

NI Holdings, Inc.

NI Holdings, Inc. (NODK)
Financial Supplement as of June 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 JUNE 30, 2019**

INDEX TO SUPPLEMENT

	Pages:
Consolidated Statements of Operations	3
Consolidated Selected Data	4

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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		Six Months		2Q19 - 2Q18	2Q19 - 1Q19	6M19 - 6M18
	2Q	1Q	4Q	3Q	2Q	1Q	2018	2017	2019	2018	% Change	% Change	% Change
Revenues:													
Net premiums earned	\$ 65,114	\$ 50,506	\$ 54,795	\$ 54,136	\$ 50,677	\$ 36,112	\$ 195,720	\$ 179,464	\$ 115,620	\$ 86,789	28.5%	28.9%	33.2%
Fee and other income	646	464	474	5,175	470	377	6,496	1,648	1,110	847	37.4%	39.2%	31.1%
Net investment income	1,778	1,743	1,659	1,629	1,523	1,369	6,180	5,031	3,521	2,892	16.7%	2.0%	21.7%
Net realized capital gain on investments	(227)	559	95	3,160	250	469	3,974	2,997	332	719	-190.8%	-140.6%	-53.8%
Net unrealized capital gain on equity investments ⁽¹⁾	1,337	7,300	-	-	-	-	-	-	8,637	-	N/A	-81.7%	N/A
	68,648	60,572	57,023	64,100	52,920	38,327	212,370	189,140	129,220	91,247	29.7%	13.3%	41.6%
Expenses:													
Losses and loss adjustment expenses	48,193	26,234	22,062	37,456	40,721	18,849	119,088	122,711	74,427	59,570	18.3%	83.7%	24.9%
Underwriting and general expenses ⁽²⁾	16,940	16,694	15,923	14,076	11,802	11,877	53,678	44,423	33,634	23,679	43.5%	1.5%	42.0%
	65,133	42,928	37,985	51,532	52,523	30,726	172,766	167,134	108,061	83,249	24.0%	51.7%	29.8%
Income (loss) before income taxes	3,515	17,644	19,038	12,568	397	7,601	39,604	22,006	21,159	7,998	785.4%	-80.1%	164.6%
Income taxes	1,000	3,848	4,079	2,691	141	1,449	8,360	6,394	4,848	1,590	609.2%	-74.0%	204.9%
Net income (loss)	2,515	13,796	14,959	9,877	256	6,152	31,244	15,612	16,311	6,408	882.4%	-81.8%	154.5%
Net income (loss) attributable to non-controlling interest	37	23	70	33	30	30	163	(379)	60	60	23.3%	60.9%	0.0%
Net income (loss) attributable to NI Holdings, Inc.	\$ 2,478	\$ 13,773	\$ 14,889	\$ 9,844	\$ 226	\$ 6,122	\$ 31,081	\$ 15,991	\$ 16,251	\$ 6,348	996.5%	-82.0%	156.0%
Loss and LAE ratio ⁽³⁾	74.0%	51.9%	40.3%	69.2%	80.4%	52.2%	60.8%	68.4%	64.4%	68.6%	-640 bps	2210 bps	-420 bps
Expense ratio ⁽⁴⁾	26.0%	33.1%	29.1%	26.0%	23.3%	32.9%	27.4%	24.8%	29.1%	27.3%	270 bps	-710 bps	180 bps
Combined ratio ⁽⁵⁾	100.0%	85.0%	69.3%	95.2%	103.6%	85.1%	88.3%	93.1%	93.5%	95.9%	-360 bps	1500 bps	-240 bps
Effective Tax Rate	28.4%	21.8%	21.4%	21.4%	35.5%	19.1%	21.1%	29.1%	22.9%	19.9%	-710 bps		300 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		Six Months		2Q19 - 2Q18 % Change	2Q19 - 1Q19 % Change	6M19 - 6M18 % Change
	2Q	1Q	4Q	3Q	2Q	1Q	2018	2017	2019	2018			
Direct premiums written by state: ⁽⁶⁾													
North Dakota	\$ 69,502	\$ 26,231	\$ 25,159	\$ 26,778	\$ 66,661	\$ 25,163	\$ 143,761	\$ 138,950	\$ 95,733	\$ 91,824	4.3%	165.0%	4.3%
Illinois	10,706	12,352	10,307	3,765	-	-	14,072	-	23,058	-	N/A	-13.3%	N/A
Nebraska	11,314	9,807	9,028	9,466	10,565	8,760	37,819	33,358	21,121	19,325	7.1%	15.4%	9.3%
South Dakota	4,794	3,736	3,493	3,572	3,255	2,660	12,980	8,227	8,530	5,915	47.3%	28.3%	44.2%
Nevada	3,150	2,908	2,504	2,378	2,318	1,905	9,105	6,390	6,058	4,223	35.9%	8.3%	43.5%
Minnesota	3,436	75	150	(218)	5,147	58	5,137	5,945	3,511	5,205	-33.2%	4481.3%	-32.5%
Arizona	341	544	508	479	634	728	2,349	2,368	885	1,362	-46.2%	-37.3%	-35.0%
	<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>\$ 158,896</u>	<u>\$ 127,854</u>	16.6%	85.5%	24.3%
	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct premiums written by segment: ⁽⁶⁾													
Private passenger auto	\$ 19,596	\$ 18,032	\$ 16,680	\$ 15,834	\$ 18,007	\$ 16,517	\$ 67,038	\$ 60,747	\$ 37,628	\$ 34,524	8.8%	8.7%	9.0%
Non-standard auto	14,566	16,259	13,749	7,108	3,355	3,210	27,422	10,835	30,825	6,565	334.2%	-10.4%	369.5%
Home and farm	22,931	19,126	18,635	17,268	21,187	17,457	74,547	66,615	42,057	38,644	8.2%	19.9%	8.8%
Crop	43,405	12	33	4,051	43,421	-	47,505	49,012	43,417	43,421	-0.0%	n/a	-0.0%
All other ^(a)	2,745	2,224	2,052	1,959	2,610	2,090	8,711	8,029	4,969	4,700	5.2%	23.4%	5.7%
Total	<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>\$ 158,896</u>	<u>\$ 127,854</u>	16.6%	85.5%	24.3%
	-	-	-	-	-	-	-	-	-	-	-	-	-
Net premiums earned by segment:													
Private passenger auto	\$ 16,686	\$ 16,092	\$ 16,438	\$ 15,892	\$ 15,310	\$ 14,825	\$ 62,465	\$ 55,378	\$ 32,778	\$ 30,135	9.0%	3.7%	8.8%
Non-standard auto	15,271	14,591	14,445	7,052	3,476	2,991	27,964	10,530	29,862	6,467	339.3%	4.7%	361.8%
Home and farm	17,253	16,789	17,701	16,237	15,621	15,118	64,677	58,395	34,042	30,739	10.4%	2.8%	10.7%
Crop	13,000	11	3,197	11,960	13,441	101	28,699	43,826	13,011	13,542	-3.3%	n/a	-3.9%
All other ^(a)	2,904	3,023	3,014	2,995	2,829	3,077	11,915	11,335	5,927	5,906	2.7%	-3.9%	0.4%
Total	<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>\$ 115,620</u>	<u>\$ 86,789</u>	28.5%	28.9%	33.2%
	-	-	-	-	-	-	-	-	-	-	-	-	-
Losses and loss adjustment expenses by segment:													
Private passenger auto	\$ 11,922	\$ 10,105	\$ 11,323	\$ 11,904	\$ 11,175	\$ 10,122	\$ 44,524	\$ 34,751	\$ 22,027	\$ 21,297	6.7%	18.0%	3.4%
Non-standard auto	11,820	7,156	5,014	4,387	2,973	1,964	14,338	8,690	18,976	4,937	297.6%	65.2%	284.4%
Home and farm	13,467	8,002	4,496	16,370	16,527	5,322	42,715	39,709	21,469	21,849	-18.5%	68.3%	-1.7%
Crop	8,766	(26)	(925)	3,515	9,007	315	11,912	32,442	8,740	9,322	-2.7%	n/a	-6.2%
All other ^(a)	2,218	997	2,154	1,280	1,039	1,126	5,599	7,119	3,215	2,165	113.5%	122.5%	48.5%
Total	<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>\$ 74,427</u>	<u>\$ 59,570</u>	18.3%	83.7%	24.9%
	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss and LAE ratios by segment: ⁽³⁾													
Private passenger auto	71.4%	62.8%	68.9%	74.9%	73.0%	68.3%	71.3%	62.8%	67.2%	70.7%	-150 bps	870 bps	-350 bps
Non-standard auto	77.4%	49.0%	34.7%	62.2%	85.5%	65.7%	51.3%	82.5%	63.5%	76.3%	-810 bps	2840 bps	-1280 bps
Home and farm	78.1%	47.7%	25.4%	100.8%	105.8%	35.2%	66.0%	68.0%	63.1%	71.1%	-2770 bps	3040 bps	-800 bps
Crop	67.4%	n/a	-28.9%	29.4%	67.0%	n/a	41.5%	74.0%	67.2%	68.8%	40 bps	n/a	-170 bps
All other ^(a)	76.4%	33.0%	71.5%	42.7%	36.7%	36.6%	47.0%	62.8%	54.2%	36.7%	3970 bps	4340 bps	1760 bps
Total	<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>64.4%</u>	<u>68.6%</u>	<u>-630 bps</u>	<u>2210 bps</u>	<u>-430 bps</u>

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.