

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

NI Holdings, Inc. (NODK)  
Financial Supplement as of September 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 SEPTEMBER 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		Nine Months		3Q20 - 3Q19 % Change	3Q20 - 2Q20 % Change	9M20 - 9M19 % Change	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2019	2018	2020				2019
<b>Revenues:</b>														
Net premiums earned	\$ 73,342	\$ 82,006	\$ 58,772	\$ 63,702	\$ 67,116	\$ 65,114	\$ 50,506	\$ 246,438	\$ 195,720	\$ 214,120	\$ 182,736	9.3%	-10.6%	17.2%
Fee and other income	524	446	352	488	527	646	464	2,125	6,496	1,332	1,637	-0.6%	17.5%	-18.6%
Net investment income	1,886	2,018	1,971	1,929	1,983	1,778	1,743	7,433	6,180	5,875	5,504	-4.9%	-6.5%	6.7%
Net realized capital gain on investments	636	370	1,015	1,908	1,006	(227)	559	3,246	3,974	2,021	1,338	-36.8%	71.9%	51.0%
Net unrealized capital gain on equity investments <sup>(1)</sup>	4,466	10,827	(15,934)	3,284	(384)	1,337	7,300	11,537	-	(641)	8,253	1263.0%	-58.8%	-107.8%
	80,854	95,667	46,186	71,311	70,248	68,648	60,572	270,779	212,370	222,707	199,468	15.1%	-15.5%	11.7%
<b>Expenses:</b>														
Losses and loss adjustment expenses	53,836	52,364	30,422	33,725	61,558	48,193	26,234	169,710	119,088	136,622	135,985	-12.5%	2.8%	0.5%
Underwriting and general expenses <sup>(2)</sup>	22,144	19,625	20,159	16,333	17,291	16,940	16,694	67,258	54,117	61,928	50,925	28.1%	12.8%	21.6%
	75,980	71,989	50,581	50,058	78,849	65,133	42,928	236,968	173,205	198,550	186,910	-3.6%	5.5%	6.2%
Income (loss) before income taxes	4,874	23,678	(4,395)	21,253	(8,601)	3,515	17,644	33,811	39,165	24,157	12,558	156.7%	-79.4%	92.4%
Income taxes	1,188	4,911	(840)	4,105	(1,642)	1,000	3,848	7,311	7,921	5,259	3,206	172.4%	-75.8%	64.0%
Net income (loss)	3,686	18,767	(3,555)	17,148	(6,959)	2,515	13,796	26,500	31,244	18,898	9,352	153.0%	-80.4%	102.1%
Net income (loss) attributable to non-controlling interest	22	34	32	19	20	37	23	99	163	88	80	10.0%	-35.3%	10.0%
Net income (loss) attributable to NI Holdings, Inc.	\$ 3,664	\$ 18,733	\$ (3,587)	\$ 17,129	\$ (6,979)	\$ 2,478	\$ 13,773	\$ 26,401	\$ 31,081	\$ 18,810	\$ 9,272	152.5%	-80.4%	102.9%
Loss and LAE ratio <sup>(3)</sup>	73.4%	63.9%	51.8%	52.9%	91.7%	74.0%	51.9%	68.9%	60.8%	63.8%	74.4%	-1830 bps	950 bps	-1060 bps
Expense ratio <sup>(4)</sup>	30.2%	23.9%	34.3%	25.6%	25.8%	26.0%	33.1%	27.3%	27.7%	28.9%	27.9%	440 bps	630 bps	100 bps
Combined ratio <sup>(5)</sup>	103.6%	87.8%	86.1%	78.6%	117.5%	100.0%	85.0%	96.2%	88.5%	92.7%	102.3%	-1390 bps	1580 bps	-960 bps
Effective Tax Rate	24.4%	20.7%	19.1%	19.3%	19.1%	28.4%	21.8%	21.6%	20.2%	21.8%	25.5%	530 bps	370 bps	-370 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		Nine Months		3Q20 - 3Q19	3Q20- 2Q20	9M20 - 9M19	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2019	2018	2020	2019	% Change	% Change	% Change
<b>Direct premiums written by state: <sup>(6)</sup></b>														
North Dakota	\$ 24,771	\$ 66,165	\$ 26,588	\$ 26,418	\$ 22,803	\$ 69,502	\$ 26,231	\$ 144,954	\$ 143,761	\$ 117,524	\$ 118,536	8.6%	-62.6%	-0.9%
Illinois	10,922	10,580	11,420	10,562	10,035	10,706	12,352	43,655	14,072	32,922	33,093	8.8%	3.2%	-0.5%
Nebraska	10,420	11,397	10,165	9,689	10,194	11,314	9,807	41,004	37,819	31,982	31,315	2.2%	-8.6%	2.1%
South Dakota	5,558	5,626	4,435	4,534	4,791	4,794	3,736	17,855	12,980	15,619	13,321	16.0%	-1.2%	17.3%
New Jersey	4,819	2,070	1,603	-	-	-	-	-	-	8,492	-	N/A	132.8%	N/A
Maryland	1,068	4,305	1,692	-	-	-	-	-	-	7,065	-	N/A	-75.2%	N/A
Nevada	2,287	2,032	1,941	1,725	2,016	3,150	2,908	9,799	9,105	6,260	8,074	13.4%	12.5%	-22.5%
Pennsylvania	2,061	2,171	1,706	-	-	-	-	-	-	5,938	-	N/A	-5.1%	N/A
Virginia	1,949	1,567	1,094	-	-	-	-	-	-	4,610	-	N/A	24.4%	N/A
Minnesota	810	2,558	93	95	(165)	3,436	75	3,441	5,137	3,461	3,346	590.9%	-68.3%	3.4%
Georgia	1,192	1,952	(1)	-	-	-	-	-	-	3,143	-	N/A	-38.9%	N/A
District of Columbia	774	1,066	915	-	-	-	-	-	-	2,755	-	N/A	-27.4%	N/A
North Carolina	1,011	539	225	-	-	-	-	-	-	1,775	-	N/A	87.6%	N/A
Delaware	171	314	496	-	-	-	-	-	-	981	-	N/A	-45.5%	N/A
Arizona	165	275	320	242	310	341	544	1,437	2,349	760	1,195	-46.8%	-40.0%	-36.4%
South Carolina	353	58	261	-	-	-	-	-	-	672	-	N/A	508.6%	N/A
West Virginia	(9)	84	19	-	-	-	-	-	-	94	-	N/A	-110.7%	N/A
	\$ 68,322	\$ 112,759	\$ 62,972	\$ 53,265	\$ 49,984	\$ 103,243	\$ 55,653	\$ 262,145	\$ 225,223	\$ 244,053	\$ 208,880	36.7%	-39.4%	16.8%
<b>Direct premiums written by segment: <sup>(6)</sup></b>														
Private passenger auto	\$ 18,055	\$ 20,225	\$ 18,873	\$ 18,142	\$ 17,454	\$ 19,596	\$ 18,032	\$ 73,224	\$ 67,038	\$ 57,153	\$ 55,082	3.4%	-10.7%	3.8%
Non-standard auto	13,713	13,235	14,089	12,891	12,750	14,566	16,259	56,466	27,422	41,037	43,575	7.6%	3.6%	-5.8%
Home and farm	19,776	23,309	19,756	20,071	18,766	22,931	19,126	80,894	74,547	62,841	60,823	5.4%	-15.2%	3.3%
Crop	1,224	38,948	(4)	(115)	(1,026)	43,405	12	42,276	47,505	40,168	42,391	219.3%	-96.9%	-5.2%
Commercial	14,465	15,697	9,060	1,172	995	1,465	1,048	4,680	4,440	39,222	3,508	1353.8%	-7.8%	1018.1%
All other <sup>(a)</sup>	1,089	1,345	1,198	1,104	1,045	1,280	1,176	4,605	4,271	3,632	3,501	4.2%	-19.0%	3.7%
Total	\$ 68,322	\$ 112,759	\$ 62,972	\$ 53,265	\$ 49,984	\$ 103,243	\$ 55,653	\$ 262,145	\$ 225,223	\$ 244,053	\$ 208,880	36.7%	-39.4%	16.8%
<b>Net premiums earned by segment:</b>														
Private passenger auto	\$ 17,947	\$ 17,386	\$ 17,299	\$ 17,889	\$ 17,316	\$ 16,686	\$ 16,092	\$ 67,983	\$ 62,465	\$ 52,632	\$ 50,094	3.6%	3.2%	5.1%
Non-standard auto	13,839	13,134	13,151	13,208	14,044	15,271	14,591	57,114	27,964	40,124	43,906	-1.5%	5.4%	-8.6%
Home and farm	18,548	17,768	17,621	19,221	17,908	17,253	16,789	71,171	64,677	53,937	51,950	3.6%	4.4%	3.8%
Crop	9,719	23,552	179	10,491	14,517	13,000	11	38,019	28,699	33,450	27,528	-33.1%	-58.7%	21.5%
Commercial	10,773	8,341	7,853	1,097	1,018	993	989	4,097	3,809	26,967	3,000	958.3%	29.2%	798.9%
All other <sup>(a)</sup>	2,516	1,825	2,669	1,796	2,313	1,911	2,034	8,054	8,106	7,010	6,258	8.8%	37.9%	12.0%
Total	\$ 73,342	\$ 82,006	\$ 58,772	\$ 63,702	\$ 67,116	\$ 65,114	\$ 50,506	\$ 246,438	\$ 195,720	\$ 214,120	\$ 182,736	9.3%	-10.6%	17.2%
<b>Losses and loss adjustment expenses by segment:</b>														
Private passenger auto	\$ 13,570	\$ 8,624	\$ 11,129	\$ 11,953	\$ 18,716	\$ 11,922	\$ 10,105	\$ 52,696	\$ 44,524	\$ 33,323	\$ 40,743	-27.5%	57.4%	-18.2%
Non-standard auto	9,425	8,195	5,940	5,238	8,440	11,820	7,156	32,654	14,338	23,560	27,416	11.7%	15.0%	-14.1%
Home and farm	13,437	10,860	6,538	5,534	18,598	13,467	8,002	45,601	42,715	30,835	40,067	-27.8%	23.7%	-23.0%
Crop	9,225	19,107	2,367	10,209	13,142	8,766	(26)	32,091	11,912	30,699	21,882	-29.8%	-51.7%	40.3%
Commercial	5,577	5,237	3,715	349	1,340	480	320	2,489	1,505	14,529	2,140	316.2%	6.5%	578.9%
All other <sup>(a)</sup>	2,602	341	733	442	1,322	1,738	677	4,179	4,094	3,676	3,737	96.8%	663.0%	-1.6%
Total	\$ 53,836	\$ 52,364	\$ 30,422	\$ 33,725	\$ 61,558	\$ 48,193	\$ 26,234	\$ 169,710	\$ 119,088	\$ 136,622	\$ 135,985	-12.5%	2.8%	0.5%
<b>Loss and LAE ratios by segment: <sup>(6)</sup></b>														
Private passenger auto	75.6%	49.6%	64.3%	66.8%	108.1%	71.4%	62.8%	77.5%	71.3%	63.3%	81.3%	-3250 bps	2600 bps	-1800 bps
Non-standard auto	68.1%	62.4%	45.2%	39.7%	60.1%	77.4%	49.0%	57.2%	51.3%	58.7%	62.4%	800 bps	570 bps	-370 bps
Home and farm	72.4%	61.1%	37.1%	28.8%	103.9%	78.1%	47.7%	64.1%	66.0%	57.2%	77.1%	-3140 bps	1130 bps	-2000 bps
Crop	94.9%	81.1%	1322.3%	97.3%	90.5%	67.4%	n/a	84.4%	41.5%	91.8%	79.5%	440 bps	1380 bps	1230 bps
Commercial	51.8%	62.8%	47.3%	31.8%	131.6%	48.3%	n/a	60.8%	39.5%	53.9%	71.3%	-7990 bps	-1100 bps	-1750 bps
All other <sup>(a)</sup>	103.4%	18.7%	27.5%	24.6%	57.2%	90.9%	33.3%	51.9%	50.5%	52.4%	59.7%	4630 bps	8470 bps	-730 bps
Total	73.4%	63.9%	51.8%	52.9%	91.7%	74.0%	51.9%	68.9%	60.8%	63.8%	74.4%	-1830 bps	960 bps	-1060 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.