



Conifer  
Holdings  
Inc.

INVESTOR CONFERENCE CALL  
October 3, 2017





## SAFE HARBOR STATEMENT

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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.



## BALANCE SHEET STRENGTHENING

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### **Adverse Development Coverage Purchase**

<b>Coverage Amount:</b>	\$19,500,000 xs \$38,050,000 (\$17,550,000 after co-participation)
<b>Coverage Years:</b>	Accident dates from January 1, 2005 through December 31, 2016, paid subsequent to June 30, 2017
<b>Premium:</b>	\$7,200,000
<b>Co-Participation:</b>	10% of development retained
<b>Profit Sharing:</b>	35% profit commission paid at commutation

### **Hurricane Losses**

- Current estimated total loss of \$4.5 million associated with Hurricanes Harvey and Irma





## CAPITAL RAISE TRANSACTION SUMMARY

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### Subordinated Debt Placement

<b>Issuer:</b>	Conifer Holdings, Inc.
<b>Investor:</b>	Affiliates of Elanus Capital Management, LLC
<b>Deal Size:</b>	\$30 million in subordinated notes
<b>Maturity:</b>	September 29, 2032 (15 Years)
<b>Annual Interest Rate:</b>	8.0% Fixed
<b>Interest Deferral Period:</b>	Up to four quarters
<b>Issuer Call Options:</b>	100% of par from July 1, 2018 through October 31, 2018; 105% of par after September 29, 2020
<b>Covenants:</b>	Standard affirmative, financial, and negative covenants

### Common Equity Private Placement

<b>Issuer:</b>	Conifer Holdings, Inc.
<b>Investors:</b>	Officers & Directors of the Company
<b>Deal Size:</b>	\$5.0 million in common equity
<b>Issue Price:</b>	\$6.25 per share



## SOURCES & USES

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#### Sources:

Subordinated Debt	\$	30,000
New Common Equity		5,000
Total Sources	\$	<u>35,000</u>

#### Uses:

Repayment of Current Debt	\$	16,375
Estimated Transaction Costs		1,000
Contributions to Subsidiaries		17,300
* to support ADC, reserve strengthening, hurricane losses and growth		
CHI (holdco)		325
Total Uses	\$	<u><u>35,000</u></u>



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