

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 7, 2022**

NI Holdings, Inc.

(Exact name of registrant as specified in its charter)

North Dakota
(State or other jurisdiction of incorporation)

001-37973
(Commission File Number)

81-2683619
(IRS Employer Identification No.)

1101 First Avenue North
Fargo, North Dakota
(Address of principal executive offices)

58102
(Zip code)

(701) 298-4200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value per share	NODK	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On November 7, 2022, the Company issued a press release announcing its financial results for the quarter ended September 30, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference.

The information in this Item 2.02 and the Exhibit attached hereto is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such document or filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release dated November 7, 2022.
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NI Holdings, Inc.

Date: November 7, 2022

By: /s/ Michael J. Alexander
Michael J. Alexander
President and Chief Executive Officer

NI Holdings, Inc.

NI Holdings, Inc. Reports Third Quarter 2022 Results

FARGO, North Dakota, November 7, 2022 – NI Holdings, Inc. (NASDAQ: NODK) announced today results for quarter ended September 30, 2022.

Summary of Third Quarter 2022 Results

(All comparisons vs. the third quarter of 2021, unless noted otherwise)

- Direct written premiums increased 17.8% to \$81.1 million, driven by our Non-Standard Auto and Commercial segments.
- Net earned premiums increased 9.0% to \$89.5 million.
- Combined Ratio of 114.4% versus 110.8%, driven by elevated loss costs as a result of higher inflation, a catastrophe loss event in North Dakota during the current quarter, and development of the catastrophe events that occurred during the second quarter of 2022.
- Total pre-tax catastrophe losses, net of reinsurance, of \$19.6 million for the quarter and \$68.7 million year-to-date, which adversely impacted the third quarter and year-to-date combined ratios by 22.7 and 28.5 percentage points, respectively.
- Net investment losses of \$2.9 million for the quarter and \$19.5 million year-to-date, driven by unfavorable equity market conditions.
- Loss per share of \$0.47 compared to loss per share of \$0.22.
- The Company repurchased 62,175 shares of common stock at an average price of \$15.11 per share for a total of \$0.9 million during the quarter.

Dollars in thousands, except per share data (unaudited)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Direct written premiums	\$81,147	\$68,905	17.8%	\$301,642	\$266,877	13.0%
Net earned premiums	\$89,532	\$82,173	9.0%	\$243,615	\$221,589	9.9%
Loss and LAE ratio	88.1%	80.0%	8.1 pts	93.5%	74.7%	18.8 pts
Expense ratio	26.3%	30.8%	(4.5 pts)	30.0%	31.7%	(1.7 pts)
Combined ratio	114.4%	110.8%	3.6 pts	123.5%	106.4%	17.1 pts
Net income (loss) attributable to NI Holdings	(\$9,985)	(\$4,737)	nm	(\$53,986)	\$2,288	nm
Return on average equity	(15.4%)	(5.5%)	(9.9 pts)	(24.3%)	0.9%	(25.2 pts)
Basic earnings (loss) per share	(\$0.47)	(\$0.22)	nm	(\$2.53)	\$0.11	nm

nm = not meaningful

Management Commentary

“We are pleased with the premium growth we experienced across all segments this quarter,” said Michael J. Alexander, President and Chief Executive Officer. “Growth was particularly strong in our non-standard auto segment, driven by new business and rate increases implemented earlier this year. Elevated loss costs due to the current inflationary environment and labor and materials shortages continue to challenge the industry. The catastrophe losses we experienced in the second quarter continued to develop adversely as new claims were reported and payments for existing losses increased.

From an investment perspective, our earnings were once again negatively impacted by the challenging equity market conditions along with our shareholders’ equity continuing to be adversely impacted by the rising interest rate environment. However, we are beginning to benefit from higher interest rates as our portfolio turns over and we reinvest in higher yielding securities.

Despite these difficult market conditions, we remain committed to pursuing profitable growth opportunities, taking meaningful rate and underwriting actions, and maintaining a high-quality and conservatively managed investment portfolio.”

Securities and Exchange Commission (SEC) Filings

The Company’s Quarterly Report on Form 10-Q and latest financial supplement can be found on the Company’s website at www.niholdingsinc.com. The Company’s filings with the SEC can also be found at www.sec.gov.

About the Company

NI Holdings, Inc. is an insurance holding company. The company is a North Dakota business corporation that is the stock holding company of Nodak Insurance Company and became such in connection with the conversion of Nodak Mutual Insurance Company from a mutual to stock form of organization and the creation of a mutual holding company. The conversion was consummated on March 13, 2017. Immediately following the conversion, all of the outstanding shares of common stock of Nodak Insurance Company were issued to Nodak Mutual Group, Inc., which then contributed the shares to NI Holdings in exchange for 55% of the outstanding shares of common stock of NI Holdings. Nodak Insurance Company then became a wholly-owned stock subsidiary of NI Holdings. NI Holdings’ financial statements are the consolidated financial results of NI Holdings; Nodak Insurance, including Nodak Insurance’s wholly-owned subsidiaries American West and Primero, and its affiliate Battle Creek; Direct Auto; and Westminster.

Safe Harbor Statement

Some of the statements included in this news release, particularly those anticipating future financial performance, including investment performance and yields, business prospects, growth and operating strategies, the impact of pricing and underwriting changes on operating results, and similar matters, are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Actual results could vary materially. Factors that could cause actual results to vary materially include: our ability to maintain profitable operations, the adequacy of the loss and loss adjustment expense reserves, business and economic conditions, interest rates, competition from various insurance and other financial businesses, terrorism, the availability and cost of reinsurance, adverse and catastrophic weather events, including the impacts of climate change, legal and judicial developments, changes in regulatory requirements, our ability to integrate and manage successfully the insurance companies we may acquire from time to time, the impact of inflation on our operating results, and other risks we describe in the periodic reports we file with the Securities and Exchange Commission. You should not place undue reliance on any such forward-looking statements. We disclaim any obligation to update such statements or to announce publicly the results of any revisions that we may make to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including, but not limited to our Annual Report on Form 10-K, as filed with the SEC.

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