

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

NI Holdings, Inc. (NODK)  
New Financial Supplement as of September 30, 2017

Note: The presentation of NI Holdings' financial reporting segments was modified to conform to the new operating model. As of fourth quarter 2017, the Company has five reportable segments:

- Private Passenger Auto (formerly included in Other Property & Casualty reportable segment): 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 (formerly included in Other Property & Casualty reportable segment): 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 (formerly included in Other Property & Casualty reportable segment): includes commercial liability and physical damage coverages, excess liability and other coverages, and assumed reinsurance pools.

The Company will begin to report results in this format starting with fourth quarter 2017.

**NI HOLDINGS, INC.  
FINANCIAL SUPPLEMENT  
(UNAUDITED)  
AS OF SEPTEMBER 30, 2017**

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**CONTACT INFORMATION**

**Corporate Headquarters Address:**

1101 First Avenue North  
Fargo, ND 58102  
701-298-4200

**Investor Inquiries:**

Brian R. Doom  
Chief Financial Officer  
701-298-4200  
bdoom@nodakins.com

Timothy J. Milius, CPA  
Vice President, Finance  
701-298-4275  
tmilius@nodakins.com

**Website Address:**

[www.niholdingsinc.com](http://www.niholdingsinc.com)

**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 and Nodak Insurance, including Nodak Insurance' subsidiaries American West Insurance Company, Primero Insurance Company, and Battle Creek Mutual Insurance Company.

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

(\$ in thousands)	2017			2016				Twelve Months		Nine Months		3Q17 - 3Q16 % Change	3Q17 - 2Q17 % Change	9M17 - 9M16 % Change
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2016	2015	2017	2016			
Revenues:														
Net premiums earned	\$ 52,525	\$ 45,653	\$ 32,809	\$ 32,866	\$ 52,639	\$ 37,136	\$ 30,115	\$ 152,756	\$ 139,473	\$ 130,987	\$ 119,890	-0.2%	15.1%	9.3%
Fee and other income	752	321	347	174	680	508	304	1,666	1,854	1,420	1,492	10.6%	134.3%	-4.8%
Net investment income	1,549	1,447	1,143	960	971	1,182	1,133	4,246	4,184	4,139	3,286	59.5%	7.0%	26.0%
Net realized capital gain on investments	1,885	339	616	466	4,996	130	89	5,681	823	2,840	5,215	-62.3%	456.0%	-45.5%
	56,711	47,760	34,915	34,466	59,286	38,956	31,641	164,349	146,334	139,386	129,883	-4.3%	18.7%	7.3%
Expenses:														
Losses and loss adjustment expenses	49,599	36,230	17,721	25,248	50,675	31,096	11,489	118,508	83,876	103,550	93,260	-2.1%	36.9%	11.0%
Underwriting and general expenses <sup>(1)</sup>	10,237	11,569	10,163	7,576	11,172	10,526	10,450	39,724	36,585	31,969	32,148	-8.4%	-11.5%	-0.6%
	59,836	47,799	27,884	32,824	61,847	41,622	21,939	158,232	120,461	135,519	125,408	-3.3%	25.2%	8.1%
Income (loss) before income taxes	(3,125)	(39)	7,031	1,642	(2,561)	(2,666)	9,702	6,117	25,873	3,867	4,475	-22.0%	-7912.8%	-13.6%
Income taxes	(432)	(156)	2,282	405	(1,562)	(847)	3,483	1,479	8,288	1,694	1,074	72.3%	-176.9%	57.7%
Net income (loss)	(2,693)	117	4,749	1,237	(999)	(1,819)	6,219	4,638	17,585	2,173	3,401	-169.6%	-2401.7%	-36.1%
Net income (loss) attributable to non-controlling interest	40	(12)	60	141	(2)	(57)	5	87	129	88	(54)	2100.0%	433.3%	263.0%
Net income (loss) attributable to NI Holdings, Inc.	\$ (2,733)	\$ 129	\$ 4,689	\$ 1,096	\$ (997)	\$ (1,762)	\$ 6,214	\$ 4,551	\$ 17,456	\$ 2,085	\$ 3,455	-174.1%	-2218.6%	-39.7%
Loss and LAE ratio <sup>(2)</sup>	94.4%	79.4%	54.0%	76.8%	96.3%	83.7%	38.2%	77.6%	60.1%	79.1%	77.8%	-190 bps	1500 bps	130 bps
Expense ratio <sup>(3)</sup>	19.5%	25.3%	31.0%	23.1%	21.2%	28.3%	34.7%	26.0%	26.2%	24.4%	26.8%	-170 bps	-580 bps	-240 bps
Combined ratio <sup>(4)</sup>	113.9%	104.7%	85.0%	99.9%	117.5%	112.1%	72.9%	103.6%	86.4%	103.5%	104.6%	-360 bps	920 bps	-110 bps
Direct premiums written:														
Private passenger auto	\$ 14,076	\$ 15,812	\$ 14,430	\$ 12,943	\$ 12,069	\$ 14,013	\$ 12,727	\$ 51,752	\$ 46,499	\$ 44,318	\$ 38,809	16.6%	-11.0%	14.2%
Non-standard auto	2,855	2,597	2,646	2,552	2,764	2,690	2,794	10,800	11,273	8,098	8,248	3.3%	9.9%	-1.8%
Home and farm	15,445	18,958	15,880	15,220	13,829	16,911	14,488	60,448	56,686	50,283	45,228	11.7%	-18.5%	11.2%
Crop	4,543	43,530	1,026	(2,682)	8,616	41,530	1,412	48,876	49,802	49,099	51,558	-47.3%	-89.6%	-4.8%
All other <sup>(a)</sup>	2,086	2,773	2,399	2,031	1,960	2,609	2,395	8,995	8,514	7,258	6,964	6.4%	-24.8%	4.2%
Total	\$ 39,005	\$ 83,670	\$ 36,381	\$ 30,064	\$ 39,238	\$ 77,753	\$ 33,816	\$ 180,871	\$ 172,774	\$ 159,056	\$ 150,807	-0.6%	-53.4%	5.5%
Net premiums earned:														
Private passenger auto	\$ 13,923	\$ 13,178	\$ 12,319	\$ 11,872	\$ 12,197	\$ 11,629	\$ 11,261	\$ 46,959	\$ 42,746	\$ 39,420	\$ 35,087	14.2%	5.7%	12.3%
Non-standard auto	2,663	2,590	2,531	2,643	2,719	2,707	2,602	10,671	11,373	7,784	8,028	-2.1%	2.8%	-3.0%
Home and farm	14,909	14,071	13,638	11,377	13,385	12,975	12,506	50,243	48,432	42,618	38,866	11.4%	6.0%	9.7%
Crop	17,756	12,814	1,100	4,621	21,322	6,930	290	33,163	28,542	31,670	28,542	-16.7%	38.6%	11.0%
All other <sup>(a)</sup>	3,274	3,000	3,221	2,353	3,016	2,895	3,456	11,720	11,209	9,495	9,367	8.6%	9.1%	1.4%
Total	\$ 52,525	\$ 45,653	\$ 32,809	\$ 32,866	\$ 52,639	\$ 37,136	\$ 30,115	\$ 152,756	\$ 139,473	\$ 130,987	\$ 119,890	-0.2%	15.1%	9.3%
Losses and loss adjustment expenses:														
Private passenger auto	\$ 10,174	\$ 7,621	\$ 9,743	\$ 9,021	\$ 13,150	\$ 8,987	\$ 5,657	\$ 36,815	\$ 28,928	\$ 27,538	\$ 27,794	-22.6%	33.5%	-0.9%
Non-standard auto	1,564	2,347	2,373	2,383	2,443	2,526	2,613	9,965	9,954	6,284	7,582	-36.0%	-33.4%	-17.1%
Home and farm	15,069	14,571	4,432	6,720	21,855	13,924	1,505	44,004	30,881	34,072	37,284	-31.1%	3.4%	-8.6%
Crop	18,213	10,914	580	6,211	10,564	2,318	276	19,369	11,037	29,707	13,158	72.4%	66.9%	125.8%
All other <sup>(a)</sup>	4,579	777	593	913	2,663	3,341	1,438	8,355	3,076	5,949	7,442	71.9%	489.3%	-20.1%
Total	\$ 49,599	\$ 36,230	\$ 17,721	\$ 25,248	\$ 50,675	\$ 31,096	\$ 11,489	\$ 118,508	\$ 83,876	\$ 103,550	\$ 93,260	-2.1%	36.9%	11.0%
Loss and LAE ratios:														
Private passenger auto	73.1%	57.8%	79.1%	76.0%	107.8%	77.3%	50.2%	78.4%	67.7%	69.9%	79.2%	-3470 bps	1520 bps	-940 bps
Non-standard auto	58.7%	90.6%	93.8%	90.2%	89.8%	93.3%	100.4%	93.4%	87.5%	80.7%	94.4%	-3110 bps	-3190 bps	-1370 bps
Home and farm	101.1%	103.6%	32.5%	59.1%	163.3%	107.3%	12.0%	87.6%	63.8%	79.9%	95.9%	-6220 bps	-250 bps	-1600 bps
Crop	102.6%	85.2%	52.7%	134.4%	49.5%	33.4%	95.2%	58.4%	42.9%	93.8%	46.1%	5300 bps	1740 bps	4770 bps
All other <sup>(a)</sup>	139.9%	25.9%	18.4%	38.8%	88.3%	115.4%	41.6%	71.3%	27.4%	62.7%	79.4%	5160 bps	11400 bps	-1680 bps
Total	94.4%	79.4%	54.0%	76.8%	96.3%	83.7%	38.2%	77.6%	60.1%	79.1%	77.8%	-190 bps	1500 bps	130 bps

Notes:

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

(2) The loss and LAE ratio equals losses and loss adjustment expenses divided by net premiums earned.

(3) The expense ratio equals underwriting and general expenses divided by net premiums earned.

(4) The combined ratio equals losses and loss adjustment expenses plus underwriting and general expenses, divided by net premiums earned.

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