

NI Holdings, Inc.

NI Holdings, Inc. (NODK)
Financial Supplement as of March 31, 2021

The Company has six 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.

Commercial: includes commercial liability and physical damage coverages.

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

**NI HOLDINGS, INC.
FINANCIAL SUPPLEMENT
(UNAUDITED)
AS OF MARCH 31, 2021**

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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.

Westminster American Insurance Company was acquired by NI Holdings on January 1, 2020. This Financial Supplement includes Westminster American results from January 1, 2020 forward.

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

(\$ in thousands)	2021	2020				Twelve Months		1Q21 - 1Q20	1Q21 - 4Q20
	1Q	4Q	3Q	2Q	1Q	2020	2019	% Change	% Change
Revenues:									
Net premiums earned	\$ 63,135	\$ 69,541	\$ 73,342	\$ 82,006	\$ 58,772	\$ 283,661	\$ 246,438	7.4%	-9.2%
Fee and other income	317	469	524	446	362	1,801	2,125	-12.4%	-32.4%
Net investment income	1,536	1,396	1,886	2,018	1,971	7,271	7,433	-22.1%	10.0%
Net realized capital gain on investments	3,902	5,750	636	370	1,015	7,771	3,246	284.4%	-32.1%
Net unrealized capital gain on equity investments	1,909	6,494	4,466	10,827	(15,934)	5,853	11,537	112.0%	-70.6%
	<u>70,799</u>	<u>83,650</u>	<u>80,854</u>	<u>95,667</u>	<u>46,186</u>	<u>306,357</u>	<u>270,779</u>	53.3%	-15.4%
Expenses:									
Losses and loss adjustment expenses	36,889	31,851	53,836	52,364	30,422	168,473	169,710	21.3%	15.8%
Underwriting and general expenses ⁽¹⁾	21,238	23,140	22,144	19,625	20,159	85,068	67,258	5.4%	-8.2%
	<u>58,127</u>	<u>54,991</u>	<u>75,980</u>	<u>71,989</u>	<u>50,581</u>	<u>253,541</u>	<u>236,968</u>	14.9%	5.7%
Income (loss) before income taxes	12,672	28,659	4,874	23,678	(4,395)	52,816	33,811	388.3%	-55.8%
Income taxes	2,890	6,213	1,188	4,911	(840)	11,472	7,311	444.0%	-53.5%
Net income (loss)	<u>9,782</u>	<u>22,446</u>	<u>3,686</u>	<u>18,767</u>	<u>(3,555)</u>	<u>41,344</u>	<u>26,500</u>	375.2%	-56.4%
Net income (loss) attributable to non-controlling interest	113	867	22	34	32	955	99	253.1%	-87.0%
Net income (loss) attributable to NI Holdings, Inc.	<u>\$ 9,669</u>	<u>\$ 21,579</u>	<u>\$ 3,664</u>	<u>\$ 18,733</u>	<u>\$ (3,587)</u>	<u>\$ 40,389</u>	<u>\$ 26,401</u>	369.6%	-55.2%
Loss and LAE ratio ⁽²⁾	58.4%	45.8%	73.4%	63.9%	51.8%	59.4%	68.9%	660 bps	1260 bps
Expense ratio ⁽³⁾	33.6%	33.3%	30.2%	23.9%	34.3%	30.0%	27.3%	-70 bps	30 bps
Combined ratio ⁽⁴⁾	92.1%	79.1%	103.6%	87.8%	86.1%	89.4%	96.2%	600 bps	1300 bps
Effective Tax Rate	22.8%	21.7%	24.4%	20.7%	19.1%	21.7%	21.6%	370 bps	110 bps

Notes:

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

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

(3) 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.

(4) 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)	2021		2020			Twelve Months		1Q21 - 1Q20	1Q21 - 4Q20
	1Q	4Q	3Q	2Q	1Q	2020	2019	% Change	% Change
Direct premiums written by state: ⁽⁵⁾									
North Dakota ^(a)	\$ 26,870	\$ 25,992	\$ 24,771	\$ 66,165	\$ 26,588	\$ 143,516	\$ 144,954	1.1%	3.4%
Illinois	13,932	10,082	10,922	10,580	11,420	43,004	43,655	22.0%	38.2%
Nebraska	10,138	9,861	10,420	11,397	10,165	41,843	41,004	-0.3%	2.8%
South Dakota ^(a)	5,017	5,171	5,558	5,626	4,435	20,790	17,855	13.1%	-3.0%
Georgia	3,163	2,693	1,192	1,952	(1)	5,836	-	316400.0%	17.5%
New Jersey	2,195	2,573	4,819	2,070	1,603	11,065	-	36.9%	-14.7%
Nevada	2,182	2,090	2,287	2,032	1,941	8,350	9,799	12.4%	4.4%
Maryland	1,746	3,457	1,068	4,305	1,692	10,522	-	3.2%	-49.5%
North Carolina	1,744	1,348	1,011	539	225	3,123	-	675.1%	29.4%
Virginia	1,625	1,345	1,949	1,567	1,094	5,955	-	48.5%	20.8%
Pennsylvania	1,113	3,193	2,061	2,171	1,706	9,131	-	-34.8%	-65.1%
District of Columbia	1,044	1,055	774	1,066	915	3,810	-	14.1%	-1.0%
South Carolina	861	300	353	58	261	972	-	229.9%	187.0%
Delaware	502	672	171	314	496	1,653	-	1.2%	-25.3%
Arizona	155	139	165	275	320	899	1,437	-51.6%	11.5%
Minnesota ^(a)	105	163	810	2,558	93	3,624	3,441	12.9%	-35.6%
West Virginia	28	-	(9)	84	19	94	-	47.4%	N/A
	\$ 72,420	\$ 70,134	\$ 68,322	\$ 112,759	\$ 62,972	\$ 314,187	\$ 262,145	15.0%	3.3%
Direct premiums written by segment: ⁽⁵⁾									
Private passenger auto	\$ 19,308	\$ 18,188	\$ 18,055	\$ 20,225	\$ 18,873	\$ 75,341	\$ 73,224	2.3%	6.2%
Non-standard auto	16,652	12,655	13,713	13,235	14,089	53,692	56,466	18.2%	31.6%
Home and farm	19,987	20,552	19,776	23,309	19,756	83,393	80,894	1.2%	-2.7%
Crop ^(a)	(16)	(275)	1,224	38,948	(4)	39,893	42,276	-300.0%	94.2%
Commercial	15,240	17,875	14,465	15,697	9,060	57,097	4,680	68.2%	-14.7%
All other ^(b)	1,249	1,139	1,089	1,345	1,198	4,771	4,605	4.3%	9.7%
Total	\$ 72,420	\$ 70,134	\$ 68,322	\$ 112,759	\$ 62,972	\$ 314,187	\$ 262,145	15.0%	3.3%
Net premiums earned by segment:									
Private passenger auto	\$ 17,498	\$ 19,377	\$ 17,947	\$ 17,386	\$ 17,299	\$ 72,009	\$ 67,983	1.2%	-9.7%
Non-standard auto	13,258	13,613	13,839	13,134	13,151	53,737	57,114	0.8%	-2.6%
Home and farm	17,454	20,942	18,548	17,768	17,621	74,879	71,171	-0.9%	-16.7%
Crop ^(a)	47	2,268	9,719	23,552	179	35,718	38,019	-73.7%	-97.9%
Commercial	12,338	11,321	10,773	8,341	7,853	38,288	4,097	57.1%	9.0%
All other ^(b)	2,540	2,020	2,516	1,825	2,669	9,030	8,054	-4.8%	25.7%
Total	\$ 63,135	\$ 69,541	\$ 73,342	\$ 82,006	\$ 58,772	\$ 283,661	\$ 246,438	7.4%	-9.2%
Losses and loss adjustment expenses by segment:									
Private passenger auto	\$ 12,254	\$ 12,188	\$ 13,570	\$ 8,624	\$ 11,129	\$ 45,511	\$ 52,696	10.1%	0.5%
Non-standard auto	4,800	6,787	9,425	8,195	5,940	30,347	32,654	-19.2%	-29.3%
Home and farm	7,632	5,910	13,437	10,860	6,538	36,745	45,601	16.7%	29.1%
Crop	561	680	9,225	19,107	2,367	31,379	32,091	-76.3%	-17.5%
Commercial	10,399	5,901	5,577	5,237	3,715	20,430	2,489	179.9%	76.2%
All other ^(b)	1,243	385	2,602	341	733	4,061	4,179	69.6%	222.9%
Total	\$ 36,889	\$ 31,851	\$ 53,836	\$ 52,364	\$ 30,422	\$ 168,473	\$ 169,710	21.3%	15.8%
Loss and LAE ratios by segment: ⁽²⁾									
Private passenger auto	70.0%	62.9%	75.6%	49.6%	64.3%	63.2%	77.5%	570 bps	710 bps
Non-standard auto	36.2%	49.9%	68.1%	62.4%	45.2%	56.5%	57.2%	-900 bps	-1370 bps
Home and farm	43.7%	28.2%	72.4%	61.1%	37.1%	49.1%	64.1%	660 bps	1550 bps
Crop	1193.6%	30.0%	94.9%	81.1%	1322.3%	87.9%	84.4%	n/a	n/a
Commercial	84.3%	52.1%	51.8%	62.8%	47.3%	53.4%	60.8%	3700 bps	3220 bps
All other ^(b)	48.9%	19.1%	103.4%	18.7%	27.5%	45.0%	51.9%	2140 bps	2980 bps
Total	58.4%	45.8%	73.4%	63.9%	51.8%	59.4%	68.9%	660 bps	1260 bps

Notes:

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

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

(a) Multi-peril crop insurance business, written in North Dakota, South Dakota, and Minnesota, is seasonally written primarily during second quarter. It is earned over the period of risk, which is April through December.

(b) All other includes primarily excess liability and other insurance coverages, as well as assumed domestic and international reinsurance programs which are intended to diversify the risk exposure of the company.