

NI Holdings, Inc.

NI Holdings, Inc. (NODK)
Financial Supplement as of September 30, 2018

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 SEPTEMBER 30, 2018**

INDEX TO SUPPLEMENT

SUMMARY FINANCIAL HIGHLIGHTS

Pages:

3 - 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 and Selected Data
(Unaudited)

(\$ in thousands)	2018			2017				Twelve Months		Nine Months		3Q18 - 3Q17 % Change	3Q18 - 2Q18 % Change	9M18 - 9M17 % Change
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2017	2016	2018	2017			
Revenues:														
Net premiums earned	\$ 54,136	\$ 50,677	\$ 36,112	\$ 48,477	\$ 52,525	\$ 45,653	\$ 32,809	\$ 179,464	\$ 152,756	\$ 140,925	\$ 130,987	3.1%	6.8%	7.6%
Fee and other income	5,175	470	377	228	752	321	347	1,648	1,666	6,022	1,420	588.2%	1001.1%	324.1%
Net investment income	1,629	1,523	1,369	1,325	1,404	1,303	999	5,031	3,644	4,521	3,706	16.0%	7.0%	22.0%
Net realized capital gain on investments	3,160	250	469	157	1,885	339	616	2,997	5,681	3,879	2,840	67.6%	1164.0%	36.6%
	<u>64,100</u>	<u>52,920</u>	<u>38,327</u>	<u>50,187</u>	<u>56,566</u>	<u>47,616</u>	<u>34,771</u>	<u>189,140</u>	<u>163,747</u>	<u>155,347</u>	<u>138,953</u>	13.3%	21.1%	11.8%
Expenses:														
Losses and loss adjustment expenses	37,456	40,721	18,849	19,161	49,599	36,230	17,721	122,711	118,508	97,026	103,550	-24.5%	-8.0%	-6.3%
Underwriting and general expenses ⁽¹⁾	14,738	11,802	11,877	12,887	10,092	11,425	10,019	44,423	39,122	38,417	31,536	46.0%	24.9%	21.8%
	<u>52,194</u>	<u>52,523</u>	<u>30,726</u>	<u>32,048</u>	<u>59,691</u>	<u>47,655</u>	<u>27,740</u>	<u>167,134</u>	<u>157,630</u>	<u>135,443</u>	<u>135,086</u>	-12.6%	-0.6%	0.3%
Income (loss) before income taxes	11,906	397	7,601	18,139	(3,125)	(39)	7,031	22,006	6,117	19,904	3,867	481.0%	2899.0%	414.7%
Income taxes	2,029	141	1,449	4,700	(432)	(156)	2,282	6,394	1,479	3,619	1,694	569.7%	1339.0%	113.6%
Net income (loss)	<u>9,877</u>	<u>256</u>	<u>6,152</u>	<u>13,439</u>	<u>(2,693)</u>	<u>117</u>	<u>4,749</u>	<u>15,612</u>	<u>4,638</u>	<u>16,285</u>	<u>2,173</u>	466.8%	3758.2%	649.4%
Net income (loss) attributable to non-controlling interest	33	30	30	(467)	40	(12)	60	(379)	87	93	88	-17.5%	10.0%	5.7%
Net income (loss) attributable to NI Holdings, Inc.	<u>\$ 9,844</u>	<u>\$ 226</u>	<u>\$ 6,122</u>	<u>\$ 13,906</u>	<u>\$ (2,733)</u>	<u>\$ 129</u>	<u>\$ 4,689</u>	<u>\$ 15,991</u>	<u>\$ 4,551</u>	<u>\$ 16,192</u>	<u>\$ 2,085</u>	460.2%	4255.8%	676.6%
Loss and LAE ratio ⁽²⁾	69.2%	80.4%	52.2%	39.5%	94.4%	79.4%	54.0%	68.4%	77.6%	68.8%	79.1%	-2520 bps	-1120 bps	-1030 bps
Expense ratio ⁽³⁾	27.2%	23.3%	32.9%	26.6%	19.2%	25.0%	30.5%	24.8%	25.6%	27.3%	24.1%	800 bps	390 bps	320 bps
Combined ratio ⁽⁴⁾	96.4%	103.6%	85.1%	66.1%	113.6%	104.4%	84.5%	93.1%	103.2%	96.1%	103.1%	-1720 bps	-720 bps	-700 bps
Effective Tax Rate	17.0%	35.5%	19.1%	25.9%	13.8%	400.0%	32.5%	29.1%	24.2%	18.2%	43.8%			-2560 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.

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

(\$ in thousands)	2018			2017			Twelve Months		Nine Months		3Q18 - 3Q17 % Change	3Q18 - 2Q18 % Change	9M18 - 9M17 % Change	
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	2017	2016	2018				2017
Direct premiums written by state:														
North Dakota	\$ 26,778	\$ 66,661	\$ 25,163	\$ 23,616	\$ 26,490	\$ 63,568	\$ 25,276	\$ 138,950	\$ 135,133	\$ 118,602	\$ 115,334	1.1%	-59.8%	2.8%
Nebraska	9,466	10,565	8,760	8,253	8,345	9,459	7,301	33,358	26,302	28,791	25,105	13.4%	-10.4%	14.7%
Illinois	3,765	-	-	-	-	-	-	-	-	3,765	-	N/A	N/A	N/A
South Dakota	3,572	3,255	2,660	1,870	2,556	2,120	1,681	8,227	5,814	9,487	6,357	39.7%	9.7%	49.2%
Nevada	2,378	2,318	1,905	963	2,193	1,616	1,618	6,390	7,086	6,601	5,427	8.4%	2.6%	21.6%
Minnesota	(218)	5,147	58	141	(642)	6,353	93	5,945	5,076	4,987	5,804	66.0%	-104.2%	-14.1%
Arizona	479	634	728	1,339	63	554	412	2,368	1,459	1,841	1,029	660.3%	-24.4%	78.9%
	<u>\$ 46,220</u>	<u>\$ 88,580</u>	<u>\$ 39,274</u>	<u>\$ 36,182</u>	<u>\$ 39,005</u>	<u>\$ 83,670</u>	<u>\$ 36,381</u>	<u>\$ 195,238</u>	<u>\$ 180,870</u>	<u>\$ 174,074</u>	<u>\$ 159,056</u>	18.5%	-47.8%	9.4%
Direct premiums written by segment:														
Private passenger auto	\$ 15,834	\$ 18,007	\$ 16,517	\$ 15,377	\$ 14,365	\$ 16,171	\$ 14,834	\$ 60,747	\$ 53,156	\$ 50,358	\$ 45,370	10.2%	-12.1%	11.0%
Non-standard auto	7,108	3,355	3,210	2,737	2,855	2,597	2,646	10,835	10,800	13,673	8,098	149.0%	111.9%	68.8%
Home and farm	17,268	21,187	17,457	16,332	15,445	18,958	15,880	66,615	60,448	55,912	50,283	11.8%	-18.5%	11.2%
Crop	4,051	43,421	-	(87)	4,543	43,530	1,026	49,012	48,876	47,472	49,099	-10.8%	-90.7%	-3.3%
All other ^(a)	1,959	2,610	2,090	1,823	1,797	2,414	1,995	8,029	7,590	6,659	6,206	9.0%	-24.9%	7.3%
Total	<u>\$ 46,220</u>	<u>\$ 88,580</u>	<u>\$ 39,274</u>	<u>\$ 36,182</u>	<u>\$ 39,005</u>	<u>\$ 83,670</u>	<u>\$ 36,381</u>	<u>\$ 195,238</u>	<u>\$ 180,870</u>	<u>\$ 174,074</u>	<u>\$ 159,056</u>	18.5%	-47.8%	9.4%
Net premiums earned by segment:														
Private passenger auto	\$ 15,892	\$ 15,310	\$ 14,825	\$ 14,939	\$ 14,275	\$ 13,520	\$ 12,644	\$ 55,378	\$ 48,250	\$ 46,027	\$ 40,439	11.3%	3.8%	13.8%
Non-standard auto	7,052	3,476	2,991	2,746	2,663	2,590	2,531	10,530	10,671	13,519	7,784	164.8%	102.9%	73.7%
Home and farm	16,237	15,621	15,118	15,777	14,909	14,071	13,638	58,395	50,243	46,976	42,618	8.9%	3.9%	10.2%
Crop	11,960	13,441	101	12,156	17,756	12,814	1,100	43,826	33,163	25,502	31,670	-32.6%	-11.0%	-19.5%
All other ^(a)	2,995	2,829	3,077	2,859	2,922	2,658	2,896	11,335	10,429	8,901	8,476	2.5%	5.9%	5.0%
Total	<u>\$ 54,136</u>	<u>\$ 50,677</u>	<u>\$ 36,112</u>	<u>\$ 48,477</u>	<u>\$ 52,525</u>	<u>\$ 45,653</u>	<u>\$ 32,809</u>	<u>\$ 179,464</u>	<u>\$ 152,756</u>	<u>\$ 140,925</u>	<u>\$ 130,987</u>	3.1%	6.8%	7.6%
Losses and loss adjustment expenses by segment:														
Private passenger auto	\$ 11,904	\$ 11,175	\$ 10,122	\$ 6,560	\$ 10,471	\$ 7,733	\$ 9,987	\$ 34,751	\$ 37,892	\$ 33,201	\$ 28,191	13.7%	6.5%	17.8%
Non-standard auto	4,387	2,973	1,964	2,406	1,564	2,347	2,373	8,690	9,965	9,324	6,284	180.5%	47.6%	48.4%
Home and farm	16,370	16,527	5,322	5,637	15,069	14,571	4,432	39,709	44,004	38,219	34,072	8.6%	-0.9%	12.2%
Crop	3,515	9,007	315	2,735	18,213	10,914	580	32,442	19,369	12,837	29,707	-80.7%	-61.0%	-56.8%
All other ^(a)	1,280	1,039	1,126	1,823	4,282	665	349	7,119	7,278	3,445	5,296	-70.1%	23.2%	-35.0%
Total	<u>\$ 37,456</u>	<u>\$ 40,721</u>	<u>\$ 18,849</u>	<u>\$ 19,161</u>	<u>\$ 49,599</u>	<u>\$ 36,230</u>	<u>\$ 17,721</u>	<u>\$ 122,711</u>	<u>\$ 118,508</u>	<u>\$ 97,026</u>	<u>\$ 103,550</u>	-24.5%	-8.0%	-6.3%
Loss and LAE ratios by segment: ⁽²⁾														
Private passenger auto	74.9%	73.0%	68.3%	43.9%	73.4%	57.2%	79.0%	62.8%	78.5%	72.1%	69.7%	160 bps	190 bps	240 bps
Non-standard auto	62.2%	85.5%	65.7%	87.6%	58.7%	90.6%	93.8%	82.5%	93.4%	69.0%	80.7%	350 bps	-2330 bps	-1180 bps
Home and farm	100.8%	105.8%	35.2%	35.7%	101.1%	103.6%	32.5%	68.0%	87.6%	81.4%	79.9%	-30 bps	-500 bps	140 bps
Crop	29.4%	67.0%	311.9%	22.5%	102.6%	85.2%	52.7%	74.0%	58.4%	50.3%	93.8%	-7320 bps	-3760 bps	-4350 bps
All other ^(a)	42.7%	36.7%	36.6%	63.8%	146.5%	25.0%	12.1%	62.8%	69.8%	38.7%	62.5%	-10380 bps	600 bps	-2380 bps
Total	<u>69.2%</u>	<u>80.4%</u>	<u>52.2%</u>	<u>39.5%</u>	<u>94.4%</u>	<u>79.4%</u>	<u>54.0%</u>	<u>68.4%</u>	<u>77.6%</u>	<u>68.8%</u>	<u>79.1%</u>	<u>-2520 bps</u>	<u>-1120 bps</u>	<u>-1020 bps</u>

Notes:

(2) The loss and LAE ratio equals losses and loss adjustment 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.