

SECOND QUARTER 2016
INVESTOR CONFERENCE CALL

August 12, 2016

CNFR
Nasdaq Listed



Conifer
Holdings
Inc.

SAFE HARBOR STATEMENT



This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, margins, profitability, future efficiencies, and other financial and operating information. When used in this discussion, the words “may,” “believes,” “intends,” “seeks,” “anticipates,” “plans,” “estimates,” “expects,” “should,” “assumes,” “continues,” “potential,” “could,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements.

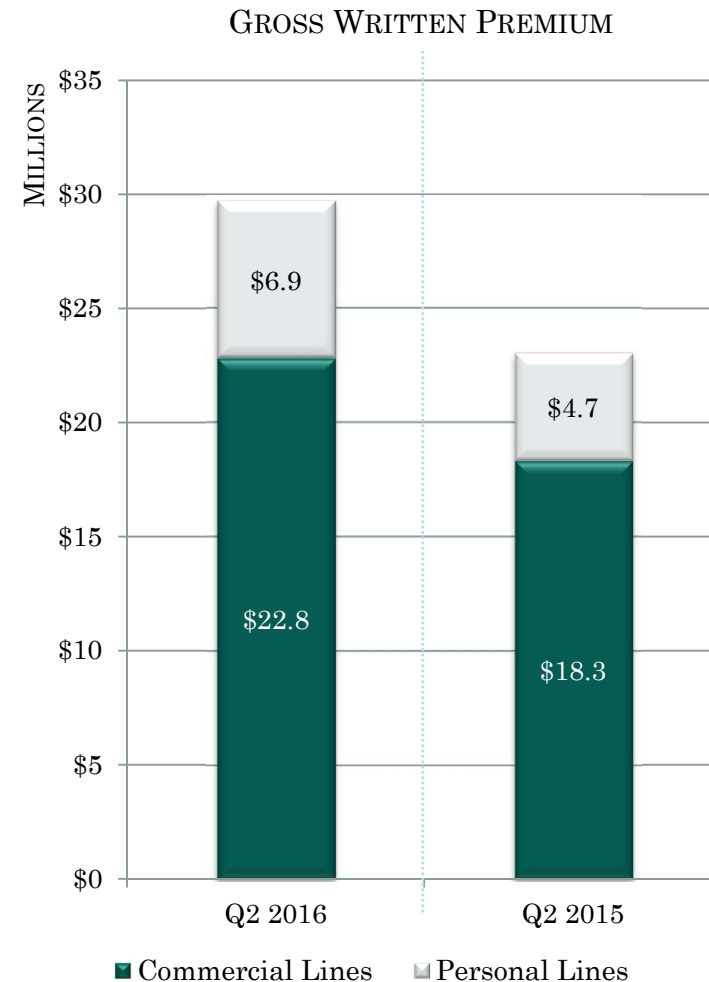
Forward-looking statements involve known and unknown risks, uncertainties, inherent risks and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. Our actual future results may be materially different from what we expect due to factors largely outside our control, including the occurrence of severe weather conditions and other catastrophes, the cyclical nature of the insurance industry, future actions by regulators, our ability to obtain reinsurance coverage at reasonable rates and the effects of competition. These and other risks and uncertainties associated with our business are described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015, which should be read in conjunction with this presentation. The company and subsidiaries operate in a dynamic business environment, and therefore the risks identified are not meant to be exhaustive. Risk factors change and new risks emerge frequently. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

RESULTS OVERVIEW: Q2 2016

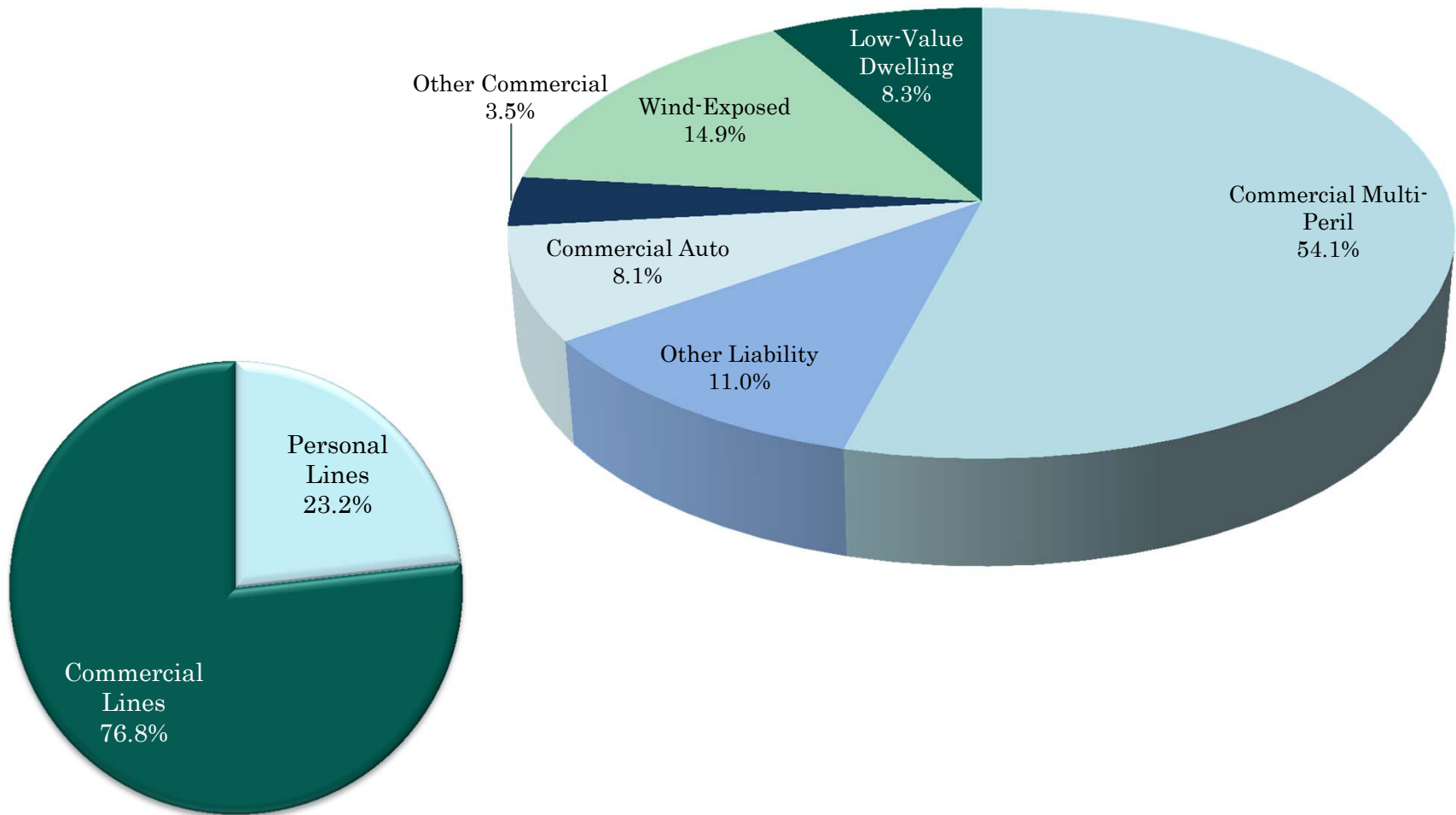


Significant top line growth:

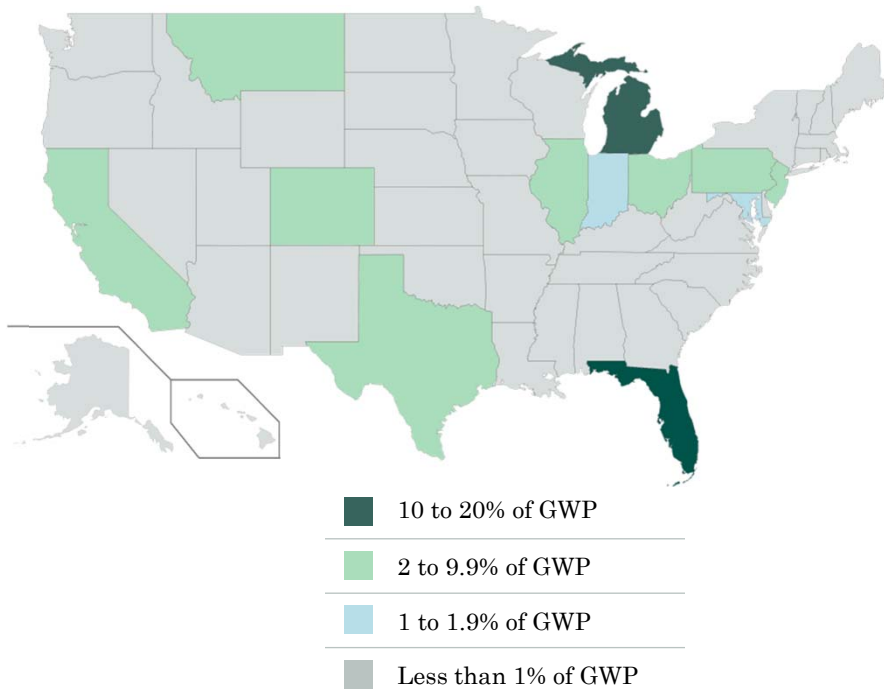
- Total gross written premium was \$29.7 million for Q2 2016
 - Up 28.9% over the same period in 2015
 - Net earned premium was up 43.4% for the same period
- Factors driving premium growth include:
 - Strong commercial lines experience in hospitality & small business accounts, particularly in commercial multi-peril and workers' compensation lines
 - Personal lines focus on low-value dwellings and wind-exposed homeowners
- Active claims management
 - Select reserve strengthening in the quarter (added roughly 6 points to the loss ratio)
 - Still generated a loss ratio of 61.7% in Q2 2016
- Expense ratio showing improvement
 - Sequential quarterly reduction
 - 180 basis point improvement over Q1 2016
 - 600 basis point improvement over Q4 2015
 - Expect continued downward trend as earned premiums ramp up
- Book Value of \$10.03 per share, or \$76.2 million, of shareholders' equity



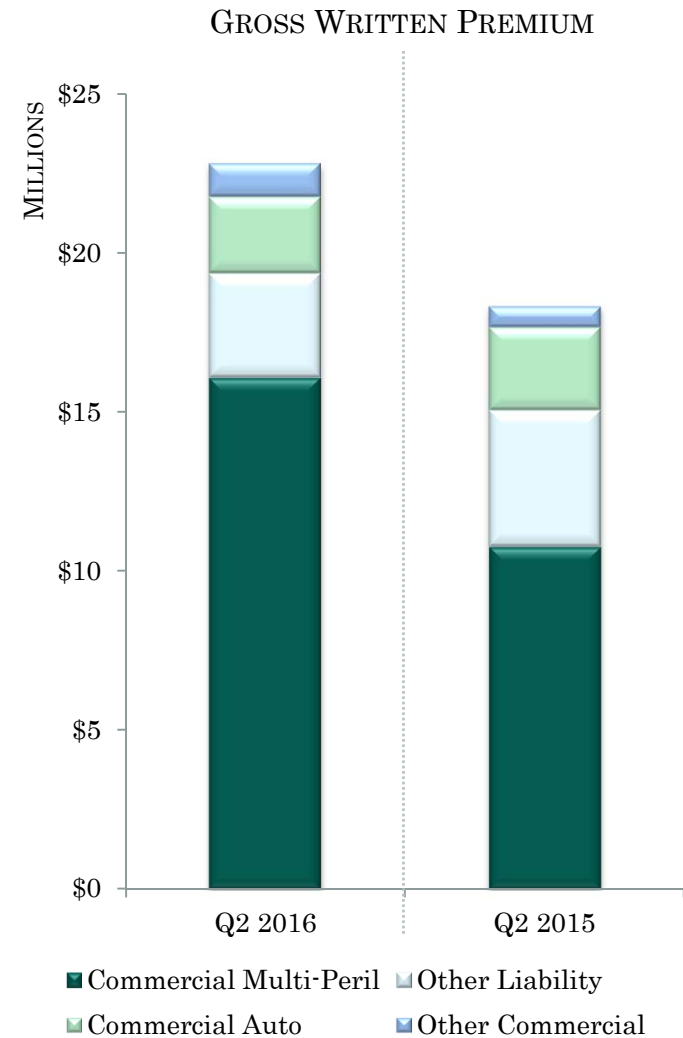
BUSINESS MIX



COMMERCIAL LINES OVERVIEW



- Seek leading position in niche markets we write
- 24.5% growth in commercial gross written premium to \$22.8 million for the second quarter of 2016
- Commercial multi-peril and other liability lines grew together by 29.0% for the second quarter of 2016
- Writing commercial lines in all 50 states



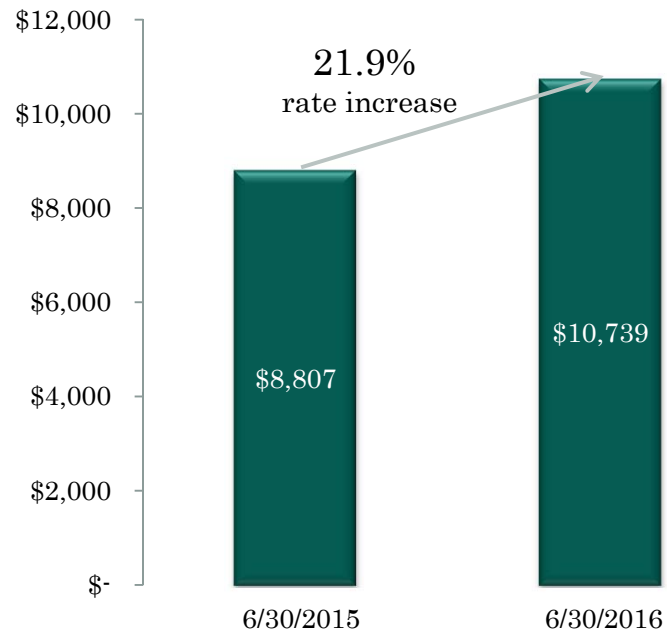
REPOSSESSION & TOWING COMMERCIAL AUTO: Q2 2016



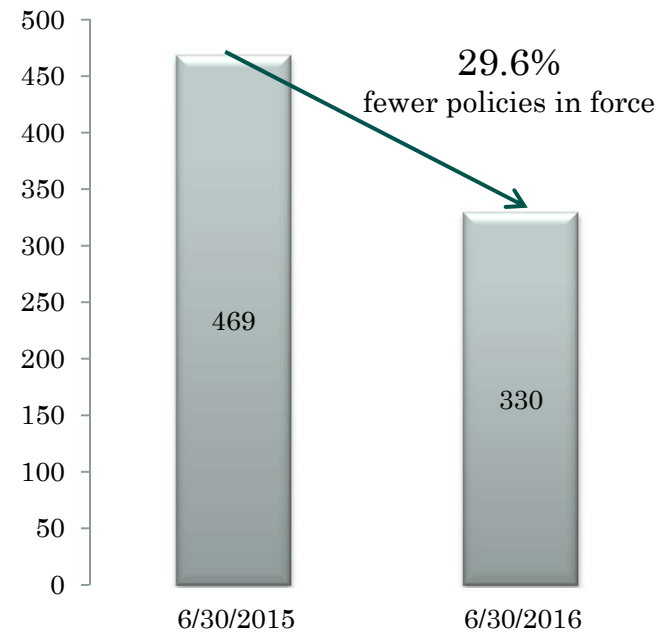
UNDERWRITING ENHANCEMENTS & POLICIES IN FORCE REDUCTION

- Increased rates an average of 22% and case reserves up 38% in 2016
- Curtailed new business in select geographies
- Focus on smaller operators (1-3 vehicles)
- Total repo policies in force down almost 30%

AVERAGE PREMIUM PER POLICY



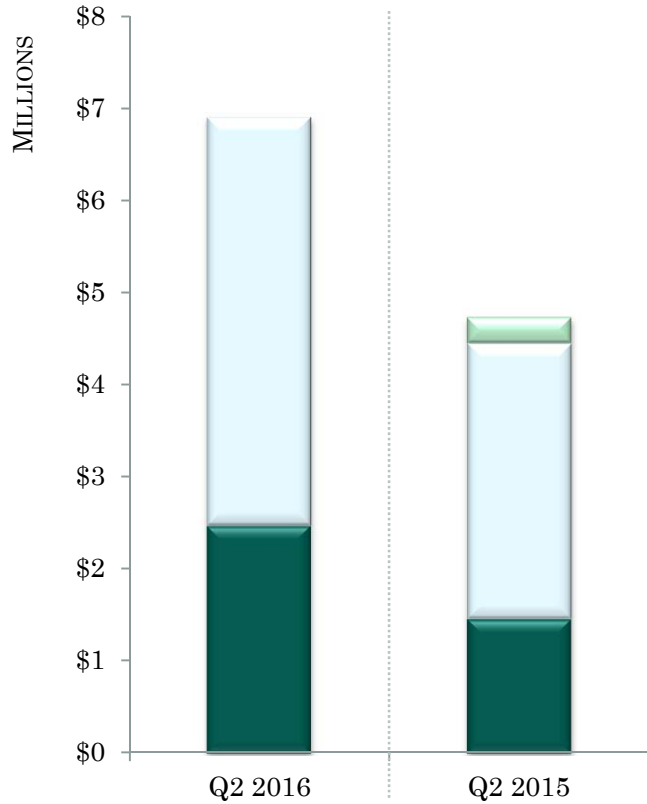
POLICIES IN FORCE



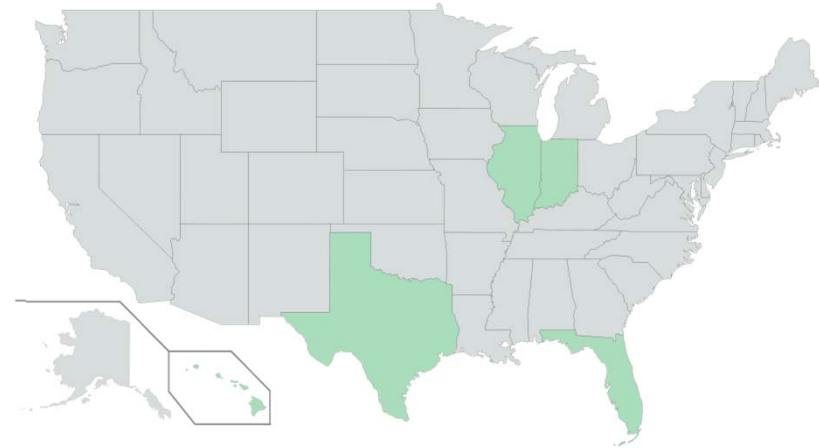
PERSONAL LINES: LOW-VALUE DWELLING & WIND-EXPOSED HOMEOWNERS



GROSS WRITTEN PREMIUM



■ Wind-Exposed ■ Low-Value Dwelling ■ Personal Auto (run-off)



GROSS WRITTEN PREMIUM \$ in thousands	Q2 2016 Top Five States	
Texas	\$ 2,707	39.2%
Florida	2,045	29.6%
Hawaii	987	14.3%
Indiana	849	12.3%
Illinois	202	3.0%
All Other	114	1.6%
Total	\$ 6,904	100.0%

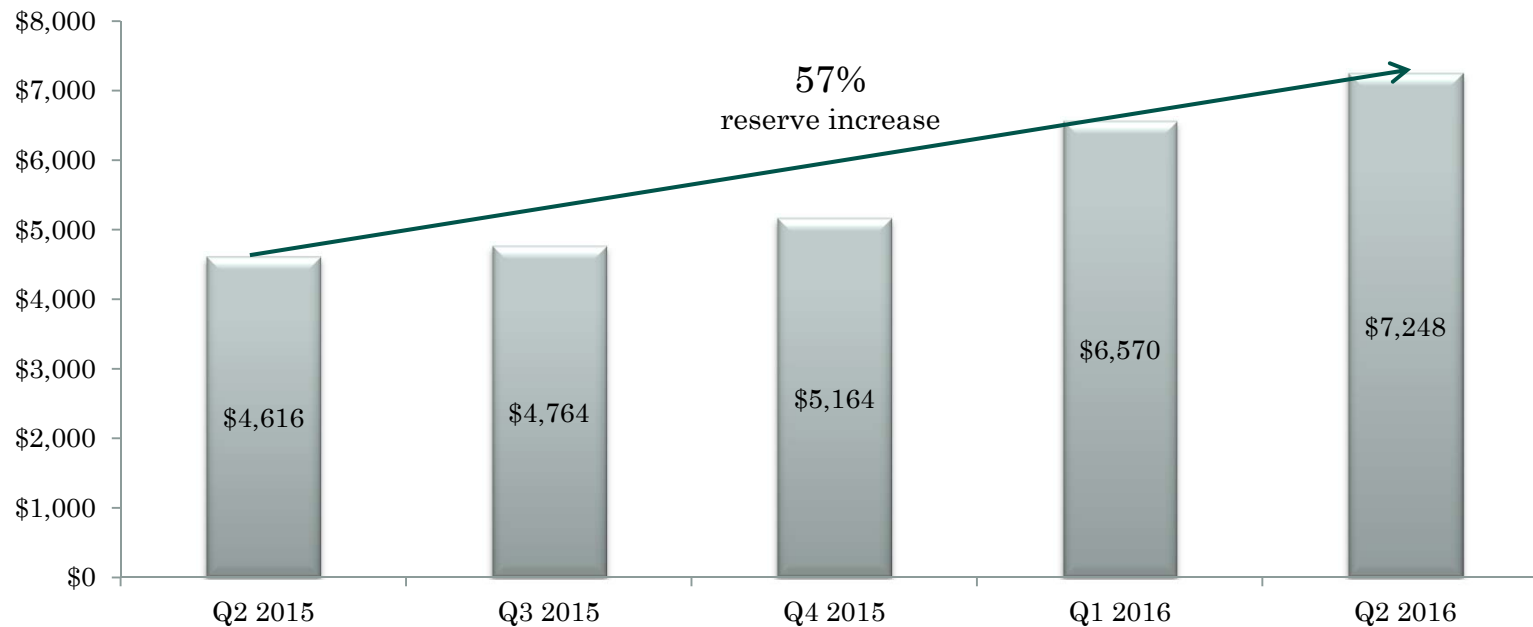
- Gross written premium was up 45.9% during the second quarter
- Increase in wind-exposed homeowners focusing on coastal exposures in Hawaii, Texas and Florida
- Low-value dwelling ramp up primarily in southern states, such as Texas and northern Louisiana



CLAIMS ENHANCEMENTS & INCREASED CASE RESERVES

- Added experienced claims staff - Florida based property managers and adjusters
- Implemented improved policy wording previously adopted by Citizens
- Increased average case reserves by 57% since second quarter 2015

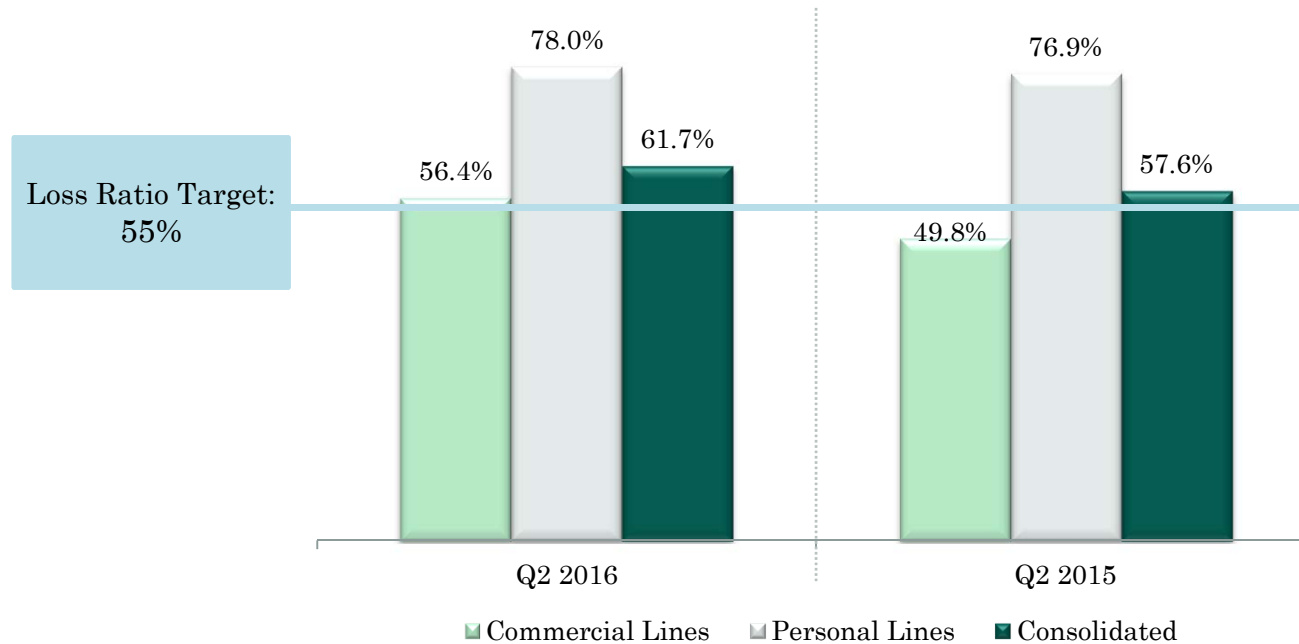
AVERAGE FLORIDA HOMEOWNERS CASE RESERVE





SHIFTING BUSINESS MIX TO IMPROVE PROFITABILITY

- Reserve strengthening impact: added 6 percentage points to Q2 2016 loss ratio (55.7% without impact)
 - 3.2 percentage points from Florida homeowners
 - 2.8 percentage points from commercial auto
- Even with full impact of above, loss ratio was 61.7% for Q2 2016





Q2 2016 INCOME STATEMENT

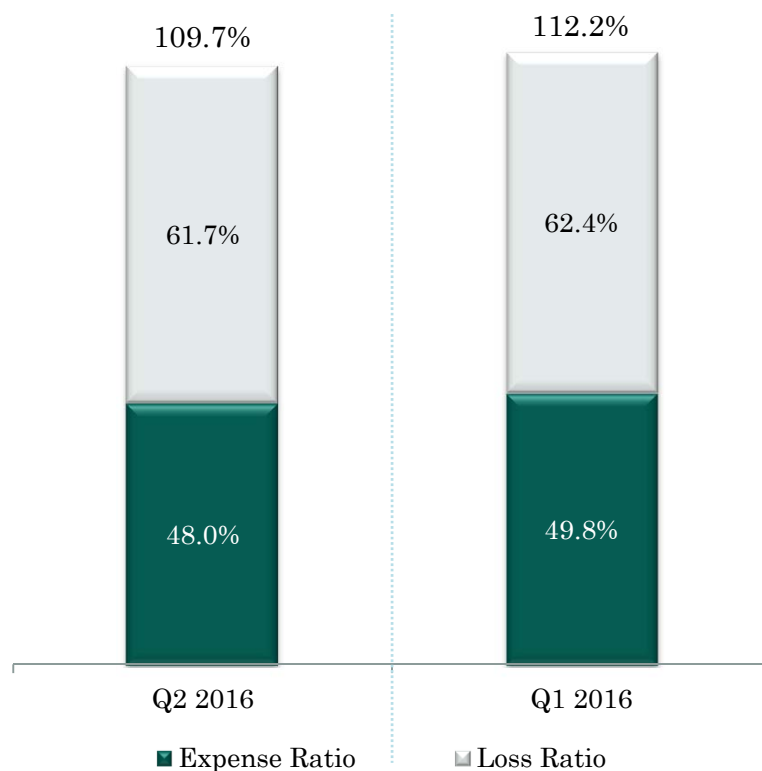
- Increased production in hospitality, small commercial, security services and select homeowners lines of business
- 2015 investments in experienced underwriting teams are driving organic growth
- Operating loss of \$0.14 per diluted share for Q2 2016
- \$10.03 per share, or \$76.0 million, of shareholders' equity

(\$ in thousands, except per share data and ratios)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015
Gross Written Premium	\$29,725	\$23,059
Net Written Premium	26,175	15,942
Net Earned Premium	21,675	15,115
Net Income (Loss)	(513)	630
Net Income (Loss) Allocable to Common Shareholders	(513)	366
EPS, Basic and Diluted	(0.07)	0.09
Operating Income (Loss)	(1,054)	279
Operating Income (Loss) per share	(0.14)	0.07



COMBINED RATIO REFLECTS CLAIMS MANAGEMENT/IMPROVED EXPENSE RATIO

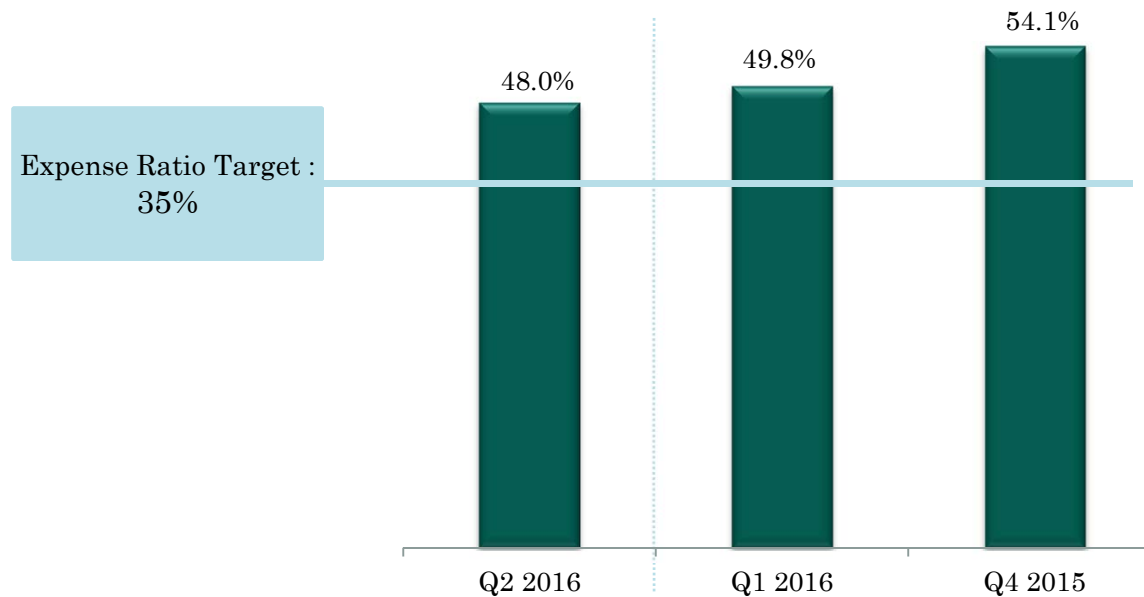
- Reserve strengthening added 6 points to the combined ratio in the second quarter
- Enhanced mix of business and premium growth will help drive combined ratio improvement
 - 76.8% commercial business with continuing solid loss ratios
 - Commercial lines loss ratio of 56.4% in the second quarter





EXPENSE RATIO: TRENDING DOWNWARD

- Total expense ratio of 48.0% in the Q2 2016 – versus 49.8% in Q1 2016
- Sequential expense ratio improvement quarter to quarter – 180 basis points
- Factors driving expense ratio:
 - Added experienced underwriting teams in 2015 – for both commercial and personal lines
 - Quota share reinsurance impact compared to second quarter 2015
 - Additional infrastructure associated with being a public company
- Expect continuing downward trend as earned premiums grow quarter to quarter



LOSS RESERVES: RESERVING PHILOSOPHY



- Conservative reserving practices
 - Based on experience and industry-standard actuarial methods
 - Consistent favorable reserve development for each of the years 2010 to 2014
- The table below represents the prior year reserve development from 2011 to date by entity. Adverse development in 2016 is mostly due to greater than expected claim frequency and severity in our commercial auto and Florida homeowners lines of business:

TOTAL RESERVE REDUNDANCY							
\$ in thousands							
(Favorable) / Unfavorable Development Reported in:							
COMPANY SUBSIDIARIES	2011	2012	2013	2014	2015	YTD 2016	Total
CIC	(151)	(1,615)	(1,521)	(61)	1,633	1,406	(309)
WPIC	(2,579)	(3,852)	(3,639)	(367)	(345)	(121)	(10,903)
ACIC	-	-	-	(723)	417	1,904	1,598
CHI	(2,223)	(4,356)	(5,021)	(1,193)	1,458	3,094	(8,241)
CONSOLIDATED							

CONSERVATIVE INVESTMENT STRATEGY

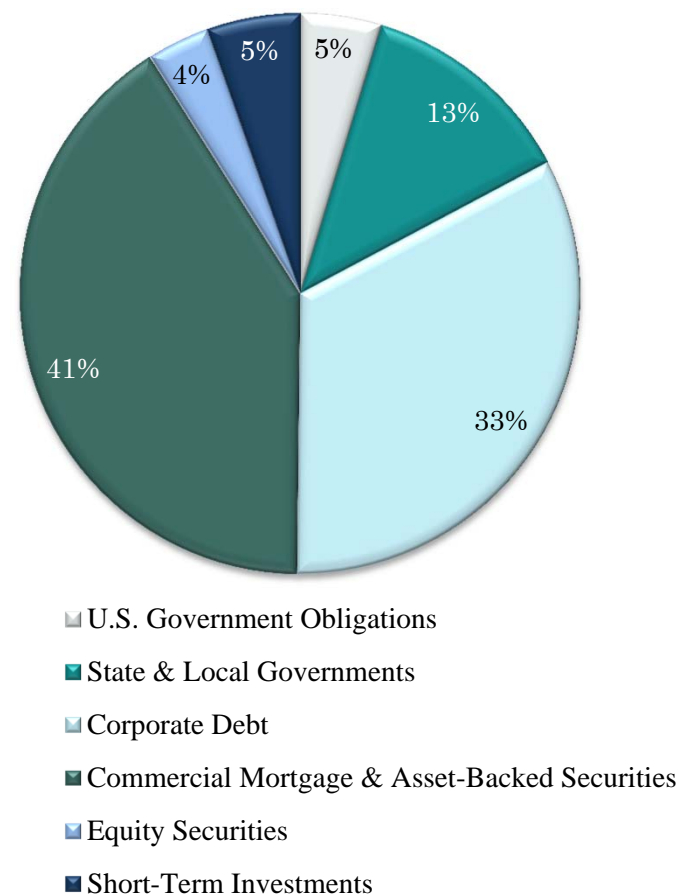


- Investment philosophy is to maintain a highly liquid portfolio of investment-grade fixed income securities
- Total cash & investment securities of \$147M at June 30, 2016:
 - Average duration to worst: 3.1 years
 - Average tax-equivalent yield: ~2%
 - Average credit quality: AA

FIXED INCOME PORTFOLIO CREDIT RATING

\$ in thousands	June 30, 2016	
	Fair Value	% of Total
AAA	\$ 28,117	25%
AA	51,736	46%
A	17,995	16%
BBB	14,621	13%
TOTAL FIXED INCOME INVESTMENTS	\$ 112,469	100%

PORTFOLIO ALLOCATION





**Conifer
Holdings
Inc.**

APPENDIX



**Conifer
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SUMMARY FINANCIAL STATEMENTS: INCOME STATEMENT



OPERATING RESULTS	Three Months Ended June 30,	
	2016	2015
\$ in thousands, except per share data		
Gross Written Premiums	\$ 29,725	\$ 23,059
Ceded Written Premiums	(3,549)	(7,117)
Net Written Premiums	\$ 26,176	\$ 15,942
Net Earned Premiums	21,675	15,115
Net investment income	528	469
Net realized investment gains	541	87
Other income	283	480
Total revenue	23,027	16,151
Losses and loss adjustment expenses, net	13,541	8,976
Policy acquisition costs	6,014	2,639
Operating expenses	4,536	3,619
Interest expense	143	239
Total expenses	24,234	15,473
Income (loss) before equity earnings and income taxes	(1,207)	678
Equity earnings (losses) of affiliates, net of tax	71	-
Income tax (benefit) expense	(623)	48
Net income (loss)	(513)	630
Less net (loss) income attributable to noncontrolling interest	-	51
Net income (loss) attributable to Conifer	\$ (513)	\$ 579
Net income (loss) allocable to common shareholders	\$ (513)	\$ 366
Earnings (loss) per common share, basic and diluted	\$ (0.07)	\$ 0.09
Weighted average common shares outstanding, basic and diluted	7,594,862	4,050,042

FINANCIAL RESULTS: CHI CONSOLIDATED BALANCE SHEET



SUMMARY BALANCE SHEET		
\$ in thousands	June 30, 2016	December 31, 2015
Cash and invested assets	\$ 147,382	\$ 130,427
Reinsurance recoverables	8,099	7,044
Goodwill and intangible assets	1,417	1,427
Total assets	\$ 200,062	\$ 177,927
Unpaid losses and loss adjustment expenses	41,382	35,422
Unearned premiums	54,230	47,916
Senior debt	14,750	12,750
Total Liabilities	\$ 124,061	\$ 100,665
Total Shareholders' Equity	\$76,001	\$ 77,262

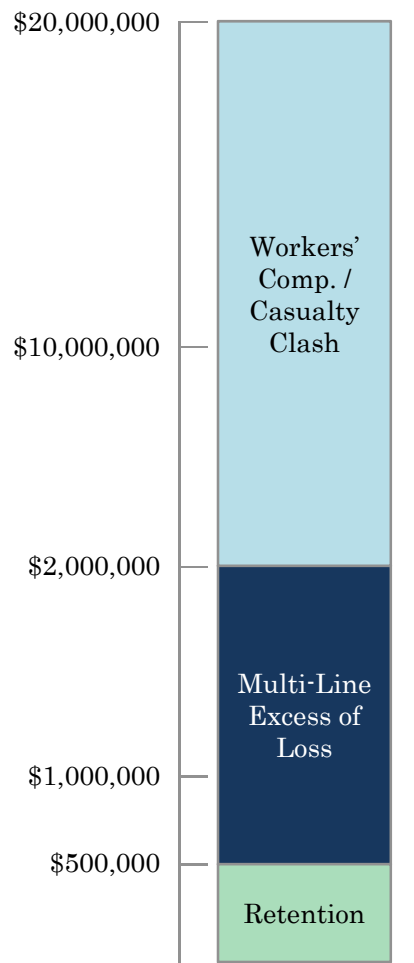


REINSURANCE: PRUDENT RISK MANAGEMENT TO PROTECT CAPITAL

- Retain first \$500,000 of each specific loss/risk
 - Reinsurance coverage in excess of \$500,000 up to policy limits
- Catastrophe (CAT) reinsurance program provides \$165M of protection
 - All providers are rated minimum A-
 - Corresponds to the estimated 1-in-200 year probable maximum loss (PML)
 - Net retention of \$5M for first event
 - Following reinstatement, net retention of \$1M for each of the next two subsequent events
- Equipment Breakdown Reinsurance Treaty
 - 100% Quota Share through Hartford Steam Boiler (A+)
 - \$25M in coverage

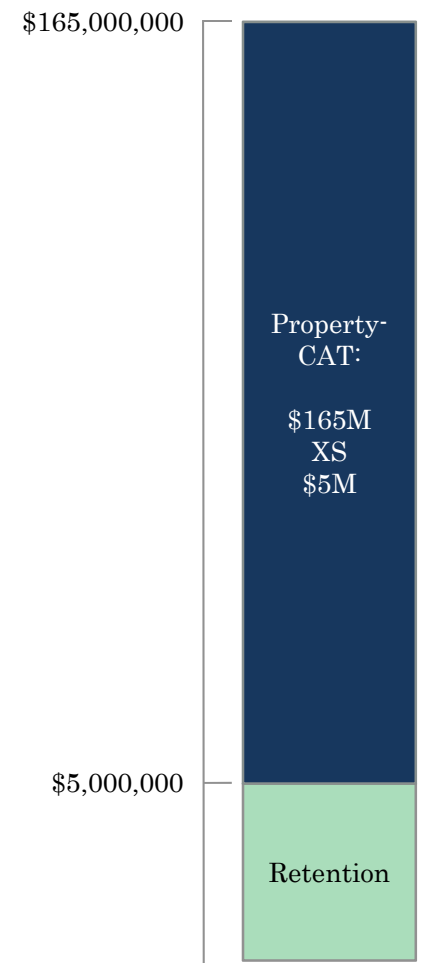
CIC / WPIC

Specific Loss Reinsurance Treaties
Effective 01/01/2016 to 01/01/2017



CIC / WPIC / ACIC

Property-CAT Reinsurance Treaties
All layers 06/01/2016 to 06/01/2017

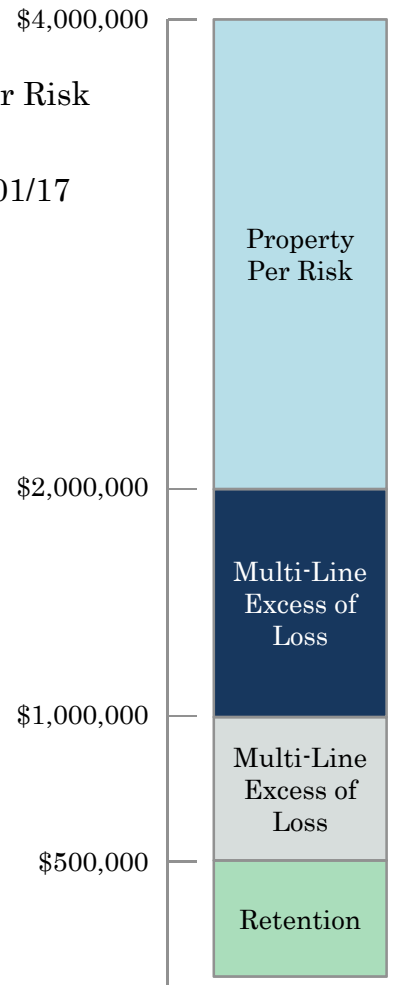


REINSURANCE: PRUDENT RISK MANAGEMENT TO PROTECT CAPITAL



Commercial Property Per Risk Reinsurance Treaty

Effective 07/01/16 to 07/01/17



Homeowners Property Per Risk Reinsurance Treaty

Effective 11/01/14 to 01/01/17



ORGANIZATION STRUCTURE: CORPORATE OVERVIEW

