

# ***NI Holdings, Inc.***

NI Holdings, Inc. (NODK)  
Financial Supplement as of September 30, 2019

The Company has five reportable segments:

Private Passenger Auto: provides protection against liability for bodily injury and property damage arising from automobile accidents and protection against loss from damage to automobiles owned by the insured.

Non-Standard Auto: provides limited protection auto insurance for both bodily injury and property damage.

Home and Farm: provides coverage for damage to buildings, equipment, and contents for a variety of perils, including fire, lightning, wind, hail, and theft; also covers liability arising from injury to other persons or their property while on insured's premises.

Crop: provides multi-peril crop and crop hail insurance. Multi-peril crop is a federal insurance program to provide protection against a variety of potential damages to crops, including both weather and non-weather causes. Crop hail is private coverage to provide protection against losses to crops due primarily to hail damage.

All Other: includes commercial liability and physical damage coverages, excess liability and other coverages, and assumed reinsurance pools.

**NI HOLDINGS, INC.  
FINANCIAL SUPPLEMENT  
(UNAUDITED)  
AS OF SEPTEMBER 30, 2019**

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**About NI Holdings:**

NI Holdings, Inc. (NASDAQ: NODK) is a U.S. insurance holding company, specializing in property and casualty insurance coverages primarily in the Upper Midwest. NI Holdings is the parent company of Nodak Insurance Company, which focuses on providing financial protections for owners of homes, farms, automobiles, and small businesses. NI Holdings' financial statements include the consolidated financial results of NI Holdings, its wholly-owned subsidiaries Nodak Insurance and Direct Auto Insurance Company, Nodak Insurance' wholly-owned subsidiaries American West Insurance Company and Primero Insurance Company, and Nodak Insurance' affiliate Battle Creek Mutual Insurance Company.

Direct Auto Insurance Company was acquired by NI Holdings on August 31, 2018. This Financial Supplement includes Direct Auto results from September 1, 2018 forward.

NI Holdings, Inc.  
Consolidated Statements of Operations  
(Unaudited)

(\$ in thousands)	2019			2018				Twelve Months		Nine Months		3Q19 - 3Q18 % Change	3Q19 - 2Q19 % Change	9M19 - 9M18 % Change
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2018	2017	2019	2018			
Revenues:														
Net premiums earned	\$ 67,116	\$ 65,114	\$ 50,506	\$ 54,795	\$ 54,136	\$ 50,677	\$ 36,112	\$ 195,720	\$ 179,464	\$ 182,736	\$ 140,925	24.0%	3.1%	29.7%
Fee and other income	527	646	464	474	5,175	470	377	6,496	1,648	1,637	6,022	-89.8%	-18.4%	-72.8%
Net investment income	1,983	1,778	1,743	1,659	1,629	1,523	1,369	6,180	5,031	5,504	4,521	21.7%	11.5%	21.7%
Net realized capital gain on investments	1,006	(227)	559	95	3,160	250	469	3,974	2,997	1,338	3,879	-68.2%	543.2%	-65.5%
Net unrealized capital gain on equity investments <sup>(1)</sup>	(384)	1,337	7,300	-	-	-	-	-	-	8,253	-	N/A	-128.7%	N/A
	70,248	68,648	60,572	57,023	64,100	52,920	38,327	212,370	189,140	199,468	155,347	9.6%	2.3%	28.4%
Expenses:														
Losses and loss adjustment expenses	61,558	48,193	26,234	22,062	37,456	40,721	18,849	119,088	122,711	135,985	97,026	64.3%	27.7%	40.2%
Underwriting and general expenses <sup>(2)</sup>	17,291	16,940	16,694	15,700	14,738	11,802	11,877	54,117	44,423	50,925	38,417	17.3%	2.1%	32.6%
	78,849	65,133	42,928	37,762	52,194	52,523	30,726	173,205	167,134	186,910	135,443	51.1%	21.1%	38.0%
Income (loss) before income taxes	(8,601)	3,515	17,644	19,261	11,906	397	7,601	39,165	22,006	12,558	19,904	-172.2%	-344.7%	-36.9%
Income taxes	(1,642)	1,000	3,848	4,302	2,029	141	1,449	7,921	6,394	3,206	3,619	-180.9%	-264.2%	-11.4%
Net income (loss)	(6,959)	2,515	13,796	14,959	9,877	256	6,152	31,244	15,612	9,352	16,285	-170.5%	-376.7%	-42.6%
Net income (loss) attributable to non-controlling interest	20	37	23	70	33	30	30	163	(379)	80	93	-39.4%	-45.9%	-14.0%
Net income (loss) attributable to NI Holdings, Inc.	\$ (6,979)	\$ 2,478	\$ 13,773	\$ 14,889	\$ 9,844	\$ 226	\$ 6,122	\$ 31,081	\$ 15,991	\$ 9,272	\$ 16,192	-170.9%	-381.6%	-42.7%
Loss and LAE ratio <sup>(3)</sup>	91.7%	74.0%	51.9%	40.3%	69.2%	80.4%	52.2%	60.8%	68.4%	74.4%	68.8%	2250 bps	1770 bps	560 bps
Expense ratio <sup>(4)</sup>	25.8%	26.0%	33.1%	28.7%	27.2%	23.3%	32.9%	27.7%	24.8%	27.9%	27.3%	-140 bps	-20 bps	60 bps
Combined ratio <sup>(5)</sup>	117.5%	100.0%	85.0%	68.9%	96.4%	103.6%	85.1%	88.5%	93.1%	102.3%	96.1%	2110 bps	1750 bps	620 bps
Effective Tax Rate	19.1%	28.4%	21.8%	22.3%	17.0%	35.5%	19.1%	20.2%	29.1%	25.5%	18.2%	210 bps		730 bps

**Notes:**

(1) Effective January 1, 2019, in accordance with a change in accounting rule, changes in unrealized gains and losses in equity securities are included in the current period statement of operations.

(2) Underwriting and general expenses include the deferral and amortization of policy acquisition costs.

(3) The loss and LAE ratio is a non-GAAP financial measure, and equals losses and loss adjustment expenses divided by net premiums earned.

(4) The expense ratio is a non-GAAP financial measure, and equals amortization of deferred policy acquisition costs and underwriting and general expenses, divided by net premiums earned.

(5) The combined ratio is a non-GAAP financial measure, and equals losses and loss adjustment expenses, amortization of deferred policy acquisition costs, and other underwriting and general expenses, divided by net premiums earned.

**NI Holdings, Inc.**  
**Consolidated Selected Data**  
**(Unaudited)**

(\$ in thousands)	2019			2018				Twelve Months		Nine Months		3Q19 - 3Q18	3Q19 - 2Q19	9M19 - 9M18
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2018	2017	2019	2018	% Change	% Change	% Change
<b>Direct premiums written by state: <sup>(6)</sup></b>														
North Dakota	\$ 22,803	\$ 69,502	\$ 26,231	\$ 25,159	\$ 26,778	\$ 66,661	\$ 25,163	\$ 143,761	\$ 138,950	\$ 118,536	\$ 118,602	-14.8%	-67.2%	-0.1%
Illinois	10,035	10,706	12,352	10,307	3,765	-	-	14,072	-	33,093	3,765	166.5%	-6.3%	779.0%
Nebraska	10,194	11,314	9,807	9,028	9,466	10,565	8,760	37,819	33,358	31,315	28,791	7.7%	-9.9%	8.8%
South Dakota	4,791	4,794	3,736	3,493	3,572	3,255	2,660	12,980	8,227	13,321	9,487	34.1%	-0.1%	40.4%
Nevada	2,016	3,150	2,908	2,504	2,378	2,318	1,905	9,105	6,390	8,074	6,601	-15.2%	-36.0%	22.3%
Minnesota	(165)	3,436	75	150	(218)	5,147	58	5,137	5,945	3,346	4,987	24.3%	-104.8%	-32.9%
Arizona	310	341	544	508	479	634	728	2,349	2,368	1,195	1,841	-35.3%	-9.1%	-35.1%
	<u>\$ 49,984</u>	<u>\$ 103,243</u>	<u>\$ 55,653</u>	<u>\$ 51,149</u>	<u>\$ 46,220</u>	<u>\$ 88,580</u>	<u>\$ 39,274</u>	<u>\$ 225,223</u>	<u>\$ 195,238</u>	<u>\$ 208,880</u>	<u>\$ 174,074</u>	8.1%	-51.6%	20.0%
	-	-	-	-	-	-	-							
<b>Direct premiums written by segment: <sup>(6)</sup></b>														
Private passenger auto	\$ 17,454	\$ 19,596	\$ 18,032	\$ 16,680	\$ 15,834	\$ 18,007	\$ 16,517	\$ 67,038	\$ 60,747	\$ 55,082	\$ 50,358	10.2%	-10.9%	9.4%
Non-standard auto	12,750	14,566	16,259	13,749	7,108	3,355	3,210	27,422	10,835	43,575	13,673	79.4%	-12.5%	218.7%
Home and farm	18,766	22,931	19,126	18,635	17,268	21,187	17,457	74,547	66,615	60,823	55,912	8.7%	-18.2%	8.8%
Crop	(1,026)	43,405	12	33	4,051	43,421	-	47,505	49,012	42,391	47,472	-125.3%	-102.4%	-10.7%
All other <sup>(a)</sup>	2,040	2,745	2,224	2,052	1,959	2,610	2,090	8,711	8,029	7,009	6,659	4.1%	-25.7%	5.3%
Total	<u>\$ 49,984</u>	<u>\$ 103,243</u>	<u>\$ 55,653</u>	<u>\$ 51,149</u>	<u>\$ 46,220</u>	<u>\$ 88,580</u>	<u>\$ 39,274</u>	<u>\$ 225,223</u>	<u>\$ 195,238</u>	<u>\$ 208,880</u>	<u>\$ 174,074</u>	8.1%	-51.6%	20.0%
<b>Net premiums earned by segment:</b>														
Private passenger auto	\$ 17,316	\$ 16,686	\$ 16,092	\$ 16,438	\$ 15,892	\$ 15,310	\$ 14,825	\$ 62,465	\$ 55,378	\$ 50,094	\$ 46,027	9.0%	3.8%	8.8%
Non-standard auto	14,044	15,271	14,591	14,445	7,052	3,476	2,991	27,964	10,530	43,906	13,519	99.1%	-8.0%	224.8%
Home and farm	17,908	17,253	16,789	17,701	16,237	15,621	15,118	64,677	58,395	51,950	46,976	10.3%	3.8%	10.6%
Crop	14,517	13,000	11	3,197	11,960	13,441	101	28,699	43,826	27,528	25,502	21.4%	11.7%	7.9%
All other <sup>(a)</sup>	3,331	2,904	3,023	3,014	2,995	2,829	3,077	11,915	11,335	9,258	8,901	11.2%	14.7%	4.0%
Total	<u>\$ 67,116</u>	<u>\$ 65,114</u>	<u>\$ 50,506</u>	<u>\$ 54,795</u>	<u>\$ 54,136</u>	<u>\$ 50,677</u>	<u>\$ 36,112</u>	<u>\$ 195,720</u>	<u>\$ 179,464</u>	<u>\$ 182,736</u>	<u>\$ 140,925</u>	24.0%	3.1%	29.7%
<b>Losses and loss adjustment expenses by segment:</b>														
Private passenger auto	\$ 18,716	\$ 11,922	\$ 10,105	\$ 11,323	\$ 11,904	\$ 11,175	\$ 10,122	\$ 44,524	\$ 34,751	\$ 40,743	\$ 33,201	57.2%	57.0%	22.7%
Non-standard auto	8,440	11,820	7,156	5,014	4,387	2,973	1,964	14,338	8,690	27,416	9,324	92.4%	-28.6%	194.0%
Home and farm	18,598	13,467	8,002	4,496	16,370	16,527	5,322	42,715	39,709	40,067	38,219	13.6%	38.1%	4.8%
Crop	13,142	8,766	(26)	(925)	3,515	9,007	315	11,912	32,442	21,882	12,837	273.9%	49.9%	70.5%
All other <sup>(a)</sup>	2,662	2,218	997	2,154	1,280	1,039	1,126	5,599	7,119	5,877	3,445	108.0%	20.0%	70.6%
Total	<u>\$ 61,558</u>	<u>\$ 48,193</u>	<u>\$ 26,234</u>	<u>\$ 22,062</u>	<u>\$ 37,456</u>	<u>\$ 40,721</u>	<u>\$ 18,849</u>	<u>\$ 119,088</u>	<u>\$ 122,711</u>	<u>\$ 135,985</u>	<u>\$ 97,026</u>	64.3%	27.7%	40.2%
<b>Loss and LAE ratios by segment: <sup>(3)</sup></b>														
Private passenger auto	108.1%	71.4%	62.8%	68.9%	74.9%	73.0%	68.3%	71.3%	62.8%	81.3%	72.1%	3320 bps	3660 bps	920 bps
Non-standard auto	60.1%	77.4%	49.0%	34.7%	62.2%	85.5%	65.7%	51.3%	82.5%	62.4%	69.0%	-210 bps	-1730 bps	-650 bps
Home and farm	103.9%	78.1%	47.7%	25.4%	100.8%	105.8%	35.2%	66.0%	68.0%	77.1%	81.4%	300 bps	2580 bps	-420 bps
Crop	90.5%	67.4%	n/a	-28.9%	29.4%	67.0%	n/a	41.5%	74.0%	79.5%	50.3%	6110 bps	2310 bps	2920 bps
All other <sup>(a)</sup>	79.9%	76.4%	33.0%	71.5%	42.7%	36.7%	36.6%	47.0%	62.8%	63.5%	38.7%	3720 bps	350 bps	2480 bps
Total	<u>91.7%</u>	<u>74.0%</u>	<u>51.9%</u>	<u>40.3%</u>	<u>69.2%</u>	<u>80.4%</u>	<u>52.2%</u>	<u>60.8%</u>	<u>68.4%</u>	<u>74.4%</u>	<u>68.8%</u>	2250 bps	1770 bps	560 bps

**Notes:**

(3) The loss and LAE ratio is a non-GAAP financial measure, and equals losses and loss adjustment expenses divided by net premiums earned.

(6) Direct premiums written is a non-GAAP financial measure, representing the amount of insurance premiums purchased by policyholders during the period.

(a) All other includes primarily commercial business owners insurance, excess liability insurance, and assumed domestic and international reinsurance programs which are intended to diversify the risk exposure of the company.