

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

NI Holdings, Inc. (NODK)  
Financial Supplement as of June 30, 2020

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 JUNE 30, 2020**

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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)	2020		2019				Twelve Months		Six Months		2Q20 - 2Q19	2Q20 - 1Q20	6M20 - 6M19
	2Q	1Q	4Q	3Q	2Q	1Q	2019	2018	2020	2019	% Change	% Change	% Change
<b>Revenues:</b>													
Net premiums earned	\$ 82,006	\$ 58,772	\$ 63,702	\$ 67,116	\$ 65,114	\$ 50,506	\$ 246,438	\$ 195,720	\$ 140,778	\$ 115,620	25.9%	39.5%	21.8%
Fee and other income	446	362	488	527	646	464	2,125	6,496	808	1,110	-31.0%	23.2%	-27.2%
Net investment income	2,018	1,971	1,929	1,983	1,778	1,743	7,433	6,180	3,989	3,521	13.5%	2.4%	13.3%
Net realized capital gain on investments	370	1,015	1,908	1,006	(227)	559	3,246	3,974	1,385	332	263.0%	-63.5%	317.2%
Net unrealized capital gain on equity investments <sup>(1)</sup>	10,827	(15,934)	3,284	(384)	1,337	7,300	11,537	-	(5,107)	8,637	709.8%	167.9%	-159.1%
	95,667	46,186	71,311	70,248	68,648	60,572	270,779	212,370	141,853	129,220	39.4%	107.1%	9.8%
<b>Expenses:</b>													
Losses and loss adjustment expenses	52,364	30,422	33,725	61,558	48,193	26,234	169,710	119,088	82,786	74,427	8.7%	72.1%	11.2%
Underwriting and general expenses <sup>(2)</sup>	19,625	20,159	16,333	17,291	16,940	16,694	67,258	54,117	39,784	33,634	15.9%	-2.6%	18.3%
	71,989	50,581	50,058	78,849	65,133	42,928	236,968	173,205	122,570	108,061	10.5%	42.3%	13.4%
Income (loss) before income taxes	23,678	(4,395)	21,253	(8,601)	3,515	17,644	33,811	39,165	19,283	21,159	573.6%	638.7%	-8.9%
Income taxes	4,911	(840)	4,105	(1,642)	1,000	3,848	7,311	7,921	4,071	4,848	391.1%	684.6%	-16.0%
Net income (loss)	18,767	(3,555)	17,148	(6,959)	2,515	13,796	26,500	31,244	15,212	16,311	646.2%	627.9%	-6.7%
Net income (loss) attributable to non-controlling interest	34	32	19	20	37	23	99	163	66	60	-8.1%	6.3%	10.0%
Net income (loss) attributable to NI Holdings, Inc.	\$ 18,733	\$ (3,587)	\$ 17,129	\$ (6,979)	\$ 2,478	\$ 13,773	\$ 26,401	\$ 31,081	\$ 15,146	\$ 16,251	656.0%	622.2%	-6.8%
Loss and LAE ratio <sup>(3)</sup>	63.9%	51.8%	52.9%	91.7%	74.0%	51.9%	68.9%	60.8%	58.8%	64.4%	-1010 bps	1210 bps	-560 bps
Expense ratio <sup>(4)</sup>	23.9%	34.3%	25.6%	25.8%	26.0%	33.1%	27.3%	27.7%	28.3%	29.1%	-210 bps	-1040 bps	-80 bps
Combined ratio <sup>(5)</sup>	87.8%	86.1%	78.6%	117.5%	100.0%	85.0%	96.2%	88.5%	87.1%	93.5%	-1220 bps	170 bps	-640 bps
Effective Tax Rate	20.7%	19.1%	19.3%	19.1%	28.4%	21.8%	21.6%	20.2%	21.1%	22.9%	-770 bps		-180 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)	2020		2019				Twelve Months		Six Months		2Q20 - 2Q19	2Q120- 1Q20	6M20 - 6M19
	2Q	1Q	4Q	3Q	2Q	1Q	2019	2018	2020	2019	% Change	% Change	% Change
<b>Direct premiums written by state:</b> <sup>(A)</sup>													
North Dakota	\$ 66,165	\$ 26,588	\$ 26,418	\$ 22,803	\$ 69,502	\$ 26,231	\$ 144,954	\$ 143,761	\$ 92,753	\$ 95,733	-4.8%	148.9%	-3.1%
Illinois	10,580	11,420	10,562	10,035	10,706	12,352	43,655	14,072	22,000	23,058	-1.2%	-7.4%	-4.6%
Nebraska	11,397	10,165	9,689	10,194	11,314	9,807	41,004	37,819	21,562	21,121	0.7%	12.1%	2.1%
South Dakota	5,626	4,435	4,534	4,791	4,794	3,736	17,855	12,980	10,061	8,530	17.4%	26.9%	17.9%
Maryland	4,305	1,692	-	-	-	-	-	-	5,997	-	N/A	154.4%	N/A
Nevada	2,032	1,941	1,725	2,016	3,150	2,908	9,799	9,105	3,973	6,058	-35.5%	4.7%	-34.4%
Pennsylvania	2,171	1,706	-	-	-	-	-	-	3,877	-	N/A	27.3%	N/A
New Jersey	2,070	1,603	-	-	-	-	-	-	3,673	-	N/A	29.1%	N/A
Virginia	1,567	1,094	-	-	-	-	-	-	2,661	-	N/A	43.2%	N/A
Minnesota	2,558	93	95	(165)	3,436	75	3,441	5,137	2,651	3,511	-25.6%	2650.5%	-24.5%
District of Columbia	1,066	915	-	-	-	-	-	-	1,981	-	N/A	16.5%	N/A
Georgia	1,952	(1)	-	-	-	-	-	-	1,951	-	N/A	195300.0%	N/A
Delaware	314	496	-	-	-	-	-	-	810	-	N/A	-36.7%	N/A
North Carolina	539	225	-	-	-	-	-	-	764	-	N/A	139.6%	N/A
Arizona	275	320	242	310	341	544	1,437	2,349	595	885	-19.4%	-14.1%	-32.8%
South Carolina	58	261	-	-	-	-	-	-	319	-	N/A	-77.8%	N/A
West Virginia	84	19	-	-	-	-	-	-	103	-	N/A	342.1%	N/A
	\$ 112,759	\$ 62,972	\$ 53,265	\$ 49,984	\$ 103,243	\$ 55,653	\$ 262,145	\$ 225,223	\$ 175,731	\$ 158,896	9.2%	79.1%	10.6%
<b>Direct premiums written by segment:</b> <sup>(A)</sup>													
Private passenger auto	\$ 20,225	\$ 18,873	\$ 18,142	\$ 17,454	\$ 19,596	\$ 18,032	\$ 73,224	\$ 67,038	\$ 39,098	\$ 37,628	3.2%	7.2%	3.9%
Non-standard auto	13,235	14,089	12,891	12,750	14,566	16,259	56,466	27,422	27,324	30,825	-9.1%	-6.1%	-11.4%
Home and farm	23,309	19,756	20,071	18,766	22,931	19,126	80,894	74,547	43,065	42,057	1.6%	18.0%	2.4%
Crop	38,948	(4)	(115)	(1,026)	43,405	12	42,276	47,505	38,944	43,417	-10.3%	973800.0%	-10.3%
Commercial	15,697	9,060	1,172	995	1,465	1,048	4,680	4,440	24,757	2,513	971.5%	73.3%	885.2%
All other <sup>(A)</sup>	1,345	1,198	1,104	1,045	1,280	1,176	4,605	4,271	2,543	2,456	5.1%	12.3%	3.5%
Total	\$ 112,759	\$ 62,972	\$ 53,265	\$ 49,984	\$ 103,243	\$ 55,653	\$ 262,145	\$ 225,223	\$ 175,731	\$ 158,896	9.2%	79.1%	10.6%
<b>Net premiums earned by segment:</b>													
Private passenger auto	\$ 17,386	\$ 17,299	\$ 17,889	\$ 17,316	\$ 16,686	\$ 16,092	\$ 67,983	\$ 62,465	\$ 34,685	\$ 32,778	4.2%	0.5%	5.8%
Non-standard auto	13,134	13,151	13,208	14,044	15,271	14,591	57,114	27,964	26,285	29,862	-14.0%	-0.1%	-12.0%
Home and farm	17,768	17,621	19,221	17,908	17,253	16,789	71,171	64,677	35,389	34,042	3.0%	0.8%	4.0%
Crop	23,552	179	10,491	14,517	13,000	11	38,019	28,699	23,731	13,011	81.2%	13057.5%	82.4%
Commercial	8,341	7,853	1,097	1,018	993	989	4,097	3,809	16,194	1,982	740.0%	6.2%	717.1%
All other <sup>(A)</sup>	1,825	2,669	1,796	2,313	1,911	2,034	8,054	8,106	4,494	3,945	-4.5%	-31.6%	13.9%
Total	\$ 82,006	\$ 58,772	\$ 63,702	\$ 67,116	\$ 65,114	\$ 50,506	\$ 246,438	\$ 195,720	\$ 140,778	\$ 115,620	25.9%	39.5%	21.8%
<b>Losses and loss adjustment expenses by segment:</b>													
Private passenger auto	\$ 8,624	\$ 11,129	\$ 11,953	\$ 18,716	\$ 11,922	\$ 10,105	\$ 52,696	\$ 44,524	\$ 19,753	\$ 22,027	-27.7%	-22.5%	-10.3%
Non-standard auto	8,195	5,940	5,238	8,440	11,820	7,156	32,654	14,338	14,135	18,976	-30.7%	38.0%	-25.5%
Home and farm	10,860	6,538	5,534	18,598	13,467	8,002	45,601	42,715	17,398	21,469	-19.4%	66.1%	-19.0%
Crop	19,107	2,367	10,209	13,142	8,766	(26)	32,091	11,912	21,474	8,740	118.0%	707.2%	145.7%
Commercial	5,237	3,715	349	1,340	480	320	2,489	1,505	8,952	800	991.0%	41.0%	1019.0%
All other <sup>(A)</sup>	341	733	442	1,322	1,738	677	4,179	4,094	1,074	2,415	-80.4%	-53.5%	-55.5%
Total	\$ 52,364	\$ 30,422	\$ 33,725	\$ 61,558	\$ 48,193	\$ 26,234	\$ 169,710	\$ 119,088	\$ 82,786	\$ 74,427	8.7%	72.1%	11.2%
<b>Loss and LAE ratios by segment:</b> <sup>(B)</sup>													
Private passenger auto	49.6%	64.3%	66.8%	108.1%	71.4%	62.8%	77.5%	71.3%	56.9%	67.2%	-2180 bps	-1470 bps	-1030 bps
Non-standard auto	62.4%	45.2%	39.7%	60.1%	77.4%	49.0%	57.2%	51.3%	53.8%	63.5%	-1500 bps	1720 bps	-980 bps
Home and farm	61.1%	37.1%	28.8%	103.9%	78.1%	47.7%	64.1%	66.0%	49.2%	63.1%	-1690 bps	2400 bps	-1390 bps
Crop	81.1%	1322.3%	97.3%	90.5%	67.4%	n/a	84.4%	41.5%	90.5%	67.2%	1370 bps	-124120 bps	2330 bps
Commercial	62.8%	47.3%	31.8%	131.6%	48.3%	n/a	60.8%	39.5%	55.3%	40.4%	1440 bps	1550 bps	1490 bps
All other <sup>(A)</sup>	18.7%	27.5%	24.6%	57.2%	90.9%	33.3%	51.9%	50.5%	23.9%	61.2%	-7230 bps	-880 bps	-3730 bps
Total	63.9%	51.8%	52.9%	91.7%	74.0%	51.9%	68.9%	60.8%	58.8%	64.4%	-1020 bps	1210 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 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.