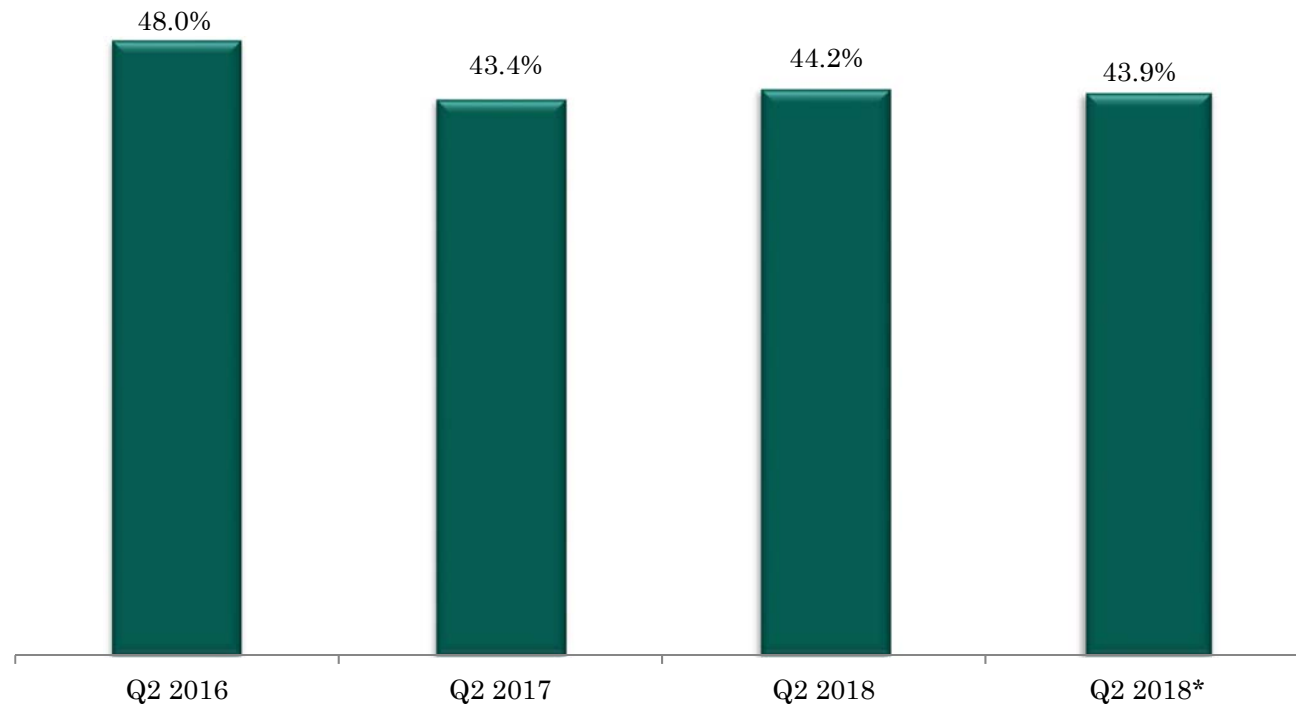
- Consolidated loss ratio improved by 520 basis points from Q2 2017
- For Q2 2018, Commercial Lines loss ratio was 58.6% (Personal Lines was 83.4%)
- Continued focus on core solid performing Commercial Lines business
- Ongoing planned trend of shifting away from wind-exposed Personal Lines premium
- Q2 2018 consolidated loss ratio was 56.9% (before deferred gain on ADC and hurricane costs)





RESULTS OVERVIEW: Q2 2018 EXPENSE RATIO

- Quarterly expense ratio impacted by repositioning / lower premiums on Personal Lines
- Overall downward trend reflects commitment to focused expense management
- As repositioned premium mix ramps up, expect expense ratio to continue downward trend



FINANCIAL RESULTS: Q2 2018 INCOME STATEMENT



- Operating loss reflects the impact of the Company's decision to implement an adverse development cover in Q3 2017 (see table in appendix)
- Company reported net loss of \$1.1 million, or \$0.13 per share for Q2 2018
- For Q2 2018, adjusted operating loss was \$173,000, or \$0.02 per share

(\$ in thousands, except per share data)	Three Months Ended June 30,	
	2018	2017
Gross Written Premium	\$26,562	\$26,981
Net Written Premium	22,595	23,082
Net Earned Premium	23,938	24,497
Net Income (Loss)	(1,113)	(1,067)
EPS, Basic and Diluted	\$(0.13)	\$(0.14)
Adjusted Operating Income (Loss)	(173)	(2,098)
Adjusted Operating Income (Loss) per share	\$(0.02)	\$(0.28)

FINANCIAL RESULTS: CHI CONSOLIDATED BALANCE SHEET



- Shareholders' equity of \$50.2 million
- \$1.44 not reflected in book value:
 - \$1.16 per share full valuation allowance against deferred tax assets
 - \$0.28 per share deferred gain on ADC
- Book value of \$5.89 as of quarter ended June 30, 2018

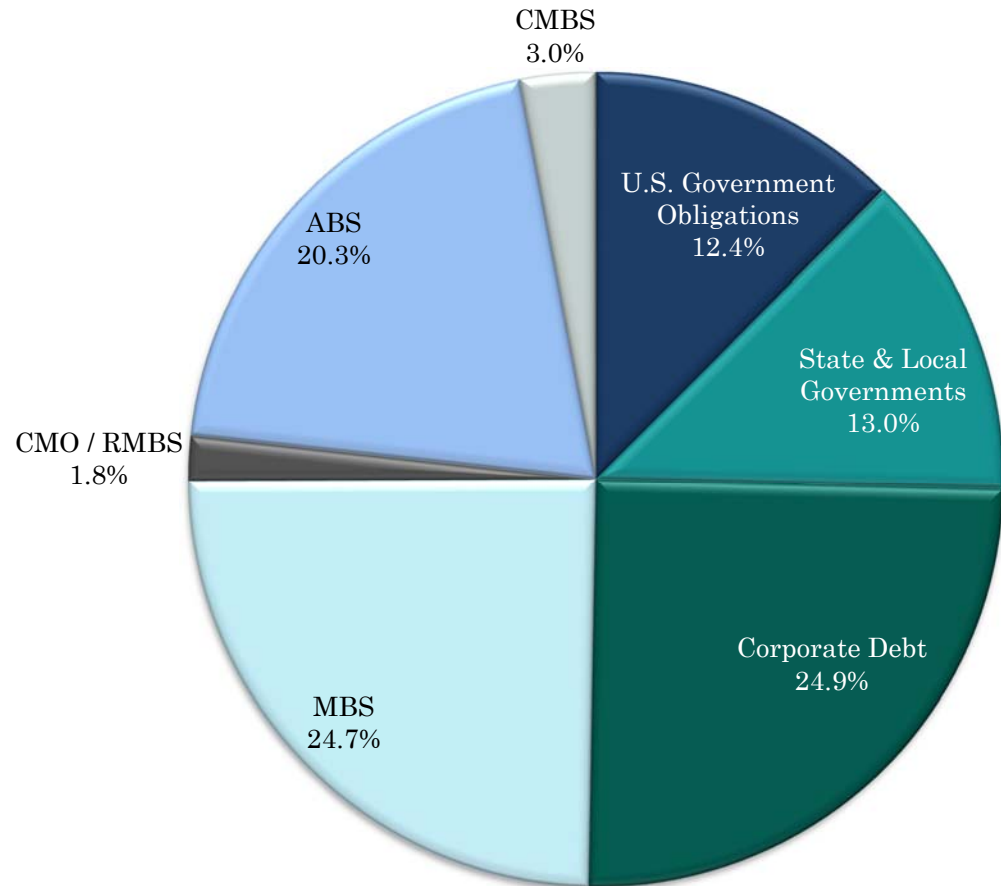
SUMMARY BALANCE SHEET		
	June 30, 2018	December 31, 2017
\$ in thousands		
Cash and Invested Assets	\$ 157,587	\$ 169,518
Reinsurance Recoverables	23,341	24,539
Goodwill and Intangible Assets	985	987
Total Assets	\$ 227,334	\$ 239,032
Unpaid Losses and Loss Adjustment Expenses	83,662	87,896
Unearned Premiums	52,390	57,672
Senior Debt	29,060	29,027
Total Liabilities	\$ 177,166	\$ 186,206
Total Shareholders' Equity	\$ 50,168	\$ 52,826

Q2 2018 INVESTMENT PORTFOLIO



- Maintain a highly liquid portfolio of investment grade debt securities
- Total cash & investment securities of \$157.6M at June 30, 2018:
 - Average duration: 3.2 years
 - Average tax-equivalent yield: ~2.6%
 - Average credit quality: AA

DEBT SECURITY PORTFOLIO ALLOCATION



DEBT SECURITY PORTFOLIO CREDIT RATING

Credit Rating	June 30, 2018	
	Fair Value	% of Total
AAA	33,696	26.6%
AA	60,932	48.1%
A	20,522	16.2%
BBB	10,767	8.5%
BB	760	0.6%
NR	--	--
TOTAL DEBT SECURITIES	\$ 126,667	100.0%



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