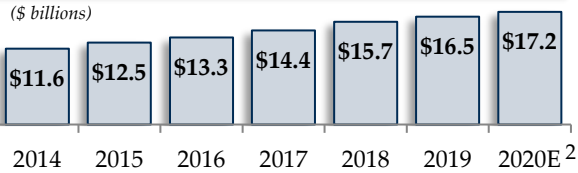


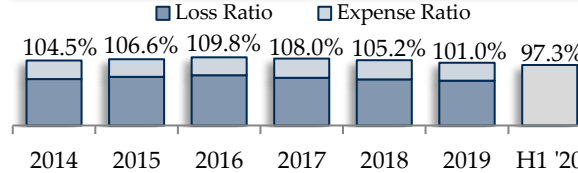
Non-Standard Auto (“NSA”) Market Update

NSA Direct Premiums Written Increase¹



6.8% CAGR since 2014 highlights the strong underlying demographics of the sector and a robust economic environment.

NSA Average Combined Ratios Improve¹



12.5% Decline since 2016, with more sophisticated underwriting and lower claims frequency during COVID-19.

NSA Industry Consolidation Continues

\$370 Million

Purchase of American Access was Kemper’s third NSA insurer acquisition since 2014.

\$400 Million

Acquisition of GAINSCO was State Farm’s first purchase of a carrier in its 98-year history.

Non-Standard Auto Precedent Transactions

(\$ millions)

Announce Date	Acquirer	Target	Deal Value	Target Financials ³			Deal Value/	Deal Value/	Deal Value/
				Equity	Earnings	NPW	Equity	Earnings	NPW
11/23/20	Kemper Corporation (NYSE: KMPR)	American Access Casualty Company	\$370.0	\$159.0	\$34.8	\$359.0	2.3x	10.6x	1.0x
09/17/20	State Farm Mutual Automobile Ins Co	GAINSCO, Inc. (OTCPK: GANS)	400.0	112.4	(29.7)	336.1	3.6x	13.5x	1.2x
07/07/20	The Allstate Corp. (NYSE: ALL)	National General Hldgs Corp (NASDAQ: NGHC)	3,967.9 ⁴	2,221.5	342.7	4,229.1	1.8x	11.6x	0.9x
07/16/18	Premier Holdings, LLC	Mendota Insurance Company	28.6	26.2	(15.4)	127.0	1.1x	NM	0.2x
05/31/18	NI Holdings, Inc. (NASDAQ: NODK)	Direct Auto Insurance Company	17.0	12.3	0.2	41.2	1.4x	NM	0.4x
02/13/18	Kemper Corporation (NYSE:KMPR)	Infinity Property & Casualty Corp (NASDAQ: IPCC)	1,559.5	715.8	44.7	1,386.9	2.2x	NM ⁵	1.1x
06/24/16	National General Hldgs Corp (NASDAQ: NGHC)	Elara Holdings, Inc. (Direct General Corp.)	161.6	166.6	9.2	464.2	1.0x	17.6x	0.3x
01/27/16	National General Hldgs Corp (NASDAQ: NGHC)	Standard Mutual Insurance Company	27.6	20.1	(0.6)	43.5	1.4x	NM	0.6x
12/11/14	Kemper Corporation (NYSE: KMPR)	Alliance United Group	70.3	48.4	(0.5)	193.6	1.5x	NM	0.4x
05/28/14	Motorists Mutual Insurance Company	Consumers Insurance Group	32.1	17.8	(1.9)	36.1	1.8x	NM	0.9x

55% Higher average Deal Value/Equity multiple in 2020 versus 2014, as the NSA market experiences peak valuations.

	Median	1.6x	12.5x	0.8x
Mean	1.8x	13.3x	0.7x	

Sherman & Company Non-Standard Auto Experience

<p>\$400.0 Million</p> <p>has acquired</p> <p>Sell-Side Advisor</p>	<p>\$70.0 Million</p> <p>has acquired</p> <p>Sell-Side Advisor</p>	<p>\$32.1 Million</p> <p>has acquired</p> <p>Sell-Side Advisor</p>	<p>Undisclosed</p> <p>has acquired</p> <p>Sell-Side Advisor</p>	<p>Undisclosed</p> <p>has divested</p> <p>Financial Advisor to the Board of Directors Kingsway Financial</p>	<p>\$50.7 Million</p> <p>has acquired</p> <p>Sell-Side Advisor</p>
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Sherman & Company is an investment banking firm dedicated to the convergence of the insurance, healthcare, technology, and asset management industries.

This document is for informational purposes only and does not constitute an offering. Sources: Sherman & Company, S&P MI, A.M. Best. 1. Includes composite of 130 NSA companies per A.M. Best’s NSA Market Segment Report. 2. 2020E is AM Best NSA composite’s H1 2020 annualized results. 3. SAP figures except for listed targets and American Access, which are GAAP. LTM results are last reported from announce date. 4. Excludes \$1.1bn of assumed preferred stock and debt. 5. Excluded due to impact of extraneous cat losses from hurricanes Harvey and Irma on 2018 earnings.

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